



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 30, 2004

H.R. 2608 **National Earthquake Hazards Reduction Program** **Reauthorization Act of 2003**

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on July 22, 2004*

SUMMARY

Assuming appropriation of specified and estimated authorization amounts, CBO estimates that implementing H.R. 2608 would cost \$691 million over the 2004-2009 period for programs aimed at reducing earthquake hazards. Enacting H.R. 2608 would not affect direct spending or revenues.

H.R. 2608 would authorize the appropriation of \$482 million over the 2004-2006 period for the Federal Emergency Management Agency (FEMA), the U.S. Geological Survey (USGS), the National Science Foundation (NSF), and the National Institute of Standards and Technology (NIST) to carry out provisions of the Earthquake Hazards Reduction Act of 1977. The act also would authorize the appropriation of amounts necessary to the U.S. Geological Survey for fiscal years 2007 and 2008 to implement that act. In addition, the act would authorize the appropriation of \$48 million over the 2004-2006 period for the NSF's Network for Earthquake Engineering Simulation.

H.R. 2608 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. State and local governments might benefit from grants to adopt measures for reducing earthquake hazards.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2608 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).

For this estimate, CBO assumes that the authorized and estimated amounts will be appropriated for each fiscal year. Outlay estimates are based on historical spending patterns for existing and similar programs. CBO estimated the authorization level for the USGS in 2007 and 2008 by adjusting the level specified in the act for that agency in 2006 for anticipated inflation.

	By Fiscal Year, in Millions of Dollars					
	2004	2005	2006	2007	2008	2009
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Earthquake Hazards Reduction Activities						
Budget Authority ^a	109	0	0	0	0	0
Estimated Outlays	90	42	15	6	2	0
Proposed Changes:						
FEMA						
Authorization Level	19	21	23	0	0	0
Estimated Outlays	0	9	14	18	12	7
USGS						
Estimated Authorization Level	80	84	93	96	99	0
Estimated Outlays	0	69	83	92	96	99
NSF						
Authorization Level	47	64	68	0	0	0
Estimated Outlays	0	10	35	53	46	18
NIST						
Authorization Level	8	10	13	0	0	0
Estimated Outlays	0	6	9	12	3	0
Total Changes						
Estimated Authorization Level	154	179	197	96	99	0
Estimated Outlays	0	94	141	175	157	124
Spending Under H.R. 2608 for Earthquake Hazards Reduction Activities						
Estimated Authorization Level	263	179	197	100	102	0
Estimated Outlays	90	136	156	181	159	124

a. The 2004 level is the amount appropriated for that year for FEMA, USGS, NSF, and NIST activities related to earthquake hazards reduction.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2608 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. State and local governments might benefit from grants to adopt measures for reducing earthquake hazards.

PREVIOUS CBO ESTIMATE

On July 25, 2003, CBO transmitted an estimate for H.R. 2608 as ordered reported by the House Committee on Science on July 22, 2003. The two versions of the legislation are identical, and our cost estimates are the same.

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