



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 17, 2018

H.R. 4177 PREPARE Act of 2017

*As ordered reported by the House Committee on Transportation and Infrastructure
on April 12, 2018*

SUMMARY

H.R. 4177 would:

- Authorize the establishment of an interagency council to provide recommendations on and best practices for planning and preparing for extreme weather;
- Direct agencies to incorporate extreme weather plans into their operations and mission objectives; and
- Require agencies to include their most recent extreme weather plans in their performance plans.

CBO estimates that implementing H.R. 4177 would cost \$12 million over the 2019-2023 period, assuming appropriation of the necessary amounts.

Enacting H.R. 4177 could affect direct spending by some agencies because they are authorized to use receipts from the sale of goods, fees, and other collections to cover operating costs. Therefore, pay-as-you go procedures apply. Because most agencies can make adjustments to the accounts collected as operating cost change, CBO estimates that any net changes in direct spending by those agencies would be negligible. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 4177 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 4177 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. 4177 is shown in the following table. The costs of the legislation fall within all budget functions that contain salaries and expenses.

	By Fiscal Year, in Millions of Dollars						2019- 2023
	2018	2019	2020	2021	2022	2023	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION							
Estimated Authorization Level	0	3	3	2	2	2	12
Estimated Outlays	0	3	3	2	2	2	12

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted near the beginning of fiscal year 2019 and that spending will follow historical patterns for similar activities.

Federal agencies are required to perform essential functions under a broad range of circumstances, including severe weather. Through the National Preparedness Framework, agencies have developed a series of policy and planning documents to prevent, protect against, mitigate, respond to, and recover from many different types of threats and hazards.

CBO expects that complying with the legislation's provisions would increase the administrative expenses of federal agencies. H.R. 4177 would establish the Interagency Council on Extreme Weather Resilience, Preparedness, and Risk Identification and Management, made up of representatives from government entities including the Departments of Agriculture, Defense, Energy, Housing and Urban Development, Justice, and Transportation, as well as the Environmental Protection Agency, Federal Emergency Management Agency, National Security Council, and the Office of Management and Budget. The interagency council also would have steering committees and working groups to address specific issues. It would provide information on best practices for agencies to prepare for and respond to severe weather. In addition, every agency would be directed to include a severe weather plan in its performance plans.

Based on the number of staff assigned to federal officials working with similar interagency councils, CBO estimates that the interagency council would need 14 full-time employees at an annual cost of about \$100,000 each. Additional staff also would be

needed at each of the twenty six major agencies at an average annual cost of about \$100,000 for each employee. CBO expects that those employees would initially work on weather-related issues for six months each year with the amount of time they work on those issues declining after the plans are developed. In total, CBO estimates that implementing H.R. 4177 would cost between \$2 million and \$3 million annually.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. H.R. 4177 could affect direct spending by agencies that are not funded through annual appropriations; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any changes in direct spending would be negligible. Enacting the bill would not affect revenues.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 4177 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

MANDATES

H.R. 4177 contains no intergovernmental or private-sector mandates as defined in UMRA.

PREVIOUS CBO ESTIMATE

On March 29, 2018, CBO transmitted a cost estimate for H.R. 4177 as ordered reported by the House Committee on Oversight and Government Reform on November 2, 2017. The two versions of the bill are very similar and CBO's estimates of the annual costs are the same, though the time period covered by the two estimates are different.

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