

Reconciliation Recommendations of the House Committee on Veterans' Affairs			
As ordered reported on September 13, 2021			
By Fiscal Year, Millions of Dollars	<u>2022</u>	<u>2022-2026</u>	<u>2022-2031</u>
Direct Spending (Outlays)	202	8,924	17,568
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	202	8,924	17,568
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any year after 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
CBO has not reviewed the legislation for effects on spending subject to appropriation.			

S. Con. Res. 14, the Concurrent Resolution on the Budget for Fiscal Year 2022, instructed some committees of the House of Representatives to recommend legislative changes which would increase deficits up to a specified amount over the 2022-2031 period. As part of this reconciliation process, the House Committee on Veterans' Affairs approved legislation on September 13, 2021, with provisions that would increase deficits.

The legislation would appropriate \$18.0 billion to improve the Department of Veterans Affairs (VA) infrastructure, lease medical and other facilities, hire additional health care staff, and accomplish administrative actions. Based on historical outlay rates for similar activities, CBO estimates that a relatively small amount of that appropriation would not be spent. Thus, enacting the legislation would increase the deficit by \$17.6 billion.

Section 12001 would appropriate \$15.2 billion to VA to improve and modernize facilities.



Section 12003 would authorize VA to enter into leasing agreements for major medical facilities and would appropriate funds for that purpose. Under current law, leases for major medical facilities with annual rent payments greater than \$1 million must be authorized in law. Section 12003 would eliminate that requirement until fiscal year 2025 and would provide \$1.8 billion to allow VA to enter leases as requested in the annual budget submissions of the President for the next three fiscal years.

Section 12002 would expand VA's authority to enter enhanced-use leases (EULs) through the end of fiscal year 2026 and would appropriate \$0.5 billion for those leases. Under EULs, federal agencies can lease out underused property to a nonfederal entity. Through some of those leases, agencies have obtained third-party financing for real properties. Current law authorizes VA to enter EULs for the sole purpose of obtaining supportive housing for homeless veterans. The section would expand its use of EULs for any purpose that directly or indirectly benefits veterans and does not adversely affect the department's mission.

In addition, section 12004 would require VA to hire up to 700 health professionals as residents at its medical facilities over seven years and would provide \$0.4 billion for that purpose. The legislation would also appropriate \$0.2 billion for administrative purposes such as scanning records and conducting audits by VA's Inspector General.

The CBO staff contact for this estimate is Etaf Khan. The estimate was reviewed by David Newman, Chief of the Defense, International Affairs, and Veterans' Affairs Cost Estimates Unit, Leo Lex, Deputy Director of Budget Analysis and Theresa Gullo, Director of Budget Analysis.

Table 1.
Estimated Budgetary Effects of the Reconciliation Recommendations of the House Committee on Veterans' Affairs

	By Fiscal Year, Millions of Dollars										2022-2026	2022-2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Increases in Direct Spending												
Sec. 12001 - Infrastructure Improvements												
Budget Authority	15,200	0	0	0	0	0	0	0	0	0	15,200	15,200
Estimated Outlays	152	304	1,216	2,736	3,496	2,584	2,280	1,216	608	304	7,904	14,896
Sec. 12002 - Enhanced-Use Lease Authority												
Budget Authority	455	0	0	0	0	0	0	0	0	0	455	455
Estimated Outlays	2	11	34	59	77	86	77	46	26	10	183	428
Sec. 12003 - Major Medical Facility Leases												
Budget Authority	1,805	0	0	0	0	0	0	0	0	0	1,805	1,805
Estimated Outlays	0	0	74	170	332	363	348	238	133	53	576	1,711
Sec. 12004 - Health Professional Positions												
Budget Authority	375	0	0	0	0	0	0	0	0	0	375	375
Estimated Outlays	3	7	14	20	54	68	68	68	68	0	98	370
Sec. 12005 - Records Scanning												
Budget Authority	150	0	0	0	0	0	0	0	0	0	150	150
Estimated Outlays	38	60	45	5	0	0	0	0	0	0	148	148
Sec. 12006 - Office of Inspector General												
Budget Authority	15	0	0	0	0	0	0	0	0	0	15	15
Estimated Outlays	7	6	2	0	0	0	0	0	0	0	15	15
Total Direct Spending												
Budget Authority	18,000	0	0	0	0	0	0	0	0	0	18,000	18,000
Estimated Outlays	202	388	1,385	2,990	3,959	3,101	2,773	1,568	835	367	8,924	17,568

See the following page for notes.



Table 1.

Estimated Budgetary Effects of Reconciliation Recommendations of the House Committee on Veterans' Affairs

Notes

Budget authority reflects appropriations specifically provided in the legislation or amounts estimated by CBO.

The Budget Control Act of 2011 (BCA) requires the annual sequestration of nonexempt mandatory spending programs. The Office of Management and Budget (OMB) determines which accounts are subject to reductions under the BCA. Accounts for the Department of Veterans Affairs have not been subject to sequestration.

New mandatory funding provided in this legislation may be subject to the annual sequestration of mandatory spending required by the Budget Control Act of 2011, but CBO does not have sufficient information to determine which of the new budgetary resources OMB would determine are subject to those reductions or how the reductions would be applied. For that reason, the amounts shown in this table for new mandatory funding have not been reduced to account for possible sequestration.