



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 26, 2008

### **Protect Pregnant Women and Children from Dangerous Lead Exposures Act of 2008**

*As ordered reported by the Senate Committee on Environment and Public Works  
on September 17, 2008*

#### **SUMMARY**

This legislation would require the Environmental Protection Agency (EPA) to revise regulations relating to the hazards of lead-based paint, and lead-contaminated dust and soil. CBO estimates that implementing this bill would cost about \$20 million over the 2009-2013 period assuming appropriation of the necessary amounts. Enacting this legislation would not affect direct spending or revenues.

The bill would impose private-sector and intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) on firms certified by EPA to renovate certain properties containing lead-based paint. CBO estimates that the cost of the private-sector mandates would likely exceed the annual threshold established in UMRA (\$136 million in 2008, adjusted annually for inflation). Because of the small number of public entities that would be directly affected by the bill's requirements, CBO estimates that the cost of the mandates to state, local, and tribal governments would fall below the annual threshold for intergovernmental mandates (\$68 million in 2008, adjusted annually for inflation).

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of this legislation is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					2009-2013
	2009	2010	2011	2012	2013	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Grant Program to Expand Training Opportunities						
Authorization Level	2	2	2	1	0	7
Estimated Outlays	1	1	2	2	1	7
EPA Administrative Support						
Estimated Authorization Level	3	3	3	2	2	13
Estimated Outlays	3	3	3	2	2	13
Total Changes						
Estimated Authorization Level	5	5	5	3	2	20
Estimated Outlays	4	4	5	4	3	20

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that this legislation will be enacted near the start of fiscal year 2009 and that the necessary amounts will be appropriated each year. Estimated outlays are based on historical spending patterns for similar programs.

This legislation would authorize the appropriation of \$7 million over the 2009-2012 period for EPA to provide grants to entities to support training concerning the hazards of lead-based paint. Assuming appropriation of the authorized amounts, CBO estimates that implementing that provision would cost \$7 million over the 2009-2013 period. Based on information from EPA, CBO also estimates that enacting this legislation would cost about \$13 million over the 2009-2013 period to support EPA's efforts to revise existing lead regulations.

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

The bill contains private-sector and intergovernmental mandates as defined in UMRA. The bill would require firms that are certified through EPA to renovate properties containing lead-based paint to:

- Comply with a more restrictive standard for the presence of lead in buildings;

- Conduct a final test (referred to in the bill as a clearance) after completing renovations to ensure compliance with existing lead standards;
- Abide by new standards for workplace practices related to lead;
- Provide a report to the owners and occupants of the renovated property, detailing the measures taken to reduce lead hazards during the renovation work and disclosing any test results for lead contamination at the work site; and
- Ensure that an individual who has completed a training and certification program for handling surfaces with lead-based paint is present at the work site at all times during the renovation work.

CBO expects that the most significant costs of the mandates in the bill would be related to requirements for clearances. Based on estimates of the number of renovations expected per year and the cost of conducting a clearance, CBO estimates that the aggregate cost of the mandates would likely exceed the annual threshold established in UMRA for private-sector mandates (\$136 million in 2008, adjusted annually for inflation). Because of the small number of public entities that would be directly affected by the bill's requirements, CBO estimates that the cost of the mandates to state, local, and tribal governments would fall below the annual threshold established in UMRA for intergovernmental mandates (\$68 million in 2008, adjusted annually for inflation).

**ESTIMATE PREPARED BY:**

Federal Costs: Susanne S. Mehlman  
Impact on State, Local, and Tribal Governments: Burke Doherty  
Impact on the Private Sector: Amy Petz

**ESTIMATE APPROVED BY:**

Theresa Gullo  
Deputy Assistant Director for Budget Analysis