



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

June 20, 2011

**S. 646  
Natural Hazards Risk Reduction Act of 2011**

*As ordered reported by the Senate Committee on Commerce, Science,  
and Transportation on May 5, 2011*

**SUMMARY**

S. 646 would reauthorize federal programs aimed at developing methods to reduce damage caused by earthquakes and windstorms. The bill also would reauthorize several committees that advise federal agencies on implementing those programs. Assuming appropriation of the authorized and necessary amounts, CBO estimates that implementing the legislation would cost \$803 million over the 2012-2016 period and \$43 million after 2016. Enacting S. 646 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 646 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 local governments.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 646 is shown in the following table. The costs of this legislation fall within budget functions 250 (general science, space, and technology), 300 (natural resources and environment), 370 (commerce and housing credit), and 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars					2012- 2016
	2012	2013	2014	2015	2016	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Title I: National Earthquake Hazards Reduction Program						
Authorization Level <sup>a</sup>	177	181	185	191	0	734
Estimated Outlays	111	152	176	189	71	699
Title II: National Windstorm Impact Reduction Program <sup>b</sup>						
Authorization Level	26	26	29	30	0	111
Estimated Outlays	13	21	26	30	14	104
Title III: Advisory Committees						
Estimated Authorization Level	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	1
Total Changes						
Estimated Authorization Level	203	207	214	221	0	846
Estimated Outlays	124	173	202	219	85	803

Notes: \* = less than \$500,000. Amounts may not sum to totals because of rounding.

- a. Of appropriations received in fiscal year 2010, agencies that participate in the National Earthquake Hazards Reduction Program allocated about \$130 million to carry out the program. Those agencies have not completed their allocations of fiscal year 2011 appropriations for the program.
- b. Of appropriations received in fiscal year 2010, agencies that carry out activities related to the National Windstorm Impact Reduction Program allocated about \$25 million for those purposes. Those agencies have not completed their allocations of fiscal year 2011 appropriations for activities related to the program.

## BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 646 will be enacted in 2011 and that the authorized and necessary amounts will be appropriated for each fiscal year (beginning in fiscal year 2012). Estimated outlays are based on historical spending patterns for similar activities.

Over the 2012-2015 period, title I would authorize appropriations totaling \$381 million for the United States Geological Survey, \$276 million for the National Science Foundation (NSF), \$45 million for the Federal Emergency Management Agency (FEMA), and \$32 million for the National Institute of Standards and Technology (NIST) to carry out the National Earthquake Hazards Reduction Program. Assuming appropriation of the authorized amounts, CBO estimates that implementing the

provisions of title I would cost \$699 million over the 2012-2016 period and \$35 million after 2016.

Over the 2012-2015 period, title II would authorize appropriations totaling \$42 million for NSF, \$42 million for FEMA, \$18 million for NIST, and \$9 million for the National Oceanic and Atmospheric Administration to carry out the National Windstorm Impact Reduction Program. Assuming appropriation of the authorized amounts, CBO estimates that implementing the provisions of title II would cost \$104 million over the 2012-2016 period and \$7 million after 2016.

Title III would reauthorize several committees that advise federal agencies on implementing the National Earthquake Hazards Reduction Program and the National Windstorm Impact Reduction Program. Based on information from NIST regarding administrative costs for similar committees, CBO estimates that the agency would spend about \$150,000 a year to maintain those committees. In total, CBO estimates that implementing the provisions of title III would cost \$750,000 over the 2012-2016 period, assuming appropriation of the necessary amounts.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 646 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or local governments.

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