



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 27, 2010

S. 3234 **Veteran Employment Assistance Act of 2010**

*As ordered reported by the Senate Committee on Veterans' Affairs
on August 5, 2010*

SUMMARY

S. 3234 would create and reauthorize programs designed to provide employment, training, and placement services to veterans. CBO estimates that implementing the bill would cost about \$90 million over the 2011-2015 period, assuming the appropriation of the necessary amounts.

Enacting the legislation would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 3234 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 3234 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit), 050 (national defense), and 700 (veterans benefits and services).

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted near the start of fiscal year 2011, that the necessary amounts will be appropriated each year, and that outlays will follow historical patterns for similar and existing programs.

	By Fiscal Year, in Millions of Dollars					2011- 2015
	2011	2012	2013	2014	2015	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Military Pathways Demonstration Program						
Authorization Level	12	12	12	0	0	36
Estimated Outlays	9	12	12	3	0	36
Veterans Business Center Program						
Authorization Level	10	11	11	0	0	32
Estimated Outlays	8	10	11	3	0	32
Credentialing and Licensure						
Estimated Authorization Level	0	4	5	0	0	9
Estimated Outlays	0	3	5	1	0	9
Grants to States						
Estimated Authorization Level	2	3	3	0	0	7
Estimated Outlays	2	2	2	1	0	7
Reports and Studies						
Estimated Authorization Level	2	1	1	2	*	6
Estimated Outlays	2	1	1	2	*	6
Total Changes						
Estimated Authorization Level	26	31	31	2	*	90
Estimated Outlays	21	28	31	10	*	90

Notes: Components may not sum to totals because of rounding.

* = less than \$500,000.

Military Pathways Demonstration Program

Section 5 would authorize the appropriation of \$36 million over fiscal years 2011 through 2013 to establish three demonstration programs. Under this section, the Secretary of Labor would award grants to entities to test what types of assistance programs would best enable former military members to leverage and build upon the technical skills they acquired during military service. The programs would focus on assisting such servicemembers to establish professions in the information technology, health care, and law enforcement fields. CBO estimates that implementing this provision would cost \$36 million over the 2011-2015 period, assuming appropriation of the authorized amounts.

Veterans' Business Center Program

Section 2 would authorize the appropriation of \$32 million over fiscal years 2011 through 2013 to provide training and assistance to veterans who own small businesses and to establish the veterans' business center (VBC) program. Under the VBC program, the Small Business Administration would be authorized to award grants to nonprofit organizations to provide counseling and assistance targeted to the needs of veterans and Reservists. CBO estimates that implementing those provisions would cost \$32 million over the 2011-2015 period, assuming appropriation of the authorized amounts.

Credentialing and Licensure

Section 9 would reauthorize the demonstration project on credentialing and licensure of veterans from October 1, 2011, through September 30, 2013. The authority to run that project ended September 30, 2009. This section also would allow the emergency medical services industry to be included in the demonstration project. Based on information from the Department of Labor, CBO estimates that about 10 contracts would be awarded each year at an average cost of \$450,000 per contract. CBO estimates that reauthorizing this demonstration project would cost \$9 million over the 2012-2015 period, assuming appropriation of the necessary amounts.

Grants to States

Section 6 would require the Secretary of Veterans Affairs, in conjunction with the Secretary of Labor, to create a three-year program to award grants to states to establish a veteran-to-veteran corps and a veteran conservation corps. Under this provision, grants awarded to states could not exceed \$250,000 in any given year and the Secretary of Veterans Affairs may not award more than five grants under each program in any single 12-month period. CBO estimates these grants would cost \$7 million over the 2011-2015 period, assuming appropriation of the necessary amounts.

Reports and Studies

S. 3234 would require a number of reports and studies to be completed by the Comptroller General, the Small Business Administration, the Secretary of Labor, and the Secretary of Defense. CBO estimates these reports and studies, collectively, would cost about \$5 million over the 2011-2015 period, assuming appropriation of the necessary amounts.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 3234 contains no intergovernmental or private-sector mandates as defined in UMRA. State, local, and tribal governments that provide employment assistance to veterans would benefit from grants authorized in the bill.

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