



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 26, 2008

H.R. 6098 **PRICE of Homeland Security Act**

*As reported by the Senate Committee on Homeland Security and Governmental Affairs
on September 24, 2008*

CBO estimates that implementing H.R. 6098 would have no significant cost to the federal government over the next five years. Enacting this legislation would not affect direct spending or revenues.

H.R. 6098 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

H.R. 6098 would permit state and local governments to use funds provided through the State Homeland Security Grant Program (SHSP) and the Urban Area Security Initiative (UASI) to pay the salaries and expenses of individual intelligence analysts beyond the current two-year limitation for such expenses. The act also would allow recipients greater flexibility in using grant funds for various personnel costs.

The SHSP provides grants to states for planning, purchasing equipment, and providing training to prepare for responding to acts of terrorism and other catastrophic events. The UASI provides grants to high-threat, high-density urban areas for similar purposes. Grant funds from either program may be used to pay for personnel costs, including the salaries and expenses of intelligence analysts; however, under rules implemented by the Department of Homeland Security (DHS), costs must be assumed by the grantee following a period of two years. After this period, grant funds may be used to hire a new analyst but may not be used to continue funding an existing analyst. H.R. 6098 would prevent DHS from continuing this requirement as a condition of grant award.

Under current law, the Congress has authorized appropriations totaling \$8.25 billion for SHSP and UASI through fiscal year 2012 and such sums as may be necessary thereafter (see Public Law 110-53). CBO does not expect that the changes included in H.R. 6098 would significantly alter the net expenditures of the federal grant programs. As such, we estimate that implementing the act would have no effect on the federal budget over the next five years.

On July 8, 2008, CBO transmitted a cost estimate for H.R. 6098 as ordered reported by the House Committee on Homeland Security on June 26, 2008. The two versions of the legislation are similar, and the estimated costs are the same.

The CBO staff contact for this estimate is Daniel Hoople. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.