



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

June 28, 2000

H.R. 4210

A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide for improved federal efforts to prepare for and respond to terrorist attacks, and for other purposes

*As ordered reported by the House Committee on Transportation and Infrastructure
on June 21, 2000*

SUMMARY

H.R. 4210 would create an Office of Terrorism Preparedness within the Executive Office of the President. The new office would oversee and coordinate all federal programs which help state and local governments prepare for a terrorist attack. The responsibilities of this office would include establishing a comprehensive strategy for assisting state and local governments, evaluating federal programs which are designed to help state and local governments, providing grants to help state and local governments participate in federal programs, and coordinating the President's budget request for antiterrorism.

H.R. 4210 would authorize the appropriation of \$9 million in fiscal year 2001 for the Office of Terrorism Preparedness, and the bill would authorize such sums as may be necessary for fiscal years 2002 through 2005. CBO estimates that implementing H.R. 4210 would cost \$47 million over the 2001-2005 period, assuming the necessary amounts are provided.

H.R. 4210 would authorize the new office to accept and spend donations which would affect both governmental receipts and direct spending; hence, pay-as-you-go procedures would apply. CBO estimates that neither the receipts nor the spending would exceed \$500,000.

H.R. 4210 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and could benefit state and local governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4210 is shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development). The estimate assumes that spending would occur at the same rates as observed for similar programs.

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
CHANGES IN SPENDING SUBJECT TO APPROPRIATION ^{a,b}						
Estimated Authorization Level	0	9	9	10	10	10
Estimated Outlays	0	4	13	10	10	10

a. By allowing the new Office of Terrorism Preparedness to accept and spend donations, the bill also would affect receipts and direct spending. CBO estimates that those changes would be negligible each year.

b. This estimate of spending for the Office of Terrorism Preparedness assumes annual adjustments for anticipated inflation. CBO estimates that spending for the office would cost about \$44 million over the 2001-2005 period without such adjustments.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. These procedures would apply to H.R. 4210 because it could affect direct spending and receipts, but CBO estimates that the annual amount of such changes would not be significant.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 4210 contains no intergovernmental or private-sector mandates as defined in UMRA and could benefit state and local governments. The bill would establish the Office of Terrorism Preparedness to coordinate federal, state, and local antiterrorism efforts. The bill would require the director of the new office to provide voluntary minimum standards, recommendations, assessments, and consulting services to state and local governments to improve antiterrorism preparedness. The bill also would authorize the director to make grants to state and local governments to offset specific costs. Tribal governments would not be affected by the bill.

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