



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 4, 2010

### **H.R. 3519** **Veterinary Services Investment Act**

*As reported by the House Committee on Agriculture on July 28, 2010*

#### **SUMMARY**

H.R. 3519 would authorize the U.S. Department of Agriculture (USDA) to establish a grant program to provide matching funds to qualified entities to support the recruitment and retention of farm animal veterinarians, establish or expand accredited veterinary education and training programs, and promote tele-veterinary practices that contribute to veterinary extension, education, and research. Qualified entities would include veterinary clinics providing services in areas served by inadequate numbers of veterinarians; state, regional, and national veterinary organizations; accredited schools of veterinary medicine; and state, local, and tribal government agencies. The bill would authorize the appropriation of such sums as may be necessary for USDA to carry out those activities.

Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 3519 would cost \$38 million over the 2011-2015 period and additional amounts to continue those efforts after 2015. Enacting H.R. 3519 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 3519 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 H.R. 3519 is shown in the following table. The costs of this legislation fall within budget function 350 (agriculture).

	By Fiscal Year, in Millions of Dollars					2011- 2015
	2011	2012	2013	2014	2015	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	10	10	10	10	10	50
Estimated Outlays	3	6	9	10	10	38

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that H.R. 3519 will be enacted in 2010 and that the necessary amounts to implement the bill will be appropriated each year. Estimates of outlays are based on historical spending patterns of similar programs.

The proposed grant program would supplement the Veterinary Loan Repayment Program (VLRP). Authorized in 2003, the VLRP provides debt relief to graduates of veterinary programs who agree to work in regions with a critical shortage of veterinarians. According to USDA, about 50 graduates are expected to participate in the VLRP for a period of three years starting in 2011 at an annual cost per person of about \$35,000. After several years, a total of about 150 veterinarians would be participating in the program each year. The program received an appropriation of \$5 million in 2010.

CBO estimates that annual funding for grants under H.R. 3519 to recruit, place, and retain veterinarians would total about \$5 million. CBO expects that the same level of assistance provided to participating graduates under the VLRP would be required for the recruitment, placement, and retention programs under H.R. 3519.

Other funding would be authorized under H.R. 3519 for grant programs to establish and expand accredited veterinary education programs, promote tele-veterinary practices, support secondary school programs, support state veterinary office functions, and assess and designate regions with a shortage of veterinarians. CBO estimates that annual funding of an additional \$5 million would be needed for those efforts.

In total, CBO estimates that the costs for new grant programs under H.R. 3519 would require annual appropriations of \$10 million. When fully implemented, the grant programs would provide support for nearly 300 veterinary positions or an equivalent level of veterinary services. (Nationwide, about 350 veterinarians graduate each year and choose to work in the fields of food animal medicine, public health veterinary medicine, and other occupations with a shortage of practitioners.)

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

H.R. 3519 contains no intergovernmental or private-sector mandates as defined in UMRA. State, local, and tribal governments would benefit from grants authorized in the bill. Any costs to state, local, or tribal governments would be incurred voluntarily as conditions of federal assistance.

## **PREVIOUS CBO ESTIMATE**

On March 2, 2010, CBO transmitted a cost estimate for S. 1709, the Veterinary Services Investment Act, as introduced on September 24, 2009. S. 1709 and H.R. 3519 are similar and the estimated costs are the same.

## **ESTIMATE PREPARED BY:**

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