



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

November 10, 2009

**H.R. 3820  
Natural Hazards Risk Reduction Act of 2009**

*As ordered reported by the House Committee on Science and Technology  
on October 21, 2009*

**SUMMARY**

H.R. 3820 would reauthorize federal programs aimed at developing methods to reduce damages caused by earthquakes and windstorms. The bill also would reauthorize several committees that advise federal agencies on implementing those programs. Assuming appropriation of the authorized and necessary amounts, CBO estimates that implementing the legislation would cost \$747 million over the 2010-2014 period and \$125 million after 2014. Enacting H.R. 3820 would not affect direct spending or revenues.

H.R. 3820 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 local governments.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 3820 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					2010-2014
	2010	2011	2012	2013	2014	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Title I: National Earthquake Hazards Reduction Program						
Authorization Level <sup>a</sup>	80	157	161	165	171	734
Estimated Outlays	28	125	148	161	168	630
Title II: National Windstorm Impact Reduction Program						
Authorization Level	26	26	26	29	30	137
Estimated Outlays	13	21	25	28	29	116
Title III: Advisory Committees						
Estimated Authorization Level	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	1
Total Changes						
Authorization Level	106	183	187	194	201	872
Estimated Outlays	41	146	173	189	197	747

Note: \* = less than \$500,000. Amounts may not sum to totals due to rounding.

- a. H.R. 3820 would authorize the appropriation of \$151 million for the Earthquake Hazards Reduction Program in 2010. A total of \$71 million has been appropriated to the Federal Emergency Management Agency and the U.S. Geological Survey for 2010. Other agencies involved with this program have not yet received a full-year appropriation for 2010.

## BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 3820 will be enacted early in calendar year 2010 and that the authorized and necessary amounts will be appropriated for each fiscal year. Estimated outlays are based on historical spending patterns for similar activities.

Over the 2010-2014 period, title I would authorize appropriations totaling \$371 million for the United States Geological Survey, \$340 million for the National Science Foundation (NSF), \$55 million for the Federal Emergency Management Agency (FEMA), and \$39 million for the National Institute of Standards and Technology (NIST) to carry out the National Earthquake Hazards Reduction Program. (Over the 2005-2009 period, those agencies spent \$616 million for the program.) Assuming appropriation of the authorized amounts, CBO estimates that implementing the provisions of title I would cost \$630 million over the 2010-2014 period and \$104 million after 2014. That estimate

excludes \$71 million that has already been appropriated for the National Earthquake Hazards Reduction Program in 2010.

Over the 2010-2014 period, title II would authorize appropriations totaling \$52 million for NSF, \$52 million for FEMA, \$22 million for NIST, and \$11 million for the National Oceanic and Atmospheric Administration to carry out the National Windstorm Impact Reduction Program. (Those agencies spent about \$88 million on related activities over the 2005-2009 period.) Assuming appropriation of the authorized amounts, CBO estimates that implementing the provisions of title II would cost \$116 million over the 2010-2014 period and \$21 million after 2014.

Title III would reauthorize several committees that advise federal agencies on implementing the National Earthquake Hazards Reduction Program and the National Windstorm Impact Reduction Program. Based on information from NIST regarding administrative costs for similar committees, CBO estimates that the agency would spend about \$150,000 a year to maintain those committees. In total, CBO estimates that implementing the provisions of title III would cost \$750,000 over the 2010-2014 period, assuming appropriation of the necessary amounts.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 3820 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or local governments.

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