

**H.R. 1917, Hazard Eligibility and Local Projects Act**

As ordered reported by the House Committee on Transportation and Infrastructure on March 24, 2021

By Fiscal Year, Millions of Dollars	2021	2021-2026	2021-2031
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	15	not estimated
Statutory pay-as-you-go procedures apply?	No	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 1917 would make additional projects eligible for funding under programs administered by the Federal Emergency Management Agency (FEMA) that assist state and local governments and owners of residential and commercial property with averting damage from future disasters. In fiscal year 2020, FEMA awarded about \$1.3 billion in such grants through three programs:

- The Hazard Mitigation Grant Program (\$595 million),
- The Building Resilient Infrastructure and Communities program (\$500 million), and
- The Flood Mitigation Assistance program (\$200 million).

Under the bill, FEMA could approve future applications to acquire property or relocate structures if the project’s planning or construction begins before the grant is awarded and the project is exempt from environmental review under the National Environmental Policy Act. (Under current law, grant money cannot cover costs incurred before an application is awarded.)

Over the 2016-2020 period, FEMA awarded an average of 1,700 grants each year under the three programs. Fewer than 2 percent of those grants (about 25 projects each year) were awarded for acquisition or relocation projects that were exempt from environmental review. Using information from FEMA, CBO estimated that an average of three applications were denied each year because work began before the application was approved.



As a result, CBO expects that under H.R. 1917 those additional projects would be approved each year, at an estimated average cost of \$1 million per project. In total, CBO estimates that implementing the bill would cost a total of \$15 million over the 2021-2026 period, assuming appropriation of the necessary amounts. CBO assumes that the bill will be enacted late in fiscal year 2021 and that there would be no budgetary effects in 2021 because of the time needed to prepare applications for grants.

The costs of the legislation, detailed in Table 1, fall within budget function 450 (community and regional development).

**Table 1.**  
**Estimated Increases in Spending Subject to Appropriation Under H.R. 1917**

	By Fiscal Year, Millions of Dollars						2021-2026
	2021	2022	2023	2024	2025	2026	
Mitigation Grants							
Estimated Authorization	0	3	3	3	3	3	15
Estimated Outlays	0	3	3	3	3	3	15

The CBO staff contact for this estimate is Jon Sperl. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.