



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

June 13, 2002

**S. 2132**

**Department of Veterans Affairs Emergency Preparedness Act of 2002**

*As ordered reported by the Senate Committee on Veterans' Affairs on June 6, 2002*

**SUMMARY**

S. 2132 would establish four centers for medical emergency preparedness that would carry out research and development, provide education and training, and provide assistance in the case of a national emergency with regard to chemical, biological, radiological, incendiary or other explosive weapons threats. These emergency centers would be located in hospitals operated by the Department of Veterans Affairs (VA). S. 2132 would authorize appropriations of \$20 million a year over the 2003-2007 period to operate the centers. S. 2132 also would allow VA to provide medical care to individuals who are affected by a major disaster or emergency.

In addition, S. 2132 would increase the number of assistant secretaries within the VA from six to seven with the new assistant secretary being responsible for operations, preparedness, security, and law enforcement functions. The bill also would increase the number of deputy assistant secretaries within VA from 18 to 20. Finally, S. 2132 would allow research corporations established under current law by the Secretary of VA to use appropriated funds to conduct their research and would consider some employees of those research corporations to be employees of the federal government for purposes of certain federal tort claims laws.

CBO estimates that implementing S. 2132 would cost \$12 million in 2003 and \$87 million over the 2003-2007 period, assuming appropriation of the authorized amounts, for establishing and operating the new emergency centers. CBO cannot estimate the potential additional discretionary spending that could occur under S. 2132 for providing VA medical care to individuals needing assistance in a national emergency. CBO also expects that enacting this bill could increase direct spending for settlement of tort claims over the 2003-2012 period but we cannot provide a specific estimate. Because the bill could affect direct spending, pay-as-you-go procedures would apply.

S. 2132 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2132 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				
	2003	2004	2005	2006	2007
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION <sup>a,b</sup></b>					
Spending for VA Emergency Preparedness Centers Under S. 2132					
Authorization Level	20	20	20	20	20
Estimated Outlays	12	16	19	20	20

a. No funds were appropriated for these purposes in 2002.

b. In addition to the bill's impact on discretionary spending, CBO estimates that S. 2132 could increase direct spending for settlement of tort claims over the 2003-2012 period but is unable to provide a specific estimate given the uncertain events and the nature of these claims.

## BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted by October 1, 2002, and that the authorized amounts will be appropriated for each year. In addition to the bill's discretionary cost, enacting S. 2132 could affect direct spending; but CBO cannot estimate those potential effects, if any.

### Spending Subject to Appropriation

**Emergency Preparedness Centers.** VA has some limited responsibilities to provide assistance in the event of a chemical, biological, radiological, incendiary or other explosive weapons threat under current law. Under section 101, VA would have expanded responsibility to assist with these threats with the creation of four medical emergency preparedness centers that would carry out VA's responsibilities. S. 2132 would specifically

authorize appropriations of \$20 million a year over the 2003-2007 period for the operation of these centers. Assuming normal delays in beginning new programs and appropriation of the authorized amounts, CBO estimates that implementing S. 2132 would increase spending by \$12 million in 2003 and by \$87 million over the 2003-2007 period.

The bill would require VA to establish four centers for medical emergency preparedness that would have three different responsibilities. The first would be to conduct research and development on detection, diagnosis, protection, and treatment for the specified threats to the public health and safety. The second responsibility would be to provide training and advice to health care professionals outside of VA with regard to these threats. The third responsibility would be to provide contingent rapid response assistance including laboratory assistance in the event of national emergencies.

**Assistance in a National Emergency.** Section 301 would allow VA to provide medical care to individuals needing assistance, regardless of their VA enrollment status, in the event of a major disaster or medical emergency. Depending on the scope of the assistance provided in response to a major disaster or emergency, CBO believes that implementing this provision could prove costly. CBO cannot estimate the cost of implementing this provision, however, because we cannot predict the frequency or seriousness of national emergencies, nor the extent to which VA assistance would be used in any such emergency.

## **Direct Spending**

Under current law, there is a question whether or not employees of research corporations established by the VA who do research are considered employees of the federal government for purposes of certain federal tort claims laws. Section 402 would resolve this question by specifying that these employees would be considered federal employees for purposes of tort claims. Consequently, any judgments against these employees would be paid by the federal government. The allowable tort claims are for injury, loss of property, personal injury, or death caused by negligence, wrongful acts, or omissions by a federal employee acting within the scope of the employee's office or employment. Those payments would be considered direct spending.

If these employees are, on the one hand, already covered under the relevant federal tort claims laws, then this section would have no cost. If, on the other hand, these employees are not covered under the relevant tort claims laws, then the federal government would face a potential increase in its liability under these laws upon enactment of this bill. Given the uncertainty surrounding future events and the nature of tort claims, CBO cannot estimate the cost—if any—of future tort claims against the federal government.

## **PAY-AS-YOU-GO CONSIDERATIONS**

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that enacting this bill could increase direct spending for settlement of tort claims, but we cannot provide a specific estimate.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 2132 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

## **PREVIOUS CBO ESTIMATE**

On May 10, 2002, CBO transmitted a cost estimate for H.R. 3253, the Department of Veterans Affairs Emergency Preparedness Research, Education, and Bio-Terrorism Prevention Act of 2002, as ordered reported by the House Committee on Veterans' Affairs on May 9, 2002. H.R. 3253 and S. 2132 would both establish four centers for medical emergency preparedness and authorize \$20 million a year over the 2003-2007 period to operate those centers. Both bills would increase the number of VA assistant secretaries from six to seven, but only S. 2132 would increase the number of deputy assistant secretaries from 18 to 20. Finally, S. 2132 contains provisions affecting research corporations established by VA and assistance in a national emergency, while H.R. 3253 does not.

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