



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 9, 2003

S. 930

Emergency Preparedness and Response Act of 2003

*As ordered reported by the Senate Committee on Environment and Public Works
on July 30, 2003*

SUMMARY

S. 930 would amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to establish two new grant programs within the Department of Homeland Security (DHS). First, the bill would authorize such sums as are necessary for a grant program to help first responders (fire, emergency medical service, and law enforcement personnel) prepare for terrorist incidents and natural disasters. Second, S. 930 would authorize the appropriation of \$286 million for grants to urban search and rescue task forces.

Assuming appropriation of the necessary sums, CBO estimates that implementing the bill would cost about \$1.7 billion over the 2004-2008 period. Enacting S. 930 would not affect direct spending or revenues.

S. 930 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would provide several benefits to state, local, and tribal governments. Those governments would benefit from the new grant programs that would be authorized by the bill.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 930 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					
	2003	2004	2005	2006	2007	2008
SPENDING SUBJECT TO APPROPRIATION						
Spending for First Responder Grants Under Current Law						
Estimated Authorization Level ^a	3,230	3,287	3,310	3,405	3,506	0
Estimated Outlays	1,357	2,253	2,859	3,206	3,413	1,989
Proposed Changes						
Estimated Authorization Level	0	160	42	42	42	3,600
Estimated Outlays	0	67	61	58	51	1,512
Spending for First Responder Grants and Urban Search and Rescue Task Force Grants Under S. 930						
Estimated Authorization Level ^a	3,230	3,447	3,352	3,447	3,548	3,600
Estimated Outlays	1,357	2,320	2,920	3,264	3,464	3,501

a. The 2003 level is the amount appropriated for that year; the 2004-2007 levels assume the grants program continues at the 2003 level, adjusted for anticipated inflation.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 930 will be enacted near the start of fiscal year 2004 and that the specified and estimated amounts necessary to implement the bill will be appropriated for each year. CBO estimates that implementing S. 930 would cost about \$1.7 billion over the 2004-2008 period.

S. 930 would authorize a first responder grant program that is similar to the grant program that the Office of Domestic Preparedness (ODP) within the Department of Homeland Security is implementing under current law. The ODP derives its primary authority to distribute grants to states and localities to prepare and respond to terrorism from the USA Patriot Act (P.L. 107-56) and the Homeland Security Act. The agency also cites the Antiterrorism and Effective Death Penalty Act of 1996 (P.L. 104-132) and the Defense Authorization Act of 1997 (P.L. 104-201) as additional sources of its authority to distribute such grants.

The grant program that would be established by S. 930 seeks to promote an all-hazards approach to local preparedness that coordinates funding for managing natural hazards and terrorism incidents. It is possible that state and local financial needs would be greater under

this broader grant program than under DHS's current first responder grant program, but CBO has no basis for estimating any additional costs for such a grant program.

The grant programs authorized by the USA Patriot Act will expire in 2007. Therefore, CBO assumes that the authority to provide homeland security grants that would be provided by this bill would not affect spending significantly until 2008. The estimated 2008 authorization level—\$3.6 billion—is the amount appropriated in 2003 for grants, adjusted for anticipated inflation.

S. 930 also would authorize DHS to provide grants to urban search and rescue task forces to pay for operating expenses, equipment, and training. Those task forces locate, rescue, and provide initial medical service to victims trapped in confined spaces. For those grants, the bill would authorize the appropriation of \$286 million over the 2004-2007 period. CBO estimates that about \$265 million would be spent over the 2004-2008 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 930 contains no intergovernmental or private-sector mandates and would provide several benefits for state, local, and tribal governments. This bill would expand the scope of homeland security grants to state and local governments and authorize such grants through 2008. Each state would receive a base allocation of \$15 million each year. Additional funds would be distributed by formula, which would give special consideration to urban areas that may face higher threats.

In addition to other eligible activities, those funds would be available to pay for overtime and related expenses during code red and code orange threat alerts. Local governments would receive 10 percent of the awards directly through the grant process and 80 percent of the funds awarded to states in the form of training, equipment, or cash assistance.

This bill also would authorize grants to urban search and rescue task forces. In the event of a disaster, some state and local governments would benefit from the expertise and assistance of these task forces.

PREVIOUS ESTIMATE

On July 16, 2003, CBO transmitted a cost estimate for S. 1245, the Homeland Security Grant Enhancement Act of 2003, as ordered reported by the Senate Committee on Governmental

Affairs on June 17, 2003. Both bills would authorize grants for first responders. S. 930 would also authorize grants for urban search and rescue task forces.

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