



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 16, 2009

H.R. 1746 Pre-Disaster Mitigation Act of 2009

*As ordered reported by the House Committee on Transportation and Infrastructure
on April 2, 2009*

SUMMARY

H.R. 1746 would authorize appropriations to the Federal Emergency Management Agency (FEMA) for grants to states and localities for pre-disaster mitigation programs, such as constructing levies, relocating homes from flood-prone areas, and retrofitting buildings in earthquake zones. CBO estimates that implementing H.R. 1746 would cost \$700 million over the 2010-2014 period and \$50 million in later years, assuming appropriation of the specified amounts. Enacting H.R. 1746 would not affect direct spending or revenues.

H.R. 1746 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. 1746 is shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars					2010-2014
	2010	2011	2012	2013	2014	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	250	250	250	0	0	750
Estimated Outlays	25	100	200	225	150	700

BASIS OF ESTIMATE

Under current law, FEMA is authorized through 2009 to provide grants and technical assistance to state and localities to implement measures that prevent damage in areas frequented by natural disasters. This legislation would extend this authority through 2012 and authorize the appropriation of \$250 million in each year over the 2010-2012 period, an increase of \$160 million over the 2009 appropriation level of \$90 million (as provided in Public Law 110-329). CBO's estimate of outlays is based on historical spending patterns for such grants.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1746 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Assuming appropriation of authorized amounts, those governments would benefit from \$700 million in grants over the 2010-2014 period for pre-disaster mitigation activities. Any costs to those governments, including matching funds, would be incurred voluntarily.

ESTIMATE PREPARED BY:

Federal Costs: Daniel Hoople

Impact on State, Local, and Tribal Governments: Melissa Merrell

Impact on the Private Sector: Paige Piper/Bach

ESTIMATE APPROVED BY:

Peter H. Fontaine

Assistant Director for Budget Analysis