Written Testimony of Robert David Paulison

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On behalf of

The BuildStrong Coalition

before the

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

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Chairman Barletta, Ranking Member Titus, and distinguished members of the Committee, I would like to thank you for holding this important hearing today assessing the recovery from last year's litany of disasters and preparing for the upcoming Atlantic Hurricane Season. I continue to be grateful for the leadership demonstrated by the Chairman and Ranking Member and for the opportunity to share my expertise with the Committee on behalf of the BuildStrong Coalition.

I have over 40 years of experience dealing with natural disasters at the federal, state, and local levels. During my career, I served as Administrator of FEMA from 2005 to 2009, Administrator of the U.S. Fire Administration from 2001 to 2005, Director of Preparedness at FEMA from 2003 to 2004, and Fire Chief of the Miami-Dade Fire and Rescue Department from 1992 to 2001. I spent the 21 years prior to that rising through the ranks of the Miami-Dade Fire Department, beginning my career as a rescue firefighter in 1971. I have a deep appreciation for the tremendous service of our nation's first responders and emergency management officials.

I have previously shared with members of this Committee my experience with the devastation caused by major hurricanes like Andrew in 1992 and Katrina in 2005. These experiences I provided me with a unique understanding of the inherent problems with our nation's disaster preparedness and response system and how we can better position FEMA to respond when a disaster strikes. Last year was a particularly devastating one for disasters, with seventeen named storms during the Atlantic hurricane season totaling over $200B in damages and a death toll in the thousands according to some estimates.

I would like to congratulate FEMA on their performance in 2017 in response to these disasters. Having sat in the Administrator's chair, I know well the challenge Administrator Long and his entire team faced. In total, the hurricanes and California wildfires affected more than 47 million people — almost 15 percent of the nation's population. FEMA registered nearly 4.8 million households for assistance, an impressive performance. I also know that disaster recovery, no matter how well executed, is only part of the solution.

These are astounding numbers, and our focus should remain on helping those who have lost so much. But it is beyond time to give serious consideration to why we continue to leave lives, homes, and communities vulnerable. The evidence is overwhelming. Better land use, modern science applied to home construction, and increased mitigation measures can dramatically reduce the devastation brought by these disasters. We must find a way to incentivize and reward with the appropriate level of funding communities who invest in resiliency and stronger building codes, and who make smart pre-disaster mitigation efforts.

The cost-share provision included in the Bipartisan Budget Reform Act signed into law by President Trump earlier this year — as part of the Disaster Recovery Reform Act passed by this very committee — represents a major step forward in creating these incentives. However, this measure should only be the beginning.

With another busier-than-expected hurricane season ahead, we have our work cut out for us. Looking ahead, members of Congress should have a great deal of urgency in getting the entire Disaster Recovery Reform Act, include the helpful measures not passed into law, to the

President's desk. Also before us, however, is FEMA's task in effectively and efficiently implementing the aforementioned cost share adjustment provision passed into law.

Let me make clear that I applaud FEMA for their serious consideration of this measure and their willingness to embrace challenging task in ensuring its implementation. With that in mind, I believe it is important for those in charge to weigh a few key considerations.

While perhaps obvious, the purpose of the cost share incentive — that the extra payment beyond the existing federal cost share should reward states that take measures that will reduce their exposures to vulnerabilities identified in their mitigation plan — should help inform any future decisions.

It will also be important to examine whether the actions taken by states actually had an impact on reducing future disaster losses. After all, if states are to be rewarded with extra disaster funding, the criteria by which they receive those funds must be based on actions that will directly impact disaster losses.

Further, the task of establishing what the actual baseline standard should be for states to receive the minimum 75% cost share from FEMA will be crucial. Any extra funds received as part of the additional 10% outlined in the incentive provision should go to states that take action beyond this agreed-upon base standard.

Taking these core considerations into account, I would like to offer four specific recommendations that, based on my experience, I believe would be effective in informing FEMA as they work to implement this provision and begin the process of reversing our current backward approach to disaster mitigation.

1. **Establishing a Pilot Program.** The cost share incentive should be established as a FEMA pilot program to ensure maximum flexibility and speed of enactment. This program should not be subject to full federal rule making procedures that will delay its deployment.

   A minimum standard should be established such that, in order to be eligible for enhanced federal cost share, a state must have a statewide building code with an enforcement mechanism. FEMA should develop a score to measure the effectiveness of the code, which states would have to meet at a minimum level. This would exist as a simple "yes" or "no" answer for any consideration of additional funds (i.e. if "yes," then proceed to the next step; if "no," then there will not be any consideration for additional funds).

   While not part of the current measure, I propose consideration that in the future, a "no" answer could lead to a reduction of the 75% baseline share.

2. **Requiring a State Mitigation Plan.** A state must have a working mitigation plan that identifies top vulnerabilities and the steps a state must take to reduce these vulnerabilities. Having such a plan would be in the minimum requirement category and one of the previously-mentioned "yes"/"no" answers for consideration of additional funds.

3. **Taking Action on Loss Reductions.** In order to receive any funding above the 75% minimum amount, states must implement actions identified in their state mitigation plan and building code. These states would have to demonstrate concrete actions taken toward mitigation future disaster losses in order to earn the additional funds, but they would not have to take *all* actions identified in order to achieve added disaster funding. States could earn these funds even if they did not have all aspects of the current recommended code as long as the extra measures adopted are deemed impactful to mitigate against loss of life or property. While it would be encouraged and rewarded for states to take every step available, I understand that only so much is achievable for certain communities. Those unable to do so should not be punished if they are able to hit some milestones but not others.

   Another important caveat is that all extra funds received by a state must be used for mitigation purposes, not for response and/or recovery efforts. Allowing as much would be a regression to the increasingly ineffective system already in place.

   These identified actions would be assigned a weighted system that could use a measure such as the Insurance Service Office (ISO) Build Code Effectiveness Grading Schedule, also known as BCEGS, in addition to other credit calculation tools.

   This overall incentive structure should include the following criteria:

   i. <u>Building Codes</u>: Adoption of the most recent recommended building code and maintaining a model code no older than 6 years; Implementing changes to state and local building codes that address key vulnerabilities identified in a state's mitigation plan.
   ii. <u>Life Safety</u>: Adding life safety code enhancements such as a residential sprinkler requirement, other fire suppression measures, non-flammable standards, and other life safety requirements to building codes. As lives are on the line, we must also provide incentives for states to promote fire sprinklers and insist that that code officials get the nonflammable and seismic standards right and that they are enforced.
   iii. <u>Infrastructure</u>: Assessing the necessary public/private infrastructure protection measures for flammable, seismic, and other resilient and life safety code requirements for pre-disaster prevention and a faster recovery post-disaster, in addition to any steps taken to implement those protections.
   iv. <u>Tax Credits</u>: Providing tax credits or other tax incentive programs to encourage consumers or states to take actions to strengthen property against vulnerabilities identified in a state mitigation plan for both existing properties and new construction.
   v. <u>Education</u>: Educating contractors and consumers on actions they can take to strengthen properties.
   vi. <u>Post-Disaster Assessment</u>: Providing a method for determining how a state will handle an increased need for building code enforcement resources following a disaster.

vii. Public Building Insurance: Insurance coverage for public facilities, assets, and infrastructure.
viii. Building Code Effectiveness Grading Schedule: Local and state participation in the BCEGS standard.

4. **Focusing on Achieving Significant Impact.** Finally, it will be critical to push for incentives offered to be housed in state mitigation plans and building codes that can achieve a significant impact as scored by BCEGS or a similar system as previously mentioned. This would mean the adoption of the most recent recommended code and maintaining a model code no older than the last six years. It would also mean implementing changes to state and local building codes that address key vulnerabilities identified in a state's mitigation plan.

The passage of the cost share adjustment provision in Disaster Recovery Reform Act is a major accomplishment. The work of this Subcommittee — including that of you, Mr. Chairman — as well as the work of other leaders, such as Chairmen Shuster and Denham, should not be overlooked. However, I urge you to continue your tireless efforts on this issue and apply them toward passing the outstanding provisions in that bill, including the measure that would boost the Pre-Disaster Mitigation Fund by 6% of the money doled out through the Disaster Relief Fund. This would be a true game-changer for the future of our disaster policy approach.

It will take us years to recover from the destruction caused during 2017. Some families and communities affected may never make it all the way back. As the 2018 Atlantic Hurricane Season gets underway, time is of the essence to ensure that we do everything we can in this country to protect ourselves against disasters. How different would the damage caused in recent years look if we had the cost share incentive measure included in the Disaster Recovery Reform Act in place? How different could our future look if additional measures, such as the PDM provision, are implemented? These may be difficult questions to ask, but if recent history is any indication, they are certainly deserving of serious consideration.

I encourage the Committee to pursue reforms to federal disaster spending that put pre-disaster mitigation at the forefront and position FEMA on the edge of the effort to rebuild our infrastructure in a way that is fortified against natural disasters.

Chairman Barletta and Ranking Member Titus, thank you for convening this hearing and raising these important issues. I look forward to answering your questions.

Appendix: Recommended Criteria for Cost Share Adjustment Provision on behalf of the BuildStrong Coalition

The following represents the BuildStrong Coalition's suggested criteria in response to the Disaster Recovery Reform Act federal cost share adjustment provision in the Bipartisan Budget Act of 2018 (H.R.1892), which establishes a critical mechanism for the federal government to incentivize states and localities to adopt enhanced mitigation measures.

- **Establishing a Pilot Program.** The cost share incentive should be established as a FEMA pilot program to ensure maximum flexibility and speed of enactment. This program should not be subject to full federal rule making procedures that will delay its deployment. A minimum standard should be established such that, in order to be eligible for enhanced federal cost share, a state must have a statewide building code with an enforcement mechanism. FEMA should develop a score to measure the effectiveness of the code, which states would have to meet at a minimum level. This would exist as a simple "yes" or "no" answer for any consideration of additional funds (i.e. if "yes," then proceed to the next step; if "no," then there will not be any consideration for additional funds). In the future, a "no" answer could lead to a reduction of the 75% baseline share.

- **Requiring a State Mitigation Plan.** A state must have a working mitigation plan that identifies top vulnerabilities and the steps a state must take to reduce these vulnerabilities. Having such a plan would be in the minimum requirement category and one of the previously-mentioned "yes"/"no" answers for consideration of additional funds.

- **Taking Action on Loss Reductions.** In order to receive any funding above the 75% minimum amount, states must implement actions identified in their state mitigation plan and building code. These states would have to demonstrate concrete actions taken toward mitigation future disaster losses in order to earn the additional funds, but they would not have to take *all* actions identified in order to achieve added disaster funding. States could earn these funds even if they did not have all aspects of the current recommended code as long as the extra measures adopted are deemed impactful to mitigate against loss of life or property. All extra funds received by a state must be used for mitigation purposes, not for response and/or recovery efforts. These identified actions would be assigned a weighted system that could use a measure such as the Insurance Service Office (ISO) Build Code Effectiveness Grading Schedule, also known as BCEGS, in addition to other credit calculation tools.

  This overall incentive structure should include the following criteria:

    - Building Codes: Adoption of the most recent recommended building code and maintaining a model code no older than 6 years; Implementing changes to state and local building codes that address key vulnerabilities identified in a state's mitigation plan.
    - Life Safety: Adding life safety code enhancements such as a residential sprinkler requirement, other fire suppression measures, non-flammable standards, and other life safety requirements to building codes.

- Infrastructure: Assessing the necessary public/private infrastructure protection measures for flammable, seismic, and other resilient and life safety code requirements for pre-disaster prevention and a faster recovery post-disaster, in addition to any steps taken to implement those protections.
- Tax Credits: Providing tax credits or other tax incentive programs to encourage consumers or states to take actions to strengthen property against vulnerabilities identified in a state mitigation plan for both existing properties and new construction.
- Education: Educating contractors and consumers on actions they can take to strengthen properties.
- Post-Disaster Assessment: Providing a method for determining how a state will handle an increased need for building code enforcement resources following a disaster.
- Public Building Insurance: Insurance coverage for public facilities, assets, and infrastructure.
- Building Code Effectiveness Grading Schedule: Local and state participation in the BCEGS standard.

- **Focusing on Achieving Significant Impact.** Encourage incentives offered to be housed in state mitigation plans and building codes that can achieve a significant impact as scored by BCEGS or a similar system as previously indicated.