



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 19, 2013

H.R. 3300 **FEMA Reauthorization Act of 2013**

*As ordered reported by the House Committee on Transportation and Infrastructure
on October 29, 2013*

SUMMARY

H.R. 3300 would authorize appropriations totaling \$3.1 billion for the Federal Emergency Management Agency (FEMA), CBO estimates. Those authorizations include about \$2.9 billion for salaries and expenses of the agency; \$110 million for the Urban Search and Rescue (US&R) Response System; \$6 million for Emergency Management Assistance Compact (EMAC) grants; and an estimated \$82 million to provide grants to repair structures primarily used for religious purposes after a disaster. Based on historical expenditure patterns, CBO estimates that implementing the legislation would cost \$3.1 billion over the 2014-2018 period, assuming appropriation of the necessary amounts.

Enacting this legislation would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 3300 would impose intergovernmental and private-sector mandates, as defined in the Unfunded Mandates Reform Act (UMRA), by eliminating an existing right to seek compensation for damages and by requiring employers to allow members of the urban search and rescue response system to reclaim their jobs upon completing a deployment to a disaster. Based on information from FEMA, CBO estimates that the cost to comply with the mandates would fall below the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$75 million and \$150 million, respectively, in 2013, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3300 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					2014- 2018
	2014	2015	2016	2017	2018	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION^a						
FEMA Salaries and Expenses						
Authorization Level	972	972	972	*	*	2,917
Estimated Outlays	874	972	972	98	*	2,917
US&R Response System						
Authorization Level	35	35	35	0	0	110
Estimated Outlays	25	35	35	10	0	110
EMAC Grants						
Authorization Level	2	2	2	0	0	6
Estimated Outlays	2	2	2	0	0	6
Public Assistance for Religious Nonprofit Facilities						
Estimated Authorization Level	32	18	10	11	11	82
Estimated Outlays	3	7	12	13	15	50
Total Changes						
Authorization Level	1,041	1,027	1,019	11	11	3,115
Estimated Outlays	904	914	1,021	121	15	3,083

Note: FEMA = Federal Emergency Management Agency; US&R = Urban Search and Rescue; * = less than \$500,000; EMAC = Emergency Management Assistance Compact.

a. Thus far in fiscal year 2014, the Congress has provided funding through January 15, 2014, for most of the activities that would be authorized by H.R. 3300. The annualized level of current appropriations is \$36 million lower than the total that would be authorized by the bill for 2014.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted near the end of calendar year 2013 and that amounts specified and estimated to be necessary will be appropriated for each year.

FEMA Salaries and Expenses

FEMA is the federal government's lead agency in preparing for, protecting against, responding to, and recovering from all hazards, including natural disasters, acts of terrorism, and other man-made disasters. For fiscal year 2013, the Congress provided \$936 million (reduced to roughly \$900 million after sequestration) for salaries and expenses of the agency (see Public Law 113-6). That amount does not include funding

for the US&R Response System and EMAC, which would be authorized separately in this bill.

H.R. 3300 would authorize the appropriation of \$972 million for each of fiscal years 2014 through 2016 for the administration of FEMA programs. That amount is about \$36 million above amounts provided by the Congress for 2014 (see Public Law 113-46), assuming that FEMA's partial-year appropriation for 2014 is continued at the same rate for the full year.

Of those funds, up to \$13 million per year would be used to modernize the Integrated Public Alert Warning System (IPAWS). IPAWS utilizes multiple technologies (for example, satellite radios, computers, and cellular phones) in addition to traditional radio and television communications to provide information about an impending or ongoing emergency. A similar amount was provided for this activity in 2013.

Those funds also would be used to establish an advisory committee to develop recommendations for IPAWS. However, because the committee would not terminate until after 2016 (the last year in which the bill specifies an authorization level for FEMA), additional discretionary appropriations would be necessary to continue operations of the committee beyond that date. Based on historical expenditures for similar activities, CBO estimates that providing that funding would cost about \$1 million over the 2017-2018 period.

Based on historical expenditure rates, CBO estimates that total spending for FEMA's salaries and expenses would be roughly \$2.9 billion over the 2014-2018 period, assuming appropriation of the amounts specified and estimated to be necessary.

Urban Search and Rescue Response System

The legislation would authorize the appropriation of \$35 million in each of fiscal years 2014 through 2016 for US&R. This amount is equal to the amount provided in 2013, and the annualized amount of the funding provided thus far in 2014 (see Public Laws 113-6 and 113-46). The US&R response system consists of multiple task forces that assist local responders in the location, extrication, and initial medical stabilization of victims trapped in confined spaces. Funding provided by the bill would be used to staff and train the task forces and maintain equipment used in training and responding to a disaster. The bill also would direct FEMA to establish a national network of standardized resources and to enter into cooperative agreements with sponsoring agencies to reimburse costs incurred in US&R operations.

Based on historical expenditure patterns, CBO estimates that implementing this provision would cost \$110 million over the next five years, assuming appropriation of the specified amounts.

Emergency Management Assistance Compact (EMAC) Grants

H.R. 3300 would authorize the appropriation of \$2 million in each of fiscal years 2014 through 2016 for grants to administer and coordinate activities under EMAC. That amount is roughly equal to that provided by the Congress for 2014 (see Public Law 113-46) assuming that FEMA's partial-year appropriation for 2014 is continued at the same rate for the full year. EMAC was ratified by the Congress in 1996 (see Public Law 104-321) as an interstate mutual-aid agreement that enables member states to share resources during a declared disaster. EMAC is currently administered by the National Emergency Management Association (NEMA), a private association representing state emergency management directors. About \$1 million was obligated by FEMA for EMAC in fiscal year 2013.

Based on historical expenditures, CBO estimates that providing grants to NEMA and EMAC participants would cost \$6 million over 2014-2018 period, assuming appropriation of the specified amounts.

Public Assistance for Religious Nonprofit Facilities

The bill would expand eligibility for grants under FEMA's Public Assistance (PA) program to structures used by nonprofit organizations for religious purposes. Under current law, structures owned by such nonprofits are only eligible for PA grants if their primary use is to provide an essential service of a governmental nature to the general public (for example, a school building).

Based on historical demand for PA grants, CBO estimates that implementing this provision would require additional appropriations of \$82 million over the next five years. Actual amounts may vary considerably depending on the severity of disasters in the future. Estimates for 2014 and 2015 are higher than later years because the bill would make such eligibility retroactive to October 28, 2012, which would include areas affected by Hurricane Sandy. Assuming appropriation of those amounts, CBO estimates that spending for additional PA grants would total \$50 million over the 2014-2018 period.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3300 would impose intergovernmental and private-sector mandates as defined in UMRA. CBO estimates that the cost to comply with the mandates by state, local, and tribal governments and the private sector would fall below the annual thresholds established in UMRA for such mandates (\$75 million and \$150 million, respectively, in 2013, adjusted annually for inflation).

Under current law, members of search and rescue task forces have protection from tort liability when participating in federal preparedness activities. The bill would expand that protection to include training exercises. Such protection would impose a mandate because it would eliminate an existing right to seek compensation for damages. According to FEMA, no claims for damage have been filed regarding a training exercise, nor does the agency expect that any such claims would be filed under current law. Therefore, CBO estimates that the costs, if any, of this mandate would be minimal.

The bill also would require employers to allow task force members who are deployed to a disaster to reclaim their jobs upon completion of their service. According to FEMA, there are currently about 4,000 workers in the system; the duration of deployment is usually less than one month; and in general, most employers currently allow workers to reclaim their positions. Thus, CBO estimates that the cost for public and private-sector employers to comply with the mandate would fall below the annual thresholds.

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