



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 28, 2016

H.R. 3974 **Grow Our Own Directive: Physician Assistant Employment and Education Act of 2016**

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

SUMMARY

H.R. 3974 would require the Department of Veterans Affairs (VA) to carry out a five-year pilot program that would provide educational assistance to veterans training to be physician assistants (PAs) for the department. CBO estimates that implementing the bill would cost \$36 million over the 2017-2021 period, subject to appropriation of the necessary amounts.

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. 3974 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 3974 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 effect of H.R. 3974 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 | |
| INCREASE IN SPENDING SUBJECT TO APPROPRIATION | | | | | | |
| Estimated Authorization Level | 3 | 7 | 10 | 11 | 6 | 37 |
| Estimated Outlays | 2 | 7 | 10 | 11 | 6 | 36 |

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 3974 will be enacted near the start of fiscal year 2017, that the necessary amounts will be provided, and that outlays will follow historical spending patterns for affected programs.

Within 180 days of enactment, the bill would require VA to establish a five-year pilot program that would pay for certain veterans to obtain master’s degrees in physician assistant studies. Participants in the pilot program would be required to work as PAs for VA for at least three years. The bill would require VA to offer educational assistance to at least 250 candidates and to provide no fewer than 35 scholarships each year.

A master’s degree program in physician assistant studies takes two years to complete. Based on a review of various graduate programs for PA studies, CBO estimates that the average annual cost for tuition was \$36,000 in 2015 and, after accounting for projected inflation, would average about \$44,000 over the 2017-2021 period. Based on the assistance provided by VA under the existing Health Professional Educational Assistance Program, CBO expects that VA would cover the full costs of tuition and provide an annual stipend that would average \$22,000. CBO expects that those benefits would be provided to 35 people in 2017 and a total of 250 people through 2021. On that basis, CBO estimates that providing benefits under this program would cost \$32 million over the 2017-2021 period.

To administer the pilot program, H.R. 3974 would require VA to establish two new deputy director positions and two supporting positions. On the basis of information from VA on compensation for deputy directors, we estimate that the salary and other benefits for that position would amount to roughly \$190,000 a year. Including the costs of compensation for a recruiter, an administrative assistant, and the necessary office space, CBO estimates that administering the program would cost \$4 million over the 2017-2021 period.

In total, CBO estimates that implementing the pilot program would cost \$36 million over the 2017-2021 period, assuming appropriation of the necessary amounts.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 3974 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. 3974 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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