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"Reforming FEMA: Ensuring the Nation's Disaster Readiness Works for Americans"

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Chairman Graves, Ranking Member Larsen, and Members of the Committee, thank you for the invitation to appear before you. I served the State of Florida as Director of Emergency Management under Governor Jeb Bush, and I served as Administrator of the Federal Emergency Management Agency under President Obama. Before either of those jobs, I spent years as a volunteer firefighter and paramedic, and later as a county emergency manager, in Alachua County, Florida. I have spent close to forty years in this profession, and I want to use my time today entirely on the bill in front of this Committee, because it attempts something federal disaster law has never done before.

> ***H.R. 4669 is the first significant effort in the Stafford Act to price disaster risk honestly, rather than simply paying for it faster.***
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> ***Speed of delivery and honesty of pricing are two different problems. Solving the first does nothing to solve the second.***

For decades, the federal cost share for disaster assistance has moved almost entirely in response to how bad a disaster was, not in response to what a state did to prevent it. This bill is the first to move the cost share itself in response to a state's own decisions. This bill does a great deal else that I support and will not take the Committee's time cataloging today. I want to spend my time on the pricing question specifically, because it is the provision most likely to be overlooked amid everything else in this bill, and because it is the one that will matter most twenty years from now.

What This Bill Does

Start with the provision that matters most to the argument I am making today. The bill adds a new section 409 to the Stafford Act that keeps the existing seventy five percent floor as the default, but does something no previous version of Public Assistance has done: it moves the floor itself in response to a state's own behavior. A state or tribal government that has failed to fund its own mitigation programs, maintain required insurance, or put non-federal money behind its own mitigation plan can see its federal share reduced to as low as sixty five percent. A state that has instead invested in resilience, through a dedicated disaster account, state funded risk pools, modern building codes, or stronger floodplain management, can see it rise on a parallel sliding scale to as high as eighty five percent. The bill backs this with a real deadline: a state that has not submitted a preapproved mitigation plan within three years of enactment loses eligibility for the higher share entirely. For the first time, the cost share itself, not just an incentive layered on top of it, moves in response to whether a state is managing the risk it controls, rather than the size of the disaster it happened to have.

For decades we have increased the federal share because a disaster was bigger. This bill begins increasing the federal share because a government made better decisions before the disaster occurred. That is a fundamental change in federal disaster policy.

Worth noting for the record: the bill's own text preserves the President's separate authority to increase the federal share above eighty five percent outside of this sliding scale entirely. That discretion may be necessary for a truly catastrophic event. It is also worth this Committee's attention during implementation and oversight, because it is precisely the kind of authority that, used loosely, could let the old habit back in through a side door: raising the cost share because a disaster was bad, rather than because a state earned it.

Second, the bill takes on the enforcement gap I mentioned earlier, though indirectly. It extends the Stafford Act's existing insurance requirement, which already requires recipients of certain disaster assistance to maintain insurance going forward, to also apply to the new repair and rebuilding assistance this bill creates. It also directs GAO to study how well FEMA's own insurance purchase requirement is actually being enforced today, including rates of noncompliance and lapsed coverage among facilities that have already received public assistance. I welcome that study. The requirement to carry insurance after receiving federal disaster assistance has been law for years. It is also, in my experience, one of the least enforced provisions in federal disaster law. States and local governments often push back on this requirement, and it is worth understanding why. They will argue that commercial insurance for a facility like a rebuilt school either is not available at the coverage level the requirement contemplates or is not affordable, and that maintaining a state risk pool or a self-insurance reserve should count as meeting the requirement instead of a private policy. Sometimes that argument is legitimate. Often it is simply how noncompliance gets explained away, year after year, without anyone having to check. Extending the requirement to new assistance is the right instinct, and this Committee will be well positioned to judge, once the GAO study comes back, whether enforcement finally follows the statute, or whether the availability and affordability of coverage need to be addressed before enforcement can mean anything at all.

Third, on cost estimates: FEMA has had authority to grant Public Assistance funding on the basis of fixed, capped cost estimates since the Sandy Recovery Improvement Act, but that authority has remained optional for over a decade, something a state has to elect into rather than the way business is normally done. This bill makes it the formal default: a licensed professional develops the estimate, the estimate is presumed accurate absent evidence of fraud, and FEMA must complete its review within ninety days or the estimate is automatically deemed approved. This will speed recovery, because applicants stop waiting on a line item audit of every invoice. But the larger benefit is on the federal side of the ledger. Reconciling actual costs against estimates and litigating disputes over the difference is expensive for FEMA to administer. Making fixed estimates the default does not just move money faster. It reduces what it costs the federal government to manage its own recovery programs.

Fourth, the bill addresses permanent repair authority in two ways: it broadens existing repair assistance so a home no longer has to be rendered fully uninhabitable before FEMA can help repair it, and it creates a new minor repair authority so a family can shelter safely in place while more permanent repairs continue. FEMA has spent years working around this gap through policy and pilot programs. A displaced family does not need a clearer explanation of FEMA policy. They need their house fixed.

Fifth, on FEMA's structure: my own view of whether FEMA belongs inside the Department of Homeland Security or as an independent agency has moved over time. I opposed separating FEMA out when the Department was created in 2002. At my Senate confirmation hearing in 2009, with Hurricane Katrina recovery still active and much of the Post Katrina Emergency Management Reform Act not yet fully implemented, I testified that FEMA should stay inside DHS, and it did, through the remainder of the Obama Administration, the first Trump Administration, and the Biden Administration. I think the case for independence is stronger today. But I do not want to dwell on that history, because there is a more practical point inside this bill worth the Committee's attention.

Current law, under the Homeland Security Act as amended by the Post Katrina Emergency Management Reform Act, already makes the Administrator the principal advisor to the President on emergency management. What this bill changes is the reporting line itself. Today the Administrator reports to the Secretary of Homeland Security. This bill requires the Administrator to report directly to the President instead. That is the right structure on paper. It is only as strong as what happens to the Administrator's recommendations once they leave the Administrator's office. A direct reporting line means little if the Administrator's advice has to be negotiated into a consensus position with the Office of Management and Budget or other White House offices before it ever reaches the President. If the Administrator reports directly to the President, the Administrator's recommendations should reach the President as the Administrator's own recommendations, not as whatever survives a sign-off process first. That is what would make the independence and the direct reporting authority in this bill mean something in practice, and not just on the page. The bill also extends the Stafford Act's civil rights protections to cover political affiliation for the first time, a small but real signal of how seriously this moment calls for that independence to be genuine rather than nominal.

If FEMA were instead to remain within the Department of Homeland Security rather than become independent as this bill proposes, Congress should further strengthen the Administrator's statutory independence. Much of the Secretary's authority to direct FEMA's day to day operations should be limited, preserving only those responsibilities necessary for Department wide administration and coordination. The FEMA Administrator already serves at Executive Schedule Level II, the same level as the Administrator of the Environmental Protection Agency and the Secretaries of the military departments. That rank reflects the national importance of the position. Whether FEMA remains within DHS or becomes an independent agency, the Administrator should have clear operational authority over the nation's emergency management system, free from unnecessary departmental interference.

It is also worth noting, separately from anything in this bill, that current law already allows the President to designate the FEMA Administrator to serve as a member of the Cabinet in the event of a natural disaster, act of terrorism, or other man made disaster. That authority has existed since the Post Katrina Emergency Management Reform Act. A President could just as easily choose to make that designation a standing one rather than limit it to a single event, the way President Clinton did for FEMA Director James Lee Witt. Either way, that authority already exists independent of this legislation, and does not require Congress to act for a President to use it.

> ***A sliding cost share, an enforced insurance requirement, faster estimates, and independence are all real progress. This bill reflects a fundamentally different approach to federal disaster policy than anything Congress has enacted before.***

That is real progress, on five fronts, and I want to say so plainly. This Committee has moved the cost share itself, not just the process around it, for the first time in the history of the Stafford Act. Whatever comes next in federal disaster policy will be built on that foundation.

Closing

I want to close with the principle that ties all of this together. The Stafford Act should hold individual survivors and their families harmless from the decisions of their state and local governments. When a state runs its own individual assistance program, the Act should address the risk of duplicating benefits without punishing the survivor for it. Assistance to individuals should always be focused on what survivors actually need, not on what their government did or failed to do before the disaster struck. Assistance to state and local governments is a different matter entirely. That assistance should reward the officials who take real steps to reduce risk before a disaster happens, and it should raise the cost of the decisions of the officials who do not. That cost should fall on the state and local government that made the decision, and on the voters who elected the officials who made it, not on the federal taxpayer who had no say in it at all.

> ***This bill is a genuine attempt to price disaster risk honestly instead of simply paying for it faster. That is the direction federal disaster policy should have taken two decades ago.***

> ***Help people recover. Reward governments that reduce risk. Stop subsidizing the decisions that make disasters more expensive every year.***

I have spent my whole career on the other end of these programs, first as the person radioing for help and later as the person deciding how the help got delivered. I have never once seen a community regret investing in resilience before a disaster. I have seen hundreds regret not doing so after one. This Committee has the jurisdiction, and now with the FEMA Act of 2025 the credibility, to show the rest of the federal government what disaster policy looks like when it finally prices risk honestly. I am glad to answer any questions you have, and I thank you again for the opportunity to testify.