



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 20, 2017

H.R. 2825 **DHS Authorization Act of 2017**

As reported by the House Committee on Homeland Security on June 28, 2017

SUMMARY

H.R. 2825 would authorize the appropriation of nearly \$11 billion over the 2018-2022 period for programs in the Department of Homeland Security (DHS), mostly for activities carried out by the Federal Emergency Management Agency (FEMA), but also for programs of the Transportation Security Administration (TSA) and the DHS Office of the Inspector General. In addition, CBO estimates that the bill would authorize the appropriation of \$154 million over the five-year period for other DHS activities, including programs to increase security at airports.

Assuming appropriation of the authorized and estimated amounts, CBO estimates that implementing H.R. 2825 would cost \$5.6 billion over the 2018-2022 period and \$5.4 billion after 2022. In addition, because the legislation would affect direct spending, pay-as-you-go procedures apply; however, we estimate that the net effect would be negligible in every year. The bill would not affect revenues.

CBO estimates that enacting H.R. 2825 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2825 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) on airport operators and air carriers. Based on information from the TSA and airport officials, CBO estimates that the total costs of the mandates on public and private entities would fall well below the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$78 million and \$156 million in fiscal year 2017, respectively, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2825 is shown in the following table. The costs of this legislation fall within budget functions 400 (transportation), 450 (community and regional development), and 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars						2017- 2022
	2017	2018	2019	2020	2021	2022	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION							
FEMA Programs							
Authorization Level	0	2,164	2,164	1,999	1,999	1,999	10,325
Estimated Outlays	0	240	606	922	1,327	1,705	4,800
TSA Programs							
Authorization Level	0	122	122	0	0	0	244
Estimated Outlays	0	92	116	28	6	2	244
DHS Inspector General and Office for Civil Rights and Civil Liberties							
Authorization Level	0	198	198	0	0	0	395
Estimated Outlays	0	178	198	20	0	0	395
Other Programs							
Estimated Authorization Level	0	53	18	24	28	31	154
Estimated Outlays	0	40	24	23	27	30	144
Total Changes							
Estimated Authorization Level	0	2,537	2,502	2,023	2,027	2,030	11,118
Estimated Outlays	0	550	943	993	1,360	1,737	5,583

Notes: Details may not sum to totals because of rounding. FEMA = Federal Emergency Management Agency; TSA = Transportation Security Administration; DHS = Department of Homeland Security.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted near the end of 2017.

Spending Subject to Appropriation

CBO estimates that implementing H.R. 2825 would cost \$5.6 billion over the 2018-2022 period. For this estimate, CBO assumes that the authorized and estimated amounts will be provided each year and that spending will follow historical spending patterns for these activities.

Programs with Specified Authorizations. H.R. 2825 would authorize the appropriation of nearly \$11 billion over the 2018-2022 period for many programs in DHS, including activities carried out by FEMA, TSA, and other offices.

FEMA Programs. Title VI of H.R. 2825 would authorize the appropriation of \$10.3 billion over the 2018-2022 period for FEMA's domestic security programs. Specifically, the bill would authorize the annual appropriation of:

- \$800 million for the Urban Area Security Initiative;
- \$710 million for the State Homeland Security Grant Program;
- \$200 million for the Transit Security Grant Program;
- \$200 million for the Port Security Grant Program;
- \$50 million for grants to nonprofit organizations for security enhancements to protect against terrorism;
- \$39 million for the Counterterrorism Training Program; and
- About \$165 for the National Domestic Preparedness Consortium.

CBO estimates that implementing those provisions would cost \$4.8 billion over the 2018-2022 period.

TSA Programs. H.R. 2825 would authorize the annual appropriation (through 2019) of:

- \$77 million for TSA to monitor exits used by passengers leaving service areas of airports; and
- \$45 million for the cost of deploying law enforcement personnel to security checkpoints at airports.

CBO estimates that implementing those provisions would cost \$244 million over the 2018-2022 period.

DHS Inspector General and Office for Civil Rights and Civil Liberties. H.R. 2825 would authorize, for each of 2018 and 2019, the appropriation of:

- \$175 million for the DHS Office of the Inspector General; and
- About \$23 million for the DHS Office for Civil Rights and Civil Liberties.

CBO estimates that implementing those provisions would cost \$395 million over the 2018-2022 period.

Other Programs. CBO estimates that carrying out other activities (as described below) would require appropriations of \$154 million over the 2018-2022 period.

TSA Activities. CBO estimates that implementing certain provisions of title V of the bill would require appropriations totaling \$144 million over the 2018-2022 period. That amount includes:

- \$56 million for a gradual expansion in the number of canine teams used to detect explosives within surface and maritime transportation systems;
- \$43 million for a variety of activities aimed at improving security at airports by enhancing the vetting and screening of aviation workers and controlling their access to secure areas of airports;
- \$25 million for increased administrative costs related to a significant expansion in the number of personnel-related policies that could be included in negotiations over collective bargaining agreements; and
- \$20 million for the cost of implementing an automated system to verify the identity and travel documents of air passengers.

CBO estimates that implementing these activities would cost \$134 million over the 2018-2022 period (and \$10 million after 2022).

Reports and Audits. H.R. 2825 would require DHS and the Government Accountability Office to prepare about 30 audits and reports (some annually) on various topics within the department's purview. Based on the cost of similar activities, CBO estimates that it would cost about \$10 million over the 2018-2022 period for those reports and audits.

Direct Spending

The Asia-Pacific Economic Cooperation (APEC) Business Travel Cards Act of 2011 (Public Law 112-54) authorized DHS to issue special cards to eligible U.S. citizens to facilitate international travel to participating countries (mostly in Asia). Under that act, DHS may not issue the cards after September 30, 2018. H.R. 2825 would extend that program permanently.

DHS collects a fee of \$70 from applicants for the APEC card. Those fees are classified in the budget as offsetting receipts (a reduction in direct spending) and are available to DHS to spend without further appropriation. In fiscal year 2016 DHS collected a total of about \$1 million in fees. CBO estimates that enacting H.R. 2825 would have no significant net effect on DHS spending because we expect the department would continue to collect and spend roughly the same amount in future years.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. CBO estimates that enacting H.R. 2825 would have no significant net effect on direct spending in any year. The bill would not affect revenues.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 2825 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2825 would impose intergovernmental and private-sector mandates as defined in UMRA by requiring airport operators and air carriers to provide information to TSA about individuals who have had their security credentials revoked. Additionally, the bill would require airport operators to notify applicants for security credentials about screening procedures and to submit applicants' social security numbers to the TSA. Those provisions would impose both intergovernmental and private-sector mandates on airport operators and a private-sector mandate on air carriers. Based on information from the TSA and airport officials, CBO expects that affected entities would probably report information to the TSA electronically and estimates that the costs to submit that information would be small. The bill also would require airport operators to include specific information, such as evacuation and communication strategies, in emergency response plans. Because most airports operators already include such information in their response plans under current law, CBO estimates that the costs to comply with the mandate would be small. In total, CBO estimates that the costs on public and private entities would fall well below the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$78 million and \$156 million in fiscal year 2017, respectively, adjusted annually for inflation).

PREVIOUS CBO ESTIMATES

CBO has prepared cost estimates in 2017 for many other bills with provisions that are similar to provisions of H.R. 2825. For each of the bills listed below, our estimates of the costs of the similar provisions are the same as in H.R. 2825:

- H.R. 876, the Aviation Employee Screening and Security Enhancement Act of 2017 (as ordered reported by the House Committee on Homeland Security on March 8, 2017);

- S. 763, the Surface and Maritime Transportation Security Act (as ordered reported by the Senate Committee on Commerce, Science, and Transportation on April 5, 2017);
- H.R. 2188, the Community Counterterrorism Preparedness Act (as ordered reported by the House Committee on Homeland Security on May 3, 2017);
- H.R. 1372, the Homeland Security of Children Act (as ordered reported by the House Committee on Homeland Security on March 8, 2017);
- H.R. 2169, the Improving Fusion Centers' Access to Information Act (as ordered reported by the House Committee on Homeland Security on May 3, 2017);
- H.R. 1249, the DHS Multiyear Acquisition Strategy Act of 2017 (as passed by the U.S. House of Representatives on March 20, 2017);
- H.R. 1294, the Reducing DHS Acquisition Cost Growth Act (as passed by the U.S. House of Representatives on March 20, 2017);
- H.R. 1252, the DHS Acquisition Authorities Act of 2017 (as passed by the U.S. House of Representatives on March 20, 2017);
- H.R. 1282, the DHS Acquisition Review Board Act of 2017 (as ordered reported by the House Committee on Homeland Security on March 8, 2017);
- H.R. 1297, the Quadrennial Homeland Security Review Technical Corrections Act of 2017 (as ordered reported by the House Committee on Homeland Security on March 8, 2017); and
- S. 504, the APEC Business Travel Cards Reauthorization Act of 2017 (as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on May 17, 2017).

In addition, on June 27, 2017, CBO transmitted a cost estimate for H.R. 2548, the FEMA Reauthorization Act of 2017 (as ordered reported by the House Committee on Transportation and Infrastructure on May 24, 2017) provisions of that legislation are similar to section 615 of H.R. 2825. However, CBO's estimates of the costs of those similar provisions are different because different amounts are authorized to be appropriated in each piece of legislation.

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