

At a Glance

S. 3092, FIRE Act

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on February 2, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2027	2022-2032
Direct Spending (Outlays)	0	28	69
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	28	69
Spending Subject to Appropriation (Outlays)	0	3	3
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2033?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- Authorize the Federal Emergency Management Agency (FEMA) to reimburse local governments for costs incurred to enforce building codes for up to one year after a disaster is declared
- Authorize FEMA to cover the costs of emergency operations centers for tribal governments
- Require FEMA and other federal agencies to conduct several reports and studies, mostly related to wildfires

Estimated budgetary effects would mainly stem from

- Providing additional assistance from the Disaster Relief Fund for specified activities
- Increasing administrative costs for FEMA and other agencies to conduct studies and produce reports

Detailed estimate begins on the next page.



Bill Summary

S. 3092 would authorize the Federal Emergency Management Agency (FEMA) to use the Disaster Relief Fund (DRF) to reimburse costs incurred by local governments to enforce building codes, construct emergency operations centers for tribal governments, and provide cultural competency training for crisis counselors.

In addition, S. 3092 would require FEMA and other federal agencies to conduct several reports and studies, mostly related to wildfires.

Estimated Federal Cost

The estimated budgetary effect of S. 3092 is shown in Table 1. The costs of the legislation fall within budget function 450 (community and regional development).

Table 1. Estimated Budgetary Effects of S. 3092													
	By Fiscal Year, Millions of Dollars											2022- 2027	2022- 2032
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
	Increases in Direct Spending												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	0	4	5	6	6	7	7	8	8	9	9	28	69
	Increases in Spending Subject to Appropriation												
Estimated Authorization	0	2	1	0	0	0	0	0	0	0	0	3	3
Estimated Outlays	0	2	1	*	0	0	0	0	0	0	0	3	3

* = between zero and \$500,000.

Basis of Estimate

For this estimate, CBO assumes that the bill will be enacted late in fiscal year 2022 and that FEMA will begin implementing its requirements in 2023. CBO's estimate of outlays is based on historical patterns of spending for similar FEMA programs, as well as information provided by the agency.

Direct Spending

Disaster assistance for programs authorized under the Robert T. Stafford Disaster Relief and Emergency Assistance Act is paid from the DRF. CBO expects that enacting several provisions in the bill would expand the use of previously appropriated balances from that fund, some of which CBO estimates would be unspent over the 2022-2032 period. As a



result, those provisions would increase direct spending. In total, CBO estimates that enacting S. 3092 would increase direct spending by \$69 million over the 2022-2032 period. That higher spending would be offset by reductions in spending after 2032.

Expanded Period for Covering Code Enforcement. Section 14 would authorize FEMA to reimburse state and local governments for the costs of implementing and enforcing building codes for up to one year after a disaster is declared. Under current law, those governments may only be reimbursed for costs incurred during the first six months. In 2020 and 2021, FEMA reimbursed about \$4 million of such costs annually.

Using information from FEMA, CBO expects that increasing the window to one year would roughly double the amount of inspection costs that FEMA reimburses. On that basis, CBO estimates that enacting section 14 would increase direct spending by about \$5 million annually, totaling \$51 million over the 2022-2032 period.

Emergency Operations Centers for Tribal Governments. Section 15 would authorize FEMA to cover the costs of equipping, upgrading, and constructing emergency operations centers (EOCs) operated by tribal governments. Under current law, FEMA may only cover such costs for state and local governments.

In 2020 and 2021, FEMA awarded \$50 million to state and local governments to fund 77 such centers, at an average cost of about \$650,000. CBO expects that, under S. 3092, FEMA would gradually increase the number of awards provided for tribal EOCs—from 2 centers in 2023 to 5 centers by 2032. In total, CBO estimates enacting that section would increase direct spending by \$17 million over the 2022-2032 period.

Training in Cultural Competency for Crisis Counselors. Sections 7 and 8 would require FEMA to ensure that professionals who provide crisis counseling and case management services are trained in cultural competency when interacting with victims of disasters. FEMA reimburses local governments for the costs of providing those services, which are typically delivered by mental health and social service agencies. CBO expects that the additional costs of that training would increase the eligible costs that local governments submit to FEMA for reimbursement.

In 2021, FEMA provided about \$30 million for crisis counseling services. Using information from the agency, CBO estimates that implementing the requirements would increase the costs of providing counseling by less than \$500,000 annually and a total of \$1 million over the 2022-2032 period.

Spending Subject to Appropriation

S. 3092 would require FEMA and other federal agencies to publish several reports and studies, mostly related to wildfires. Based on the cost of similar reports and studies, CBO estimates that implementing those requirements (discussed below) would cost \$3 million



over the 2022-2027 period. Any spending would be subject to the availability of appropriated funds.

The bill would require FEMA to contract with the National Academies of Sciences (NAS) to study the availability of wildfire insurance, the state of modeling and mapping wildfire risk, and several other topics related to wildfires. Using information about the cost of similar studies performed by NAS, CBO estimates implementing that requirement would cost about \$2 million over the 2022-2027 period.

In addition, S. 3092 would require:

- The U.S. Fire Administration and the National Weather Service to study the use of red flag warnings and develop recommendations for improving procedures to respond to wildfires;
- FEMA to conduct a study and on how to improve the administration of housing assistance to disaster survivors who lack the ability to document ownership of residences, and to develop a plan to meet their needs;
- FEMA to report on the use of relocation assistance to mitigate the damages caused by wildfires, analyze the cost-effectiveness of that assistance relative to other mitigation options, and provide policy recommendations; and
- The Government Accountability Office to report on gaps in FEMA's wildfire policies and recommend how to improve the speed and effectiveness of the agency's responses.

Based on information from those agencies about the costs of similar studies and reports, CBO estimates implementing each requirement would cost less than \$500,000, and that those costs would total about \$1 million over the 2022-2027 period. CBO expects most of those costs would be incurred in 2023 and 2024.

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. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 1.

Increase in Long-Term Deficits

CBO estimates that enacting S. 3092 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2033.



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