



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

August 2, 2012

H.R. 4057

A bill to amend title 38, United States Code, to direct the Secretary of Veterans Affairs to develop a comprehensive policy to improve outreach and transparency to veterans and members of the Armed Forces through the provision of information on institutions of higher learning, and for other purposes

*As ordered reported by the House Committee on Veterans' Affairs
on July 11, 2012*

SUMMARY

H.R. 4057 would require the Department of Veterans Affairs (VA) to provide information on educational institutions to veterans and servicemembers, establish a registry to track servicemembers who may have been exposed to toxic chemicals caused by open burn pits, and make other changes to programs that provide services to veterans. The bill also would limit the amount of performance awards VA may pay to senior staff.

On net, CBO estimates that implementing H.R. 4057 would reduce discretionary costs by \$1 million over the 2013-2017 period, assuming appropriation actions consistent with the bill. Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

H.R. 4057 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4057 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

	By Fiscal Year, in Millions of Dollars					2013-
	2013	2014	2015	2016	2017	2017
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Performance Awards for Senior Executive Staff						
Estimated Authorization Level	-3	-3	-3	-3	-3	-13
Estimated Outlays	-3	-3	-3	-3	-3	-13
Education Information for Veterans						
Estimated Authorization Level	4	1	1	1	1	8
Estimated Outlays	3	1	1	1	1	7
State Certifications and Licensing						
Estimated Authorization Level	0	2	*	*	*	3
Estimated Outlays	0	1	1	*	*	3
Open Burn Pit Registry						
Estimated Authorization Level	1	1	*	*	*	2
Estimated Outlays	1	1	*	*	*	2
Total Changes						
Estimated Authorization Level	2	1	-2	-2	-2	0
Estimated Outlays	1	0	-1	-2	-2	-1

Notes: Components may not sum to totals because of rounding.

* = less than \$500,000.

BASIS OF ESTIMATE

This estimate is based on information from VA and the Department of Labor (DOL). For the purposes of this estimate, CBO assumes that the bill will be enacted near the beginning of fiscal year 2013, that annual appropriations acts consistent with this bill will be enacted, and that outlays will follow historical patterns for similar and existing programs.

Performance Awards for Senior Executive Staff

Section 5 would limit the total amount that VA could pay in performance awards to senior staff to \$1 million per year over the 2013-2017 period. In recent years, VA paid slightly less than \$4 million annually for performance awards. Assuming that similar amounts would be provided under current law going forward, CBO estimates that implementing section 5 would reduce discretionary costs for pay and performance by \$13 million over the 2013-2017 period, assuming appropriations actions consistent with the bill.

Education Information for Veterans

Section 1 would require VA to develop a policy to improve outreach efforts to those veterans and servicemembers using, or seeking to use, their education benefits and to provide those individuals with detailed information on educational institutions. VA also would be required to conduct a market survey of online applications that would allow veterans to assess their academic preparedness to pursue postsecondary education and training opportunities and provide those veterans with a list of providers of such opportunities.

Based on information from VA, CBO estimates that VA would have to hire four additional full-time employees and develop an information technology (IT) system to implement those provisions. CBO estimate that hiring those employees, developing and maintaining the IT system, and conducting the outreach would cost \$7 million over the 2013-2017 period, assuming appropriation of the estimated amounts.

State Certifications and Licensing

Under section 2, to qualify for grants from DOL to provide employment services to veterans, states would have to submit to DOL their standards for issuing certifications or licenses to veterans who served in certain medical and transportation occupations while on active duty. In addition, the states would be required to include an explanation of how they evaluate the training and work experience received by those veterans. Upon receipt, DOL would have to publish that information on its Web site and share it with the Department of Defense.

Based on information from DOL, CBO estimates that DOL would have to develop an IT system and utilize about four full-time employees to manage, and make available via the Internet, the information that would be provided by the states. CBO estimates that implementing section 2 would cost \$3 million over the 2013-2017 period, assuming appropriation of the necessary amounts.

Open Burn Pit Registry

Section 4 would require VA, not later than 180 days after enactment, to establish an open burn pit registry for servicemembers who may have been exposed to toxic chemicals from burn pits while deployed in Iraq or Afghanistan. The registry would provide information on the health impacts from exposure to such toxins. This bill also would require VA to develop a campaign to make the public aware of the registry.

Based on information about existing registries established by VA, CBO estimates that the start-up and maintenance costs for the registry and an associated public awareness campaign would amount to \$1 million in 2013 and \$2 million over the 2013-2017 period, assuming the availability of appropriated funds.

Grants for Homeless Veterans

Section 3 would require recipients of certain grants to certify to VA that they comply with all state, local, and federal requirements relevant to their operations and the level of care provided to homeless veterans (for example, fire and safety regulations). Under current law, grantees are already required to meet such regulations but are not required to provide certification. CBO estimates the discretionary costs would not be significant (less than \$500,000) over the 2013-2017 period, assuming the availability of the necessary funds, and would reflect VA's cost to update the grant criteria and review compliance documents.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 4057 contains no intergovernmental mandates as defined in UMRA. As a condition of federal assistance, the bill would prohibit public institutions of higher education from providing bonuses or incentive payments to admissions or recruiting personnel related to enrollment or financial aid awards. In addition, the bill would require states to certify the safety of facilities where assistance is provided to veterans and to provide DOL with standards for licensing commercial drivers and medical professionals in a state. Any costs incurred by those governments would result from complying with grant conditions.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 4057 contains no new private-sector mandates as defined in UMRA.

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