



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 29, 2016

**H.R. 3286
Honoring Investments in Recruiting and Employing
American Military Veterans Act of 2016**

*As ordered reported by the House Committee on Veterans' Affairs
on May 18, 2016*

H.R. 3286 would require the Department of Labor (DOL) to establish the HIRE Vets Medallion Program, within one year of enactment, to annually recognize businesses for their efforts to employ veterans. CBO expects that establishing and implementing the program would require DOL staff to develop award criteria, solicit applications for the program, review nominations, and select winners. Award recipients would be recognized with gold or platinum medallions based on the number of veterans they employ and their efforts to hire and train veterans.

Beginning in the year after the program is established (2019), the bill would require DOL to assess fees on employers that apply to the program to cover the complete costs of the program. Those fees would be available without further appropriation to operate the program. CBO expects that those mandatory fees would cover the total costs of the program beginning in 2019. Based on the costs of administering similar programs and the expected number of participating companies (about 4,000 each year), CBO estimates that DOL would collect and spend about \$1 million a year. Pay-as-you-go procedures apply because enacting the legislation would affect direct spending. However, because the fees would be spent on the program, there would be no net effect on direct spending. Enacting the bill would not affect revenues.

The costs of establishing the program in 2018 would not be covered by the fees. CBO estimates those costs would total \$1 million, for personnel costs, medallions, and administrative supplies and would be subject to the availability of appropriated funds.

The bill also would limit the amount of bonuses payable to VA employees who are in the senior executive service to \$2 million for 2016. Because CBO assumes enactment of the bill near the beginning of fiscal year 2017, we estimate this provision would have no budgetary effect.

CBO estimates that enacting H.R. 3286 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 3286 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Ann E. Futrell. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.