



CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

Douglas W. Elmendorf, Director

May 8, 2014

Honorable Mike Simpson
U.S. House of Representatives
Washington, DC 20515

Dear Congressman:

As you requested, CBO has reviewed S. 1875, the Wildfire Disaster Funding Act of 2013, and H.R. 3992, the Wildfire Disaster Funding Act of 2014. Those bills would allow for increases in the annual caps on discretionary funding established under the Budget Control Act of 2011 of as much as \$2.689 billion a year to fund activities related to wildfire suppression.

S. 1875 and H.R. 3992 would not authorize additional funding for wildfire suppression activities or appropriate funds for those purposes. Therefore, CBO estimates that enacting either bill, by itself, would have no effect on the federal budget. In addition, because enacting either bill would not affect direct spending or revenues, pay-as-you-go procedures do not apply.

The Budget Control Act established caps on the amount of new budget authority the Congress can provide in annual appropriation bills through 2021. Under that act, the caps can be adjusted upward to accommodate additional funding for overseas contingency operations (that is, war-related activities), disaster relief (up to specified amounts), program integrity initiatives (up to specified amounts), and anything designated as an emergency requirement. Over the 2015-2021 period, S. 1875 and H.R. 3992 would allow for an additional cap adjustment in any year equal to the difference between the amounts appropriated for wildfire suppression in that year and 70 percent of the average annual amounts obligated for wildfire suppression over the previous decade; however, the upward cap adjustment for wildfire suppression could not exceed \$2.689 billion in any year.

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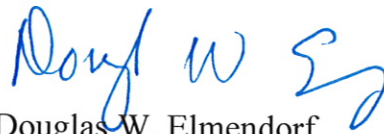
In 2014, the Congress appropriated \$1.4 billion to carry out wildfire suppression activities; that amount is roughly equal to the average annual amounts obligated for wildfire suppression over the previous 10 years. If that same amount was appropriated in 2015, then the upward cap adjustment for wildfire suppression under the bills would be roughly \$420 million in 2015.

The bills also could result in reductions to the caps on discretionary spending for disaster relief. Under either bill, if the discretionary cap was adjusted upward to provide additional funding for wildfire suppression in any year, the cap on disaster relief would be lowered in the following year to offset that adjustment. However, because the bills also would change the way that the disaster caps are calculated by taking into account certain funds appropriated for wildfire suppression, CBO expects that upward adjustments in the discretionary caps for wildfire suppression would probably exceed reductions in the caps for disaster relief relative to current law.

Because enactment of S. 1875 or H.R. 3992 could lead to increases in the caps on discretionary funding, those bills could lead to changes in the timing or amounts of funds provided in subsequent appropriation bills. Any such changes would be reflected in CBO's cost estimates for that subsequent legislation.

I hope this information is helpful to you. If you need further details on this estimate, we would be pleased to provide them. The CBO staff contact is Jeff LaFave.

Sincerely,



Douglas W. Elmendorf
Director

Identical letters sent to the Honorable Ron Wyden, the Honorable Mike Crapo, and the Honorable Kurt Schrader.