



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 26, 2018

### **H.R. 2825** **DHS Authorization Act**

*As reported by the Senate Committee on Homeland Security  
and Governmental Affairs on April 16, 2018*

#### **SUMMARY**

H.R. 2825 would authorize the appropriation of nearly \$2.7 billion over the 2019-2023 period for programs in the Department of Homeland Security (DHS), mostly for activities carried out by the Federal Emergency Management Agency (FEMA). In addition, CBO estimates, the act would effectively authorize the appropriation of about \$1.2 billion over the five-year period, mostly for other FEMA programs.

Assuming appropriation of the authorized and estimated amounts, CBO estimates that implementing H.R. 2825 would cost about \$3.2 billion over the 2019-2023 period. Enacting the legislation would affect direct spending; therefore, pay-as-you-go procedures apply. However, we estimate that those effects would be insignificant in each year. The act would not affect revenues.

CBO estimates that enacting H.R. 2825 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 2825 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 H.R. 2825 is shown in the following table. The costs of the legislation fall within budget functions 450 (community and regional development), 500 (education, training, employment, and social services), and 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars						2019- 2023
	2018	2019	2020	2021	2022	2023	
<b>INCREASES IN SPENDING SUBJECT TO APPROPRIATION</b>							
<b>FEMA Programs</b>							
Authorization Level	1,215	1,235	1,254	1	1	0	2,491
Estimated Outlays	0	652	1,008	492	182	73	2,407
<b>DHS Inspector General</b>							
Authorization Level	175	175	0	0	0	0	175
Estimated Outlays	0	158	18	0	0	0	175
<b>Congressional Commission</b>							
Estimated Authorization Level	0	1	0	0	0	0	1
Estimated Outlays	0	1	0	0	0	0	1
<b>Other FEMA Programs</b>							
Estimated Authorization Level	0	192	196	200	205	209	1,002
Estimated Outlays	0	13	42	82	128	173	438
<b>FEMA Predisaster Hazard Mitigation Program</b>							
Estimated Authorization Level	0	120	24	24	24	24	216
Estimated Outlays	0	6	25	54	40	32	157
<b>Reports</b>							
Estimated Authorization Level	0	9	3	3	3	3	20
Estimated Outlays	0	8	3	3	3	3	20
<b>Total Changes</b>							
Estimated Authorization Level	1,390	1,732	1,477	228	233	236	3,906
Estimated Outlays	0	838	1,097	631	352	281	3,199

Components may not sum to totals because of rounding; DHS = Department of Homeland Security; FEMA = Federal Emergency Management Agency.

The act would authorize the appropriation of \$1,390 million for 2018. CBO does not estimate any outlays for those authorizations because appropriations for 2018 have already been provided.

CBO estimates that enacting H.R. 2825 would increase direct spending by less than \$500,000 over the 2019-2028 period.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that H.R. 2825 will be enacted near the end of fiscal year 2018. H.R. 2825 would authorize appropriations totaling \$1.39 billion for fiscal year 2018. CBO does not estimate outlays for the 2018 authorizations because appropriations for 2018 have already been provided.

CBO estimates that implementing H.R. 2825 would cost about \$3.2 billion over the 2019-2023 period. For this estimate, CBO assumes that the authorized and estimated amounts will be provided each year beginning in 2019 and that spending will follow historical patterns.

### **Programs With Specified Authorizations**

H.R. 2825 would authorize the appropriation of nearly \$2.7 billion over the 2019-2023 period for programs in DHS, mostly for activities carried out by FEMA.

**FEMA Programs.** Titles V and VI of H.R. 2825 would authorize a total of about \$2.5 billion in fiscal years 2019 and 2020 for the management and administration of FEMA.

The legislation would specifically authorize the following annual appropriations:

- About \$1.1 billion through 2020 for overall FEMA management and administration,
- About \$165 million through 2020 in grants to the National Domestic Preparedness Consortium, and
- \$1 million through 2022 for a joint counterterrorism awareness workshop.

CBO estimates that implementing those provisions would cost about \$2.4 billion over the 2019-2023 period.

**DHS Inspector General.** H.R. 2825 would authorize the appropriation of \$175 million for fiscal year 2019 for the DHS Office of Inspector General. CBO estimates that implementing the provision would cost \$175 million over the 2019-2020 period.

**Congressional Commission.** H.R. 2825 would authorize the appropriation of \$1 million for a commission to review Congressional oversight of DHS; the commission would terminate within one year of enactment of the legislation. Because the legislation does not specify a schedule for the authorization, CBO assumes that the funding will be provided in fiscal year 2019. CBO estimates that implementing the provision would cost \$1 million that year.

### **Other Programs**

CBO estimates that carrying out the other activities described below would require appropriations of about \$1.2 billion over the 2019-2023 period.

**Other FEMA Programs.** H.R. 2825 would strike provisions of current law that authorize appropriations for Transit Security Grants through 2011 and for Port Security Grants through 2013. Although those authorizations have expired, the programs received funds in 2018. The legislation would not change the nature of those programs' responsibilities. By striking the expired authorization but leaving the underlying programs in place, the legislation would effectively permanently authorize those programs. Using information from FEMA on current program funding and accounting for anticipated inflation, CBO estimates implementing H.R. 2825 would authorize appropriations for FEMA over the 2019-2023 period as follows:

- \$469 million for the Transit Security Grant Program, and
- \$533 million for the Port Security Grant Program.

CBO estimates that implementing those provisions would cost \$438 million over the 2019-2023 period and \$564 million after 2023.

**FEMA Predisaster Mitigation Fund.** H.R. 2825 would create the National Public Infrastructure Predisaster Mitigation Fund. For each major disaster declared after August 1, 2017, an amount equal to 6 percent of the total estimated funding FEMA expects to provide for certain disaster response grants would be transferred into the proposed fund from amounts in the Disaster Relief Fund. The new fund would be used to provide technical and financial assistance to states and localities for hazard mitigation designed to reduce injury, loss of life, and damage and destruction of property. Amounts in the fund could be spent without further appropriation.

After enactment, CBO estimates, about \$120 million—6 percent of the estimated \$2 billion in relevant disaster response grants expected to be made for disasters declared after August 1, 2017—would be transferred to the proposed fund in 2019. In recent years, FEMA has been provided an average of \$400 million a year for the relevant disaster response grants. Assuming that the Congress provides similar amounts in subsequent years, CBO estimates that \$24 million (6 percent of \$400 million) would be transferred to the fund each year.

Because the provision does not change any underlying authority to provide disaster relief, in CBO's view the legislation implicitly authorizes the appropriation of amounts equal to the amounts that would be transferred from the Disaster Relief Fund to the Predisaster Mitigation Fund. Thus, on the basis of historical spending patterns, CBO estimates that spending under this section would total \$157 million over the 2019-2023 period and \$59 million after 2023.

**Reports and Reviews.** H.R. 2825 would require DHS and the Government Accountability Office to prepare about 45 program reviews or 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 \$20 million over the 2019-2023 period to prepare those reports and reviews.

## **PAY-AS-YOU-GO CONSIDERATIONS**

H.R. 2825 would increase direct spending for additional workers' compensation claims from private-sector employees working with DHS. The act would allow certain private-sector employees who are injured in the course of their work at the department to have related medical expenses paid through the federal workers' compensation program; such payments are considered mandatory spending. Based on the projected number of affected private-sector employees who will work with DHS, CBO estimates that the additional liability will increase direct spending by \$50,000 to \$100,000 per year, starting in 2021, and by less than \$500,000 over the 2019-2028 period.

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 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 significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

## **MANDATES**

H.R. 2825 contains no intergovernmental or private-sector mandates as defined in UMRA.

## **PREVIOUS CBO ESTIMATE**

On July 20, 2017, CBO transmitted a cost estimate for H.R. 2825, the DHS Authorization Act of 2017, as reported by the House Committee on Homeland Security on June 28, 2017. CBO estimated that implementing that version of the legislation would cost \$5.6 billion over the 2018-2022 period, assuming appropriation of the necessary amounts. The differences in the cost estimates are attributable to differences in

provisions, differences in CBO's assumptions about the enactment date for each version of the legislation, and the fact that appropriations for 2018 have already been provided.

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