Strategic Considerations

What’s ahead for Federal spending in emergency management?
Natural Disasters Are on the Rise

Number of disasters by continent and top 10 countries

- United States: 19
- Europe: 48
- France: 7
- Afghanistan: 6
- India: 22
- China: 22
- Myanmar: 5
- Japan: 7
- Viet Nam: 7
- Philippines: 10
- Indonesia: 15

Source: Centre for Research on the Epidemiology of Disasters (CRED) | www.emdat.be
Natural Disasters Are on the Rise

Loss events in the U.S. 1980 - 2018 | Numbers of relevant events by peril

Source: Munich Re, Geo Risks Research, NatCatSERVICE.
US Billion-Dollar Disasters are on the Rise

Billion-Dollar Disaster Event Types by Year (CPI-Adjusted)

Source: NOAA National Centers for Environmental Information (NCEI) https://www.ncdc.noaa.gov/billions/
“Big” Events Disaster Spending

Source: FEMA EDW

Note: Data represent only DRF obligations for Major Disaster Declarations.
Total Federal Disaster Spending Since 2017

Largest 10 Departments/Agencies by Total Appropriations since 2017

Three 10 departments/agencies represent 93% of the total appropriated funds across all federal departments/agencies.

- **DHS/FEMA**: Appropriated $49,820.0M, Obligated $36,015.6M, Outlaid $38,951.0M.
- **HUD**: Appropriated $128.1M, Obligated $8,438.3M, Outlaid $9,511.0M.
- **DOD-USACE**: Appropriated $20,556.0M, Obligated $1,690.4M, Outlaid $803.7M.
- **USDA**: Appropriated $9,793.3M, Obligated $2,194.6M, Outlaid $1,420.1M.
- **DOD (without USACE)**: Appropriated $8,848.0M, Obligated $1,216.7M, Outlaid $493.7M.
- **DOT**: Appropriated $3,449.1M, Obligated $1,031.4M, Outlaid $549.9M.
- **DoEd**: Appropriated $1,956.1M, Obligated $1,438.4M, Outlaid $502.1M.
- **SBA**: Appropriated $1,169.0M, Obligated $10,162.9M, Outlaid $5,552.0M.
- **DOC**: Appropriated $518.9M, Obligated $132.1M, Outlaid $82.1M.
- **DHS (without FEMA)**: Appropriated $1,630.0M, Obligated $362.0M, Outlaid $241.3M.

Data as of 9/30/2019.
Pressure Expected on Discretionary Budgets

Federal Debt, Spending, and Revenues
Percentage of Gross Domestic Product

In CBO's extended baseline, federal debt held by the public rises...

...because growth in total spending outpaces growth in total revenues, resulting in larger budget deficits.

Source: Congressional Budget Office.

The extended baseline generally reflects current law, following CBO's 10-year baseline budget projections through 2028 and then extending most of the concepts underlying these baseline projections for the rest of the long-term projection period.

GDP = gross domestic product.
Strategic Considerations

What are we doing about these trends?
FEMA Mission: Helping people before, during, and after disasters.

FEMA Vision: A prepared and resilient Nation.
Disaster Recovery Reform Act (DRRA) by the Numbers

• $86 million in additional funding for wildfire mitigation for 228 projects impacting 2,459 properties under Sec. 1205

• $61 million in additional assistance to over 11,000 individuals following a disaster under Sec. 1212

• $12 million in additional disaster unemployment assistance in Puerto Rico and the U.S. Virgin Islands under Sec. 1229

• 4,000+ applications received from temporary employees eligible to compete for permanent positions under Sec. 1222
### DRRA Provision Outcome:
- Authorizes a National Public Infrastructure Pre-Disaster Mitigation fund under Sec. 203
- Funded from a 6% set-aside of DRF funds for disaster grants under Sec. 403, 406, 407, 408, 410, 416, and 428
- Provides funding to states and tribes that have received a disaster declaration within 7 years

### Implementation:
- FEMA is developing a new pre-disaster mitigation program: Building Resilient Infrastructure and Communities (BRIC)
- A draft policy for BRIC will be published for comment in early 2020
- Target date for the first BRIC NOFO is August 2020
- Target date for the first BRIC application period is October 2020
- In the interim, FEMA will apply the 6% set-aside to fund $250M in FY 19 PDM grants
Conclusion

Disasters – particularly “big” disasters – are on the rise

Big Disasters drive FEMA’s largest costs

Current spending is not fiscally sustainable

There are 10 Federal departments that make up 93% of the total appropriated disaster funding

Congress passed the Disaster Recovery Reform Act (DRRA)

A year into DRRA implementation, we’ve made significant progress
Questions?