



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 16, 2016

H.R. 5459 **Cyber Preparedness Act of 2016**

As ordered reported by the House Committee on Homeland Security
on September 13, 2016

H.R. 5459 would amend the Homeland Security Act of 2002 to require the Department of Homeland Security (DHS) to provide cybersecurity assistance to, and share cybersecurity risk information with, state, local, and regional fusion centers. Fusion centers are collaborative efforts among federal, state, local, or tribal government agencies that combine resources, expertise, or information related to criminal or terrorist activity. The bill also would expand membership of the National Cybersecurity and Communications Integration Center to include state and fusion centers in major urban areas. Under current law, DHS currently provides cybersecurity assistance to, and shares cybersecurity risk information with, fusion centers; the bill would codify those efforts.

The bill also would authorize recipients of Urban Area Initiative or State Homeland Security grants to use those funds to enhance cybersecurity at the state, local, or tribal government levels. The bill would not alter the number or dollar amount of grants provided or the eligibility requirements for receiving those grants.

CBO estimates that implementing H.R. 5459 would have no significant effect on the federal budget over the 2017-2021 period.

Enacting H.R. 5459 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 5459 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 5459 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. State, local, and tribal governments receiving Urban Area Initiative or State Homeland Security grants would benefit from the ability to use such funds to prepare and respond to cybersecurity risks and incidents. Any costs to state, local, or tribal governments, including matching contributions, would result from complying with conditions of assistance.

The CBO staff contacts for this estimate are Robert Reese and Bill Ma (for federal costs) and Rachel Austin (for intergovernmental effects). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.