



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

July 16, 2003

**S. 1245**

**Homeland Security Grant Enhancement Act of 2003**

*As ordered reported by the Senate Committee on Governmental Affairs  
on June 17, 2003*

**SUMMARY**

S. 1245 would authorize the Department of Homeland Security (DHS) to make administrative changes in order to improve the coordination of homeland security grants across the federal government and would establish an interagency committee to coordinate and streamline homeland security grants and an information clearinghouse for homeland security assistance. In addition, this bill would establish a homeland security grant program within DHS and would authorize the appropriation of such sums as are necessary for that program.

Assuming appropriation of the necessary sums, CBO estimates that implementing the bill would cost about \$1.5 billion over the 2004-2008 period. Enacting S. 1245 would not affect direct spending or revenues.

S. 1245 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would provide several benefits to state, local, and tribal governments.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 1245 is shown in the following table. The costs of this legislation fall within budget function 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					
	2003	2004	2005	2006	2007	2008
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending Under Current Law						
Estimated Authorization Level <sup>a</sup>	3,230	3,287	3,310	3,405	3,506	0
Estimated Outlays	1,357	2,253	2,859	3,206	3,413	1,989
Proposed Changes						
Estimated Authorization Level	0	*	*	*	*	3,600
Estimated Outlays	0	*	*	*	*	1,512
Spending Under S. 1245						
Estimated Authorization Level <sup>a</sup>	3,230	3,287	3,310	3,405	3,506	3,600
Estimated Outlays	1,357	2,253	2,859	3,206	3,413	3,501

NOTES: \* = Costs of less than \$500,000 for administrative changes that would be made by the bill.

- a. The 2003 level is the amount appropriated for that year; the 2004-2007 levels assume the grants program continues at the 2003 level, adjusted for anticipated inflation.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that S. 1245 will be enacted near the start of fiscal year 2004 and that the necessary funds will be appropriated for each year. CBO estimates that implementing S. 1245 would cost about \$1.5 billion over the 2004-2008 period.

S. 1245 would authorize a homeland security grant program that is almost identical to the grant program that the Office of Domestic Preparedness (ODP) within the Department of Homeland Security is implementing under current law. The ODP derives its primary authority to distribute grants to states and localities to prepare and respond to terrorism from the USA Patriot Act (P.L. 107-56). The agency also cites the Antiterrorism and Effective Death Penalty Act of 1996 (P.L. 104-132) and the Defense Authorization Act of 1997 (P.L. 104-201) as additional sources of its authority to distribute such grants. The grant programs authorized by the USA Patriot Act will expire in 2007. Therefore, CBO assumes that the authority to provide homeland security grants that would be provided by this bill would not affect spending until 2008. The estimated 2008 authorization level—\$3.6 billion—is the amount provided in 2003 for grants, adjusted for anticipated inflation.

CBO estimates that implementing the administrative provisions in this bill, including establishing a committee to coordinate and streamline homeland security grants and an

information clearinghouse for homeland security assistance, would cost less than \$500,000 in each year.

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

S. 1245 contains no intergovernmental or private-sector mandates as defined in UMRA. Section 6 of the bill would deny entry of commercial motor vehicles carrying municipal solid waste into the United States unless the methodologies and technologies to screen for weapons are certified to the Congress to be as effective as the screening of other commerce materials entering the United States by commercial motor vehicle transport. Based on information from the Bureau of Customs and Border Protection of the Department of Homeland Security indicating that such certification would likely be forthcoming, CBO has determined that this requirement would not be a mandate.

Several provisions in the bill would benefit state and local governments by reorganizing offices within the Department of Homeland Security to coordinate and simplify security grant programs. For example, the bill would create an information clearinghouse for grant assistance and planning requirements. It also would create an interagency committee to recommend ways to streamline grant processes and make resources more readily available to state and local governments. Further, the bill would create the Homeland Security Grant Program. These grants would provide funding for states to strengthen their capacity to respond to homeland security threats. States would have to meet several requirements in order to be eligible for these grants, and they would have to provide a 25 percent state or local match of federal funds. Any costs would result from complying with conditions of aid.

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