



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

January 18, 2018

S. 1768
National Earthquake Hazards Reduction Program
Reauthorization Act of 2017

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on December 13, 2017*

SUMMARY

S. 1768 would amend the Earthquake Hazards Reduction Act of 1977 to make changes to the National Earthquake Hazards Reduction Program (NEHRP), an interagency program focused on reducing earthquake-related risks to life and property. The bill would authorize the appropriation of \$735 million over the 2018-2022 period for the United States Geological Survey (USGS), the National Science Foundation (NSF), the Federal Emergency Management Agency (FEMA), and the National Institute of Standards and Technology (NIST) to continue the program.

Assuming appropriation of the authorized amounts, CBO estimates that implementing S. 1768 would cost \$596 million over the 2018-2022 period. Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting S. 1768 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 1768 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of S. 1768 is shown in the following table. The costs of this legislation fall within budget functions 250 (general science, space, and technology), 300 (natural resources and environment), 370 (commerce and housing credit), and 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars					2018- 2022
	2018	2019	2020	2021	2022	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
United States Geological Survey						
Authorization Level	72	74	75	76	78	376
Estimated Outlays	21	21	21	21	21	363
National Science Foundation						
Authorization Level	55	56	57	58	60	287
Estimated Outlays	10	31	43	50	53	186
Federal Emergency Management Agency						
Authorization Level	9	9	9	9	9	45
Estimated Outlays	1	2	4	6	8	20
National Institute of Standards and Technology						
Authorization Level	5	5	6	6	6	28
Estimated Outlays	4	5	6	6	6	27
Total Changes						
Authorization Level	141	144	147	149	153	735
Estimated Outlays	79	108	126	137	145	596

Components do not sum to totals because of rounding.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1768 will be enacted near the beginning of calendar year 2018 and that the authorized amounts will be appropriated for each year. Estimated outlays are based on historical spending patterns for this program.

NEHRP is a nationwide program that aims to reduce risks to life and property in the United States that result from earthquakes. The main goals of the program include:

- Developing effective practices and policies for earthquake loss reduction and accelerating their implementation,
- Improving techniques for reducing the earthquake vulnerabilities of facilities and systems,
- Improving earthquake hazard identification and risk assessment methods, and
- Improving the understanding of earthquakes and their effects.

In 2017, \$139 million was allocated to NEHRP. The bill would authorize the appropriation of \$735 million over the 2018-2022 period for USGS, NSF, FEMA, and NIST to continue the program. CBO estimates that implementing S. 1768 would cost \$596 million over the 2018-2022 period and \$139 million in years after 2022.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 1768 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

MANDATES

S. 1768 contains no intergovernmental or private-sector mandates as defined in UMRA.

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