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**STATEMENT FOR THE RECORD**

**On behalf of the  
National Emergency Management Association**

**Submitted to the House Committee on Transportation and Infrastructure  
Subcommittee on Economic Development, Public Buildings, and Emergency Management**

**United States House of Representatives**

**Disaster Mitigation: Reducing Costs and Saving Lives**

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## **Introduction**

Chairman Barletta, Ranking Member Carson, and distinguished members of this panel - thank you for holding this hearing today on one of the most important phases of emergency management. When discussing any natural disaster, it is hard to argue against taking action before the catastrophe occurs, rather than waiting until costly damage has affected homes, businesses, and critical infrastructure. Over the years, Congress has authorized and appropriated significant financial and technical assistance to State and local government to pre-empt damages and distress resulting from a natural disaster such as flood, hurricane, tornado, or blizzard.

Mitigation activities can take many forms and the use of mitigation programs often differ by region. What does not differ, however, is the return on investment of these programs. FEMA's mitigation programs have been effective in reducing the property damage, personal and commercial hardship, as well as long-lasting monetary burdens after a disaster.

As the current Vice President of NEMA and the Director of the Florida Division of Emergency Management, I have witnessed the countless benefits of strong mitigation programs. We are here today because, while there are many good mitigation success stories, practical takeaways are critical to building a stronger program. This in turn will reduce the severity of disasters, lower the overall cost of disasters on all levels of government, and protect more citizens.

In order to effectively understand the role of disaster mitigation in the emergency management community, I will examine the National Flood Insurance Program, explain the benefits of the Community Rating System as it pertains to state and local entities, describe the current disaster mitigation efforts occurring in Florida, and provide some best practices, recommendations, and highlights to continue moving forward.

## **National Flood Insurance Program**

The measure of success related to disaster mitigation lies in the overarching programs which help guide our policies. The National Flood Insurance Program Reform may provide some policy holders and community temporary relief, but additional efforts still need to occur. With the passage of the National Flood Insurance reform legislation, community rating systems will be more widely available to more communities.

### *Mapping and Modeling*

NFIP has had difficulties with mapping and modeling the floodplains. It is important to have quality maps coming from a detailed study with a desire to consistently provide better data, more detail, and enhanced information. The frequency in which maps are updated should be shorter as very outdated maps make the insurance premium rate increase bigger rather than a more gradual approach. Access to the best data would allow communities to determine the highest risk areas and help them to mitigate the best way possible.

## **Community Rating System**

Implemented in 1990, the Community Rating System (CRS) of NFIP operates as a voluntary program for recognizing and encouraging community floodplain management activities exceeding NFIP's minimum standards.

The CRS uses a Class rating system similar to fire insurance rating in determining flood insurance premium reductions for residents. CRS Classes are rated from nine to one. Most communities enter the program at a CRS Class 9 or Class 8 rating, which entitles residents in Special Flood Hazard Areas (SFHAs) to a 5 percent discount on their flood insurance premiums for a Class 9 or a 10 percent discount for Class 8. As a community engages in additional mitigation activities its residents become eligible for increased NFIP policy premium discounts. Each CRS Class improvement produces a 5 percent greater discount on flood insurance premiums for properties in the SFHA.

Additional mitigation activities which increase eligibility for policy premium discounts often cause strain on the already limited staff of small local communities. Unfortunately, this program realizes limited participation due to staffing issues. Often the responsible person maintains multiple responsibilities leaving precious little time to implement the CRS. The administrative work can quickly become a barrier to communities who are in the process of moving to the next level of classification. For instance, in Florida over 18 communities are at a classification five and are having difficulty moving to a classification four because of prerequisites. An example is requiring 50 percent of the planning activity, development of a Storm Water Master Plan, and enforcing freeboard standards, in order to meet the requirements to move to a classification of 4.

With smaller applicants the need for one-on-one assistance becomes more critical. Personalized attention on the front-end is vital to the success of CRS, but as time goes on and more education is received, it will be less important to provide one-on-one attention. The focus of all parties involved needs to be getting more communities participating and remaining engaged in the program. By having more communities in CRS, the assurance of mitigation and comprehensive floodplain management begins to become an important priority from the ground up. Not only an important priority, but CRS will reduce flood losses, facilitate accurate insurance rating, and promote the awareness of flood insurance.

## **Delivering Mitigation in Florida**

Florida has taken concrete steps to promote CRS to assist communities and benefit policyholders. Florida has a goal of having all 463 NFIP enrolled in CRS. Currently, 47 percent of Florida's NFIP communities are enrolled in CRS. The Florida Division of Emergency Management hired two full-time staff to assist communities with CRS, and is taking steps at the state level to provide opportunities which communities can use in attaining minimum standard points. In the last month alone, five Florida communities have successfully been prepared to participate in CRS, pending Insurance Service Office (ISO) field verification visits.

For example, in St. Augustine Florida the city worked with state officials in completing the Avenida Menendez Seawall Project. This project will preserve and protect the historic seawall and enhance the

critical infrastructure which will not only add protection from flooding due to storm surge, but add a picturesque promenade for visitors to the city. While the new walking path and wall is expected to bring more people and tourism to the waterfront, the wall is already proving its worth. The city has seen a noticeable difference in the reoccurrence of flooding. This Fall, heavy rains, extreme high tides, and large waves from a passing coastal storm did not cause flooding that would have occurred if the wall had not been fixed.

## **Moving Forward**

To quantify the effectiveness of mitigation projects, Congress commissioned a study on mitigation savings. The National Institute of Building Sciences (NIBS) conducted a study in 2005 which reported that for every \$1 spent on various mitigation activities, \$4 in response and recovery costs are saved. We hold this hearing today to learn of more actionable steps we can take to ensure that the savings from mitigation is in fact higher than a 4 to 1 ratio. This can be done through better implementation of programs, reevaluating CRS, and looking for more opportunities in providing incentives to individuals and communities to encourage mitigation.

Recently, the House of Representatives introduced the Disaster Savings Accounts Act of 2013 (HR 3989). Concurrently, the Senate introduced Disaster Savings Accounts Act of 2014 (S.1991). These bills would amend the Internal Revenue Code to establish tax-exempt disaster savings accounts to pay the expenses of homeowners for disaster mitigation and recovery expenses. They would also allow a deduction from gross income up to \$5,000 in a taxable year for cash contributions to such accounts, exclusion from gross income distributions from such accounts to pay disaster mitigation and recovery expenses, and the setting forth of tax rules and penalties for excess contributions to disaster savings accounts and for failure to file required reports on such accounts. These bills would be a great way to encourage individuals to participate in mitigation by giving them immediate financial benefit.

Not only is Congress providing more incentives for individuals, but White House officials launched a new initiative helping local communities plan for the effects of climate change by providing them with troves of government data. Allowing countless infrastructure and geographical features across the U.S. to be made public is exactly the type of step which will permit communities to determine their risks and prepare for floods and other climate impacts. The availability of such data will surely help make communities tougher toward the effects of climate change.

## **Recommendations**

The Disaster Savings Account bill and the White House's initiative on climate change demonstrate incentives to mitigation on an individual participation as well as participation on a community level. A few other recommendations for actionable steps to ensure that mitigation stays a priority throughout communities and all levels of government include:

1. **Reevaluate barriers to Community Rating Systems.** Administrative burdens, one-on-one assistance, and unreasonable expectations, are just some of the things standing in the way of

smaller communities from moving forward with CRS. Reevaluating these barriers will allow communities of all sizes to progress through the classification levels without running into walls. Allowing states to self-certify classes eight and nine would relieve some of the burden from them so that the ISO can focus on classes that could use extra attention. Allowing ISO to reevaluate States every five years would allow each community to remain on target with the overall goal of the CRS.

We must examine an equivalent plan to the Storm Water Management plan. This is a large part of the stall between classes five and four. Small communities simply do not have the ability to determine this information. If an equivalent activity cannot be acquired, we would recommend that it be eliminated. In an effort to make the program run more smoothly, states may be willing to assume some of the responsibility in pushing the classifications forward. For example, the elevation certification training can be administrated by the states. Elevation certificates are the number one precursor to admittance into the CRS. Training and certification from the state level would allow communities to understand what a correct elevation certification looks like.

2. **Encourage FEMA to promote participation for communities in the CRS.** Encouraging communities to adopt the flood damage prevention ordinance will help mitigation become a priority throughout all levels of the government.
3. **Support Mitigation Education.** Encouraging education and participation is vital to the success of any mitigation implementation program.

## **Conclusion**

Mitigation plays a vital role in all phases of emergency management. Ensuring the longevity of the programs that implement mitigation is extremely important to saving more lives, reducing the severity of disasters, and lowering disaster cost. Encouraging outreach and education will create a more robust program as communities and individuals begin learning the benefit of mitigation and see direct effects from their efforts. Reevaluating NFIP and CRS will prove vital for achieving a better national mitigation program and ensuring that all communities participate.

We mitigate so that preparedness by citizens is based on the best assessment of the threats and the community measurement of that threat. We prepare because we cannot mitigate every threat. We respond because mitigation and preparedness can limit disruption and damage, but cannot eliminate events that can threaten life safety. We simply cannot mitigate and prepare for every eventuality. Finally, we recover because it is important we return to what our new normal has become, both individually and as a community. After all we have learned from our disaster experience, we then resume mitigation efforts of known or perceived threats all over again.

Again, thank you for the opportunity to testify and I look forward to any questions you may have.