



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 5, 2008

H.R. 5541

Federal Land Assistance, Management and Enhancement Act (FLAME Act)

As ordered reported by the House Committee on Natural Resources on April 17, 2008

SUMMARY

H.R. 5541 would establish the Federal Land Assistance, Management, and Enhancement Fund (Flame Fund) to finance some fire suppression activities managed by the Forest Service and the Bureau of Land Management (BLM). The bill also would authorize those agencies to provide grants to certain communities to improve local firefighting capabilities. Lastly, the bill would require the agencies to submit several new reports to the Congress regarding the incidence and management of wildland fires.

CBO expects that creating the Flame Fund and authorizing appropriations to that fund for fire suppression would have no effect on the federal budget because agencies already receive appropriations under existing authorities and have permanent authority to transfer funds from other accounts to cover fire suppression costs. Implementing this legislation might change the timing of appropriations for fire suppression but not the total cost of that activity.

CBO estimates that carrying out other provisions of the bill, including new reporting requirements and grant programs, would cost \$100 million over the 2009-2013 period, assuming appropriation of the necessary amounts. Enacting the legislation would not affect revenues or direct spending.

H.R. 5541 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. 5541 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	2010	2011	2012	2013
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Spending for Grants and Reports					
Estimated Authorization Level	20	20	20	20	20
Estimated Outlays	12	18	20	25	25

BASIS OF ESTIMATE

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

Flame Fund

H.R. 5541 would establish the Flame Fund and authorize appropriations to the fund equaling the average amount obligated for fire suppression over the five preceding years. Those amounts would be in addition to annual appropriations made under existing authorities to cover the “predicted annual workload for wildland fire suppression activities.” Agencies could continue to transfer funds from other accounts to cover those costs, if necessary, after all funds specifically appropriated for suppression have been obligated.

Under current law, annual appropriations for fire suppression are typically equal to the rolling average of annual obligations for those activities over the previous 10 years. When the 10-year average is not sufficient to cover those costs, the agencies are authorized to transfer funds from any other accounts to pay suppression costs. In many years, the 10-year average has not been sufficient to cover actual costs, requiring agencies to use transfer authority. When agencies transfer funds from other accounts, they are required to reimburse those accounts when additional appropriations become available. Supplemental appropriations also may be provided.

CBO expects that the appropriation of additional funds authorized by the legislation could result in fewer transfers from other program accounts to pay for suppression, but establishing the Flame Fund would not change the total amount spent on suppression. Although the timing of appropriations for suppression could change (if fewer supplemental appropriations would be required), this bill would not modify the total cost of suppression activities.

Grants and Reporting Requirements

H.R. 5541 would authorize the Secretaries to provide grants to communities in fire-prone areas near wildlands to help them enhance their firefighting capability. The grants could be used to develop education programs and to purchase equipment. The bill also would require the Secretaries to submit reports to the Congress detailing how they use amounts available in the Flame Fund and the strategies they use for managing and paying for wildland fire activities.

Based on information from the Forest Service and BLM and assuming appropriation of the necessary amounts, CBO estimates that implementing those provisions would cost about \$100 million over the 2009-2013 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5541 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 estimated amounts, local communities would receive \$100 million over the 2009–2013 period for training and activities related to firefighting.

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