



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 6, 2010

### **H.R. 3913** **Major General David F. Wherley, Jr. District of Columbia National Guard Retention and College Access Act**

*As ordered reported by the House Committee on Oversight and Government  
Reform on April 14, 2010*

#### **SUMMARY**

H.R. 3913 would amend the D.C. Official Code to require the Mayor of the District of Columbia to establish a program under which the Mayor may provide supplemental education benefits to qualifying members of the District of Columbia National Guard. Assuming appropriation of the necessary funds, CBO estimates that implementing that program would cost the federal government \$10 million over the 2011-2015 period. In addition, CBO estimates that enacting the bill would increase direct spending for veterans' education benefits by \$2 million over the 2011-2020 period. Enacting the bill would not affect revenues.

Pay-as-you-go procedures apply because enacting the legislation would affect direct spending.

H.R. 3913 would impose an intergovernmental mandate, as defined in the Unfunded Mandates Reform Act (UMRA), because it would require the District of Columbia to develop policies and procedures for a financial assistance program for members of the District's National Guard. CBO estimates that the costs to the District of Columbia would be small and well below the threshold established in UMRA for intergovernmental mandates (\$70 million in 2010, adjusted annually for inflation). H.R. 3913 contains no private-sector mandates as defined in UMRA.

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

The estimated budgetary impact of H.R. 3913 is shown in the following table. The costs of this legislation fall within budget functions 700 (veterans benefits and services) and 800 (general government).

	By Fiscal Year, in Millions of Dollars					2011-
	2011	2012	2013	2014	2015	2015
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	2	2	2	2	2	10
Estimated Outlays	2	2	2	2	2	10
<b>CHANGES IN DIRECT SPENDING</b>						
Estimated Budget Authority	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	1

Notes: In addition to the direct spending effects shown here, enacting H.R. 3913 would have additional effects on direct spending beyond 2015. CBO estimates that total direct spending over the 2011-2020 period would increase by \$2 million.

\* = less than \$500,000.

## BASIS OF ESTIMATE

### Changes in Spending Subject to Appropriation

H.R. 3913 would authorize the appropriation of whatever amounts are necessary to enable the Mayor of the District of Columbia to provide education benefits of up to \$400 per credit hour, but not to exceed \$6,000 per year, to qualifying members of the District of Columbia National Guard.

The benefits specified in this bill could be used to cover tuition and fees, books, and laboratory expenses. This supplemental assistance would be in addition to education benefits provided under any other provision of law unless the recipient also receives a Reserve Officer Training Corps scholarship.

Based on information from the Department of Defense and the Department of Veterans Affairs, CBO estimates that under this bill, about 400 members of the District of Columbia National Guard would each receive about \$5,000 in supplemental education assistance each year. CBO estimates that this bill would increase federal spending by \$10 million over the 2011-2015 period and \$20 million over the 2011-2020 period, assuming appropriation of the necessary funds.

## Changes in Direct Spending

National Guard members receiving education benefits under this bill also would concurrently receive education benefits for which they are eligible under current law, such as the Post-9/11 GI Bill, the Reserve Education Assistance Program, and the Montgomery GI Bill Selected-Reserve Program. CBO estimates that the additional payments under this bill would result in some of the qualifying District of Columbia National Guard members expanding their usage of those existing benefits. Based on information obtained from the Department of Defense, we estimate that use of expanded benefits would increase direct spending by less than \$500,000 per year; additional costs would total about \$2 million over the 2011-2020 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 and revenues. CBO estimates that by authorizing an additional education subsidy for District of Columbia National Guard members, H.R. 3913 would increase direct spending for existing veterans' education benefits. 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 H.R. 3913 as ordered reported by the House Committee on Oversight and Government Reform on April 14, 2010**

	By Fiscal Year, in Millions of Dollars											2010-	2010-
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2015	2020
<b>NET INCREASE IN DEFICIT</b>													
Statutory Pay-As-You-Go Impact	0	0	0	0	0	0	0	0	0	0	0	1	2

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

H.R. 3913 would require the District of Columbia to develop policies and procedures for a financial assistance program for members of the District's National Guard who are enrolled in an approved institution of higher education. The duty to comply with the requirement would impose an intergovernmental mandate as defined in UMRA. While the

bill requires the District of Columbia to establish the program, the District is not required to provide financial assistance. CBO estimates that the District of Columbia would incur administrative costs to establish the program; however, those costs would be small and well below the threshold established in UMRA (\$70 million in 2010, adjusted annually for inflation). The bill also would authorize the appropriation of funds to enable the District to provide financial assistance under the program.

**ESTIMATED IMPACT ON THE PRIVATE SECTOR:**

H.R. 3913 contains no private-sector mandates as defined in UMRA.

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