



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 26, 2010

**S. 3267
Fire Grants Reauthorization Act of 2010**

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on April 28, 2010*

SUMMARY

S. 3267 would authorize appropriations totaling about \$10 billion for the U.S. Fire Administration (USFA) to aid in preventing and responding to fires and other related hazards. CBO estimates that implementing the legislation would cost about \$6.5 billion over the 2011-2015 period and \$3.4 billion thereafter, assuming appropriation of the necessary and specified amounts. Enacting this legislation would not affect direct spending or revenues; therefore, pay-as-you-go procedures would not apply.

S. 3267 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. 3267 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						
Assistance to Firefighters Grants						
Estimated Authorization Level	950	980	1,004	1,030	1,060	5,024
Estimated Outlays	48	524	778	940	1,004	3,294
Fire Grants						
Estimated Authorization Level	950	980	1,004	1,030	1,060	5,024
Estimated Outlays	20	430	730	988	1,060	3,228
Total Changes						
Estimated Authorization Level	1,900	1,960	2,008	2,060	2,120	10,048
Estimated Outlays	68	954	1,508	1,928	2,064	6,522

BASIS OF ESTIMATE

Assistance to Firefighters Grants (AFG)

S. 3267 would authorize the appropriation of \$950 million in 2011 for the USFA to award grants to fire departments, state fire-training academies, and other organizations. In 2010, the Congress provided \$390 million for this purpose (see Public Law 111-83). In addition, the bill would authorize appropriations over the 2012-2015 period equal to the amount authorized in the previous year, adjusted for the year-over-year increase in the Consumer Price Index, for the same purpose. CBO estimates that those amounts would total about \$4 billion over the 2012-2015 period, for a total authorization level of \$5 billion over the next five years.

Established in 2000, the Assistance to Firefighters Grant program provides funding to train personnel, modify facilities, and obtain equipment, protective gear, emergency vehicles, training, and other resources to respond to fire and related hazards. S. 3267 would expand program eligibility to include state fire training academies and would increase minimum funding for fire prevention and safety programs from 5 percent to 10 percent of the total appropriated amount. Additionally, the legislation would decrease the matching requirement for grantees from 20 percent to 15 percent.

Based on historical spending patterns, CBO estimates that implementing the AFG program under the legislation would cost about \$3.3 billion over the 2011-2015 period and about \$1.7 billion thereafter, assuming appropriation of specified and estimated amounts.

Fire Grants

S. 3267 would authorize the appropriation of about \$950 billion in 2011 for the USFA to award grants to fire departments. In 2010, the Congress provided \$420 million for this purpose (see Public Law 111-83). In addition, the bill would authorize appropriations over the 2012-2015 period equal to the amount authorized in the previous year, adjusted for the year-over-year increase in the Consumer Price Index, for the same purpose. CBO estimates that those amounts would total about \$4 billion over the 2012-2015 period, for a total authorization level of \$5 billion over the next five years.

Established in 2003, the Staffing for Adequate Fire and Emergency Response (SAFER) grant program provides funding to hire additional firefighters and to recruit and retain volunteer firefighters. S. 3267 would reduce the term of a SAFER grant from four years to three years. Additionally, the legislation would limit grant funding to 75 percent of the cost of hiring a firefighter for the duration of the grant. Under current law, grants cover 90 percent of the cost of a new hire in the first year and gradually decreases to 30 percent in the fourth year. The bill would allow USFA to waive the cost share, as well as the existing requirement to retain additional personnel hired under the grant for at least a year, during periods of economic hardship.

CBO estimates that implementing the SAFER program under the legislation would cost about \$3.2 billion over the 2011-2015 period and \$1.7 billion thereafter, assuming appropriation of the specified and estimated amounts.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 3267 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Those governments would benefit from grants and technical assistance provided under the programs authorized in the bill. Any costs of those governments would be incurred voluntarily as conditions of federal assistance.

PREVIOUS CBO ESTIMATE

On November 2, 2009, CBO transmitted a cost estimate for H.R. 3791, the Fire Grants Reauthorization Act of 2009, as ordered reported by the House Committee on Science and Technology on October 21, 2009. The pieces of legislation are similar; however, S. 3267 would authorize appropriations for a different time period and for an amount that CBO estimates would be \$271 million more than H.R. 3791. The cost estimates reflect those differences.

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