



U.S. House of Representatives
Committee on Transportation and Infrastructure

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April 28, 2008

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SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management

FROM: Subcommittee on Economic Development, Public Buildings, and Emergency Management Staff

SUBJECT: Hearing on "Saving Lives and Money through the Pre-disaster Mitigation Program"

PURPOSE OF THE HEARING

On Wednesday, April 30, 2008, at 9:00 a.m., in room 2167 of the Rayburn House Office Building, the Subcommittee on Economic Development, Public Buildings, and Emergency Management will hold a hearing on the Federal Emergency Management Agency's (FEMA) Pre-disaster Mitigation Program. The hearing will focus on the reauthorization of the Pre-disaster Mitigation Program, which provides assistance on a competitive basis to states and localities to perform hazard mitigation projects. The Pre-disaster Mitigation program sunsets on September 20, 2008¹.

BACKGROUND

The Pre-disaster Mitigation (PDM) program is administered by the Federal Emergency Management Agency through its Mitigation Division, and is authorized by section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act)², which was first authorized by the Committee on Transportation and Infrastructure in the Disaster Mitigation Act of 2000³.

The PDM program provides cost-effective technical and financial assistance to state and local governments to reduce injuries, loss of life, and damage to property caused by natural hazards. Examples of mitigation activities include the seismic strengthening of buildings and infrastructure,

¹ Section 203(m) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act 42 U.S.C. 5133(m)

² 42 U.S.C. 5133

³ Section 102 of P.L. 106-390.

relocation of buildings out of floodplains, installing shutters and shatter resistant windows in hurricane-prone areas, and the building of “safe rooms” in houses and other buildings to protect from high winds. The PDM program provides grants to states on a competitive basis, with each state receiving a statutory minimum of \$500,000 or one percent of the funds appropriated whichever is less⁴.

The PDM program is the companion to the post-disaster Hazard Mitigation Grant Program (HMGP) authorized by section 404 of the Stafford Act⁵. While HMGP has been recognized as successful, one of the often cited concerns about the program is that it only was available after a disaster struck a community. As a result, FEMA developed a pilot program known as “Project Impact” that first received appropriations in the Departments of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act, 1997⁶. Project Impact was subsequently funded in appropriations for fiscal years 1998, 1999 and 2001. The PDM program is the successor to that pilot program.

FEMA’s mitigation programs - PDM, HMGP, the former Project Impact, and flood mitigation programs - have been found to be effective in accomplishing their goals of reducing the risk of future damage, hardship and loss from all hazards. A number of reports, including two mandated by Congress, have cited the cost effectiveness of these programs. In 2005, the Multihazards Mitigation Council, part of the National Institute of Building Sciences, found “that a dollar spent on mitigation saves society an average of \$4”⁷.

In September 2007, the Congressional Budget Office issued a report, required by section 209 of the Disaster Mitigation Act of 2000, which focused on the PDM program based on guidance from the Committee⁸. That report found that for the PDM program: “The best available information suggests that, on average future losses are reduced by about \$3 (measured in discounted present value) for each \$1 spent on those projects, including both federal and nonfederal spending”⁹.

Anecdotal evidence also supports the effectiveness of pre-disaster mitigation. One often cited example is the Nisqually Earthquake which struck Seattle on February 28, 2001. Seattle Mayor Paul Schell and other public officials cited Project Impact as saving lives and property.¹⁰

While generally recognized as effective, one of the concerns often raised about PDM, is that there have been long delays in awarding grants. For example, of the \$50 million made available in FY 2006, \$39 million has been awarded, and in FY 2007 only \$52.3 million has been awarded from an appropriation of \$100 million¹¹. There also have been questions raised whether funds should be distributed on a competitive basis, by formula or a hybrid of both.

⁴ Section 203(f), 42 U.S.C. 5133(f)

⁵ 42 U.S.C. 5170c

⁶ P.L. 104.204 see Conference Report 104-812

⁷ “NATURAL HAZARD MITIGATION SAVES: An Independent Study to Assess the Future Savings from Mitigation Activities” Multihazard Mitigation Council, National Institute of Building Sciences, 2005 p. 5 This report was mandated by Senate Report 106-161 - Departments Of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Bill, 2000

⁸ Potential Cost Savings from the Pre-Disaster Mitigation Program, Congressional Budget Office September 2007

⁹ Id.

¹⁰ See, e.g., Christopher and Robert Block, *Disaster Hurricane Katrina and the Failure of Homeland Security*, Times Books, 2006 p. 67-68

¹¹ Data taken from FEMA website, www.fema.gov

PRIOR LEGISLATIVE AND OVERSIGHT ACTIVITY

This is the first hearing on the Pre-disaster Mitigation Program the Subcommittee on Economic Development, Public Buildings, and Emergency Management has held in the 110th Congress. In the 109th Congress, the Committee discharged the Pre-disaster Mitigation Program Reauthorization Act of 2005 to reauthorize the program until 2008, which was enacted into law (P.L. 109-139). In the 108th Congress, the Subcommittee on Economic Development, Public Buildings, and Emergency Management held a hearing on “Emergency Preparedness Issues, including Reauthorization of the Pre-disaster Mitigation Program” on September 24, 2003. In the 106th Congress, the Committee on Transportation and Infrastructure reported the Disaster Mitigation and Cost Reduction Act of 1999 which was enacted into law as the Disaster Mitigation Act of 2000 (P.L. 106-390).

WITNESSES

The Honorable R. David Paulison
Administrator
Federal Emergency Management Agency

Mr. James Mullen
Chairman, Mitigation Committee
National Emergency Management Association

Mr. Robert C. Bohlman
Director
York County Emergency Management Agency

Mr. Brent Woodworth
Chairman, Multihazard Mitigation Council
National Institute of Building Sciences