

At a Glance

**H.R. 7111, Navy SEAL Chief Petty Officer William ‘Bill’ Mulder (Ret.)
Veterans Economic Recovery Act of 2020**

As ordered reported by the House Committee on Veterans’ Affairs on July 30, 2020

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	0	860	860
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	860	860
Spending Subject to Appropriation (Outlays)	0	27	not estimated

Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- Authorize the Department of Veterans Affairs (VA) to provide additional employment retraining for unemployed veterans
- Expand the Veteran Employment Through Technology Education Courses program
- Authorize various activities and programs related to the Transition Assistance Program

Estimated budgetary effects would primarily stem from

- Paying tuition and fees and providing housing stipends for veterans who participate in employment retraining
- Increasing funding for the Veteran Employment Through Technology Education Courses program
- Providing grants related to the Transition Assistance Program

Areas of significant uncertainty include

- Anticipating how VA would implement the retraining program for unemployed veterans

Detailed estimate begins on the next page.

Bill Summary

H.R. 7111 would require the Department of Veterans Affairs (VA) to provide additional employment retraining for unemployed veterans and would expand a technology education program that is administered by the department. It also would authorize various activities and programs related to the Transition Assistance Program (TAP).

Estimated Federal Cost

The estimated budgetary effects of H.R. 7111 are shown in Table 1. The bill would increase direct spending by \$860 million and increase spending subject to appropriation by \$27 million over the 2020-2030 period; it would not affect revenues. The costs of the legislation fall within budget function 700 (veterans' benefits and services).

Table 1.
Estimated Budgetary Effects Under H.R. 7111

	By Fiscal Year, Millions of Dollars						2020-2025
	2020	2021	2022	2023	2024	2025	
Increases in Direct Spending							
Estimate Budget Authority	0	432	388	25	15	0	860
Estimated Outlays	0	432	388	25	15	0	860
Increases in Spending Subject to Appropriation							
Estimated Authorization	0	14	3	3	3	3	27
Estimated Outlays	0	11	6	3	3	3	27

Components may not sum to totals because of rounding.

CBO estimates that enacting H.R. 7111 would increase direct spending by \$860 million over the 2020-2030 period.

Basis of Estimate

For this estimate, CBO assumes that H.R. 7111 will be enacted early in fiscal year 2021 and that most provisions would take effect upon enactment or on the dates specified by the bill. CBO also estimates that outlays will follow historical spending patterns for affected programs.

Direct Spending

H.R. 7111 would establish a temporary program to provide retraining assistance to veterans who are unemployed because of the novel coronavirus pandemic. The bill also would expand the Veteran Employment Through Technology Education Courses (VET TEC) program. The costs for both programs would be paid from mandatory appropriations. CBO estimates that enacting the bill would increase direct spending by \$860 million over the 2020-2030 period (see Table 2).

Table 2.
Estimated Increases in Direct Spending Outlays Under H.R. 7111

	By Fiscal Year, Millions of Dollars											2020-2025	2020-2030
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
Retraining Assistance	0	412	358	0	0	0	0	0	0	0	0	770	770
VET TEC Expansion	0	20	30	25	15	0	0	0	0	0	0	90	90
Total Changes	0	432	388	25	15	0	0	0	0	0	0	860	860

Budget authority is equal to outlays for all provisions.

Retraining Assistance. Section 2 would require VA to pay for as many as 35,000 veterans to receive up to 12 months of training for high-demand or high-technology occupations. That assistance would include payments for tuition and fees to educational institutions and monthly housing allowances equal to amounts specified under the Post-9/11 GI Bill. Unemployed veterans would generally be eligible to receive retraining assistance if they are:

- Ineligible for other education benefits administered by VA,
- Not receiving compensation for a service-connected disability rated totally disabling by reason of unemployability,
- Not enrolled in any state or federal jobs program, and
- Not receiving unemployment insurance compensation.

The authority to provide the retraining assistance would expire 17 months after enactment. According to VA, nearly 80,000 veterans enrolled in a similar job-training program that expired in 2014. On the basis of unemployment data provided by the Department of Labor, CBO expects that the statutory cap of 35,000 participants would be reached. Using data provided by VA and the Department of Education, CBO estimates that payments for tuition and housing would average \$22,000 for each participating veteran.

In total, providing the retraining assistance to unemployed veterans would increase direct spending by \$770 million over the 2020-2030 period, CBO estimates.

Section 2 also would affect discretionary spending for program administration. Those effects are described below under the heading “Spending Subject to Appropriation.”

VET TEC Expansion. Under the VET TEC program, VA contracts with entities that provide training in computer programming, computer software, media applications, data processing, or information services. Veterans who are eligible for VA education benefits can attend that training and receive monthly housing stipends while they do so. The authority to conduct the program expires in 2023.

Section 4 would increase the amount that VA is authorized to obligate for the VET TEC program from \$15 million to \$45 million in each of the remaining three years of the program. Section 4 also would authorize service members to participate in the VET TEC program if VA determines that they will become an eligible veteran within 180 days. The bill also would permit schools to receive contracts if they employ staff with certain credentials. Lastly, it would allow programs of education that are part-time or shorter than six months in duration to participate in the VET TEC program. On the basis of information provided by the department, CBO expects that enrollments in the program will continue to increase, and that VA would fully expend additional funding. Thus, enacting section 4 would increase direct spending by \$90 million over the 2020-2030 period.

Spending Subject to Appropriation

H.R. 7111 would authorize appropriations for the administration of the new retraining assistance program. It also would authorize various activities related to the Transition Assistance Program. CBO estimates that implementing those provisions would cost a total of \$27 million over the 2020-2025 period (see Table 3). Such spending would be subject to the availability of appropriated funds.

**Table 3.
Estimated Increases in Spending Subject to Appropriation Under H.R. 7111**

	By Fiscal Year, Millions of Dollars						2020-2025
	2020	2021	2022	2023	2024	2025	
Retraining Assistance							
Authorization	0	10	0	0	0	0	10
Estimated Outlays	0	7	3	0	0	0	10
Transition Assistance							
Estimated Authorization	0	4	3	3	3	3	17
Estimated Outlays	0	4	3	3	3	3	17
Total Changes in Spending Subject to Appropriation							
Estimated Authorization	0	14	3	3	3	3	27
Estimated Outlays	0	11	6	3	3	3	27

Components may not sum to totals because of rounding.

Retraining Assistance. Section 2 would authorize the appropriation of \$10 million for administration of the retraining assistance program described under the heading “Direct Spending.”

Transition Assistance. The Transition Assistance Program is administered by the Department of Defense along with DOL and VA to provide counseling and information to prepare service members who are leaving the military for civilian life. H.R. 7111 would authorize grants, require a study and assessment, and establish a pilot program related to

TAP. In total, CBO estimates that implementing those provisions would cost \$17 million over the 2020-2025 period.

Section 6 would authorize VA to provide \$10 million in grants over a five-year period to organizations that help former service members and their spouses prepare for civilian employment. Grant recipients would provide resume preparation, interview training, and related employment services; those located in states experiencing high rates of veteran unemployment or significantly impacted by the novel coronavirus pandemic would be prioritized. On the basis of historical spending patterns, CBO estimates that providing those grants would cost \$9 million over the 2020-2025 period.

Section 8 would require VA to conduct a five-year longitudinal study of TAP for newly separated members of the U.S. Armed Forces. The study would compare the outcomes of TAP counseling among three cohorts of veterans: those who attended counseling as implemented upon enactment of the bill, those who attended counseling after implementation of recommendations from the independent assessment under section 7, and those who have not attended counseling. VA would be required to submit interim and final reports to the Congress about that study. Using information from VA about the resources needed to conduct longitudinal studies, CBO estimates that implementing this section would cost \$5 million over the 2020-2025 period.

Section 7 would require VA to enter into an agreement with an entity that has experience in adult education to perform an independent assessment of the effectiveness of TAP. VA would be required to report to the Congress on the findings and recommendations of the independent assessment and to provide official responses to those recommendations. Using information from VA about similar studies, CBO estimates that implementing that section would cost \$2 million over the 2020-2025 period.

Section 5 would require DOL to provide employment and job training assistance during the five-year period following enactment of the bill to eligible veterans and their spouses at locations other than military installations. There would be at least 50 such off-base locations in at least 20 states with high unemployment rates among veterans, with preference for states that have been significantly affected by the novel coronavirus pandemic. On the basis of the cost of a similar pilot program, CBO estimates that providing transition assistance at off-base locations would cost less than \$500,000 in each year and total \$1 million over the 2020-2025 period.

Uncertainty

Whether VA would be able to fully implement the retraining assistance program in the short timeframe provided by the bill is a source of significant uncertainty. If the department is unable to provide education benefits to the 35,000 veterans as authorized by the bill before the program would expire, the changes to direct spending could be significantly less than CBO estimates.

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. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 2.

Increase in Long-Term Deficits: None.

Mandates: None.

Previous CBO Estimate

On March 24, 2020, CBO transmitted a [cost estimate for H.R. 5766](#), the VET TEC Expansion Act, as ordered reported by the House Committee on Veterans' Affairs on March 12, 2020. That bill and section 4 of H.R. 7111 are similar as are the budgetary effects, except that section 4 also would provide an additional \$90 million for the VET TEC program. CBO's estimate reflects this increase in direct spending.

On May 17, 2019, CBO transmitted a [cost estimate for H.R. 2326](#), the Navy SEAL Chief Petty Officer William "Bill" Mulder (Ret.) Transition Improvement Act of 2019, as ordered reported by the House Committee on Veterans' Affairs on May 8, 2019. That bill and sections 3 and 5 through 8 of H.R. 7111 are similar as are the budgetary effects, except that a year has elapsed since H.R. 2326 was reported. CBO's estimate reflects this change in the timing of spending.

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