



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 1, 2002

### **S. 2237**

### **Veterans Benefits Improvement Act of 2002**

*As ordered reported by the Senate Committee on Veterans' Affairs on June 6, 2002*

#### **SUMMARY**

S. 2237 would affect several veterans programs, including compensation, pensions, burial benefits, housing, and education. The bill contains provisions that would increase direct spending for certain veterans' compensation, housing, and education programs. It also contains a provision to extend income verification authorities that would reduce direct spending over the 2004-2012 period. On balance, CBO estimates that enacting S. 2237 would result in a net increase in direct spending totaling \$31 million in 2003, \$69 million over the 2003-2007 period, and \$49 million over the 2003-2012 period. The bill also contains one provision that could affect revenues, but we cannot estimate the amounts of any such effects. Because the bill would affect direct spending and revenues, pay-as-you-go procedures would apply.

In addition, CBO estimates that implementing S. 2237 would increase spending subject to appropriation by \$2 million in 2003 and \$4 million over the 2003-2007 period, assuming appropriation of the necessary amounts.

While S. 2237 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), CBO estimates that the costs of complying with that mandate would not exceed the threshold established in that act (\$58 million in 2002, adjusted annually for inflation).

The bill also contains a private-sector mandate as defined by UMRA that would extend coverage under the Soldiers and Sailors Civil Relief Act to certain National Guard members who are performing homeland security activities. While the number of National Guard members affected by this extension is currently quite small, CBO cannot estimate how many members might be called up to perform these duties in the future, and thus, we cannot determine the extent of the mandate. CBO expects that the cost could exceed the UMRA threshold for private-sector mandates (\$115 million in 2002, adjusted annually for inflation)

if, in the future, a large number of National Guard members were called up by the states to perform homeland security activities.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2237 is shown in Table 1. The costs of this legislation fall within budget functions 700 (veterans benefits and services) and 750 (administration of justice).

TABLE 1. ESTIMATED BUDGETARY IMPACT OF S. 2237

	By Fiscal Year, in Millions Dollars				
	2003	2004	2005	2006	2007
<b>CHANGES IN DIRECT SPENDING <sup>a,b</sup></b>					
Estimated Budget Authority	31	27	25	-6	-8
Estimated Outlays	31	27	25	-6	-8
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION <sup>a</sup></b>					
Estimated Authorization Level	2	c	c	c	c
Estimated Outlays	2	c	c	c	c

- a. In addition to the bill's impact on direct spending and discretionary spending, CBO estimates that S. 2237 could increase revenues into the Crime Victims Fund over the 2003-2012 period for settlement of court cases brought by the Department of Veterans Affairs (VA) against veterans who sign over their rights to compensation to another party. CBO cannot provide a specific estimate, however, given the uncertainty surrounding the number of cases that might be brought by VA, when any such cases might be resolved, or the size of any penalties that a court might impose.
- b. A provision in S. 2237 would direct VA to presume that, for veterans who served on active duty during certain time periods and in certain military occupations, hearing loss and tinnitus are service-connected disabilities for the purposes of compensation. CBO cannot estimate the cost of any increase in compensation payments that may result from enacting this provision because we cannot estimate the number of veterans who might be eligible for compensation benefits until the National Academy of Sciences completes a study and VA writes the necessary regulations. It is possible, however, that the costs of this provision could be significant depending on how many veterans could gain eligibility for compensation under the new regulations.
- c. Less than \$500,000.

## BASIS OF ESTIMATE

### Direct Spending and Revenues

The legislation would affect direct spending in veterans' programs for compensation, pensions, burial benefits, housing, and education. Table 2 summarizes those effects, and the individual provisions that would affect direct spending are described below.

TABLE 2. ESTIMATED DIRECT SPENDING UNDER S. 2237

	By Fiscal Year, Outlays in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
<b>COMPENSATION, PENSIONS, AND BURIAL BENEFITS</b>						
Spending Under Current Law	24,406	25,678	26,910	30,115	28,674	27,013
Proposed Changes	<u>0</u>	<u>4</u>	<u>-1</u>	<u>-4</u>	<u>-7</u>	<u>-9</u>
Spending Under S. 2237	24,406	25,682	26,909	30,111	28,667	27,004
<b>HOUSING</b>						
Spending Under Current Law	-1,041	299	317	326	335	341
Proposed Changes	<u>0</u>	<u>22</u>	<u>23</u>	<u>24</u>	<u>1</u>	<u>1</u>
Spending Under S. 2237	-1,041	321	340	350	336	342
<b>VETERANS' READJUSTMENT BENEFITS</b>						
Spending Under Current Law	1,959	2,276	2,544	2,715	2,875	3,036
Proposed Changes	<u>0</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>0</u>	<u>0</u>
Spending Under S. 2237	1,959	2,281	2,549	2,720	2,875	3,036

**Compensation, Pensions, and Burial Benefits.** Several sections of the bill would affect spending for veterans' disability compensation, pensions, and burial benefits (see Table 3). Together, those provisions would increase spending by \$4 million in 2003, but would lower spending by \$17 million over the 2003-2007 period and by \$42 million over the 2003-2012 period.

*Compensation for Hearing Loss in Paired Organs.* For veterans with hearing loss, current law requires that both ears must be diagnosed as totally deaf for hearing loss that was not caused by military service to be rated as service-connected for the purposes of disability compensation. Section 102 would modify this requirement so that any degree of hearing loss in one ear that was not caused by military service would be rated as service-connected if any degree of hearing loss in the other ear was rated as service-connected.

TABLE 3. ESTIMATED CHANGES IN DIRECT SPENDING FOR COMPENSATION, PENSIONS, AND BURIAL BENEFITS UNDER S. 2237

Description of Provision	By Fiscal Year, Outlays in Millions of Dollars				
	2003	2004	2005	2006	2007
Compensation for Hearing Loss in Paired Organs	2	7	11	15	18
Income Verification Extension	0	-9	-16	-23	-28
Medal of Honor Special Pension	2	1	1	1	1
Mastectomy Benefits	a	a	a	a	a
Denial of Burial Benefits	a	a	a	a	a
Retroactive Claims Assistance	<u>a</u>	<u>a</u>	<u>a</u>	<u>a</u>	<u>a</u>
Total Changes in Compensation, Pensions, and Burial Benefits <sup>b</sup>	4	-1	-4	-7	-9

a. Less than \$500,000.

b. A provision in S. 2237 would direct VA to presume that, for veterans who served on active duty during certain time periods and in certain military occupations, hearing loss and tinnitus are service-connected disabilities for the purposes of compensation. CBO cannot estimate the cost of any increase in compensation payments that may result from enacting this provision because we cannot estimate the number of veterans who might be eligible for compensation benefits until the National Academy of Sciences completes a study and VA writes the necessary regulations. It is possible, however, that the costs of this provision could be significant depending on how many veterans could gain eligibility for compensation under the new regulations.

Based on data provided by the Department of Veterans Affairs (VA), CBO estimates that enacting this provision would increase the disability compensation paid to eligible veterans by about \$100 a month on average. CBO estimates that, over the 2003-2007 period, about 6,000 veterans who are already receiving disability compensation for hearing loss would apply for a reevaluation of their rating and receive an increase in their monthly disability payment. CBO also estimates that, over the 10-year period, about 1,500 veterans would be eligible for the higher payment out of the almost 33,000 veterans who would receive ratings for hearing loss for the first time each year.

Considering expected mortality and new disability claims for hearing loss, CBO estimates that about 13,000 veterans would be receiving the increase in compensation in 2007 and about 19,000 veterans would receive it in 2012. After accounting for cost-of-living adjustments (COLAs) over the 2003-2012 period, CBO estimates that section 102 would increase direct spending by about \$2 million in 2003, \$53 million over the 2003-2007 period, and \$178 million over the 2003-2012 period. (CBO estimates that implementing this section also would increase spending subject to appropriation by about \$2 million over the 2003-2007 period, assuming appropriation of the estimated amounts. CBO's estimate of those outlays is discussed below under the heading of "Spending Subject to Appropriation.")

*Income Verification Extension.* Section 106 would extend authorities under current law that allow VA to acquire information on income reported to the Internal Revenue Service (IRS) to verify income reported by recipients of VA pension benefits. The authorization allowing the IRS to provide income information to VA will expire on September 30, 2003, while the authorization allowing VA to acquire the information will expire on September 30, 2008. Section 106 would extend these authorities through September 30, 2011, for both VA and the IRS. Because current law allows VA and the IRS to conduct income verification through the end of fiscal year 2003, CBO estimates that enacting this provision would provide no additional cost savings for that year.

CBO estimates that, based on recent experience, VA will save (under current law) approximately \$7 million in pension benefit overpayments from verifying veterans' incomes in 2003. Using that information, CBO estimates that enacting section 106 would result in direct spending savings of \$76 million over the 2004-2007 period and \$231 million over the 2004-2012 period.

*Medal of Honor Special Pension.* Section 104 would increase the special pension paid to most Medal of Honor recipients from \$600 to \$1,000 a month and, beginning on December 1, 2003, increase the pension each year by the same cost-of-living adjustment payable to Social Security recipients. This provision also would direct VA to pay a lump-sum payment to compensate each recipient of the special pension for the time period between the recognized act of valor and the first special pension payment. The amount of the payment would be calculated using the rate of compensation that was in effect during the applicable time period. According to VA and the Congressional Medal of Honor Society, there are 145 Medal of Honor recipients that would receive the special pension increase and COLAs under this provision, and 139 recipients who would be eligible for the lump-sum payments.

CBO estimates that this provision would cost roughly \$2 million in 2003, the year the lump-sum payments would be made. In each subsequent year, CBO estimates the provision would

cost less than \$1 million a year. In total, CBO estimates the provision would cost \$8 million over the 2003-2012 period.

*Mastectomy Benefits.* Veterans who have suffered certain service-connected anatomical losses (e.g., the loss of a hand, a foot, etc.) are eligible to receive a special compensation payment of \$80 a month in addition to any other disability compensation they receive. Under current law, to be entitled to this special compensation for the loss of breast tissue caused by breast cancer that was diagnosed during military service, a woman must have lost an entire breast as the result of a mastectomy. Section 101 would change this standard by providing the special compensation to women who have lost half or more of the breast tissue as a result of a mastectomy for breast cancer that was diagnosed during military service.

Based on data provided by VA, CBO estimates that less than 150 women would be entitled to the special compensation in 2003 under this provision, with about 10 new cases occurring each year after that. CBO estimates that the additional cost to provide special payments to the affected women would be less than \$300,000 a year and total about \$2 million over the 2003-2012 period.

*Presumption of Service Connection for Hearing Loss.* Section 103 would direct VA to presume that, for veterans who served on active duty during certain time periods and in certain military occupations, hearing loss and tinnitus are service-connected disabilities for the purposes of compensation. VA would be authorized to issue regulations specifying the qualifying time periods and occupations, and to subsequently provide monthly disability compensation payments to qualifying veterans based on a study to be conducted by the National Academy of Sciences (NAS) in 2003. Because of the time needed to conduct the study and draft the regulations, CBO estimates that VA would not increase disability compensation benefits to eligible veterans under this provision until 2004.

CBO cannot estimate the cost of any increase in compensation payments that may result from enacting this provision because we cannot estimate the number of veterans who might be eligible for compensation benefits until the NAS completes the study and VA writes the regulations. It is possible, however, that the costs of this provision could be significant depending on how many veterans could gain eligibility for compensation under the new regulations. (CBO estimates that implementing this section also would increase spending subject to appropriation by \$1 million over the 2003-2007 period, assuming appropriation of the estimated amounts. CBO's estimate of those outlays is discussed below under the heading of "Spending Subject to Appropriation.")

*Prohibition on Assigning Benefits.* Section 105 would prohibit beneficiaries from signing over their rights to receive veterans' compensation, pension, or dependency and indemnity compensation benefits to another person. Any person, including the beneficiary, who

participates in an arrangement to reassign benefits would be subject to a fine, imprisonment, or both penalties. This provision also would direct VA to conduct a five-year outreach program to inform veterans about the prohibition on assigning benefits.

Because those prosecuted and convicted under section 105 could be subject to criminal fines, the government might collect additional fines if this provision is enacted. Collections of such fines are recorded in the budget as governmental receipts (revenues), which are deposited in the Crime Victims Fund, and later spent. CBO cannot estimate the impact on receipts because we cannot determine how many alleged violators VA might file suit against, whether the agency would win such legal action, or the size of any penalties that a court might impose. (CBO estimates that implementing this section also would increase spending subject to appropriation by a negligible amount over the 2003-2007 period, assuming appropriation of the estimated amounts. CBO's estimate of those outlays is discussed below under the heading of "Spending Subject to Appropriation.")

*Standard of Reversal and Scope of Authority.* Under current law, the Court of Appeals for Veterans Claims (CAVC) must determine that any finding of material fact in a veteran's appeal of a VA decision is "clearly erroneous" to disregard it in reaching a decision. Section 502 would direct the CAVC to apply a less restrictive standard to evaluate findings of material fact that are adverse to the claimant. It also would allow the CAVC to reverse a finding under this standard.

Based on information provided by the Board of Veterans Appeals, CBO expects that enacting this provision could make it more likely that the CAVC would set aside VA findings of fact that are adverse to the claimant which could result in more cases being remanded to VA or decided in favor of the claimant. CBO cannot estimate the cost of enacting this provision, however, because we cannot predict the outcome of such litigation before the CAVC.

*Review by Court of Appeals for the Federal Circuit.* Section 503 would expand the jurisdiction of the U.S. Court of Appeals for the Federal Circuit (CAFC) to allow the court to review a "rule of law." A rule of law is a legal issue that does not involve a statute, regulation, or constitutional provision, but that may involve judicially created legal principles. According to VA, enacting section 503 would likely cause more cases to fall under CAFC jurisdiction. Because we cannot predict the outcome of litigation brought before the CAFC, however, CBO cannot estimate any potential increase in direct spending that may result from a change in the number of decisions being reversed in favor of claimants.

*Other Provisions.* CBO estimates that the following provisions would have an insignificant budgetary impact on direct spending:

- Denial of Burial Benefits. Current law authorizes VA to provide a Presidential Memorial Certificate, a flag to drape the casket, and a headstone or grave marker for veterans who were discharged or separated from active duty under conditions other than dishonorable to memorialize their death. Section 402 would authorize VA to deny these benefits to veterans who have been convicted of a capital crime and sentenced to death or life imprisonment.

CBO estimates that enacting this section would have an insignificant effect on the federal budget. Using data from the U.S. Bureau of Justice Statistics and the Federal Bureau of Prisons, CBO estimates that the prohibition would authorize VA to deny these benefits to only a small number of veterans each year. Based on information from the National Cemetery Administration, the cost savings would be less than \$150 a person, CBO estimates.

- Retroactive Claims Assistance. The Veterans Claims Assistance Act of 2000 (VCAA), enacted on November 9, 2000, directed VA to provide assistance to veterans who file claims for VA benefits. VA interpreted the VCAA as being retroactive for certain cases that were open on or after the VCAA was enacted; however, in 2002, the CAVC ruled that the VCAA does not apply retroactively for any case.

Section 505 would amend the law to specify that the VCAA applies retroactively for all cases. It also would direct VA to assist the veterans whose claims were affected by the court's ruling by helping them document their claim for reconsideration by the department. This provision would only apply to certain cases that were pending before a court on November 9, 2000, and had been denied after April 24, 2002. According to information provided by VA, less than five cases would be eligible to be reopened. While we cannot predict the outcome of these appeals, CBO estimates that because of the very small number of cases, the cost of enacting this provision would be negligible.

**Housing.** Section 301 would authorize VA to guarantee adjustable rate mortgages (ARMs) through 2005, including a relatively new mortgage product, known as a hybrid ARM. These mortgages carry an initial fixed interest rate for longer than one year and then are subject to interest rate adjustments. The hybrid ARMs authorized under the bill would carry an initial fixed interest rate for a period of not less than three years of the mortgage term.



Based on information from VA and the Federal Housing Administration, CBO estimates that about 10,000 new ARMs worth roughly \$1.6 billion would be guaranteed each year under this new authority and that these loans would be 20 percent larger and 20 percent more likely to enter into default than fixed-rate mortgages. (CBO estimates that fixed-rate mortgages have a default rate of 10.5 percent and that these ARMs would have a default rate of 12.4 percent.) CBO estimates that the net subsidy cost, as defined by the Federal Credit Reform Act, of providing guarantees for these ARMs would average \$23 million over the 2003-2005 period. That estimate reflects gross costs averaging about \$27 million a year, offset by savings of about \$4 million a year for having fewer guarantees of fixed-rate mortgages. (Under the Federal Credit Reform Act, the subsidy cost of a new guaranteed loan is the net present value of estimated costs—at the time the loan is disbursed—of expected payments by the government to cover defaults and delinquencies, and other payments, net of expected payments to the government including any loan fees, penalties, and recoveries.)

When a guaranteed loan defaults and goes into foreclosure, VA often acquires the property and issues a new direct loan (called a vendee loan) when the property is sold. VA sells most vendee loans on the secondary mortgage market and guarantees their timely repayment. Based on information from VA, CBO estimates the subsidy cost of vendee loans and sales of vendee loans would be less than \$500,000 a year over the 2003-2005 period and about \$1 million a year over the 2006-2012 period.

**Veterans' Readjustment Benefits.** Section 201 would increase the amount available to state approving agencies by \$5 million each year in 2003, 2004, and 2005. CBO expects this change would increase direct spending by \$15 million over the 2003-2005 period.

### **Spending Subject to Appropriation**

CBO estimates that implementing S. 2237 would increase discretionary spending for VA's general operating expenses by \$2 million in 2003 and \$4 million over the 2003-2007 period, assuming that the necessary amounts are appropriated.

**Compensation for Hearing Loss in Paired Organs.** For veterans with hearing loss, current law requires that both ears must be diagnosed as totally deaf for hearing loss that was not caused by military service to be rated as service-connected for the purposes of disability compensation. Section 102 would modify this requirement so that any hearing loss in one ear that was not caused by military service would be rated as service-connected if any degree of hearing loss in the other ear was rated as service-connected. CBO estimates that enacting this provision would cause certain veterans with hearing loss to seek a reevaluation of their rating for disability compensation from VA. CBO estimates that, as a result of implementing this provision, about 4,000 veterans would submit applications for a reevaluation of their

rating in 2003 on top of VA's routine workload for rating applications. CBO also estimates that in 2003, under this provision, about 500 veterans would apply for disability compensation for hearing loss that would otherwise not apply. Processing these additional applications would cost less than \$1 million in 2003 and about \$2 million over the 2004-2007 period, CBO estimates.

**Presumption of Service Connection for Hearing Loss.** Section 103 would direct the Secretary of Veterans Affairs to enter into an agreement with the NAS or another appropriate scientific organization to conduct a study to determine the military occupations and time periods, if any, under which servicemembers may have been exposed to conditions likely to cause or contribute to hearing loss or tinnitus. Based on information provided by NAS, CBO estimates that it would cost about \$1 million in 2003 to perform this study.

**Review by Court of Appeals for the Federal Circuit.** Section 503 would expand the jurisdiction of the U.S. Court of Appeals for the Federal Circuit to allow the court to review a "rule of law." According to VA, enacting section 503 would likely increase the number of cases brought before the court. CBO cannot estimate the costs associated with this larger workload because we have no basis on which to predict the number of veterans that might file an appeal under this provision.

**Standard of Reversal and Scope of Authority.** Section 502 would direct the CAVC to apply a less restrictive standard to evaluate findings of material fact that are adverse to the claimant and allow the court to reverse a finding under this new standard. Based on information provided by the Board of Veterans Appeals, CBO expects that more cases could be remanded to VA or decided in favor of the claimant than under current law. Thus, CBO believes that CAVC actions could, under section 502, increase VA's discretionary costs for processing and paying claims. CBO cannot estimate the likelihood or magnitude of such effects, however, because there is no basis to predict the outcome of such litigation before the CAVC.

**Other Provisions.** CBO estimates that implementing the following provisions would cost less than \$500,000 a year:

- **Fees for Non-Attorney Practitioners.** Current law authorizes the CAVC to award fees and expenses to attorneys who successfully represent clients before the court. Section 504 would authorize the CAVC to award these fees and expenses to individuals who are not attorneys as well. According to VA, there are less than 35 of these practitioners who present a small number of cases before the court each year. Thus, CBO estimates that the cost of implementing this provision would be insignificant.

- Retroactive Requirement to Assist Claimants. Section 505, described above under the heading of “Direct Spending,” would increase administrative costs for the CAVC because it would expand the docket for that court. However, CBO estimates that the costs of implementing this provision would be negligible because the court’s docket would grow by less than five cases.
- Prohibition on Assigning Benefits. Section 105 would prohibit beneficiaries from signing over their rights to receive veterans’ compensation, pension, or dependency and indemnity compensation benefits to another person. Any person, including the beneficiary, who participates in an arrangement to reassign benefits would be subject to a fine, imprisonment, or both penalties. This provision also would direct VA to conduct a five-year outreach program to inform veterans about the prohibition on assigning benefits. According to VA, the department would carry out this outreach program by adding information about the prohibition into its regular mailings to veterans. CBO estimates that the cost of updating these documents would be negligible.

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

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in Table 4. For the purposes of enforcing pay-as-you-go procedures, only the effects through fiscal year 2006 are counted.

TABLE 4. ESTIMATED IMPACT OF S. 2237 ON DIRECT SPENDING AND RECEIPTS

	By Fiscal Year, in Millions of Dollars										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Changes in outlays <sup>a</sup>	0	31	27	25	-6	-8	-11	-13	-14	-14	32
Changes in receipts	0	b	b	b	b	b	b	b	b	b	b

- A provision in S. 2237 would direct the Department of Veterans Affairs to presume that, for veterans who served on active duty during certain time periods and in certain military occupations, hearing loss and tinnitus are service-connected disabilities for the purposes of compensation. CBO cannot estimate the cost of any increase in compensation payments that may result from enacting this provision because we cannot estimate the number of veterans who might be eligible for compensation benefits until the National Academy of Sciences completes a study and VA writes the necessary regulations. It is possible, however, that the costs of this provision could be significant depending on how many veterans could gain eligibility for compensation under the new regulations.
- CBO estimates that S. 2237 could increase revenues into the Crime Victims Fund over the 2003-2012 period for settlement of court cases brought by the Department of Veterans Affairs against veterans who sign over their rights to compensation to another party. CBO cannot provide a specific estimate, however, given the uncertainty surrounding the number of cases that might be brought by VA, when any such cases might be resolved, or the size of any penalties that a court might impose.

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

S. 2237 contains an intergovernmental mandate as defined in UMRA because it would extend coverage under the Soldiers and Sailors Civil Relief Act (SSCRA) to National Guard members who are called up by the states but are performing homeland security activities upon the request of a federal law enforcement agency. This coverage would extend to those National Guard members certain protections including the right to maintain a single state of residence for purposes of state and local personal and income taxes, and the right to request a deferral in the payment of certain state and local taxes and fees.

While CBO has no basis for estimating the number of National Guard members that would ultimately be eligible for such protections, based on information from the Federation of Tax Administrators, we expect that relatively few would take advantage of these protections and that the per capita cost would be small. We thus estimate that any lost tax revenues to state and local governments are unlikely to exceed the threshold for intergovernmental mandates (\$58 million in 2002, adjusted annually for inflation).

The remaining provisions of S. 2237 contain no intergovernmental mandates and would impose no costs on state, local, or tribal governments.

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

The bill contains a private-sector mandate as defined by UMRA. Section 401 would extend coverage under SSCRA to National Guard members who are called up by the states but are performing homeland security activities upon the request of a federal agency and with the agreement of the Department of Defense.

SSCRA requires creditors to reduce the interest rate on servicemembers' obligations to 6 percent when such obligations predate active-duty service, unless the creditor convinces a court that a member's financial situation has not been materially affected by reason of military service. SSCRA also allows the courts, when they find that active-duty service has adversely affected a member's financial condition, to temporarily stay certain civil proceedings, such as evictions, foreclosures, and repossessions.

Since the number of affected personnel, while currently small, fluctuates, CBO cannot determine the extent of the mandate. The per capita mandate would be small, but the cost could exceed the UMRA threshold if, in the future, a large number of National Guard members fell into this category. UMRA's threshold for private-sector mandates is \$115 million in 2002 (and is adjusted annually for inflation).

## **PREVIOUS CBO ESTIMATE**

On June 10, 2002, CBO transmitted a cost estimate for H.R. 4085, the Veterans' and Survivors' Benefits Expansion Act of 2002, as ordered reported by the House Committee on Veterans' Affairs on May 9, 2002. Section 6 of H.R. 4085, which increases funds for state approving agencies, is effectively identical to section 201 of H.R. 2237. CBO estimates both sections would cost \$15 million over the 2003-2007 period.

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