



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 17, 2016

H.R. 1769 **Toxic Exposure Research Act of 2016**

*As ordered reported by the House Committee on Veterans' Affairs
on February 25, 2016*

SUMMARY

H.R. 1769 would require the Department of Veterans Affairs (VA) to establish a national center to conduct research on health conditions affecting descendants of veterans who were exposed to toxic substances during their service in the armed forces. The bill also would create an advisory board to oversee and provide support to the center. CBO estimates that implementing those provisions would cost \$74 million over the 2017-2021 period, subject to appropriation of the necessary amounts. Another provision would require the Department of Defense (DoD) to review a potentially large number of records, with the goal of declassifying material related to the exposure of service members to toxic substances. CBO cannot provide an estimate of the cost of implementing that provision.

Pay-as-you-go procedures do not apply because enacting the legislation would not affect direct spending or revenues. CBO estimates that enacting H.R. 1769 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 1769 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 1769 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

	By Fiscal Year, in Millions of Dollars					2017- 2021
	2017	2018	2019	2020	2021	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION^a						
National Research Center						
Estimated Authorization Level	0	7	14	22	30	73
Estimated Outlays	0	6	13	21	29	69
Advisory Board						
Estimated Authorization Level	0	*	1	1	1	4
Estimated Outlays	0	*	1	1	1	4
Outreach						
Estimated Authorization Level	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	1
Total Increases						
Estimated Authorization Level	1	8	15	23	31	78
Estimated Outlays	1	7	14	22	30	74

Note: * = less than \$500,000.

a. In addition to the costs shown above, CBO estimates that implementing section 5, which would require the Department of Defense to review certain records, could have very large costs; however, CBO is unable to estimate the magnitude of those costs. Our analysis of that provision is discussed in the body of the estimate.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 1769 will be enacted near the start of fiscal year 2017, that the estimated amounts will be appropriated each year, and that outlays will follow historical spending patterns for affected programs.

National Research Center

Section 3 would require VA to establish a national center to conduct research on diagnosing and treating health conditions affecting descendants of veterans that are related to the exposure of those veterans to toxic substances during their service in the armed forces. Within one year of enactment, VA would be required to identify an existing VA medical center to serve as that center.

The center would study volunteers who have health conditions that are related to exposure to toxic substances. On the basis of information from VA, CBO estimates that the center would begin at least three new studies each year, which would continue for multiple years,

at an annual cost of \$2 million per study. Those costs include the salaries of the research staff and the cost of travel and room and board for participants in the studies.

The section also would require the center to employ at least one licensed clinical social worker to coordinate the health care and support services for participants in the research studies. In order to facilitate the growing number of participants, CBO estimates that VA would gradually hire seven social workers by 2021, at an average compensation of about \$130,000 per year.

After accounting for the necessary time to implement this section, CBO estimates that section 3 would cost \$69 million over the 2018-2021 period.

Advisory Board

Section 4 would establish a board to oversee the new center and to advise the Secretary of VA on research conducted at the center and on the potential for treatment of health conditions for individuals participating in the studies. The board would consist of 13 voting members composed of representatives from veteran service organizations, family members of veterans exposed to toxins, and health professionals. Voting members of the board would serve without compensation. The executive director and support staff would receive compensation; CBO expects that the board would hire about five people at a cost of about \$200,000 per person. Thus, CBO estimates that staff and administrative costs for the advisory board would total \$4 million over the 2018-2021 period.

Review of Department of Defense Records

Section 5 would require the Department of Defense to review the records of service personnel who may have been exposed to toxins while serving in the armed forces. DoD would be required to declassify, where possible, information related to incidents in which at least 100 service members were exposed to a toxic substance that resulted in at least one individual being diagnosed by a specialist in the field of occupational medicine as having a disability linked to that exposure.

DoD expects that this proposal would require the department to set up a process to investigate requests from VA on whether any veterans met that criteria and to have specialists available to participate in the determination. This proposal could have substantial costs, depending on the number of cases reviewed and the extent to which each case is reviewed by DoD. Because the goal of H.R. 1769 is to determine the effects of veterans' exposure to toxic substances on their children, grandchildren, and subsequent generations of descendants, DoD could be required to review records from decades ago that have not been digitalized and must be examined individually. In addition, it is unclear how DoD would determine whether service members who were exposed to toxic

substances were later diagnosed by an appropriate specialist as having a disability that was associated with that exposure.

Because CBO is unable to project the number of records reviews that would be required under this provision or the extent of those reviews, we are unable to estimate the cost of implementing section 5.

Outreach

Section 6 would require VA and DoD to carry out an outreach campaign to inform the public of the potential for long-term, multigenerational, health effects from exposure to toxic substances. Based on similar outreach efforts by the VA, we estimate this section would cost \$1 million over the 2017-2021 period.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 1769 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1769 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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