Statement of

The Honorable Sallie Clark
Commissioner, El Paso County, Colorado
on behalf of the National Association of Counties

before the

Committee on Transportation and Infrastructure's Subcommittee on
Economic Development, Public Buildings, and Emergency Management
U.S. House of Representatives

for the hearing

"Controlling the Rising Cost of Federal Responses to Disaster"

May 12, 2016

Washington, D.C.

Thank you, Chairman Barletta, Ranking Member Carson and members of the U.S. House of Representatives' Committee on Transportation and Infrastructure's Subcommittee on Economic Development, Public Buildings, and Emergency Management for this opportunity to testify on "controlling the rising cost of federal responses to disaster."

My name is Sallie Clark and I serve as President of the National Association of Counties (NACo). I am an elected county commissioner from El Paso County, Colorado and have served the residents of my county in this capacity since 2005.

About NACo

NACo is the only national organization that represents county governments in the United States, including Alaska's boroughs and Louisiana's parishes. Founded in 1935, NACo assists America's 3,069 counties in pursuing excellence in public service to produce healthy, vibrant, safe and resilient communities.

About America's Counties

Counties are highly diverse, not only in my state of Colorado, but across the nation, and vary immensely in natural resources, social and political systems, cultural, economic and structural circumstances, and public health and environmental responsibilities. Counties range in area from 26 square miles (Arlington County, Virginia) to 87,860 square miles (North Slope Borough, Alaska). The population of counties varies from Loving County, Texas, with just under 100 residents, to Los Angeles County, California, which has a population that, at close to ten million people, exceeds that of most states. Overall, of our nation's 3,069 counties, approximately 50 percent have populations below 25,000. At the same time, there are more than 120 major urban counties, which collectively provide essential services to more than 130 million people each day. If you've seen one county, you've seen one county, and there are 3,068 more to go.

Counties also often serve as our nation's first line of defense before and after disasters strike. While state statutes and organizational structures vary, local emergency management responsibilities are most commonly vested in county governments. Following a disaster, local elected officials are often first on the scene, along with our emergency managers – who play a key role in coordinating local emergency management efforts and working to mitigate damage from disasters. Other key county staff involved in pre- and post-disaster efforts include local police, sheriffs, firefighters, 911 call center staff, public health officials and public records and code inspectors. In the aftermath of disasters, we coordinate and help fund clean-up, recovery and rebuilding so that our residents can return to their lives as quickly as possible.

Furthermore, because counties are major owners of public infrastructure, we are also uniquely positioned to mitigate against disasters before they occur, so that their impact on our communities and residents' live is decreased. Collectively, we own 45 percent of America's roads, nearly 40 percent of bridges, 960 hospitals, more than 2,500 jails, more than 650 nursing homes and a third of the nation's airports. We also own and maintain a wide variety of public safety infrastructure, including roadside ditches, flood control channels, stormwater culverts and pipes, Municipal Separate Storm Sewer Systems (MS4), and other infrastructure used to funnel water away from low-lying roads, properties and businesses.

About El Paso County, Colorado

El Paso County lies in east central Colorado and encompasses more than 2,100 square miles, about twice the size of the state of Rhode Island. While the county is considered urban, with a population close to 640,000, it features a diverse mix of urban, suburban and rural areas, including 113,857 acres of federal lands. The western portion of El Paso County is extremely mountainous, while the eastern portion is largely prairie land with strong agricultural components.

I am especially grateful for this opportunity to offer the local perspective on the topic of disasters, because in the past several years, El Paso County has been devastated by a seemingly unending series of wildfires and floods that have upended and – in the most tragic cases – taken our residents' lives, strained our local economy, fundamentally changed the landscape of our county and caused enough damage to prompt four presidential disaster declarations. The 2012 Waldo Canyon Fire, the most destructive in Colorado's history at the time, burned from June 23 to July 10, 2012 in the Pike National Forest and its surrounding areas. The fire ultimately destroyed over 18,000 acres and 436 homes, forcing the evacuation of more than 32,000 residents in El Paso County.

In 2013, as we were working to recover from the Waldo Canyon Fire, we were hit by the Black Forest Fire, which surpassed its predecessor in scale and remains the most destructive wildfire in Colorado history. Over a nine-day period, over 14,280 acres (22.31 sq mi) were burned, at least 509 homes were destroyed, and we lost two of our residents. The evacuation area covered 94,000 acres (147 sq mi), 13,000 homes and 38,000 people, and we had to establish three shelters for those affected by wildfires. At the end of this horrific ordeal, the value of lost homes in El Paso County totaled over $90 million and the cost of fighting the fire alone was estimated at over $9 million.

In September 2013, just months after the Black Forest Fire, Colorado's Front Range was hit with storms resulting in catastrophic flooding, in some places causing landslides and mudslides, which affected an area stretching from Colorado Springs in El Paso County all the way north to Fort Collins, spanning 21 counties overall. 1,852 homes were destroyed, another 28,363 homes were damaged, and more than 18,000 residents were evacuated – some of whom are still unable to return over two years later. All told, 10 lives were lost in the disaster, and the value of property lost has been estimated at nearly $4 billion, including $600 million in watershed recovery costs and $624 million in housing costs alone.

Between May 4 and June 16, 2015, the state of Colorado was again hit by a series of severe storms, coupled with tornadoes, flooding, landslides and mudslides that resulted in another presidential disaster declaration covering El Paso County and 14 other Colorado counties. Colorado Springs alone suffered about $8 million in damages between May 3 and May 12, leading Mayor Steve Bach to sign a disaster declaration for the city. This declaration came before multiple additional storms hit Colorado over the next month.

These disasters have significantly changed our landscape; the county – which long ago inspired Katharine Lee Bates to write the famous words of "America the Beautiful" – is now home to charred, barren hillsides, and the vegetation that once protected the area from stormwater runoff has disappeared, paving the way for dangerous flash floods. As we work to recover from these devastating disasters, our county is fully committed not just to recovery, but also to mitigation efforts – both pre- and post-disaster – including improvements to our infrastructure through public safety projects. Through these efforts, in which we have invested more than $50 million to date, we hope to help our residents and businesses bounce back from the impact of the disasters we have faced and become more resilient in the face of the disasters that, unfortunately, will inevitably strike El Paso County in the future.

Controlling Federal Disaster Costs: the Local Perspective

Counties are not merely stakeholders in this conversation, but a part of the federal-state-local partnership of governments that together share the responsibility of protecting our nation and its residents from disasters. Like the federal government, counties are entrusted by taxpayers with providing a variety of important services to their residents, and we understand and appreciate that rising expenditures in any single category will necessarily detract from other needed services. As such, NACo shares the Subcommittee's concern with the rising cost of disasters, and we stand ready to work with our federal partners to assess policy changes that could help to decrease these costs, to the benefit of federal, state and local governments and the residents and communities that we collectively serve.

Mr. Chairman, I will focus my remarks today on three principles that we believe the Subcommittee should observe as you consider policy changes aimed at decreasing federal spending on disasters:

- **Federal spending on disasters should be viewed in the context of corresponding spending by state and local governments, and the capacity of each level of government to fund disaster recovery efforts.** An accurate and comprehensive assessment of disaster expenditures from federal, state and local governments – which together share the responsibility of protecting our nation's residents from disasters and helping those residents recover when disasters strike – is necessary in determining whether federal spending should be decreased.

- **Federal disaster expenditures should decrease only as a result of disasters becoming less costly overall, rather than through cost shifts to state and local governments, as such cost-shifts would place additional strains on those governments' budgets, in turn compromising their ability to respond to disasters.** Proposals and recommendations put forth by federal entities in recent years carry the risk of this sort of cost shift, which may achieve the goal of decreasing federal spending, but would do so at the expense of state and local governments and the residents they serve.

- **Local disaster mitigation efforts – both those that take place before disasters strike and those undertaken following a disaster – have proven effective at decreasing the overall cost of disasters, and should be supported and incentivized by the federal government.** Counties are uniquely positioned to implement mitigation efforts through their regulatory authorities and convening powers, and collaboration with the federal government helps counties better utilize their own resources and authorities to mitigate the damage caused by disasters and decrease the impact and costs of future disasters for all levels of government.

By observing these principles – which are elaborated upon below – as you assess policy changes that could decrease federal disaster spending, the Subcommittee can lessen the likelihood of achieving savings in federal spending at the expense of state and local governments, and instead promote policies that foster crucial federal-state-local collaborations that decrease the cost of disasters for all levels of government and make America's communities more resilient when disasters strike.

Federal spending on disasters should be viewed in the context of corresponding spending by state and local governments, and the capacity of each level of government to fund disaster recovery efforts.

Numerous studies have demonstrated that major disasters and their associated costs have increased significantly – perhaps as much as five-fold – over the last several decades. These increases have been attributed to various causes, including changes in weather patterns and population growth, especially in areas that are prone to disasters. It saddens me to say that few areas in the country have experienced this increased prevalence of disasters more acutely than El Paso County. Overall, according to analysis of FEMA data by NACo's Research Department, 92 percent of counties across the nation had at least one FEMA declared disaster between January 2006 and May 6, 2016. In short, we are well aware of the rising cost and toll of disasters.

We are also well aware that the federal government's expenditures related to major disasters have increased significantly during the last half-century, both in terms of the amount of spending and as a percentage of our nation's gross domestic product. While NACo appreciates the Subcommittee's concern with this increased spending, we urge you to consider federal disaster spending in the context of corresponding expenditures by state and local governments, and the capacity of each level of government to fund recovery efforts. It is our collective responsibility to protect our nation and its residents from disasters, and we must assess each level of government's contributions to this cause in the context of overall spending by all levels of government.

While comprehensive data on levels and trends of disaster spending by state and local governments is scarce, there is evidence that the vast majority of disasters that strike our nation are handled by these governments without aid from federal partners. According to materials published by the Federal Emergency Management Agency (FEMA), "although the exact number of disasters successfully handled without requests for federal assistance is not known, it is estimated at 3,500 to 3,700 annually." [1] Meanwhile, only about 35 disasters per year received major declarations triggering federal assistance between 1953 and 2014 – although the rate of declarations has increased in each decade during that period, and of course, disasters that receive major declarations are the costliest. [2] Nonetheless, it seems clear that state and local governments spend significantly on disasters, to say the least, and federal disaster spending should not be assessed without consideration of this fact.

It is also important to consider the economic impact of disasters on local governments, beyond just their disaster expenditures. County economies thrive when small businesses in their communities are thriving and creating tax revenue. When disasters strike, small businesses are impacted, and in turn, county economies suffer. According to a 2010 study by the National Federation of Independent Businesses, nearly a third of small businesses fail to recover following a presidentially-declared disaster or emergency.[3] In this way, counties and their local communities continue to suffer the impact of disasters long after the event has ended, and in ways that are more difficult to quantify than the amount of their expenditures.

Furthermore, it is important to consider the respective fiscal capacity of federal, state and local governments when assessing contributions to our nation's recovery from disasters. Counties nationwide continue to be challenged by fiscal constraints and strained budgets, and according to a report released by NACo earlier this year, only 214 of the nation's 3,069 county economies have fully recovered to their pre-recession levels.[4] Moreover, county governments in more than 40 states operate under restrictive revenue constraints imposed by state policies, including caps on property taxation that limit counties' ability to raise additional funds in the face of rising disaster costs.

[1] https://training.fema.gov/emiweb/downloads/is7complete.pdf
[2] Stafford Act Declarations 1953-2014: Trends, Analyses, and Implications for Congress https://www.fas.org/sgp/crs/homesec/R42702.pdf
[3] https://www.dhs.gov/news/2011/09/29/written-testimony-associate-fema-senate-committee-small-business-and
[4] http://www.naco.org/resources/county-economies-opportunities-challenges

An accurate and comprehensive assessment of the disaster spending and fiscal capacities of state and local governments – which share with the federal government the responsibility of protecting our nation's residents from disasters and helping those residents recover when disasters strike – is necessary in determining whether federal spending should be decreased.

Federal disaster expenditures should decrease only as a result of disasters becoming less costly overall, rather than through cost shifts to state and local governments, as cost-shifting would place additional strains on those governments' budgets, in turn compromising their ability to respond to disasters.

Decreases in federal disaster spending should not come at the expense of state and local governments. Proposals and recommendations to decrease federal disaster spending put forth by federal entities in recent years run the risk of achieving that goal by shifting costs to state and local governments, which, as previously mentioned, are generally less capable of bearing these costs. The ultimate result of shifting federal disaster costs to state and local governments would be to make our nation more vulnerable to an increasing number of disasters.

In an oft-cited 2012 report, the Government Accountability Office (GAO) stated that raising the per-capita indicator used by FEMA to assess major disaster declaration requests could significantly decrease the number of disasters that qualify for such declarations.[5] According to GAO, if the per-capita indicator were increased based on inflation beginning in 1986, the number of disasters that qualified for major declarations would have decreased by 25 percent; similarly, if the indicator was increased based on increases in per capital personal income, the number of major declarations would have decreased by 44 percent.

While these adjustments to the per capita indicator might decrease federal spending on disasters by lessening the number of events that qualify for federal funding, it is worth considering how these savings would be achieved. According to the Congressional Research Service, 25 percent of disasters account for more than 90 percent of FEMA's disaster spending, and in turn, the remaining 75 percent of less costly disasters that receive federal aid account for less than one-tenth of FEMA's disaster spending. Based on this, adjustments to the per capita indicator that would decrease the number of federal disaster declarations by 25 or 44 percent would result in relatively minor savings – significantly less than 10 percent – on federal disaster spending.

More importantly, whatever savings were achieved by the federal government in this manner would result from the elimination of federal aid for a large number of relatively less costly disasters. This is especially problematic because these disasters are often less costly because they have struck rural areas with less public infrastructure and relatively inexpensive homes. Moreover, these rural communities typically have less resources to expend towards disaster recovery efforts. As such, decreasing federal disaster spending by raising the per capita indicator used to assess disaster declaration requests would result in a deeply undesirable outcome: achieving relatively minor federal savings by eliminating federal aid for a large number of less costly disasters that are likely to impact rural communities with lesser resources, without decreasing federal spending on the few large disasters that account for the vast majority of federal disaster spending.

[5] http://www.gao.gov/assets/650/648162.pdf

A more recent proposal, put forth by FEMA through an Advanced Notice of Proposed Rule Making (ANPRM) earlier this year, would introduce a "disaster deductible" that would have to be fulfilled by state – and perhaps local – governments before they received federal aid in the form of Public Assistance funds authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) (42 U.S.C. 5121-5207). In conversations with NACo staff, FEMA stated that it put forth this proposal in part to avoid the undesirable outcome of raising the per capita indicator as suggested by the GAO report mentioned above. We sincerely appreciate FEMA's consideration in this regard, and commend the agency not only for putting forth a proposal aimed at avoiding an outcome that would be especially harmful to rural communities, but also for its thorough and thoughtful engagement with NACo after the proposal was published.

NACo recognizes the potential strengths and benefits of the concept. Namely, the fact that state and local governments could meet the deductible both through their own spending on recovery *and* through qualifying disaster mitigation activities could have the important effect of incentivizing mitigation measures that would make communities more resilient to disasters, thereby saving lives and – importantly for the purposes of this conversation – decreasing the overall cost of disasters, resulting in savings not just for the federal government, but also for state and local governments. As elaborated upon in the following section, local mitigation efforts are key to driving down the cost of disasters, and FEMA's "disaster deductible" concept aims to incentivize these practices.

That said, NACo has significant concerns regarding the "disaster deductible" as put forth in FEMA's ANPRM, in part because the proposal presents a variety of issues for local governments that would likely result in the withholding of federal aid from communities as they attempt to recover from disasters. For example, El Paso County has spent over $50 million dollars on disaster mitigation projects in the last several years as we have worked to recover from devastating wildfires and floods and prepare for future disasters. But despite these tremendous investments in disaster mitigation, under FEMA's "disaster deductible" proposal, federal aid could be withheld from our county because, for example, the state of Colorado has not made sufficient investments in mitigation. Similarly, it is unclear how varying levels of mitigation investments among local governments within a state would be treated under the proposal – in both cases, El Paso County could be punished for the inaction of other entities over which it has no control. There are also a host of unanswered questions related to how FEMA would credit various mitigation activities and what sort of additional administrative burdens would be placed on local governments to document their mitigation efforts.

To its credit, FEMA has clearly considered these pivotal questions, but at this juncture has not provided the needed answers, and thus has not given state and local governments confidence that a "disaster deductible" proposal could be implemented without the significant risk that it would simply shift disaster costs from federal governments to state and local governments, including those who have already undertaken significant mitigation efforts.

Local disaster mitigation efforts – both those that take place before disasters strike and those undertaken following a disaster – have proven effective at decreasing the overall cost of disasters, and should be supported and incentivized by the federal government.

According to a report prepared by the Multihazard Mitigation Council for FEMA and affirmed by the Congressional Budget Office, each dollar spent on disaster mitigation results in $4 in future savings.

[6]Investments in mitigation are the key to decreasing the overall cost of disasters, not just for the federal government, but also for state and local governments. Counties are uniquely positioned to carry out these mitigation efforts through their land use planning and regulation authority, ownership and operation of public infrastructure and stewardship of public finances. Each year, counties invest $25.6 billion in economic development and $106.3 billion in building infrastructure and maintaining and operating public works.

As counties have carried out local disaster mitigation efforts, collaborations with the federal government have proven effective at reducing the cost of disasters and increasing the resiliency of local communities. Following the Midwest floods of 1993, which inundated nine states with flood water and left $12 billion of damage, Iowa's Black Hawk County partnered with FEMA to buy out structures located in floodplains and re-purposed the land as open space that residents could use for gardening, hunting and fishing. In the buyout, ninety-six homes were purchased and demolished and eighty-nine families moved safely away from the floodplain. The total cost of the program was $4.3 million. Since the beginning of the project in 1993, the area has experienced several more flood events, and the estimated avoided damages from these events totals $5.34 million. The state of Iowa projects the 30-year benefits from the project to be over $6.6 million in avoided damages. The mitigation buyouts undertaken by Black Hawk County in collaboration with FEMA were successful in driving down the overall cost of future disasters and increasing the safety and resilience of the local community and its residents.

More recently, in 2010, Coconino County, Ariz. experienced the Schultz wildfire, which cost $120 million to fight and significantly changed the physical landscape of the county. Prior to the fire, the county's landscape was easily able to handle significant rain events, but as a result of the charring of vegetation, heavy rains that came down after the wildfire caused flooding of residential areas. Since the fire and subsequent flooding, Coconino County has instituted storm water drainage standards for all new subdivisions, requiring that drainage systems be able to handle a five-year, 24-hour storm event (a "five-year storm" signifies a 20 percent chance of occurrence per year). The county also invested over $18 million of county funds to mitigate flood impact and drew upon assistance from FEMA's Hazard Mitigation Grant Program (HMGP) for large mitigation projects, including land treatment (planting vegetative cover) and building protective structures like berms. We hope that Coconino County does not face disasters like the Schultz wildfire and subsequent flooding in the future, but if it does, the county will be more resilient thanks to mitigation efforts undertaken in recent years, and the overall cost of a future disaster will likely be less for the county, the state, and the federal government.

These examples demonstrate the value and effectiveness of federal programs like HMPG to local communities as they work to recover from disasters and enable their residents to quickly resume their normal lives. From providing the tools and resources needed for Black Hawk County to buy out repetitive loss properties and enabling Coconino County to create water drainage conveyances, these programs help counties better utilize their own resources and authorities to build safer communities after a disaster and decrease the impact and costs of future disasters.

In addition to their pivotal role in carrying out the local disaster mitigation measures outlined above, counties are also uniquely positioned to serve as conveners and help foster pre-disaster coordination between government officials and between local leaders and the communities they serve. This coordination helps to ensure that resources from all levels of government are deployed quickly and

[6] http://www.preventionweb.net/files/1087_Part1final.pdf

efficiently during disasters, and that residents respond to disasters in a manner that reduces the risk of injury or death and costly reliance on emergency services.

When a disaster strikes, the strength of the federal-state-local partnership is tested and it is incumbent upon us as elected officials to strengthen and encourage strong intergovernmental relationships before these disasters strike. The quality and effectiveness of response to disasters depends in part on the ability of local officials – including local emergency managers appointed by elected officials in most counties to coordinate their disaster activities – to quickly establish communication with their proper counterparts at the state and federal level. Something as simple as ensuring that local officials know who to call when a disaster strikes can help to mitigate damage caused by a disaster, decreasing the overall cost of the event.

Communication between local officials is also crucial in mitigating damage and costs following a disaster. In San Diego County, Calif., the Advanced Recovery Initiative (ARI) was developed to improve the efficiency of the county's work during disaster recovery by pre-designating and training county staff members as Disaster Service Workers (DSW) in specific positions. This planning helps staff learn their role before their deployment and understand expectations in a disaster. The ARI created a database of these pre-trained employees with a pre-designated recovery role. The database tracks the daily status of each employee and any job classification change. This tracking ensures that ARI membership is accurate, up to date and members are available in the event of a disaster.

Just as important in reducing the damage caused by disasters is effective communication between local leaders and the residents they serve. In El Paso County, we expend significant resources to educate our community on effective preparation for future wildfires. Last Saturday, I participated in a wildfire preparation event hosted at a local church, along with a local fire marshal and an official from the Colorado Forest Service. At the event, which was free to all area residents, we shared information on creating "defensible spaces" around homes, about the proper materials to use for decks and patios and about family evacuation planning. We also list a number of resources on our county website that help our residents prepare for disasters, including a guide to preparing for wildfires and an El Paso County-specific guide to preparing for flash floods. [7]

Through these efforts, we not only make our communities more resilient to disasters, but also foster a sense of investment in the community's recovery when disasters strike. In the Waldo Canyon Fire that ravaged our county in 2012, 6,000 people pitched in to perform over 41,000 hours of volunteer work. I believe that this type of collaborative recovery is only possible because of the strong social fabric that ties counties to their residents, and we foster these ties by working with our residents to prepare for disasters.

While local leaders are best positioned to help carry out pre-disaster coordination between government officials and between local leaders and the residents we serve, the support of the federal government is important in establishing these practices in communities across the nation. This is one of the most cost effective and efficient ways to ensure that those involved in a disaster respond in ways that help save lives and decrease overall costs.

[7] http://adm.elpasoco.com/emprep/Pages/default.aspx

Closing

Thank you again Chairman Barletta, Ranking Member Carson and members of the Subcommittee for this opportunity to provide the local perspective in this important conversation on federal disaster spending. The nation's counties are grateful to this Subcommittee for its ongoing strong support for emergency management at the local, state and federal levels, and we look forward to continuing to work with you towards the shared goal of making our nation and its local communities more resilient in the face of disasters.