

Strike Section 2009 of Disaster Supplemental (H.R. 4667)

Section 2009 of H.R. 4667 (the 3rd Disaster Supplemental passed by the House in December 2017) could drastically change how states use federal disaster recovery dollars authorized under the Stafford Act.¹ **This provision should be removed** from legislation intended to provide much needed disaster aid to the millions of people affected by hurricanes and wildfires that wreaked havoc in Puerto Rico, the U.S. Virgin Islands, Texas, Florida, California, and throughout the Southeastern and the Western United States.

Section 2009 would drastically alter how federal disaster aid is used by states

Section 2009(a) would create a new waiver from long-standing “duplication of benefits” provisions that governors will surely request as part of most, if not all, future disaster declarations. Currently, FEMA disaster aid cannot be co-mingled with other federal agency dollars, ensuring that multiple agencies are not spending money on the same project or projects that do not currently meet other agencies’ criteria for funding.

Section 2009(b) would create a backdoor mechanism for channeling funding from FEMA’s Hazard Mitigation Grants Program (HMGP), which have a 6-to-1 cost benefit ratio, to support capital intensive U.S. Army Corps of Engineers’ flood control projects that Congress has previously deemed not ready for federal funding through the normal appropriations process under the Water Resources Development Act. This provision would circumvent the Appropriations Committees’ authority to approve Corps projects and ensure that those projects meet the statutory requirements for funding. Of great concern to our organizations is that Section 2009 could result in significantly reduced funding for projects that are typically funded through HMGP and few other sources of funding.

What projects are funded with FEMA Hazard Mitigation Grant Program funds?

These funds are used for multiple purposes in the aftermath of a flood disaster, including, elevating flood prone homes, and retrofitting public infrastructure to make it better able to withstand future flood disasters. It also funds **the only permanent flood mitigation measure** – to acquire and demolish flood prone buildings and restricting the vacant land to open space compatible uses taking taxpayers off the hook for future disaster assistance.

These funds are also available after declared disasters for wildfires, tornados, severe winter storms, and other events. HMGP dollars support the construction of safe rooms for families to retreat to during

¹ Section 2009 is identical to Section 207 of H.R. 4460 (the Disaster Relief Reform Act). H.R. 4460, an authorizing bill that was incorporated into the supplemental appropriations bill without opportunity to fully evaluate the concerns now being raised.

tornados; backup power supplies for hospitals, police and fire stations; and improving electrical distribution systems so they are less likely to be knocked out in high winds.

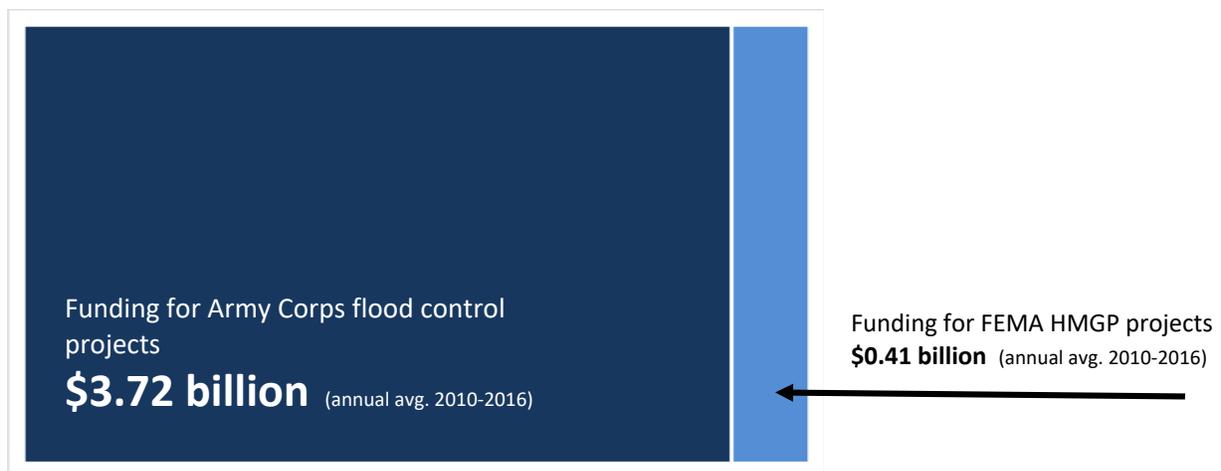
All of these projects may lose funding to Corps of Engineers projects, if Sec. 2009(a) and (b) of the Disaster Supplemental are adopted.

How much funding does FEMA provide through the Hazard Mitigation Grants Program?

Between 2012 and 2016 FEMA distributed a total of \$1.98 billion through its Hazard Mitigation Grants Program. These funds are made available after a major federal disaster is declared and are allocated by formula from the Disaster Relief Fund, typically comprising 15% of Disaster Relief Fund expenditures.

On average, FEMA distributes \$0.41 billion a year. This amount is dwarfed by the average annual expenditures on flood control projects by the Army Corps of Engineers.

On average, the Army Corps of Engineers receives 9 times more funding for flood control projects than FEMA receives for its Hazard Mitigation Grants Program.



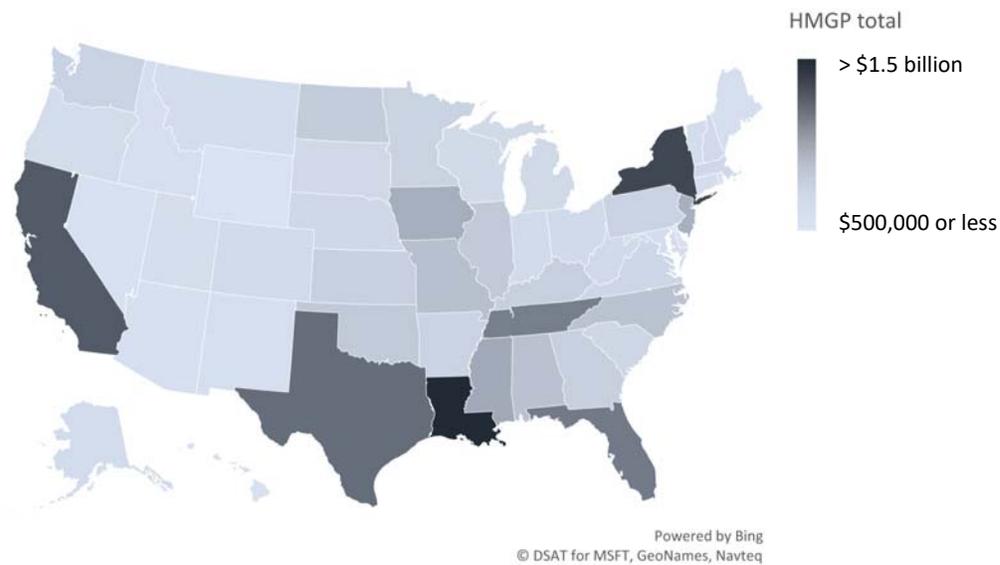
It makes no sense to transfer funds from FEMA's modestly-funded HMGP, which applies to all disaster types, to the Army Corps' much better-financed flood control projects, which provide expensive and typically less cost-effective protection for only one type of disaster.

If HMGP dollars are allowed to be diverted to support Corps' projects and Corps-type projects, the nation will likely siphon scarce FEMA funds away from the programs for which FEMA has expertise in favor of large structural flood control projects that FEMA has far less expertise to oversee and manage. The need for FEMA-type hazard mitigation projects far exceeds available funding. It is not uncommon for states to receive requests exceeding 10 times the amount that is available.

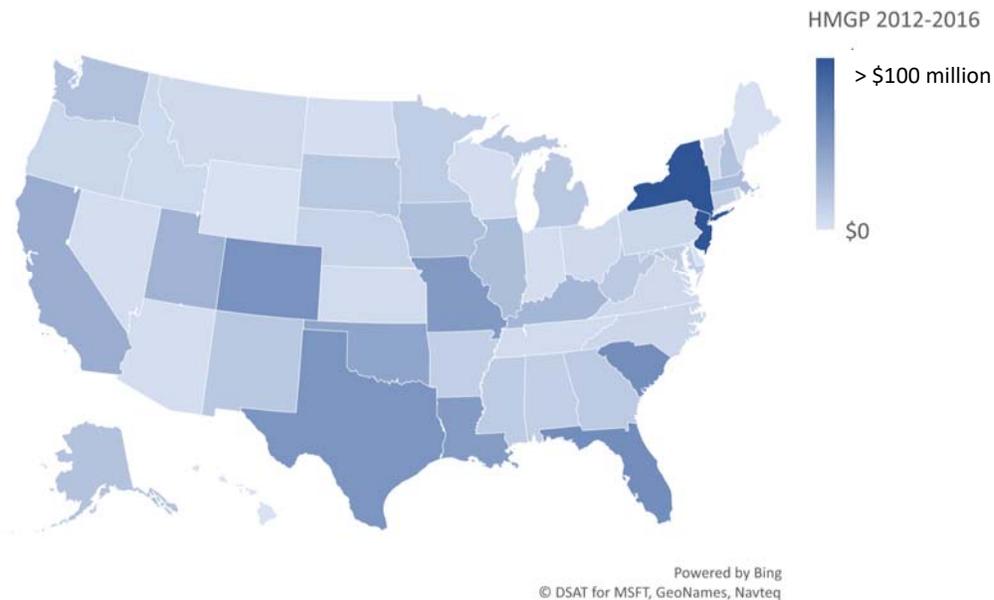
Section 2009(a) will impact disaster aid programs well beyond HMGP, potentially giving Governors who receive a Presidential waiver broad authority to divert FEMA, HUD, and other disaster assistance funds to a broad array of State or local-interest projects. This provision would eliminate long-held protections that help ensure that disaster funds appropriated by Congress are spent on projects with a nexus to appropriate federal programs. The ability of federal agencies and the Congressional appropriations committees to track and account for federal disaster expenditures would be significantly challenged.

Where are Hazard Mitigation Grants Provided?

HMGP Recipients 1989-2017



HMGP Recipients 2012-2016



Every state in the nation benefits from HMGP funds. These funds are authorized by FEMA after the declaration of a major disaster. These funds must be spent on projects that are consistent with the state's most recently approved State Hazard Mitigation Plan and must meet other FEMA criteria such as a positive benefit cost ratio. Section 2009(b), as currently written, does not guarantee that these basic criteria would apply to Corps' authorized projects.

HMGP projects are more cost-effective than Army Corps flood control projects

FEMA's HMGP typically funds projects which are less expensive and much more cost effective than Army Corps flood control projects. Recent studies by the National Institute of Building Sciences and the *Economist Magazine* (see graph below) have found that FEMA's flood mitigation projects return far more in benefits for every dollar spent than Corps projects. It is also worth noting that Corps projects are more expensive than HMGP projects overall.

