



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 1, 2010

H.R. 5562
Homeland Security Grant Management Improvement Act

As ordered reported by the House Committee on Homeland Security on June 23, 2010

H.R. 5562 would prohibit the Federal Emergency Management Agency (FEMA) from requiring that a specific proportion of grant funds from the State Homeland Security Program (SHSP) and Urban Area Security Initiative (UASI) be spent on any particular authorized activity. The legislation also would require FEMA to conduct two studies related to the SHSP and UASI. CBO estimates that implementing H.R. 5562 would have no significant cost. Enacting this legislation would not affect direct spending or revenues; therefore, pay-as-you-go procedures would not apply.

H.R. 5562 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The SHSP provides grants to states to prepare for, protect against, and respond to acts of terrorism and other catastrophic events. The UASI provides grants to high-threat, high-density urban areas for similar purposes. H.R. 5562 would prohibit FEMA from requiring that state and local governments use a percentage of SHSP and UASI grant funds on a particular authorized activity, unless otherwise directed by law. The legislation would not affect the authority of FEMA to restrict funding for grant administration. CBO estimates that implementing this provision would not significantly alter the expenditures of the grant programs.

H.R. 5562 also would require FEMA to examine the use of SHSP and UASI funds for administrative expenses and the feasibility of issuing multiyear program guidance for each program. The agency would report to the Congress on its findings within 180 days of enactment. CBO estimates that undertaking those studies would have an insignificant cost in 2011. Such spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Daniel Hoople. The estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.