



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 19, 2009

H.R. 3837 **SURE Act**

*As ordered reported by the House Committee on Homeland Security
on November 17, 2009*

CBO estimates that implementing H.R. 3837 would have no significant cost over the next five years. Enacting this legislation would not affect direct spending or revenues.

The bill would allow state and local governments to use funds awarded during fiscal year 2009 and thereafter through the State Homeland Security Program (SHSP) and the Urban Areas Security Initiative (UASI) for the maintenance costs of equipment purchased under the program in previous years.

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. Under current law, grant funds may be used to pay for maintenance agreements, user fees, and other costs of equipment purchased under those programs. Following the performance period of the grant used to purchase equipment (three years), however, federal funds may no longer be used for maintenance. H.R. 3837 would provide that maintenance costs otherwise eligible for funding under the grant programs be included as an allowable expense regardless of when the equipment was purchased.

For 2010, the Congress has provided about \$1.8 billion for SHSP and UASI. Under current law, the Congress also has authorized appropriations totaling \$4.35 billion for both programs in fiscal years 2011 and 2012. CBO does not expect that the changes included in this legislation would significantly alter expenditures of the grant programs. We estimate that implementing H.R. 3837 would have no effect on the federal budget over the next five years.

H.R. 3837 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 CBO staff contact for this estimate is Daniel Hoople. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.