



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 11, 2010

S. 3249
Predisaster Hazard Mitigation Act of 2010
*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on April 28, 2010*

SUMMARY

S. 3249 would authorize appropriations to the Federal Emergency Management Agency (FEMA) for grants to states and localities for predisaster mitigation programs, such as constructing levees, relocating homes from flood-prone areas, and retrofitting buildings in earthquake zones. CBO estimates that implementing this legislation would cost \$630 million over the 2011-2015 period and \$340 million in later years, assuming appropriation of the specified amounts. Enacting S. 3249 would not affect direct spending or revenues; therefore, pay-as-you-go procedures would not apply.

S. 3249 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 S. 3249 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					2011- 2015
	2011	2012	2013	2014	2015	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	180	190	200	200	200	970
Estimated Outlays	18	73	149	192	198	630

BASIS OF ESTIMATE

Under current law, FEMA is authorized, through 2010, to provide grants and technical assistance to states and localities to implement measures that prevent and mitigate damages in areas frequented by natural disasters. This legislation would extend this authority through 2015 and authorize the appropriation of \$970 million over the 2011-2015 period. The authorization level for 2011 would be an increase of \$80 million over the 2010 appropriation level of \$100 million (see Public Law 111-83). CBO's estimate of outlays is based on historical spending patterns for such programs.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 3249 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 \$630 million in grants over the 2011-2015 period for predisaster mitigation activities. Any costs to those governments, including matching funds, would be incurred voluntarily.

PREVIOUS CBO ESTIMATE

On April 16, 2009, CBO transmitted a cost estimate for H.R. 1746, the Pre-Disaster Mitigation Act of 2009, as ordered reported by the House Committee on Transportation and Infrastructure. The bills are similar; however, S. 3249 would authorize the appropriation of \$130 million less over the 2011-2012 period for predisaster mitigation grants. Additionally, S. 3249 would authorize the predisaster mitigation grant program through 2015, while H.R. 1746 would authorize it through 2012.

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