



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 7, 2012

### **H.R. 2356** **WMD Prevention and Preparedness Act of 2012**

*As ordered reported by the House Committee on Homeland Security on May 9, 2012*

#### **SUMMARY**

CBO estimates that H.R. 2356 would authorize the appropriation of \$394 million over the 2013-2017 period for programs in the Department of Homeland Security (DHS), the Department of Health and Human Services (HHS), and other agencies to address the threat of weapons of mass destruction.

Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 2356 would cost \$342 million over the 2013-2017 period. The bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 2356 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) by requiring public and private laboratories to comply with new security standards. Because the number of entities affected, the types of toxins and biologic agents covered, and the nature of security measures required would depend on future regulatory actions, CBO cannot estimate the costs of the mandates or whether they would exceed the annual thresholds for intergovernmental or private-sector mandates (\$73 million and \$146 million in 2012, respectively, adjusted annually for inflation).

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 2356 is shown in the following table. The costs of this legislation fall within budget functions 150 (international affairs), 450 (community and regional development), 550 (health), 750 (administration of justice), and 800 (general government).

	By Fiscal Year, in Millions of Dollars					2013- 2017
	2013	2014	2015	2016	2017	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
<b>FEMA Programs</b>						
Authorization Level	42	42	42	42	0	168
Estimated Outlays	12	25	42	42	29	150
<b>HHS Programs</b>						
Estimated Authorization Level	45	40	40	40	40	205
Estimated Outlays	17	36	39	39	40	171
<b>Other Programs</b>						
Estimated Authorization Level	7	5	3	3	3	21
Estimated Outlays	7	5	3	3	3	21
<b>Total Changes</b>						
Estimated Authorization Level	94	87	85	85	43	394
Estimated Outlays	36	66	84	84	72	342

Note: FEMA = Federal Emergency Management Agency; HHS = Department of Health and Human Services.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that the bill will be enacted in 2012, that the necessary amounts will be provided each year, and that spending will follow historical patterns for similar activities.

H.R. 2356 would authorize the appropriation of \$42 million annually over the 2013-2016 period for the Federal Emergency Management Agency (FEMA) in DHS to make grants to state, local, and tribal governments to prepare for and respond to acts of terrorism and natural or man-made disasters that result in significant loss of life. CBO estimates that implementing this grant program would cost \$150 million over the 2013-2017 period and an additional \$18 million after 2017.

CBO estimates that implementing H.R. 2356 would require the appropriation of \$205 million over the 2013-2017 period for activities to be conducted by HHS and its agencies. The bill would direct HHS to establish and implement a strategy for dispensing antidotes or other countermeasures to mitigate the effects of a terrorist attack. H.R. 2356 also would require HHS to review its vaccination and antimicrobial dispensing policy and to make recommendations to improve that policy. Based on information from the Centers

for Disease Control and Prevention and on costs for similar activities, CBO estimates that implementing those requirements would cost \$171 million over the 2013-2017 period.

H.R. 2356 would require the Secretary of State to establish an interagency task force that would evaluate and improve global preparedness for a major biological attack and to report its findings to the Congress. The bill also would authorize the National Security Council to advise the President on biodefense matters, including developing a national biodefense plan and analyzing activities undertaken by the federal government to combat biological attacks. In addition, H.R. 2356 would require DHS to develop security plans and assessments and to prepare reports relating to threats from weapons of mass destruction. Based on the cost of similar programs, CBO estimates that it would cost \$21 million over the 2013-2017 period to carry out those activities.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

### **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 2356 would require public and private laboratories to comply with new security standards and procedures that are specific to highest-risk biological agents and toxins. Those new standards include personnel hiring and training practices, physical and cyber security requirements, information sharing protocols, and other security standards deemed necessary. The duty to comply with the new standards would impose intergovernmental and private-sector mandates as defined in UMRA. Because the number of entities affected, the types of toxins and biologic agents covered, and the nature of limits and security measures required would depend on future regulatory actions, CBO cannot estimate the cost of the mandates. Consequently, CBO cannot determine whether the costs would exceed the annual thresholds for intergovernmental or private-sector mandates (\$73 million and \$146 million in 2012, respectively, adjusted annually for inflation).

Grants and other forms of assistance authorized in the bill would benefit agencies of state, local, and tribal governments, including public institutions of higher education that prepare for and respond to acts of terrorism, natural disasters, and other man-made disasters.

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