



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

January 10, 2012

H.R. 3479 **Natural Hazards Risk Reduction Act of 2011**

*As ordered reported by the House Committee on Science, Space, and Technology
on December 1, 2011*

SUMMARY

H.R. 3479 would reauthorize federal programs aimed at developing methods to reduce damage caused by earthquakes and windstorms. The bill also would reauthorize an interagency advisory committee to coordinate those programs. Assuming appropriation of the authorized and necessary amounts, CBO estimates that implementing the legislation would cost \$285 million over the 2012-2017 period and \$10 million after 2017. Enacting H.R. 3479 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 3479 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 tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3479 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).

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 3479 will be enacted early in 2012 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.

	By Fiscal Year, in Millions of Dollars						2012-2017
	2012	2013	2014	2015	2016	2017	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION							
Title I: National Earthquake Hazards Reduction Program							
Estimated Authorization Level ^a	1	122	122	0	0	0	245
Estimated Outlays	0	52	91	57	25	11	236
Title II: National Windstorm Impact Reduction Program							
Estimated Authorization Level ^a	8	21	21	0	0	0	50
Estimated Outlays	4	10	16	12	5	2	49
Total Changes							
Estimated Authorization Level	9	143	143	0	0	0	295
Estimated Outlays	4	63	107	68	30	13	285

a. The estimated authorization level for fiscal year 2012 reflects the difference between the amounts authorized under the bill for the National Earthquake Hazards Reduction Program and the National Windstorm Impact Reduction Program and the amounts appropriated for fiscal year 2012 for those programs. Because some of the affected agencies have not allocated their fiscal year 2012 appropriations, CBO estimated the amounts that would be allocated to the program based on information from the agencies.

National Earthquake Hazards Reduction Program

Over the 2012-2014 period, title I would authorize the appropriation of \$57.7 million a year for the United States Geological Survey (USGS), \$53.8 million a year for the National Science Foundation (NSF), \$6.4 million a year for the Federal Emergency Management Agency (FEMA), and \$4.1 million a year for the National Institute of Standards and Technology (NIST) to carry out the National Earthquake Hazards Reduction Program.

The affected agencies have received appropriations for fiscal year 2012; however, some of those agencies have not allocated those funds to specific programs. Based on information provided by USGS, FEMA, and NIST, CBO estimates that those agencies' allocations for the National Earthquake Hazards Reduction Program will exceed the amounts authorized under the bill and, therefore, no additional funds would be required for those agencies in 2012. Because CBO estimates that NSF's allocation of fiscal year 2012 appropriations for the program will be \$1 million less than the amount that would be authorized by H.R. 3479, we estimate that the agency would receive an additional appropriation of \$1 million in 2012, assuming appropriation of the authorized amounts.

In total, CBO estimates that implementing the provisions of title I would cost \$236 million over the 2012-2017 period and \$9 million after 2017.

National Windstorm Impact Reduction Program

Over the 2012-2014 period, title II would authorize the appropriation of \$9.4 million a year for NSF, \$5.3 million a year for NIST, \$4 million a year for FEMA, and \$2.7 million a year for the National Oceanic and Atmospheric Administration (NOAA) to carry out the National Windstorm Impact Reduction Program.

The affected agencies have received appropriations for fiscal year 2012; however, some of those agencies have not allocated those funds to specific programs. Based on information provided by NSF, CBO estimates that the agency's allocation for activities carried out under the National Windstorm Impact Reduction Program will exceed the amount authorized under the bill and, therefore, no additional funds would be required for the agency in 2012. Because CBO estimates that allocations of fiscal year 2012 appropriations by FEMA, NIST, and NOAA for the program will total \$8 million less than the amounts that would be authorized by H.R. 3479, we estimate that those agencies would receive additional appropriations totaling \$8 million in 2012, assuming appropriation of the authorized amounts.

In total, CBO estimates that implementing the provisions of title II would cost \$49 million over the 2012-2017 period and \$1 million after 2017.

PAY-AS-YOU-GO CONSIDERATIONS: None

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3479 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On June 20, 2011, CBO transmitted a cost estimate for S. 646, the Natural Hazards Risk Reduction Act of 2011, as ordered reported by the Senate Committee on Commerce, Science, and Transportation on May 5, 2011. That bill would authorize appropriations totaling \$846 million over the 2012-2015 period, whereas H.R. 3479 would authorize appropriations totaling \$430 million over the 2012-2014 period for similar activities. In addition, because the cost estimate for S. 646 was completed before the affected agencies received their fiscal year 2012 appropriations, the estimate for that bill did not account for amounts received in 2012 prior to the bill's assumed enactment date. The cost estimates for S. 646 and H.R. 3479 reflect those differences.

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