



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 19, 2012

### **S. 3340** **Mental Health Access to Continued Care and Enhancement of Support Services Act of 2012**

*As ordered reported by the Senate Committee on Veterans' Affairs  
on September 12, 2012*

#### **SUMMARY**

S. 3340 would extend mental health services offered by the Department of Veterans Affairs (VA) to family members of active-duty servicemembers, enhance programs for homeless veterans, and make other changes to veterans' health care, compensation and burial benefits. In total, CBO estimates that implementing the bill would have a discretionary cost of \$310 million over the 2013-2017 period, assuming appropriation of the specified and estimated amounts.

In addition, CBO estimates that enacting the bill would decrease net direct spending by \$32 million over the 2013-2022 period; therefore, pay-as-you-go procedures apply to the bill. Enacting S. 3340 would not affect revenues.

S. 3340 would impose an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) by preempting state licensing laws governing health care professionals in some circumstances. CBO estimates that the costs of that mandate would be small and would not exceed the threshold established in UMRA (\$73 million in 2012, adjusted annually for inflation).

S. 3340 contains no new private-sector mandates as defined in UMRA.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 3340 is summarized in Table 1. The costs of this legislation fall within budget function 700 (veterans benefits and services).

**TABLE 1. ESTIMATED BUDGETARY EFFECTS OF S. 3340, THE MENTAL HEALTH ACCESS TO CONTINUED CARE AND ENHANCEMENT OF SUPPORT SERVICES ACT OF 2012**

	By Fiscal Year, in Millions of Dollars					2013-2017
	2013	2014	2015	2016	2017	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	50	56	69	70	71	316
Estimated Outlays	46	55	69	69	70	310
<b>CHANGES IN DIRECT SPENDING<sup>a</sup></b>						
Estimated Budget Authority	1	*	-2	-3	-4	-10
Estimated Outlays	1	*	-2	-3	-4	-10

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

\* = between -\$500,000 and \$500,000.

a. In addition to the changes in direct spending shown above, enacting S. 3340 would have effects beyond 2017 (see Table 3). CBO estimates that over the 2013-2022 period, S. 3340 would decrease net direct spending by \$32 million.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes the legislation will be enacted near the end of calendar year 2012, that the necessary amounts will be appropriated for each year, and that outlays will follow historical spending patterns for similar and existing programs.

### **Spending Subject to Appropriation**

CBO estimates that implementing S. 3340 would have a discretionary cost of \$310 million over the 2013-2017 period, assuming appropriation of the specified and estimated amounts (see Table 2). Most of those costs stem from provisions that would expand mental health care services offered by the VA.

**Mental Health Care.** Title I contains sections that would provide reimbursements to medical providers for professional training expenses, expand eligibility for counseling, and improve transparency and recruitment efforts at the VA. CBO estimates that implementing title I would cost \$106 million over the 2013-2017 period, assuming appropriation of the estimated amounts.

**TABLE 2. ESTIMATED CHANGES IN SPENDING SUBJECT TO APPROPRIATION UNDER S. 3340**

	By Fiscal Year, in Millions of Dollars					2013- 2017
	2013	2014	2015	2016	2017	
<b>MENTAL HEALTH CARE</b>						
Reimbursements for Board Certification						
Estimated Authorization Level	16	16	17	17	18	84
Estimated Outlays	15	16	17	17	17	82
Expanded Eligibility for Mental Health Care						
Estimated Authorization Level	4	5	5	4	4	21
Estimated Outlays	3	5	5	4	4	21
Transparency for Mental Health Care Services						
Estimated Authorization Level	*	*	*	*	*	2
Estimated Outlays	*	*	*	*	*	2
Recruitment of Mental Health Care Providers						
Estimated Authorization Level	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	1
Subtotal, Mental Health Care						
Estimated Authorization Level	20	22	23	22	22	108
Estimated Outlays	19	22	22	22	22	106
<b>HEALTH CARE</b>						
Transportation Benefits						
Estimated Authorization Level	8	8	8	9	9	42
Estimated Outlays	7	8	8	9	9	41
Grants for Temporary Lodging						
Authorization Level	4	4	4	4	4	20
Estimated Outlays	4	4	4	4	4	20
Regional Support Centers for VISNs						
Estimated Authorization Level	2	1	2	2	2	9
Estimated Outlays	1	1	2	2	2	8
Access to Immunizations						
Estimated Authorization Level	*	*	1	1	1	3
Estimated Outlays	*	*	1	1	1	3

(Continued)

**TABLE 2. Continued**

	By Fiscal Year, in Millions of Dollars					2013- 2017
	2013	2014	2015	2016	2017	
Open Burn Pit Registry						
Estimated Authorization Level	1	1	*	*	*	2
Estimated Outlays	1	1	*	*	*	2
Subtotal, Health Care						
Estimated Authorization Level	14	14	15	16	16	76
Estimated Outlays	13	14	15	16	17	74
<b>HOMELESS VETERANS</b>						
Dental Care						
Estimated Authorization Level	8	8	12	15	16	59
Estimated Outlays	7	8	11	15	16	57
Grants for Homeless Services						
Estimated Authorization Level	*	3	3	3	3	12
Estimated Outlays	*	3	3	3	3	12
Assessment of Homeless Service Programs						
Estimated Authorization Level	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	1
Subtotal, Homeless Veterans						
Estimated Authorization Level	8	12	15	18	19	72
Estimated Outlays	7	11	14	18	19	70
<b>WOMEN VETERANS</b>						
Women Veterans Contact Center						
Estimated Authorization Level	1	1	1	1	1	5
Estimated Outlays	1	1	1	1	1	5
Pilot Programs						
Estimated Authorization Level	*	2	1	0	0	3
Estimated Outlays	*	2	1	*	*	3
Reproduction and Infertility Research						
Estimated Authorization Level	*	*	*	0	0	1
Estimated Outlays	*	*	*	*	*	1
Subtotal, Women Veterans						
Estimated Authorization Level	1	3	2	1	1	9
Estimated Outlays	1	3	2	1	1	9

(Continued)

**TABLE 2. Continued**

	By Fiscal Year, in Millions of Dollars					2013- 2017
	2013	2014	2015	2016	2017	
<b>OTHER PROVISIONS</b>						
Asset Look-Back for Disability Pensions						
Estimated Authorization Level	0	*	7	7	7	21
Estimated Outlays	0	*	7	7	7	21
Issuance of Vet Cards						
Estimated Authorization Level	4	4	4	4	4	19
Estimated Outlays	4	4	4	4	4	19
Restoration of VA Cemetery						
Estimated Authorization Level	0	0	3	1	1	5
Estimated Outlays	0	0	3	1	1	5
Identification and Burial of Unclaimed Remains						
Estimated Authorization Level	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	1
Reports and Plans						
Estimated Authorization Level	2	*	*	1	*	4
Estimated Outlays	2	*	*	1	*	4
Subtotal, Other Provisions						
Estimated Authorization Level	6	4	14	13	12	50
Estimated Outlays	5	4	14	13	12	50
<b>Total, Changes to Spending Subject to Appropriation</b>						
<b>Estimated Authorization Level</b>	<b>50</b>	<b>56</b>	<b>69</b>	<b>70</b>	<b>71</b>	<b>316</b>
<b>Estimated Outlays</b>	<b>46</b>	<b>55</b>	<b>69</b>	<b>69</b>	<b>70</b>	<b>310</b>

Notes: VISN = Veteran Integrated Service Network; VA = Department of Veterans Affairs.

Components may not sum to totals because of rounding.

\* = between -\$500,000 and \$500,000.

*Reimbursements for Board Certification.* Section 126 would require the VA to reimburse full-time physicians and dentists up to \$1,000 a year for certification, recertification, and other training expenses. For full-time psychiatrists, VA would offer reimbursements of up to \$4,000 for professional training expenses. Based on information from VA, CBO estimates that more than 13,000 full-time physicians and dentists at the VA are certified or recertified each year, and that about 700 full-time psychiatrists at the VA receive

professional training annually. CBO estimates that reimbursing those individuals as described above would cost \$82 million over the 2013-2017 period.

*Expanded Eligibility for Mental Health Care.* Two provisions in the bill would expand access to mental health care provided through VA. In total, CBO estimates that implementing those provisions would cost \$21 million over the 2013-2017 period.

Section 122 would increase the mental health care assistance available to family members of active-duty and reserve servicemembers who served in Operation Iraqi Freedom or Operation Enduring Freedom (OIF/OEF). Those family members would be allowed to receive readjustment counseling and related services through VA's Vet Centers at no charge. There are nearly 300 Vet Centers nationwide, and they served about 190,000 veterans in 2011. Vet Centers received \$197 million in appropriated funds that year.

Data from the Department of Defense (DoD) on OIF/OEF deployments indicate that roughly 1.2 million servicemembers are currently or have previously been deployed for OIF/OEF. CBO estimates that, on average, about 1.4 dependents for each servicemember would become eligible for mental health care services under this provision. However, because DoD provides such family members free counseling similar to that provided through Vet Centers, CBO expects the usage rate for this benefit to be relatively small, about 11,000 family members in 2013, declining to about 6,000 by 2017 (to reflect the decrease in recent and projected deployments). Based on current costs for services at Vet Centers, CBO estimates the average cost per person would be \$542 in 2013. Adjusting for annual inflation, we estimate that implementing this provision would cost \$18 million over the 2013-2017 period.

Section 123 would further expand access to mental health care for family members of currently deployed servicemembers by allowing them to receive counseling at various other VA medical facilities in addition to Vet Centers, as well as through contracted providers. CBO estimates more than 100,000 servicemembers will be deployed to overseas contingency operations in 2013—declining to 56,000 by 2017. Using the same average eligibility rate (1.4 dependents for each servicemember), CBO estimates that roughly 2,500 family members would seek counseling through VA at a cost of \$542 per individual in 2013. We estimate that implementing this provision would cost \$3 million over the 2013-2017 period.

*Transparency for Mental Health Care Services.* Section 121 would require VA to develop and publish on a Web site a comprehensive set of measures and guidelines for its mental health care services. The provision also would create a study committee with the National Academy of Sciences to assess the provision of mental health care services at the VA. CBO estimates the costs to support the study committee, to update the mental health measures on

a quarterly basis, and to establish and maintain the necessary information technology capabilities would amount to \$2 million over the 2013-2017 period.

*Recruitment of Mental Health Care Providers.* Section 125 would require VA to provide training to mental health care providers on military culture. CBO estimates the cost for such training would total \$1 million over the 2013-2017 period.

**Health Care.** Title IV contains sections that would provide several benefits to veterans, including: transportation to VA health care facilities, temporary lodging while seeking health care, and improved access to immunizations. Other provisions in this title would increase administrative support and create a new registry. CBO estimates that implementing title IV would cost \$74 million over the 2013-2017 period, assuming appropriation of the estimated amounts.

*Transportation Benefits.* Section 404 would allow the VA to hire professional drivers to provide transportation to veterans receiving medical care, educational counseling, and vocational rehabilitation at VA facilities. Under current law, the VA has the authority to reimburse certain veterans for transportation or to use volunteer drivers to transport veterans. Based on information from VA, CBO estimates that under this provision, the VA would employ 135 full-time drivers. At an average salary of roughly \$55,000 in 2013, and adjusting for inflation, CBO estimates that paying the drivers would cost \$41 million over the 2013-2017 period.

*Grants for Temporary Lodging.* Section 405 would permanently authorize the appropriation of \$4 million each year for grants to nonprofit organizations to construct, furnish, and decorate temporary lodging facilities for veterans (and their caregivers) seeking care at VA medical facilities. CBO estimates that awarding those grants would cost \$20 million over the 2013-2017 period.

*Regional Support Centers for VISNs.* Section 403 would require VA to establish up to four regional support centers to assess the delivery of medical services within the Veterans Integrated Service Network (VISN). Based on information from VA regarding staff resources at existing rural support offices, CBO assumes the equivalent of five full-time employees would be necessary to operate a regional center to support VISNs. CBO assumes half of the initial support center staff would be transferred from VA headquarters at a cost of \$20,000 per person, based on information on relocation expenses from the General Services Administration. In total, CBO estimates that implementing section 403 would cost \$8 million over the 2013-2017 period for transferring existing staff, hiring additional staff, and leasing office space for the VISN regional support centers.

*Access to Immunizations.* Section 401 would include immunization as a covered benefit for veterans, require VA to follow the recommended adult immunization schedule established by the Advisory Committee on Immunization Practices (ACIP), and create quality

measures and metrics to ensure compliance with the immunization schedule. In part, this provision would codify current practice, as VA is an ex-officio member of the ACIP and currently follows its recommendations for scheduled immunizations. CBO estimates six additional staff would be necessary to develop and analyze the results of the quality measures and metrics. Thus, we estimate that implementing section 401 would cost \$3 million over the 2013-2017 period.

*Open Burn Pit Registry.* Section 406 would require VA, not later than 270 days after the bill's enactment, to establish a 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 potential effects of exposure to such toxins. This provision 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 and the costs of an associated public awareness campaign would amount to \$2 million over the 2013-2017 period.

**Homeless Veterans.** Title III includes several sections that would expand programs providing assistance to homeless veterans. CBO estimates that implementing title III would cost \$70 million over the 2013-2017 period, assuming appropriation of the necessary amounts.

*Dental Care.* Section 306 would expand the eligibility for one-time dental care to certain veterans. Under current law, veterans who receive short-term housing assistance may receive dental care to alleviate pain, as part of treatment for a more severe periodontal disease, or to aid in getting a job.

This provision would provide that same out-patient dental care to veterans receiving longer-term housing assistance through the Department of Housing and Urban Development-VA Supporting Housing (HUD-VASH) program. Based on information from VA, CBO estimates about 4,500 HUD-VASH participants would take advantage of this benefit in 2013, growing to nearly 7,500 by 2017. At an average cost of about \$2,000 per veteran in 2013, and adjusting for medical inflation, CBO estimates that implementing this provision would cost \$57 million over the 2013-2017 period.

*Grants for Homeless Services.* Section 305 would provide grants of up to \$3 million each year for personnel costs at comprehensive service centers for homeless veterans. Comprehensive service centers conduct outreach and offer a variety of programs to homeless veterans, such as: rehabilitative services, vocational counseling and training, and temporary housing. Assuming that implementing regulations are completed within a year after enactment as required by this provision, CBO estimates that providing grants for staff support at these centers would cost \$12 million over the 2013-2017 period.

*Assessment of Homeless Service Programs.* Section 308 would require the VA to conduct, at a national and local level, an assessment of the comprehensive services provided to homeless veterans. CBO estimates such an assessment would cost \$1 million over the 2013-2017 period.

**Women Veterans.** Title II of the bill would expand medical services targeted to women veterans. CBO estimates that implementing that title would cost \$9 million over the 2013-2017 period, assuming appropriation of the authorized and estimated amounts.

*Women Veterans Contact Center (WVCC).* Section 202 would expand the capacity of an existing outreach program for women veterans to address their questions regarding VA benefits. Under current law, the WVCC contacts women veterans to provide information on the services VA offers and to solicit ideas on ways to improve the VA health care system. Based on information from VA, CBO expects VA would implement this provision by expanding the WVCC. Callers would be assisted with specific concerns, connected to resources, and provided with information on VA services and benefits. To accomplish that, CBO expects that VA would double its existing capacity at the call center from 20 to 40 employees. CBO estimates that implementing this provision would cost \$5 million over the 2013-2017 period to hire additional staff.

*Pilot Programs.* Section 204 would allow VA to conduct pilot programs that provide child care for certain female veterans who use VA medical facilities, and would authorize annual appropriations of \$1 million for 2014 and 2015 for that purpose.

Section 203 would expand an existing pilot program that provides counseling in group retreat settings to female veterans who have recently separated after lengthy deployments, and would authorize the appropriation of roughly \$1 million in total for 2013 and 2014 for that purpose. CBO estimates that combined, the pilot programs in sections 203 and 204 would cost \$3 million over the 2010-2014 period.

*Reproduction and Infertility Research.* Section 201 would require the VA to conduct a research study on women's reproductive health in collaboration with DoD and the National Institutes of Health. Based on information from VA on the cost and duration of similar studies, CBO estimates the research study would run for about three years and cost \$1 million over the 2013-2017 period.

**Other Provisions.** Several other provisions would increase discretionary costs. CBO estimates that implementing those requirements would have a total cost of \$50 million over the 2013-2017 period, assuming appropriation of the necessary amounts.

*Asset Look-Back for Disability Pensions.* Section 501 would authorize VA to conduct a review of the financial records of all applicants for pensions. The review would cover the

three years preceding each application. This look-back would determine if the applicant disposed of any assets or resources for less than fair market value in order to become eligible for pension benefits. Individuals who were found to have disposed of such assets would be ineligible to receive pensions for up to three years, depending on the value of the assets involved. This provision would only affect those individuals applying for veterans' or survivors' pension benefits starting in 2014.

Based on information from VA on the time needed to process a claim for a pension, CBO estimates that VA would eventually hire about 70 more employees in order to maintain the current processing times for an application. VA reports that under this provision, most of the hiring of additional employees would take place in 2015. At an average cost of about \$100,000 per employee, CBO estimates that implementing section 501 would cost \$21 million per year over the 2014-2017 period. The savings from reduced spending for pension benefits are discussed in the "Direct Spending" section of this estimate.

*Issuance of Vet Cards.* Section 704 would allow the VA to issue veteran identification cards (Vet Cards) to all veterans enrolled in the VA health care system or receiving educational assistance, compensation, or a pension through the VA. Under current law, VA issues Veterans Identification Cards (VICs) to certain eligible veterans. VA reports that more than five million VICs were issued through 2011 (or 850,000 VICs per year). After adjusting for the number of VICs issued under current law and the anticipated participation rate, CBO estimates that under this provision two million new cards would be issued each year at a cost of \$2 per card. Thus, CBO estimates that implementing section 704 would cost \$19 million over the 2013-2017 period.

*Restoration of VA Cemetery.* Section 603 would require the American Battle Monuments Commission (ABMC) to restore, operate, and maintain Clark Veterans Cemetery in the Philippines and would authorize \$5 million for ABMC to restore the cemetery plus amounts needed to operate and maintain the cemetery. CBO estimates that implementing section 603 would cost \$5 million over the 2015-2017 period.

*Identification and Burial of Unclaimed Remains.* Section 604 would require VA to cooperate with veterans service organizations (VSOs) that assist entities that possess unclaimed or abandoned remains to determine if any of those remains belong to veterans or individuals otherwise eligible for burial in a national cemetery. VA would then be required to pay for the burial as well as the transportation costs to the burial site if the remains are those of an eligible individual with no surviving next of kin.

CBO estimates that investigating the provenance of those abandoned remains would cost about \$1 million over the 2013-2017 period. The costs for transportation and burial would be classified as direct spending and are discussed in the "Direct Spending" section of the estimate.

*Reports and Plans.* S. 3340 would require VA to complete several reports and plans by VA by various deadlines. CBO estimates that those provisions, collectively, would cost about \$4 million over the 2013-2017 period.

## **Direct Spending**

S. 3340 contains provisions that would both increase and decrease direct spending by modifying several mandatory spending programs. CBO estimates that, on net, enacting S. 3340 would decrease direct spending by \$32 million over the 2013-2022 period (see Table 3).

**Asset Look-Back for Disability Pensions.** Section 501 would authorize VA to conduct a review of the financial records of all applicants for pensions. The review would cover the three years preceding each application. This look-back would determine if the applicant disposed of any assets or resources for less than fair market value in order to become eligible for pension benefits. This provision would only affect those individuals applying for veterans' or survivors' pension benefits in 2014 or later.

Based on information from VA and the Government Accountability Office about the income and resources of most pension applicants, CBO expects that less than 1 percent of all eligible veterans or survivors have disposed of assets that would disqualify them from eligibility within the three-year window. Therefore, CBO estimates that in 2014, about 200 veterans and 140 survivors would be disqualified from eligibility because of the review and that a similar trend would continue over the 2014-2022 period. Such individuals would be disqualified, on average, for three years. CBO estimates an average veteran's pension rate will be about \$9,800 in 2014 and an average survivor's pension rate will be about \$6,300. After accounting for inflation and mortality, CBO estimates that enacting section 501 would decrease direct spending by \$39 million over the 2014-2022 period.

The estimated savings would occur whether or not VA hires additional personnel; although CBO expects VA to do so to maintain the current processing time for an application. The costs for those employees are discussed in the "Spending Subject to Appropriation" section of the estimate.

**Identification and Burial of Unclaimed Remains.** Section 604 would require VA to cooperate with VSOs that assist entities that possess unclaimed or abandoned remains to determine if any of those remains belong to veterans or individuals otherwise eligible for burial in a national cemetery. VA would then be required to pay for the burial and transportation costs to the burial site if the remains are those of an eligible individual with no surviving next of kin.

**TABLE 3. ESTIMATED CHANGES IN DIRECT SPENDING UNDER S. 3340**

	By Fiscal Year, in Millions of Dollars											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2017	2013-2022
<b>CHANGES IN DIRECT SPENDING (Outlays)</b>												
Asset Look-Back for Disability Pensions	0	-2	-3	-4	-5	-5	-5	-5	-5	-5	-14	-39
Identification and Burial of Unclaimed Remains	*	*	*	*	*	*	*	1	1	1	2	5
Extension of Education Work-Study Allowance	*	1	0	0	0	0	0	0	0	0	1	1
Furnishing Caskets and Urns for Deceased Veterans with No Known Relatives	*	*	*	*	*	*	*	*	*	*	*	1
<b>Total Changes</b>	<b>1</b>	<b>*</b>	<b>-2</b>	<b>-3</b>	<b>-4</b>	<b>-4</b>	<b>-4</b>	<b>-4</b>	<b>-4</b>	<b>-4</b>	<b>-10</b>	<b>-32</b>

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

\* = between -\$500,000 and \$500,000.

Certain VSOs, such as the Missing in America Project (MIAP), specifically attempt to determine the service status of unidentified remains. Since 2006, the MIAP has uncovered the remains of roughly 13,800 individuals and determined that about 1,900 were veterans, of which about 1,600 have been interred. Based on that information, CBO expects that, under this provision VA would be required to pay for about 330 interments per year. At a cost of about \$1,300 for transporting, preparing, and interring such remains, and accounting for anticipated inflation, CBO estimates that enacting section 604 would increase direct spending by about \$5 million over the 2013-2022 period.

**Extension of Education Work-Study Allowance.** Veterans using their educational benefits on a full-time or 3/4-time basis may be eligible to receive a work-study allowance for performing VA-related work on school campuses and at other qualifying locations. Those veterans are paid the federal minimum wage or their state’s minimum wage, whichever is greater. Under current law, VA’s authority to pay work-study allowances to veterans performing certain outreach services, providing hospital and domiciliary care to veterans in state homes, and performing activities at national or state veterans’ cemeteries expires on June 30, 2013.

Section 703 would extend that authority through June 30, 2014. Based on information from VA, CBO estimates that under this provision about 380 work-study positions would

remain available over the extended period and that the veterans filling those positions would each be paid, on average, about \$2,700. If enacted, this provision would increase direct spending by about \$1 million over the 2013-2022 period, CBO estimates.

**Furnishing Caskets and Urns for Deceased Veterans with No Known Relatives.**

Section 601 would require VA to provide caskets or urns for deceased veterans with no known next of kin, in those cases where they are transferred to VA in substandard containers. Based on information from VA, CBO expects that under this provision VA would be required to provide about 100 caskets or urns per year for deceased veterans. Assuming caskets or urns have an average cost of about \$1,000, CBO estimates that section 601 would increase direct spending by \$1 million over the 2013-2022 period.

**PAY-AS-YOU-GO CONSIDERATIONS**

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. S. 3340 would modify several programs that provide benefits to veterans. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

**CBO Estimate of Pay-As-You-Go Effects for S. 3340 as ordered reported by the Senate Committee on Veterans' Affairs on September 12, 2012**

	By Fiscal Year, in Millions of Dollars										2013-	2013-
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017	2022
<b>NET INCREASE OR DECREASE (-) IN THE DEFICIT</b>												
Statutory Pay-As-You-Go Impact	1	0	-2	-3	-4	-4	-4	-4	-4	-4	-10	-32

Note: Figures do not sum to totals because of rounding.

**ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

The bill would preempt state licensing laws by authorizing health care professionals of the Armed Forces and DoD to provide mental health care services at any location in the United States regardless of state licensing laws. That preemption of state laws would impose an intergovernmental mandate as defined in UMRA, but CBO estimates that the cost of complying with the mandate would be small and well below the threshold established in UMRA (\$73 million in 2013, adjusted annually for inflation).

The bill also would apply new conditions to grants for veteran services. State and local governments that provide housing assistance to veterans would be required to meet the physical privacy, safety, and security needs of homeless veterans who receive program services. Any costs incurred by those governments would result from complying with grant conditions.

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

This bill contains no new private-sector mandates as defined in UMRA.

## **PREVIOUS CBO ESTIMATES**

On August 2, 2012, CBO transmitted a cost estimate for 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. Section 406 of S. 3340 contains language similar to section 4 of H.R. 4057, and the corresponding estimates of costs are the same.

On September 18, 2012, CBO transmitted a cost estimate for H.R. 5948, a bill to amend title 38, United States Code, to improve the supervision of fiduciaries of veterans under the laws administered by the Secretary of Veterans Affairs, and for other purposes, as ordered reported by the House Committee on Veterans' Affairs on July 11, 2012. Section 601 of S. 3340 contains language similar to section 4 of H.R. 5948, and the corresponding estimates of costs are the same.

## **ESTIMATE PREPARED BY:**

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