

**H.R. 2045, a bill to amend title 38, United States Code, to establish the Veterans Economic Opportunity and Transition Administration and the Under Secretary for Veterans Economic Opportunity and Transition of the Department of Veterans Affairs, and for other purposes**

As ordered reported by the House Committee on Veterans' Affairs on May 8, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Deficit Effect	0	0	0
Spending Subject to Appropriation (Outlays)	0	2,903	n.e.
Pay-as-you-go procedures apply?	No	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
n.e. = not estimated.			

H.R. 2045 would authorize the appropriation of about \$3.0 billion in 2020 for the general operating expenses account of the Veterans Benefit Administration. For 2019, the Congress appropriated just under \$3 billion for that purpose. CBO estimates that spending would increase by \$2.9 billion over the 2019-2024 period, assuming appropriation of the specified amount (see Table 1).

The bill also would create a new administration in the Department of Veterans Affairs (VA) to manage several of its programs. The Veterans Benefits Administration (VBA) currently manages the following benefit programs for veterans and other eligible individuals:

- Disability compensation;
- Pension, dependency and indemnity compensation, burial, and fiduciary programs;
- Insurance;
- Readjustment benefits (such as employment programs, education assistance, and vocational rehabilitation benefits);
- Home-loan guarantees; and
- Small business programs.



Beginning in fiscal year 2020, the bill would establish the Veterans Economic Opportunity and Transition Administration (VEOTA) and would transfer responsibility for the last three of those programs to that new administration. Like VBA, the new administration would be led by an Under Secretary.

In addition to amounts specifically authorized for VBA, CBO estimates that establishing and operating the new administration would require appropriations totaling \$30 million over the 2020-2024 period. About 4,500 VA employees oversee and carry out the benefit programs that would be administered by VEOTA under the bill. CBO expects that those personnel, along with the records, property, and budgetary resources currently used by VBA to manage those programs also would be transferred to the new administration.

CBO estimates that initial planning efforts to establish VEOTA would cost \$1 million in 2020. Reorganization, relocation, and information technology expenses would total \$10 million in 2021. VBA spends about \$100 million each year on the administrative expenses of the agency. Some of those resources would be used for administrative expenses of VEOTA. However, CBO estimates that VA will hire 20 additional employees to support the new Under Secretary and to manage the daily operations of the new administration; operating expenses would increase slightly as a result. CBO expects that the administration would gradually hire those employees beginning in 2021. Salaries would cost about \$3 million annually and a total of \$10 million over the 2021-2024 period. Ongoing operating expenses would total about \$9 million over the 2022-2024 period, CBO estimates.

**Table 1.**  
**Estimated Increases in Spending Subject to Appropriation**

	By Fiscal Year, Millions of Dollars						2019-2024
	2019	2020	2021	2022	2023	2024	
VBA General Operating Expenses							
Authorization	0	3,025	0	0	0	0	3,025
Estimated Outlays	0	2,450	393	30	*	*	2,873
Establish VEOTA							
Estimated Authorization	0	1	11	6	6	6	30
Estimated Outlays	0	1	11	6	6	6	30
Total Changes							
Estimated Authorization	0	3,026	11	6	6	6	3,055
Estimated Outlays	0	2,451	404	36	6	6	2,903

Components may not sum to totals because of rounding; VBA = Veterans Benefits Administration; VEOTA = Veterans Economic Opportunity and Transition Administration; \* = between zero and \$500,000.

The CBO staff contact for this estimate is Logan Smith. The estimate was reviewed by Theresa Gullo, Assistant Director for Budget Analysis.