



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

Washington, DC 20515

Bill Shuster
Chairman

Peter A. DeFazio
Ranking Member

Christopher P. Bertram, Staff Director

Katherine W. Dedrick, Democratic Staff Director

June 16, 2015

BACKGROUND MEMO

TO: Members, Subcommittee on Economic Development, Public Buildings, and Emergency Management
FROM: Staff, Subcommittee on Economic Development, Public Buildings, and Emergency Management
RE: Roundtable Policy Discussion on “Federal Disaster Assistance: Roles, Programs and Coordination”

PURPOSE

On Wednesday, June 17, 2015, at 10:30 a.m. in 2253 Rayburn House Office Building, Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management will participate in a roundtable discussion on “Federal Disaster Assistance: Roles, Programs and Coordination.” The purpose of the roundtable is to examine and discuss federal disaster assistance programs, the requirements and effectiveness of those programs, and coordination among various agencies and stakeholders. Participants will include the Federal Emergency Management Agency (FEMA), the U.S. Army Corps of Engineers (Corps), the U.S. Department of Housing and Urban Development (HUD), the Federal Transit Administration (FTA), the Government Accountability Office (GAO), and experts from state and local government.

BACKGROUND

On January 27, 2015, the Subcommittee held a congressional hearing where Chairman Barletta announced that the Subcommittee would be launching a comprehensive analysis and discussion about trends in disaster costs across the government and private sectors, the drivers of the trends being observed, and what policy changes should be considered to bend the cost curve on disasters. On March 18, 2015, Chairman Barletta, Ranking Member Carson, and other Subcommittee Members held the first Subcommittee roundtable to focus on available statistics, data, and information on disaster costs and losses and committed to continuing a national conversation.

The Rising Costs of Disasters

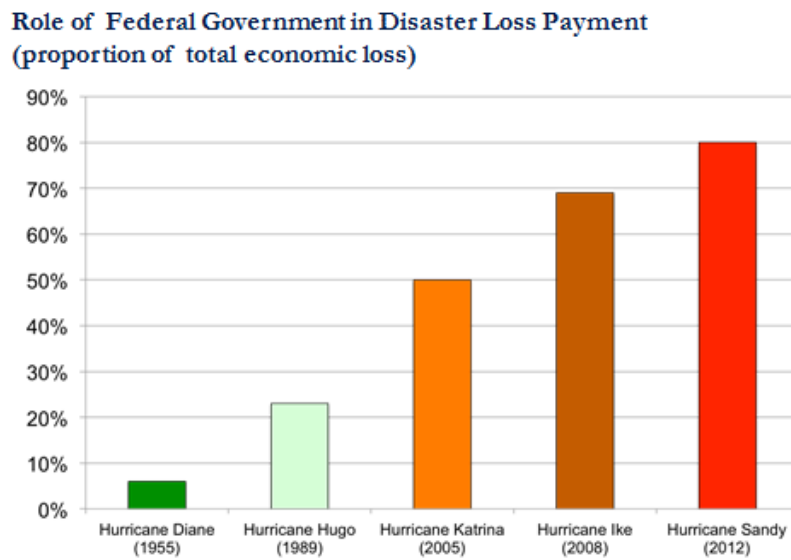
According to numerous studies, disaster losses and federal disaster spending have increased significantly over the last 50 years. In 2012, Munich Re, the world's largest reinsurance company, reported that between 1980 and 2011, North America suffered \$1.06 trillion in total losses, including \$510 billion in insured losses, and an increase in weather-related events five-fold over the previous three decades.¹ In 2005, it was reported that since 1952, the cost of natural disasters to the federal government more than tripled, as a function of gross domestic product.²

There are numerous causes that may be driving these costs including population growth and increased density in disaster-prone areas, changes in weather and fire events, and changes in disaster relief programs. In a recent report, FEMA acknowledged the increase in the number of extreme disaster events and increased vulnerabilities throughout the United States due to shifting demographics, aging infrastructure, land use, and construction practices.³

The Growth of Federal Disaster Assistance

The Percentage of Disaster Costs Covered by the Federal Government is Increasing

As the following diagram illustrates, the financial burden of disaster response has fallen increasingly on the federal government.



Sources: E. Michele Kerjan, [How We Entered an Ever-Rising Cycle of Government Disaster Relief?](#), Presentation before the U.S. Senate (2013).

¹ Munich Re (2012). *Severe weather in North America – Perils Risk Insurance*. Munich, Germany: Muchener Ruckversicherungs-Gesellschaft.

² The Princeton University Geoscience 499 Class, *The Increasing Costs of U.S. Natural Disasters*. Geotimes, November 2005.

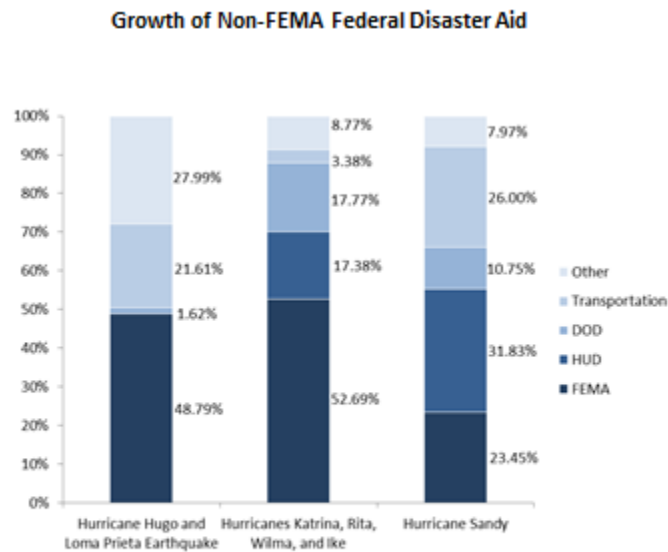
³ Federal Emergency Management Agency, *National Strategy Recommendations: Future Disaster Preparedness*. September 6, 2013. Available at [http://www.fema.gov/media-library-data/bd125e67fb2bd37f8d609cbd71b835ae/FEMA+National+Strategy+Recommendations+\(V4\).pdf](http://www.fema.gov/media-library-data/bd125e67fb2bd37f8d609cbd71b835ae/FEMA+National+Strategy+Recommendations+(V4).pdf).

The Number of Federal Disaster Assistance Programs is Increasing

FEMA is the federal government’s lead agency for preparing for, mitigating, responding to, and recovering from disasters and emergencies related to all hazards – whether natural or man-made. When state and local resources are overwhelmed and the “disaster is of such severity and magnitude that effective response is beyond the capabilities of the state and the affected local governments,”⁴ the Governor of the affected state may request that the President declare a major disaster.

FEMA was established in 1979 to centralize and better coordinate the federal government’s disaster activities, which had been scattered across the government and poorly coordinated in response to the Three Mile Island nuclear disaster and several other disasters. Over time, however, numerous other agencies have received authorities and appropriations for additional federal activities and programs focused on disaster recovery. These programs have differing legal authorities, eligibility requirements, and objectives.

The following diagram illustrates how over time the number of non-FEMA disaster assistance programs and the amount of funding made available for non-FEMA disaster assistance programs have grown.



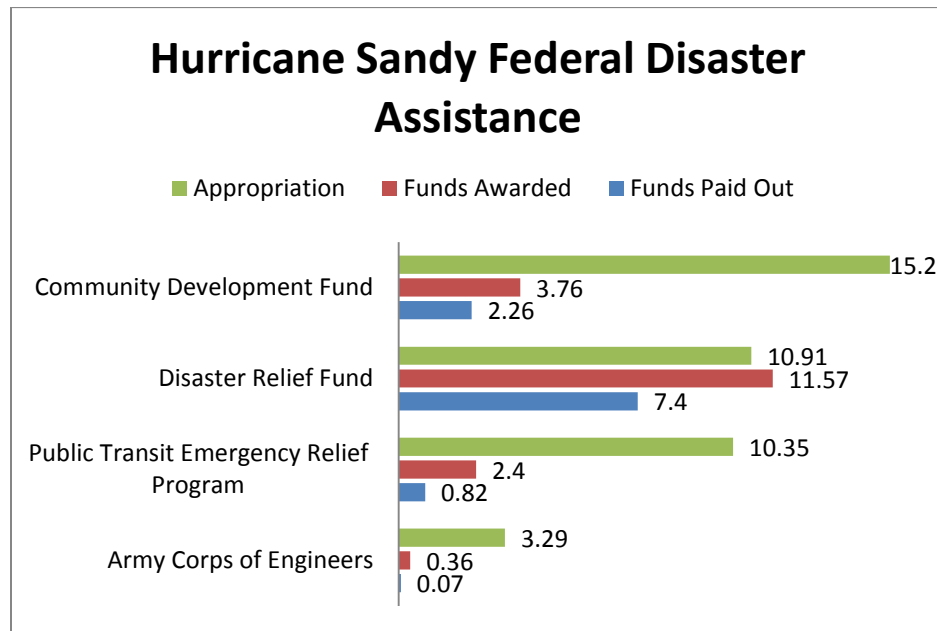
Source: CRS analysis of supplemental appropriations laws passed following major disasters. For the three categories above, Hurricane Hugo and the Loma Prieta Earthquake included P.L. 101-100, P.L. 101-130, and P.L. 101-202. Hurricanes Katrina, Wilma, Rita, and Ike included P.L. 109-61, P.L. 109-61, P.L. 109-146, P.L. 109-224, P.L. 110-28, P.L. 110-116, P.L. 110-252, and P.L. 110-229. Hurricane Sandy included P.L. 112-2.

⁴ 42 U.S.C. § 5170.

Most recently, the following programs have been significantly involved in disaster recovery, and as such, received funding in the wake of Hurricane Sandy.

- Housing and Urban Development (HUD) Community Development Block Grant Disaster Funds (CDBG-DR) – Congress can provide funding for disaster recovery through HUD’s CDBG Program. Most recently, funds were made available to provide non-competitive, nonrecurring assistance targeted at low-income areas impacted by disasters in 2011, 2012, and 2013.
- U.S. Department of Transportation (USDOT) Federal Transit Administration Emergency Relief Program (ERP) – The ERP’s purpose is to help states and public transportation systems pay for protecting, repairing, or replacing equipment and facilities that may suffer or have suffered serious damage because of an emergency, including natural disasters. The ERP is also intended to improve coordination between USDOT and the Department of Homeland Security (DHS) to expedite assistance to public transit providers in times of disasters and emergencies.
- U.S. Army Corps of Engineers – The Corps receives money for the rehabilitation, repair, and construction of projects. These funds are available to projects provided that they reduce future flood risk and support long-term sustainability.

Of the funds appropriated for Hurricane Sandy recovery, FEMA did not receive the greatest allocation. As of June 2015, except for FEMA disaster assistance, a relatively small percentage of disaster funds have been awarded or paid out. The top four programs are depicted below:



Source: <http://www.recovery.gov/Sandy/wherethemoneygoing/monthly/Pages/default.aspx> viewed June 10, 2015.

Although allocations are not listed on the chart above, it is important to understand the difference between allocations, funds awarded (obligations), and funds paid out (disbursements). Allocations are non-binding commitments of federal money that have been selected for a particular purpose. The allocations made by agencies may therefore be higher than amounts awarded. When funds are awarded (obligated) the federal government has legally committed to spend that money. For example, although FTA has only obligated \$2.4 billion, it has allocated \$9.3 billion. To guard against waste and duplication of federal spending, Sandy disaster funding is not obligated until agencies have full grant applications, more certainty of damage assessments, and insurance payouts. Importantly, federal allocations give the local entities the assurance to move forward with their final grant applications and the ability to use pre-award authority for some project costs.

The FEMA Disaster Assistance Reform Act of 2015 Establishes a Study of Disaster Costs

Given the trends in disaster costs and losses, the Committee has called for a complete assessment of these losses, what is driving these losses, what federal disaster assistance is available to individuals and the public and private sectors, the appropriate roles of each of those parties, and what public policy changes would result in fewer disaster losses and thus lower disaster-related costs.

On April 15, 2015, the Committee ordered H.R. 1471, the FEMA Disaster Assistance Reform Act of 2015 to be reported. This bipartisan legislation establishes a comprehensive study to assess disaster costs and develop recommendations for reducing those costs; improves our Nation's emergency management capabilities and federal disaster programs; modernizes and strengthens critical components of our preparedness and response system; and supports emergency response personnel. Specifically, the legislation requires the National Advisory Council to conduct the comprehensive study and include policy recommendations to help reduce future losses.

PARTICIPANTS

The Honorable Joseph L. Nimmich
Deputy Administrator
Federal Emergency Management Agency

Ms. Marion Mollegen McFadden
Deputy Assistant Secretary for Grant Programs
Office of Community Planning and Development
U.S. Department of Housing and Urban Development

Ms. Henrika Buchanan-Smith
Associate Administrator for Program Management
Federal Transit Administration

Mr. William E. Irwin
Disaster Program Manager
U.S. Army Corps of Engineers

Mr. Christopher P. Currie
Director, Homeland Security and Justice
Government Accountability Office

Dr. Jeffrey D. Stern
State Coordinator
Virginia Department of Emergency Management

The Honorable R. David Paulison
Former Administrator
Federal Emergency Management Agency

PARTICIPANT BIOGRAPHIES

The Honorable Joseph L. Nimmich, Deputy Administrator

Federal Emergency Management Agency

- Joseph L. Nimmich was sworn in as Deputy Administrator of FEMA in September 2014.
- Mr. Nimmich joined FEMA in 2013, as the Associate Administrator for the Office of Response and Recovery. He was responsible for directing the Response, Recovery, and Logistics Directorates, as well as the Office of Federal Disaster Coordination.
- Mr. Nimmich served in the U.S. Coast Guard for more than 33 years, retiring as a Rear Admiral.
- Mr. Nimmich earned his Master's in Business Administration from the Stern School of Business at New York University and holds a Master's Degree in Strategic Studies from the U.S. Army War College. He received his Bachelor of Science from the U.S. Coast Guard Academy.

Ms. Marion Mollegen McFadden, Deputy Assistant Secretary for Grant Programs

Office of Community Planning and Development, U.S. Department of Housing and Urban Development

- Ms. McFadden assumed the role of Deputy Assistant Secretary for Grant Programs in HUD's Office of Community Planning and Development in August 2014.
- Ms. McFadden has been with HUD since 2000, with most of her tenure in the Office of General Counsel. Her experience includes work on CDBG, CDBG Disaster Recovery, and extensive work on Hurricane Sandy recovery.
- Ms. McFadden holds a Juris Doctor magna cum laude from Howard University School of Law and a Bachelor of Arts from Northwestern University.

Ms. Henrika Buchanan-Smith, Associate Administrator for Program Management

Federal Transit Administration

- Ms. Buchanan-Smith has served as Associate Administrator for Program Management since February 2011.
- Ms. Buchanan-Smith is responsible for providing project management oversight to FTA's major capital investment projects and developing procedures for managing and allocating \$10.9 billion in Hurricane Sandy Relief funding.
- Ms. Buchanan-Smith received her Bachelor of Arts in Political Science and Master's in Urban and Regional Planning from Alabama A&M University, and her law degree from Georgetown University.

Mr. William E. Irwin, Disaster Program Manager

U.S. Army Corps of Engineers

- Mr. Irwin has served as Disaster Program Manager for the Army Corps of Engineers since March 2008. He is USACE's senior liaison to FEMA, and leads the USACE team at the National Response Coordination Center during major disaster operations.
- Mr. Irwin has over 16 years of experience in USACE's disaster preparedness role.

- Mr. Irwin holds a Bachelor’s degree from Virginia Polytechnic Institute and State University, and a Master’s in Engineering Management from the George Washington University.

Mr. Christopher P. Currie, Director, Homeland Security and Justice

Government Accountability Office

- Mr. Currie is responsible for GAO’s work in evaluating emergency management, national preparedness, and critical infrastructure protection issues. Since the creation of DHS, he has led numerous audits and assessments of DHS programs, including those related to broad departmental management, transportation security, research and development of new technologies, and the Department’s efforts to test and evaluate large acquisition programs and technologies.
- Mr. Currie previously served as Acting Director in GAO’s Defense team where he led reviews of DOD programs, including those related to military housing, military aircraft, and counter-piracy efforts.
- Mr. Currie holds a Master of Arts in Public Administration from Georgia State University and a Bachelor of Arts in History from the University of Georgia.

Dr. Jeffrey D. Stern, State Coordinator

Virginia Department of Emergency Management

- Dr. Stern was appointed as State Coordinator for the Virginia Department of Emergency Management in May 2014.
- Prior to his appointment, Dr. Stern held leadership positions in emergency management, public safety, and homeland security, having served in local and federal government, the private sector, and academia.
- Dr. Stern holds a Ph.D. in Public Administration/Public Affairs from Virginia Tech’s Center for Public Administration and Policy, a Master of Public Administration from the American University School of Public Affairs, and a Bachelor of Arts from the College of William & Mary. He is a Certified Emergency Manager through the International Association of Emergency Managers and an Executive Fire Officer through the National Fire Academy.

The Honorable R. David Paulison, Former Administrator

Federal Emergency Management Agency

- Chief Paulison served as FEMA Administrator from 2001 to 2005.
- Before his appointment to FEMA, Chief Paulison spent 30 years in the Miami-Dade Fire and Rescue Department, rising to Fire Chief in 1992.
- Chief Paulison is a graduate of Miami Dade Community College, Florida Atlantic University, and the Harvard University John F. Kennedy School of Government.