



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 8, 2008

H.R. 6098

PRICE of Homeland Security Act

As ordered reported by the House Committee on Homeland Security on June 26, 2008

CBO estimates that implementing H.R. 6098 would have no significant cost over the next five years. Enacting this legislation would not affect direct spending or revenues.

H.R. 6098 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments. The bill would benefit those governments by authorizing grant programs for homeland security; any costs to those governments would be incurred voluntarily.

H.R. 6098 would permit state and local governments to use funds provided through the State Homeland Security Grant Program (SHSP) and the Urban Area Security Initiative (UASI) to pay the salaries and expenses of individual intelligence analysts beyond two years. The bill also would allow recipients to use such funding to pay for operational costs incurred under the grant.

The SHSP provides grants to states for identified planning, equipment, and training needs in preparation for recovery from acts of terrorism and other catastrophic events. The UASI provides grants to high-threat, high-density urban areas for similar purposes. Grant funds from either program may be used to pay for personnel costs, including the salaries and expenses of intelligence analysts; however, under rules implemented by the Department of Homeland Security (DHS), costs must be assumed by the grantee following a period of two years. After this period, grant funds may be used to hire a new analyst but may not be used to continue funding an existing analyst. H.R. 6098 would prevent DHS from continuing this requirement as a condition of a grant award.

Under current law, the Congress has authorized appropriations totaling \$8.25 billion for SHSP and UASI through fiscal year 2012 and such sums as may be necessary thereafter (see Public Law 110-53). CBO does not expect that the changes included in H.R. 6098 would significantly alter the expenditures of the grantees or the federal grant programs. As such,

we estimate that implementing the bill would have no effect on the federal budget over the next five years.

The CBO staff contact for this estimate is Daniel Hoople. This estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.