



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 11, 2007

H.R. 2775

A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize funding for emergency management performance grants, and for other purposes

*As ordered reported by the House Committee on Transportation and Infrastructure
on June 28, 2007*

SUMMARY

H.R. 2775 would authorize the appropriation of \$1.5 billion over the 2009-2011 period for the Federal Emergency Management Agency (FEMA) to make grants to states and territories for emergency management. The legislation also would codify a 75 percent maximum federal share for grants made to states and localities for the equipment, construction, and renovation of Emergency Operations Centers. This cost share limitation was made permanent by the Congress in 2003 (see Public Law 108-7), but was not changed in FEMA's statutory authority.

CBO estimates that implementing H.R. 2775 would cost about \$1.3 billion over the 2009-2012 period, assuming the appropriation of the specified amounts. Enacting the legislation would have no effect on direct spending or revenues.

H.R. 2775 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 H.R. 2775 is shown in the following table. The cost of this legislation falls within budget function 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars					
	2007	2008	2009	2010	2011	2012
SPENDING SUBJECT TO APPROPRIATION						
Emergency Management Performance Grants						
Spending Under Current Law						
Budget Authority/Authorization Level ^a	200	375	0	0	0	0
Estimated Outlays	125	230	170	58	38	0
Proposed Changes						
Authorization Level	0	0	450	500	550	0
Estimated Outlays	0	0	180	380	465	315
Emergency Management Performance Grants Spending Under H.R. 2775						
Budget Authority/Authorization Level	200	275	450	500	550	0
Estimated Outlays	125	230	350	400	465	315

a. The 2007 level is the amount appropriated for that year for emergency management performance grants. The 2008 level is the amount authorized to be appropriated for that year by Public Law 109-295.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted during this Congress and that the authorized amounts will be appropriated for each fiscal year beginning with 2009.

H.R. 2775 would authorize the appropriation of \$1.5 billion over the 2009-2011 period for FEMA's Emergency Management Performance Grant (EMPG) program. The Congress appropriated \$200 million for the EMPG program in 2007, and authorized the appropriation of \$375 million in 2008 (see Public Law 109-295). Funds authorized by the bill would be allocated to states and territories based on relative population for planning, staff, equipment, public education, training, and other emergency management activities. Based on the historical expenditure pattern for EMPG, CBO estimates that implementing this provision would cost \$1.3 billion over the 2009-2012 period, subject to the appropriation of the specified amounts.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2775 contains no intergovernmental or private-sector mandates as defined in UMRA. Assuming appropriation of the authorized amounts, state governments would receive \$1.3 billion over the 2009-2012 period for emergency management projects. Any costs to those governments would be incurred voluntarily as a condition of receiving federal aid.

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