Disaster Relief Funding and Emergency Supplemental Appropriations

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Summary

When a state is overwhelmed by an emergency or disaster, the governor may request assistance from the federal government. Federal assistance is contingent on whether the President issues an emergency or major disaster declaration. Once the declaration has been issued the Federal Emergency Management Agency (FEMA) provides disaster relief through the use of the Disaster Relief Fund (DRF), which is the source of funding for the Robert T. Stafford Emergency Relief and Disaster Assistance Act response and recovery programs. Congress appropriates money to the DRF to ensure that funding for disaster relief is available to help individuals and communities stricken by emergencies and major disasters (in addition, Congress appropriates disaster funds to other accounts administered by other federal agencies pursuant to federal statutes that authorize specific types of disaster relief).

The DRF is generally funded at a level that is sufficient for what are known as “normal” disasters. These are incidents for which DRF outlays are less than $500 million dollars. When a large disaster occurs, funding for the DRF may be augmented through emergency supplemental appropriations. A supplemental appropriation generally provides additional budget authority during the current fiscal year to (1) finance activities not provided for in the regular appropriation; or (2) provide funds when the regular appropriation is deemed insufficient.

Whether or not the current practice is the best system for budgeting disaster relief is subject to debate. Some argue that more money should be appropriated in FEMA’s DRF account in annual appropriations, while others maintain that augmenting the DRF through emergency supplemental appropriations is preferable because it allows Congress to react directly to a particular situation. Others may argue that emergency supplemental appropriations are preferable for fiscal management reasons because an appropriation is not requested unless there is a real need for supplemental funding. Another argument is to revamp the budgetary process to fund disaster relief.

This report describes the various components of the DRF, including (1) what authorities have shaped it over the years; (2) how FEMA determines the amount of the appropriation requested to Congress (pertaining to the DRF); and (3) how emergency supplemental appropriations are requested. In addition to the DRF, information is provided on funds appropriated in supplemental appropriations legislation to agencies other than the Department of Homeland Security (DHS). Aspects of debate concerning how disaster relief is budgeted are also highlighted and examined, and alternative budgetary options are summarized.

In the current Congress, H.R. 4899, the “Disaster Relief and Summer Jobs Act of 2010,” was introduced in the House by Representative David Obey on March 21, 2010. The bill passed the House on March 24, 2010, was received in the Senate on March 25, 2010, and was referred to the Committee on Appropriations on May 7, 2010. The committee reported the bill on May 14, 2010 (S.Rept. 111-188).

This report will be updated as events warrant.
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Disaster Relief Fund

The Disaster Relief Fund (DRF), sometimes referred to as the President’s Disaster Relief Fund, is managed by the Federal Emergency Management Agency (FEMA). The DRF is the main account used to fund a wide variety of programs that provide grants and other support to assist state and local governments and certain nonprofit entities during disaster recovery. In most cases, funding from the DRF is released after the President has issued a declaration pursuant to the Robert T. Stafford Relief and Emergency Assistance Act (Stafford Act). There are, however, some activities that may be funded by the DRF without a presidential declaration, mainly those supported by the Disaster Readiness and Support Account. The Disaster Readiness and Support Account pays for FEMA’s phone centers, finance centers, and housing inspectors. Through this account certain recovery elements are already in place when the President issues a declaration.

The declaration process has the following general structure:

- the local government responds to an event;
- if the event overwhelms the local government, the state is called upon for assistance;
- a Damage Assessment (DA) is completed by local, state, federal, and volunteer organizations to determine loss and recovery needs;
- based on the DA findings, a declaration request is submitted to the President by the Governor;
- FEMA evaluates the governor’s request and recommends action to the White House, based on the nature of the event and an assessment of the state’s ability to recover; and
- the President may either approve the request or require FEMA to inform the governor the request has been denied.

A president’s declaration triggers the allocation of funds from the DRF, and the funding may be distributed from any one, or any combination, of three categories of disaster aid:

1. **Individual Assistance.** Individual Assistance (IA) includes disaster housing for displaced individuals, grants for needs not covered by insurance, crisis counseling, and disaster-related unemployment assistance.

2. **Public Assistance.** Public assistance (PA), which is FEMA’s largest funded program, helps communities absorb the costs of emergency measures such as removing debris and repairing or replacing structures such as public buildings, roads, bridges, and utilities.

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1. 42 USC 5121 et seq. For information on the declaration process, see CRS Report RL34146, *FEMA’s Disaster Declaration Process: A Primer*, by Francis X. McCarthy.

2. Per 42 USC 5122(4), the District of Columbia and the U.S. territories use the same declaration process.

3. **Hazard Mitigation.** FEMA funds mitigation measures to prevent or lessen the effects of a future disaster through the Hazard Mitigation Grant Program.\(^4\)

Even if the President issues an emergency or major disaster declaration, not all persons or entities affected by a disaster are eligible for disaster assistance. FEMA officials determine the need for assistance after a declaration is issued. Aid is provided only to those persons or entities determined by FEMA to need the assistance. An example of ineligibility would be a household that has access to alternative housing.\(^5\) Another example includes public facilities or eligible nonprofit facilities that have been damaged in a major disaster. After the incident, the owners must maintain insurance on the facility in order to be eligible for comparable Stafford Act assistance in the event similar disasters occur in the future.\(^6\) In such a case, the unit of government may not receive funds to refurbish or rebuild its facilities. Thus, based on decisions by FEMA officials on the extent of damage and the eligibility of applicants, the type and amount of assistance made available will vary from one disaster to another.

**Past and Present Authorities Related to the Disaster Relief Fund**

The Stafford Act authorizes appropriations to carry out disaster relief activities, but does not explicitly designate the DRF as the account for such funds. Rather, the DRF is the product of legislation and federal policies that can be traced to the post-World War II era. Prior to that time, disaster response activities were funded primarily through local efforts and voluntary groups. In cases where the federal government did offer assistance, the needs of disaster victims and affected communities were funded on an as-needed basis through appropriations that were then allocated, pursuant to the legislation, by executive branch administrators and, ultimately, the President.\(^7\)

Arguably, the forerunners to the DRF were appropriations known as “emergency funds for the President.” For example, in a 1948 appropriation, Congress allocated $500,000 dollars to “supplement the efforts and available resources of state and local governments or other agencies, whenever ... any flood, fire, hurricane, earthquake, or other catastrophe in any part of the United States is of sufficient severity and magnitude to warrant emergency assistance by the federal government.”\(^8\) In subsequent years Congress continued to appropriate funds for disaster relief and eventually a series of authorizations were provided in Section 606 of the Disaster Relief Act of 1974 as amended.\(^9\) These authorizations provided funding for disaster-related activities until a specified date. In 1988 Congress repealed Section 606 of the Disaster Relief Act ending

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\(^4\) A structure does not have to be damaged to be eligible for mitigation. Hazard Mitigation Grants are available as block grant funds and can be used outside of the disaster area. For more information, see CRS Report R40471, *FEMA’s Hazard Mitigation Grant Program: Overview and Issues*, by Natalie Keegan.

\(^5\) 44 C.F.R. § 206.101(2).


\(^8\) 62 Stat. 1031.

\(^9\) See 42 USC 5202 (note).
extensions of authorizations. Since then funds have been appropriated, though not specifically authorized.

In past years some congressional interest to authorize the DRF by name has been evident. For example, the 110th Congress attempted to authorize the DRF through section 106 of H.R. 6658, which would have amended the Stafford Act to state that in general there is, within “the Treasury a fund known as the Disaster Relief Fund ... The Fund shall consist of amounts appropriated and credited to the Fund pursuant to this Act.” The legislation, however, was not enacted.

Public Laws Influencing the Administration of Disaster Relief

The approach to disaster relief changed from 1950 to 1979, transitioning from a largely uncoordinated and decentralized system of relief funding to one dominated by the federal government. The transition was due in part to an increased awareness of the complex responsibilities of federal and nonfederal entities before and after a disaster, and to the efforts of policymakers and administrators to address a variety of concerns—most notably civil defense.

After World War II, concern over the possible use of atomic weapons and growing hostility between the United States and the Soviet Union gave rise to the “cold war.” As a consequence, disaster management in the United States was organized around two tracks (1) the threat of a nuclear war and (2) natural disasters. Several landmark federal disaster laws and policies originate from attempts by lawmakers during this era to prepare the civilian population for a potential atomic attack and provide aid after a natural disaster. The most notable of these laws were the Civil Defense Act of 1950 and the Federal Disaster Relief Act of 1950. These laws set into motion federal-to-state assistance, prompting the need for an account to fund disaster and emergency activities.

Once a framework of federal to state disaster assistance had been constructed in the 1950 statute, the process of administering disaster relief was further shaped by the Disaster Relief Acts of 1966, 1974, and the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988. Prompted by large disasters such as Hurricanes Betsy in 1965 and Agnes in 1972, these laws significantly increased federal involvement in emergency management, which in turn created the need for a funding mechanism to pay for emergency and disaster activities. Summaries of the statutes follow.

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14 P.L. 81-920.
15 P.L. 81-875, 64 Stat. 1109.
16 P.L. 89-796, 80 Stat. 1316.
18 102 Stat. 4689.
The Federal Disaster Relief Act of 1950 (P.L. 81-875)

The Federal Disaster Relief Act established much of the framework through which disaster policy is carried out in the United States. The Federal Disaster Relief Act provided an orderly, ongoing continued means of federal assistance to states and localities to alleviate suffering and damage that resulted from major disasters. Prior to the act, congressional action after each individual incident was needed to provide federal aid. Once in place, the law authorized the President to make the decision to provide federal aid without the consent of Congress. The act also put in place the standard process in which the governors could ask the President for federal disaster assistance for their respective states.19

Disaster Relief Act of 1966 (P.L. 89-769)

To some, the Disaster Act of 1950 appeared to effectively handle routine disasters, but did not adequately address large-scale, catastrophic disasters. In response to this need, Congress enacted the Disaster Relief Act of 1966. Some of the measures in the act included the authorization of federal agencies to provide loans below market rates, and the extension of aid to unincorporated areas.

Disaster Relief Act of 1974 (P.L. 93-288)

The Disaster Relief Act of 1974 contained several precedent-setting features. The act created the first program to provide direct assistance to individuals and households following a disaster. It instituted the Individual and Family Grant (IFG) program, which supplied 75% of the funding for state-administered programs that provided money to purchase clothing, furniture, and essential needs following a disaster. The act also formalized efforts to mitigate disasters, as opposed to merely responding to them. Additionally, the act stressed a multi-hazard approach wherein government officials would prepare and respond to all types of disasters, rather than maintaining separate capacities for different types of hazards.20

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L. 100-707)

Today, the Robert T. Stafford Disaster Relief and Emergency Assistance Act constitutes the statutory authority for most federal disaster response and recovery activities especially as they pertain to FEMA and FEMA programs. The act authorizes the President to issue major disaster, emergency, and fire management declarations at the request of the states. The declarations enable federal agencies to provide assistance to states overwhelmed by disasters. Stafford Act disaster assistance is provided through funds appropriated to the DRF. The funds may be used by states, localities, and certain non-profit organizations for activities such as providing mass care, restoring

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damaged or destroyed facilities, clearing debris, aiding individuals and families with uninsured needs, and mitigating the impact of future disasters.21

The history of federal disaster relief legislation demonstrates a steady expansion of federal aid since the 1950s. As the federal role in emergencies and major disasters expanded, so too have the costs. The costs associated with disaster relief have led some to contemplate changing how the federal government funds these events. Some of these proposals are discussed later in this report.

Post-Katrina Emergency Management Reform Act of 2006

In the aftermath of Hurricane Katrina, Congress passed the Post-Katrina Emergency Management Reform Act22 to address emergency preparedness and response shortcomings identified in the reports published by congressional committees and the White House. Based on those reports and oversight hearings on many aspects of FEMA’s performance during the hurricane season of 2005, Congress expanded the authority of the FEMA administrator, authorized accelerated federal aid, and raised some ceilings on federal assistance, among other changes. In addition, Congress mandated that, for FY2007, FEMA had to submit to Congress a monthly report on the DRF detailing allocations, obligations, and expenditures for Hurricanes Katrina, Rita, and Wilma.23 The reports had to include information on national flood insurance claims, manufactured housing data, obligations, allocations for housing assistance, public assistance, individual assistance and expenditures by state for unemployment.24

How the DRF is Funded

FEMA receives appropriations for disaster relief through annual appropriations. Each fiscal year, FEMA and the Office of Management and Budget (OMB) submit a request to the President for the amount of funding the two agencies determine the DRF should receive. The President then submits an administration request to Congress. The President may, or may not, use the amount suggested by FEMA and the OMB.

The current methodology used to determine the funding amount in the DRF incorporates four data points. The points include (1) the available appropriation, (2) the DRF monthly average (the amount in the DRF), (3) the monthly cost estimates for catastrophic events, and (4) the estimated monthly recoveries of unobligated funds.25

1. **Available Appropriation.** The available appropriation is a combination of prior year funds that are carried-over, the current fiscal year appropriation, and any supplemental appropriation funding.26

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22 Title VI of P.L. 109-295, the FY2007 DHS appropriations legislation.
23 Sec. 528, P.L. 109-295, 120 Stat 1383.
24 A similar reporting requirement has been carried forward in subsequent appropriations statutes. See, for example, P.L. 110-329, 122 Stat 3674-75.
25 This section is based on the author’s in-person interview with a Department of Homeland Security (DHS) finance official, March 9, 2009.
26 The DRF is a “no year” account; funds remain until expended.
2. **DRF Monthly Average.** The calculation for the DRF monthly average is based on a five-year rolling average of “normal” disasters. Normal disasters are incidents that cost less than $500 million dollars. The rationale of excluding large events from the calculation is discussed later in this report.

3. **Monthly Cost Estimates for Catastrophic Events.** Estimates obtained from the field on pending (still open) disaster projects are routinely used in calculating monthly cost estimates.

4. **Estimated Recoveries.** Estimated recoveries represent the recovery of obligated funds that have not been used. This can include duplication of benefit funds as well as long-term projects for PA or mitigation that either were not finished, or were completed at a lower cost.

The end-of-fiscal-year projection is estimated by subtracting the cumulative DRF monthly averages and cost estimates for incidents from the available appropriation. Then, the cumulative recoveries are added. The DRF end-of-fiscal-year estimate is revised monthly, based on the actual obligations that are recorded in lieu of the monthly estimates, and new estimates submitted for “open” incidents.

Since FY1989, the average initial Administration request for the DRF has been $1.7 billion dollars (in 2009 dollars). The lowest request was in FY1992 for $286 million dollars, while the largest request was in FY2001 for $3.6 billion dollars. By comparison, the average actual annual appropriation approved by Congress is roughly $1.1 billion dollars. The lowest actual annual appropriation was in FY1991 for $0 (due to a large carryover from the previous year), with the largest actual annual appropriation in FY2000 for $3.5 billion. A comparison between Administration requests and annual appropriations is presented in Table 1 and Figure 1.

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27 An example of a duplication of a benefit fund is when the state receives an insurance payment for disaster damages after obtaining federal funding for the same damages. In such a case the state is to return the funding to the federal government.

28 Open incidents are those whose related activities are currently being funded by FEMA.

29 These figures reflect annual appropriations and do not include supplemental appropriations.
## Table 1. Disaster Relief Fund

Requests, Appropriations, and Supplemental Appropriations (in millions of dollars)

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Source: Data derived from database maintained by CRS based upon Administration budget documents and appropriations statutes.
Figure 1. Disaster Relief Fund Requests and Enacted Annual Appropriations, FY1989-2009
(In 2009 Dollars)

Source: Table 1 of this report, using data from columns C and F.

The Debate over Emergency Supplemental Appropriations

Congress has traditionally appropriated funds to maintain the DRF at a certain level, and then provided additional financing for assistance through supplemental appropriations following a specific large disaster. Currently, the DRF funds disaster relief for emergencies and major disasters that cost $500 million dollars or less. Major disasters costing more than $500 million dollars are generally funded with emergency supplemental appropriations. A supplemental appropriation provides additional budget authority during the current fiscal year either to finance activities not provided for in the regular appropriation, or to provide funds when the regular appropriation is deemed insufficient.
Catastrophic incidents may deplete the DRF. In such cases, the President may submit a request to Congress for an emergency supplemental appropriation. Historically, FEMA is the second-largest recipient of supplemental appropriations. Most emergency supplemental appropriations originate with the Administration. Some emergency supplemental appropriations, however, have been initiated by Congress. For example, in 2007, Congress waived the cost share provisions for Hurricanes Katrina and Rita, which prompted a supplemental appropriation (P.L. 110-28). Another example of an emergency supplemental appropriation originating in Congress was in 2008, when Congress added DRF supplemental funding (P.L. 110-329) to the FY2009 Department of Homeland Security Appropriations bill on its own initiative in response to the Midwest Flooding and Hurricanes Ike and Gustav. The amount of funding for the supplemental appropriation was based on estimates provided to Congress by FEMA.

The current process of funding disasters has been a subject of debate at times because of concern over high levels of federal spending and the inability to institute fiscal planning mechanisms. Some of the debate includes discussions of options for lowering the budget deficit through budgetary enforcement procedures in Congress. Others argue supplemental appropriations are used to make budgets appear to forecast a lower deficit. OMB indicated a desire to break from the current practice of funding disaster relief by budgeting for large-scale disasters. In A New Era of Responsibility, the first FY2010 document issued by the Obama Administration, OMB stated that “in the past, budgets assumed that there would not be any natural disasters in our nation that would necessitate federal help.... This omission is irresponsible, and has permitted past Administrations to project deficits that were lower than likely occur.”

Accordingly, the debate over the amount of funding in the DRF generally falls into two basic categories: (1) proponents who advocate the use of emergency supplemental appropriations to augment the DRF, and (2) those who oppose their use.

Proponents of the current system of using emergency supplemental appropriations argue there are several benefits associated with their use. Some of these perceived benefits are summarized as follows:

- Disasters cannot be anticipated, a condition that creates a budgeting challenge. Because of their flexibility, emergency supplemental appropriations facilitate funding decisions for disasters, the timing and severity of which are unpredictable. Budgeting for large disasters through regular appropriations would likely require Congress to reduce funding for other programs to pay for an unknown and possibly non-existent future event.
- The President is authorized to unilaterally determine when federal assistance is made available after an incident. Congress retains authority to control spending by voting on supplemental funding legislation. In essence, a balance of powers is at least theoretically maintained through this process.
- A large balance in the DRF may be subject to transfer or rescission. Such actions could carry an additional negative consequence if a large disaster were to take


place after funds have been withdrawn. An emergency supplemental can be sized according to the needs of the actual incident.

Arguments used by some of the opponents against the enactment of emergency supplemental appropriations to augment the DRF include the following:

- Supplemental spending allows lawmakers to circumvent budgetary enforcement mechanisms by deliberately underfunding programs in annual appropriations. Because there is a perception that a supplemental appropriation must be passed quickly, supplemental appropriations may be less likely to be scrutinized in the same manner as an annual appropriation.³²

- Reliance upon emergency supplemental appropriations may result in unnecessarily high funding levels, as early damage estimates may overstate actual needs. Maintaining DRF funds at a level that accurately reflects the needs would foster fiscal responsibility because all disaster response would have to be budgeted with existing funds.

- Use of emergency supplemental appropriations may give the appearance of fiscal irresponsibility on the part of the federal government, especially when they are frequent and large. Peter Orszag, Director of the Office of Management and Budget (OMB) voiced this concern when he stated: “The first step in addressing this very deep fiscal hole is honesty. This budget will not play the games that are typically played in which you assume that there will never again be a hurricane or disaster.”³⁵

- Emergency supplemental appropriations provide a vehicle for non-germane provisions that may not pass on their own, or make the appropriation contentious, thus slowing down federal recovery assistance after a disaster.

Comparative data on administration requests, annual appropriations, and supplemental appropriations for the DRF are presented graphically in Figure 2, below, based on data presented in Table 1 of this report.

**Emergency Supplemental Appropriations: FY1989 – FY2008³⁴**

This section provides additional summary information on emergency supplemental appropriations legislation enacted since 1989; it uses a broad concept of what constitutes emergency disaster assistance. The funds cited include appropriations to all federal agencies that undertook disaster

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³⁴ This portion of the report is drawn from CRS report: CRS Report RL33226, *Emergency Supplemental Appropriations Legislation for Disaster Assistance: Summary Data*, by Justin Murray and Bruce R. Lindsay.
relief, repair of federal facilities, and hazard mitigation activities directed at reducing the impact of future disasters. Funds used for activities such as research or administrative costs have been omitted from this analysis in an attempt to focus solely on disaster relief and assistance. Moreover, counterterrorism, law enforcement, and national security appropriations are not included in this compilation. Unless otherwise noted, this report does not take into account rescissions approved by Congress after funds have been appropriated for disaster assistance.

Since FY1989, Congress has appropriated roughly $322.7 billion for disaster assistance in 34 appropriations acts, primarily supplemental appropriations acts after significant catastrophes occurred in the United States. The mean annual appropriation is approximately $15.4 billion ($322.7 billion / 21 years). The mean annual appropriation for all 34 bills is approximately $9.5 billion ($322.7 billion / 34 bills). Current dollar figures for each appropriation and totals for the period appear in Table 2.

Figure 2. Disaster Relief Fund: Requests, Enacted Appropriations, Supplemental Appropriations FY1989-FY2009

![Figure 2](image)

Source: Table 1 of this report, using data from columns C, F, and I.

Notes: Congress did not appropriate disaster relief funding in 1991 (and to date, 2009). Due to the scale of this figure, some years could not be visually depicted. This figure reflects supplemental appropriations for the DRF only.
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Disaster Event and Date of Major Disaster Declaration</th>
<th>Administration Request, by Date and Amount</th>
<th>Date Signed into Law and P.L. Number</th>
<th>Total Appropriation (current year dollars)</th>
<th>Emergency Assistance Funding (current year dollars)</th>
<th>Emergency Assistance Funding (2009 dollars)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>Hurricane Katrina, Midwest</td>
<td></td>
<td></td>
<td>$1,089,608,000</td>
<td>$21,289,800</td>
<td>$21,606,377</td>
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<tr>
<td></td>
<td>Flooding and the 2008 hurricanes, various dates</td>
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<tr>
<td>2008</td>
<td>Hurricane Katrina and other</td>
<td>d</td>
<td>June 30, 2008</td>
<td>$183,774,224</td>
<td>$7,004,928</td>
<td>$7,109,090</td>
<td>3.8%</td>
</tr>
<tr>
<td></td>
<td>Hurricanes in the 2005 season</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2008</td>
<td>Hurricane Katrina &amp; California</td>
<td>e</td>
<td>November 13, 2007</td>
<td>$467,728,563</td>
<td>$6,355,000</td>
<td>$6,449,498</td>
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<td></td>
<td>Wildfires October 24, 2007</td>
<td></td>
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<tr>
<td>2007</td>
<td>Hurricane Katrina</td>
<td></td>
<td></td>
<td>$120,000,000</td>
<td>$7,679,000</td>
<td>$8,246,498</td>
<td>6.4%</td>
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<td>Aug. 29, 2005</td>
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<td>$3,400,000</td>
<td>P.L. 110-28</td>
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<tr>
<td>2006</td>
<td>Hurricanes Katrina, Rita, Wilma</td>
<td></td>
<td></td>
<td>$94,520,000</td>
<td>$19,340,000</td>
<td>$21,928,800</td>
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<tr>
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<td>Aug. - Sept. 2005</td>
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<td>$19,800,000</td>
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<td>20.4%</td>
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<td>2006</td>
<td>Hurricanes Katrina, Rita, Wilma</td>
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<td>$453,500,000</td>
<td>$29,046,985</td>
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<td>Oct. 28, 2005</td>
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</tr>
<tr>
<td>2005</td>
<td>Hurricane Katrina</td>
<td></td>
<td></td>
<td>$51,800,000</td>
<td>$17,100,000</td>
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<td>6.4%</td>
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<tr>
<td></td>
<td>Aug. 29, 2005</td>
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<td>$51,800,000</td>
<td>P.L. 109-62</td>
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<td>Hurricane Katrina</td>
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<td>$10,500,000</td>
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<tr>
<td>Fiscal Year</td>
<td>Disaster Event and Date of Major Disaster Declaration</td>
<td>Administration Request, by Date and Amount</td>
<td>Date Signed into Law and P.L. Number</td>
<td>Total Appropriation (current year dollars)</td>
<td>Emergency Assistance Funding and Percentage of Appropriation (current year dollars)</td>
<td>Emergency Assistance Funding (2009 dollars)</td>
<td></td>
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<td>Aug. 29, 2005</td>
<td>Hurricanes Ivan, Jeanne, Sept. 1, 2004</td>
<td>$10,500,000</td>
<td>Sept. 2, 2005 P.L. 109-61</td>
<td>$14,500,000</td>
<td>$11,103,887 76.6%</td>
<td>$13,426,496</td>
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<td>2005</td>
<td>Wildfires, various dates</td>
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<td>2004</td>
<td>Hurricanes Charley, Frances, Sept. 1, 2004</td>
<td>$3,100,000</td>
<td>Sept. 14, 2004 P.L. 108-324</td>
<td>$2,000,000</td>
<td>$2,000,000 100%</td>
<td>$2,580,413</td>
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<td>2003</td>
<td>Storms, various 2003 dates</td>
<td>$87,000,000</td>
<td>Sept. 6, 2004 P.L. 108-303</td>
<td>$87,500,000</td>
<td>$813,000 0.93%</td>
<td>$1,048,937</td>
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<td>2003</td>
<td>Tornadoes, May 6, 2003</td>
<td>$1,900,000</td>
<td>Aug. 8, 2004 P.L. 108-287</td>
<td>$3,500,000</td>
<td>$820,700 23.4%</td>
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<td>2002</td>
<td>Terrorist attacks, Sept. 11, 2001</td>
<td>$27,100,000</td>
<td>Mar. 21, 2002 P.L. 107-206</td>
<td>$26,600,000</td>
<td>$6,167,600 23.2%</td>
<td>$8,746,439</td>
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<td>2001</td>
<td>Terrorist attacks, Sept. 11, 2001</td>
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<td>Sept. 12, 2001 P.L. 107-38</td>
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<td>$20,000,000 50%</td>
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<td>Nisqually Earthquake</td>
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<td>July 7, 2003 P.L. 107-20</td>
<td>$8,980,000</td>
<td>$365,700 4.9%</td>
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<td>2000</td>
<td>Hurricane Floyd</td>
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<td>Sept. 16, 1999 P.L. 106-74</td>
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<td>Tornadoes, various dates</td>
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<td>May 21, 1999 P.L. 106-31</td>
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<td>$1,296,723</td>
<td>$2,113,349</td>
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<td>1999</td>
<td>Hurricanes Georges, Bonnie, flooding</td>
<td>$7,780,000</td>
<td>Oct. 21, 1998 P.L. 106-64</td>
<td>$21,000,000</td>
<td>$1,830,977</td>
<td>$2,984,056</td>
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<td>Fiscal Year</td>
<td>Disaster Event and Date of Major Disaster Declaration&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Administration Request, by Date and Amount&lt;sup&gt;b&lt;/sup&gt;</td>
<td>Date Signed into Law and P.L. Number</td>
<td>Total Appropriation (current year dollars)</td>
<td>Emergency Assistance Funding and Percentage of Appropriation (current year dollars)</td>
<td>Emergency Assistance Funding (2009 dollars)</td>
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<td>$22,560,000</td>
<td>P.L. 105-174</td>
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<td>$90,100,000</td>
<td>Sep. 28, 1994</td>
<td>$90,100,000</td>
<td>$417,500&lt;sup&gt;i&lt;/sup&gt;</td>
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<td></td>
<td>Northridge Earthquake, Tropical Storm Alberto, various dates</td>
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<td>P.L. 103-327</td>
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<td>0.46%</td>
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<td>1994</td>
<td>Midwest floods, CA fires, and various dates</td>
<td>Sept. 28, 1994</td>
<td>Feb. 12, 1994</td>
<td>$11,535,000</td>
<td>$8,837,952</td>
<td>$17,580,276</td>
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<td></td>
<td>76.6%</td>
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<td>Northridge earthquake, Jan. 17, 1994</td>
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<td></td>
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<td>$3,980,000</td>
<td>P.L. 103-75</td>
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<td>1993</td>
<td>Hurricanes Andrew, Iniki, various dates</td>
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<td>July 2, 1993</td>
<td>$3,500,000</td>
<td>$52,345</td>
<td>$109,085</td>
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<td>$6,530,000</td>
<td>P.L. 102-368</td>
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<td>45.1%</td>
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<td>(cont.)</td>
<td>various dates</td>
<td>P.L. 102-302</td>
<td></td>
<td></td>
<td>39.4%</td>
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<tr>
<td>1992</td>
<td>Hurricane Bob, various dates</td>
<td>June 28, 1991</td>
<td>Dec. 12, 1991</td>
<td>$6,849,000</td>
<td>$943,000</td>
<td>$2,069,920</td>
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<td></td>
<td>$693,000</td>
<td>13.8%</td>
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<tr>
<td></td>
<td>various dates</td>
<td>P.L. 102-229</td>
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<td>15.6%</td>
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<td>P.L. 101-130</td>
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<td>100%</td>
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<tr>
<td></td>
<td>Sept. 20, 1989</td>
<td>P.L. 101-100</td>
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<td>100%</td>
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<tr>
<td>1989</td>
<td>Fires on federal lands, June 30, 1989</td>
<td>June 30, 1989</td>
<td>$3,564,000</td>
<td>$348,969</td>
<td>$956,083</td>
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<td></td>
<td>various dates</td>
<td>P.L. 101-45</td>
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<td>9.8%</td>
<td></td>
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<tr>
<td>Total</td>
<td></td>
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<td></td>
<td></td>
<td>$3,409,904,314</td>
<td>$335,903,606</td>
<td>$322,757,687</td>
</tr>
</tbody>
</table>

Source: Supplemental funding totals based on compiled Congressional Research Service (CRS) data on emergency appropriations after disasters, FY1989 - FY2008. Other supplemental funding totals obtained from Congressional Budget Office (CBO) Supplemental Appropriations series, including “CBO Data on Supplemental Budget Authority for the 2000s,” http://www.cbo.gov/doc.cfm?index=6630&type=1. Totals for Administration requests were obtained from OMB correspondence to Congress and from the House Appropriations Committee Budget Estimates volumes, Table VIIIa. Editions for recent Congresses through the 107th are on the Government Printing Office GPO Access Congressional Documents site, http://www.gpoaccess.gov/serialset/cdocuments/budgets.html. FY2008 dollar conversions were calculated using GDP Chained Price Index data in Table 10.1, FY2009 Budget Historical Tables volume.

a. Data in this column represent the date the President issued a major disaster declaration for the disaster that appeared to be the primary catalyst for the supplemental appropriations legislation. In a series of disasters (such as the Midwest floods of 1993) this date represents the first of several declarations associated with that particular disaster. In some instances, identifying which disasters were primarily associated with consideration of the supplemental appropriations was not possible.
b. Data in this column represent the date the President submitted a request to Congress for supplemental funds. In some instances, funding was not requested by the White House, but was included by Congress in appropriations measures.

c. P.L. 110-329 was originally the FY2008 Homeland Security Appropriations Act (H.R. 2638) and was used as the vehicle for the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009.

d. In his February 2008 budget submission for FY2009, President George W. Bush requested total non-emergency discretionary budget authority for the fiscal year of $987.6 billion.

e. The Administration did not request supplemental FY2008 funds for domestic disaster assistance in the budget amendments or supplemental requests submitted from May 2, 2008 through the date of enactment. The June 9, 2008, amendment to the FY2009 budget request did include increased funding of $989,000 for the Office of the Federal Coordinator for Gulf Coast Rebuilding for continued operations. See http://www.whitehouse.gov/omb/budget/amendments/amendment2_6_9_08.pdf.

f. Supplemental funding was added to the Conference Report of the FY2008 Department of Defense Appropriations Act, P.L. 110-116 121 Stat. 1342-1343, in Division B of the report. Disaster funding including FEMA Disaster Relief Funding, further Housing and Urban Development assistance funding, and wildland fire fighting provisions.

g. On page 487 of the Conference Report, H.Rept. 110-434 for P.L. 110-116, total Department of Defense budget authority is listed at $4.6 billion. Also per the conference agreement, Division B provided non-Defense budget authority of $7.7 billion, bringing the total budget authority for the measure for the purposes of this table to $4.7 billion.

h. On October 28, 2005, the President submitted to Congress a request to “reallocate” $17.1 billion previously appropriated for FEMA. See http://www.whitehouse.gov/omb/budget/amendments/rescission_package_10_28_05.pdf. Congress modified this request by redirecting roughly $12 billion in P.L. 109-148, the FY2006 Department of Defense Appropriations Act. Because Congress appropriated the rescinded funds, the funding is considered supplemental appropriations for the purpose of this report. Some researchers, however, might contend that this appropriation does not represent an additional cost to the Treasury. The President also submitted that same day a budget amendment that sought the rescission of “$2.3 billion from lower-priority federal programs and excess funds.” See also October, 28, 2005 Executive Office of the President, Office of Management and Budget, “Estimate No. 14,” http://www.whitehouse.gov/omb/budget/amendments/rescission_package_10_28_05.pdf.

i. FY2004 supplemental funds to meet wildfire suppression requirements were included in the FY2005 Department of Defense Appropriations Act, P.L. 108-287. For more information on the statute, see CRS Report RL32783, FY2005 Supplemental Appropriations for Iraq and Afghanistan, Tsunami Relief, and Other Activities, by Amy Belasco and Larry Nowels.

j. The President submitted a supplemental request of $87 billion for ongoing military operations and for reconstruction assistance in Iraq, Afghanistan, and elsewhere. During conference on H.R. 3289 (P.L. 108-106, the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan Act, 2004), $500 million for FEMA for disaster relief for Hurricane Isabel and the California wildfires was added to the legislation, bringing the total enacted funding for P.L. 108-106 to $87.5 billion.

k. P.L. 107-117 allocated funds appropriated in P.L. 107-38, which was enacted shortly after the terrorist attacks of September 11, 2001. Under P.L. 107-38, $20 billion was available immediately, whereas the remaining $20 billion became available when allocated in P.L. 107-117, enacted on January 10, 2002. Of the second half of the $40 billion, $11.579 billion was provided for emergency disaster assistance.

l. An OMB supplemental request for the Nisqually earthquake could not be identified.

m. The appropriations associated with Hurricane Floyd were not supplemental appropriations but were incorporated into the regular FY2000 appropriations legislation, P.L. 106-74, Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000. These data are included because Congress increased FY2000 DRF funding primarily in response to Hurricane Floyd.
n. The initial Administration request of $687 million was submitted on February 16, 1999 (see discussion in H.Rept. 106-64, p. 7) for relief funding for Hurricanes Georges and Bonnie. However, additional emergency disaster funding was later sought in P.L. 106-31 to address tornado damage and other natural disasters during 1999.

o. Emergency relief funding for flooding caused by Hurricanes Georges and Bonnie was included in P.L. 105-277, the FY2000 Consolidated Appropriations Act.


q. The CBO scored supplemental funding as $357.0 million.

r. An OMB supplemental request for Hurricanes Andrew and Iniki could not be identified.

s. An OMB supplemental request for the Los Angeles riots and Chicago flood could not be identified.

t. An OMB supplemental request for Hurricane Hugo and the Exxon Valdez incident could not be identified.

u. No OMB request for this funding could be identified. Disaster funding in P.L. 101-130 was enacted as a continuing resolution, which amended the previous continuing resolution enacted as P.L. 101-100 to extend its provision until November 15, 1989.

v. No request could be identified.

w. An OMB supplemental request for the 1989 fires on federal lands or the requested Administration funding level could not be identified.
Disasters that occurred between FY2001 and FY2005 were especially costly. In FY2001 and FY2002 supplemental appropriations for disaster assistance exceeded $26 billion, most of which went toward recovery following the terrorist attacks of September 11, 2001. After the 2005 hurricane season, supplemental appropriations for disaster assistance increased significantly. From FY2005 through FY2009, Congress appropriated over $130 billion for disaster relief administered by many federal agencies. The majority of this funding was directed toward damages sustained from the 2005 hurricane season.

As reflected in Table 2, supplemental appropriations have generally been enacted as stand-alone legislation. In some instances however, emergency disaster relief funding has been enacted as part of regular appropriations measures, continuing appropriations acts (continuing resolutions), or as a part of omnibus appropriations legislation. Requested funding levels noted in the third column of Table 2 reflect House Appropriations Committee data on total requested funding for the entire enacted bill. Where possible, OMB data taken from correspondence to Congress requesting emergency supplemental funding have been used to identify dates of Administration requests for supplemental funding.35

Recent Enacted Emergency Supplemental Appropriations

To date, the 111th Congress has not passed a supplemental appropriation for disaster assistance. In the 110th Congress, President George W. Bush signed into law four measures (P.L. 110-28, P.L. 110-116, P.L. 110-252, and P.L. 110-329) that provided roughly $41 billion in supplemental appropriations for disaster relief and recovery (most of it for the DRF). P.L. 110-28, signed on May 25, 2007, included an appropriation of $7.6 billion for disaster assistance, $3.4 billion of which was classified for Hurricane Katrina recovery. P.L. 110-116, signed into law on November 13, 2007, provided a total of $6.4 billion for continued recovery efforts related to Hurricanes Katrina, Rita, and Wilma, and for other declared major disasters or emergencies. This total included $500 million for firefighting expenses related to the 2007 California wildfires. P.L. 110-252, signed into law June 30, 2008, provided $7 billion in disaster assistance, most of which was directed at continuing recovery needs resulting from the 2005 hurricane season.

P.L. 110-329, signed into law on September 30, 2008, included an appropriation for emergency and disaster relief of $21.4 billion. Of this amount, roughly $2 billion was continued disaster relief for the 2005 hurricane season. The largest share of the funding (just over $8.8 billion), however, was for a string of disasters that occurred in 2008 including Hurricanes Gustav and Ike, wildfires in California, and the Midwest floods. One of the largest funding components in P.L. 110-329 was designated for the Department of Housing and Urban Development’s (HUD) Community Development Fund, which received $6.5 billion specifically for disaster relief, long-term recovery, and economic revitalization for areas affected by the 2008 disasters. Other funding in the law included $135 million for wildfire suppression, and a $100 million direct appropriation for the American Red Cross for reimbursement of disaster relief and recovery expenditures associated with emergencies and disasters that took place in 2008.36


36 Congress did not meet the full request of the American Red Cross, which requested $150 million for reimbursement (continued...)
Emergency Supplemental Appropriations for Hurricanes Katrina, Rita, and Wilma

Measures Enacted in FY2005

In response to the widespread destruction caused by three catastrophic hurricanes at the end of the summer of 2005, Congress enacted four emergency supplemental appropriations bills. Two of the bills were enacted as FY2005 emergency supplemental appropriations after Hurricane Katrina devastated parts of Florida and Alabama and resulted in presidential major disaster declarations for all jurisdictions in Louisiana and Mississippi. The two emergency supplemental appropriations (P.L. 109-61 and P.L. 109-62) together provided $62.3 billion for emergency response and recovery needs; most of the appropriations in these two bills funded the DRF.

Measures Enacted in FY2006

Later, when Hurricanes Rita and Wilma struck, Congress enacted two additional emergency supplemental appropriations; the costs of both were offset by rescissions. The FY2006 appropriations legislation for the Department of Defense (P.L. 109-148) rescinded roughly $34 billion in funds previously appropriated (almost 70% of which was taken from funds previously appropriated to DHS) and appropriated $29 billion to other accounts primarily to pay for the restoration of federal facilities damaged by the hurricanes.37 Also in FY2006, Congress agreed to an Administration request for further funding—$19.3 billion was appropriated in supplemental legislation (P.L. 109-234) for recovery assistance, with roughly $64 million rescinded from two accounts ($15 million from flood control, Corps of Engineers, and $49.5 million from Navy Reserve construction, Department of Defense).

Measures Enacted in FY2007

On May 25, 2007, the President signed into law P.L. 110-28, which appropriated $120 billion in emergency supplemental funding for Iraq, Afghanistan, and other matters, including $6.9 billion for continued Gulf Coast relief and waived cost-shares for the Gulf Coast states. The measure was a successor to previous emergency supplemental legislation in the 110th Congress, H.R. 1591, which had been vetoed by the President on May 1, 2007. This was the fifth supplemental measure enacted in the 110th Congress containing disaster assistance specifically provided in response to Hurricanes Katrina and Rita. The sixth supplemental measure enacted as part of P.L. 110-116 on November 13, 2007, provided an additional $5.9 billion for emergency assistance, most, but not all of which, can be attributed to the Gulf Coast recovery. The $3 billion appropriated for HUD’s Community Planning and Development Fund can only be used for the Louisiana Road Home program,38 but the $2.9 billion appropriated for the DRF can be used not only for the Gulf Coast but for other declared disasters as well.

(...continued)

of disaster relief and recovery expenditures as a result of disasters occurring in 2008. This is not the first time Congress appropriated funds for the organization. In 2004, Congress gave $70 million in aid to the American Red Cross after four hurricanes hit Florida (118 Stat, 1251-1252).

37 In requests to Congress, President Bush termed the sequence of events as a “reallocation” of funds.

38 See CRS Report RL34410, The Louisiana Road Home Program: Federal Aid for State Disaster Housing Assistance (continued...
After the enactment of P.L. 110-252, the total amount appropriated by Congress in supplemental funding after the 2005 hurricanes surpassed the $130 billion mark. In addition to these rescissions and appropriations, Congress enacted other funding changes by transferring $712 million from FEMA to the Small Business Administration for disaster loans (P.L. 109-174).

Measures Enacted in FY2008

On June 30, 2008, Congress enacted the Supplemental Appropriations Act, 2008 (P.L. 110-252). Some of the funding in P.L. 110-252 includes $100 million for the Economic Development Administration’s economic development assistance programs, $73 million for the Louisiana Road Home Program, and $300 million for HUD’s Community Development fund. The majority of disaster assistance funding (over $4 billion) in P.L. 110-252 was directed to the Corps of Engineers for projects aimed at repairing damages incurred during the 2005 hurricane season, as well as programs designed to mitigate against future hurricanes.39

Another supplemental, the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009, was passed three months later on September 30, 2008 (P.L. 110-329). P.L. 110-329 includes ongoing disaster relief for destruction resulting from the 2005 hurricane season, including $85 million for the Disaster Housing Assistance program administered by HUD. The program enables families to settle in areas across the United States that were not affected by Hurricanes Katrina, Rita, or Wilma. The amount provided in the statute for disaster relief as a result of the 2005 hurricane season is roughly $1.3 billion.40

Summary of Recent Emergency Supplemental Appropriations

The primary recipient of emergency supplemental appropriations related to Hurricanes Katrina, Rita, and Wilma is DHS, which has received 57% of emergency supplemental funding for disaster assistance. HUD received 16%, DOD Army Corps of Engineers received 13%, the DOD received another 7% for miscellaneous activities, and the Department of Transportation received 3%.41 Table 3 and Figure 3 provide information on the appropriations made in the eight emergency supplemental appropriations enacted largely to address losses associated with Hurricanes Katrina, Rita, and Wilma and identify the departments and agencies that received funding for disaster relief.

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(...continued)

Programs, by Natalie Keegan.


40 Some of the funding in P.L. 110-329 was directed at the 2005 hurricanes and hurricanes, flooding, and other disasters occurring in 2008. An exact amount for each of these events could not be identified from the legislative text.

41 See Table 3 and Figure 3.
Table 3. FY2005-FY2008 Supplemental Disaster Appropriations After Hurricanes Katrina, Rita, and Wilma
(Thousands of current dollars)

<table>
<thead>
<tr>
<th>Department</th>
<th>FY2005</th>
<th>FY2006</th>
<th>FY2007</th>
<th>FY2008</th>
<th>TOTAL</th>
</tr>
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<tbody>
<tr>
<td>Agriculture</td>
<td>$1,183,000</td>
<td>$152,000</td>
<td>$38,000</td>
<td>$1,373,000</td>
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<td>Department of Commerce</td>
<td>$55,000</td>
<td>$150,000</td>
<td>$110,000</td>
<td>$100,000</td>
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<tr>
<td>Defense-Military</td>
<td>$500,000</td>
<td>$1,400,000</td>
<td>$5,754,000</td>
<td>$1,488,000</td>
<td>$9,142,000</td>
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<tr>
<td>Defense-Civil/Corps of Engineers</td>
<td>$400,000</td>
<td>$2,900,000</td>
<td>$3,686,000</td>
<td>$1,433,000</td>
<td>$6,366,988</td>
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<td>Education and related agencies</td>
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<td>$285,000</td>
<td>$60,000</td>
<td>$1,945,000</td>
<td></td>
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<tr>
<td>Health and Human Services</td>
<td>$640,000</td>
<td>$12,000</td>
<td>$600,000</td>
<td>$1,945,000</td>
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<td>Homeland Security</td>
<td>$10,000,000</td>
<td>$50,000,000</td>
<td>$285,000</td>
<td>$4,110,000</td>
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<tr>
<td>Housing and Urban Development</td>
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<td>$520,000</td>
<td>$7,000</td>
<td>$3,000,000</td>
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<tr>
<td>Interior</td>
<td>$70,000</td>
<td>$256,000</td>
<td>$10,000</td>
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<tr>
<td>Justice</td>
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<td>$50,000</td>
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<tr>
<td>Labor</td>
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<td>$16,000</td>
<td>$141,000</td>
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<td>Transportation</td>
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<td>$702,000</td>
<td>$906,020</td>
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<td>Veterans Affairs</td>
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<td>$586,000</td>
<td>$14,500</td>
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<td>Armed Forces Retirement Home</td>
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<td></td>
<td></td>
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<tr>
<td>Corp. for National and Community Service</td>
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<td></td>
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<td></td>
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<tr>
<td>Environmental Protection Agency</td>
<td>$8,000</td>
<td>$13,000</td>
<td>$21,000</td>
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<tr>
<td>General Services Administration</td>
<td>$38,000</td>
<td>$37,000</td>
<td>$75,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Historically Black Colleges Capital Financing</td>
<td>$15,000</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Aeronautics and Space Admin.</td>
<td>$350,000</td>
<td>$35,000</td>
<td>$20,000</td>
<td>$405,000</td>
<td></td>
</tr>
<tr>
<td>Judiciary</td>
<td>$18,000</td>
<td>$18,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Business Administration</td>
<td>$446,000</td>
<td>$542,000</td>
<td>$181,070</td>
<td>$164,939</td>
<td>$1,334,009</td>
</tr>
<tr>
<td>Total</td>
<td>$10,500,000</td>
<td>$51,800,000</td>
<td>$29,047,000</td>
<td>$20,032,000</td>
<td>$6,901,590</td>
</tr>
</tbody>
</table>

Source: Congressional Research Service.
a. Does not include authority for $500 million in direct assistance to be drawn from the Commodity Credit Corporation, authorized in Title III of P.L. 109-234.
b. Includes rescissions and military construction accounts.
c. Includes rescissions.
d. This funding amount is divided between the 2005 hurricane season, and hurricanes, floods, and other disasters that occurred in 2008.
e. In Division B of P.L. 110-116, 121 Stat. 1342-1343, Section 157 provides $329 million for Forest Service Wildland Fire Management and $171 million for Bureau of Land Management Wildland Fire Management. This funding is not included in the table since the funding was for wildland firefighting activities and not related to Gulf Coast hurricane relief and recovery.
f. Department of Transportation funds derived from Highway Trust Fund rescission.

Figure 3. FY2005 – FY2008 Supplemental Disaster Appropriations, Hurricanes Katrina, Rita, and Wilma
(In thousands of current dollars)
Pending Supplemental Appropriations for Disaster Assistance

H.R. 4899

The Administration has requested $5.1 billion for the DRF because FEMA anticipates the account will be unable to meet expected disaster needs and pay unanticipated claims awarded by arbitrators for appealed recovery projects. FEMA sent guidance in February 2010 to reduce the rate of expenditures of the DRF by limiting payments to projects that are considered as immediate needs and delaying payments for less pressing projects, such as mitigation work. Testifying on May 6, 2010, before the House Transportation and Infrastructure Committee, Subcommittee on Economic Development, Public Buildings and Emergency Management, FEMA Administrator W. Craig Fugate explained that FEMA has limited claims payments, delayed interagency reimbursements, and recovered funds from previous years in order to stretch its available funds and avoid a shortfall. Policy issues related to H.R. 4899 are discussed in the next section.

Issues for Congress

Authorizing the DRF

As mentioned earlier in this report, the DRF has not been authorized explicitly by Congress. Authorization measures are generally used to establish, continue, or modify an agency or program for a fixed or an indefinite period of time. The measures are also used to explicitly name accounts or programs.42 Authorizations also establish the duties and functions of an agency or program, its organizational structure, and the responsibilities of agency or program officials. One function of such legislation is to authorize subsequent spending in appropriations bills for specific agencies, programs, projects, accounts, or funds; such authorizations may include spending ceilings.43

It may be argued that a large account such as the DRF should be authorized specifically by name to ensure these functions are formally established. Others may view this as unnecessary because they believe the Stafford Act, which authorizes appropriations to carry out disaster relief, preparedness, and hazard mitigation activities is sufficient.44

If authorizing the DRF became an issue of active debate, Congress could consider legislation similar to Section 106 of H.R. 6658 (introduced in the 110th) to authorize explicitly the DRF, or it could elect to maintain the DRF as authorized under 42 U.S.C. 5197e of the Stafford Act.

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43 A ceiling arguably limits the amount of funding an account may receive. The ceiling however, is not binding. Congress may appropriate funds at levels above the authorization.
44 42 U.S.C. 5197e.
Restructuring Budgetary Procedures

Some proposals have been advanced to reduce the need for emergency supplemental appropriations. For example, the Bipartisan Task Force on Funding Disaster Relief⁴⁵ offered several policy options for changing budgetary procedures for funding disaster assistance. Some of these options for restructuring the budgetary process include the following:

- **Eliminate any Nonemergency Funding in a Bill.** Many emergency supplemental bills include a variety of funding and other needs in a single bill. Eliminating nonemergency (or nongermane) elements from legislation could prevent the passage of legislation that might not pass Congress if it were not attached to an emergency supplemental appropriation. Such action may make emergency supplemental appropriations less controversial and ensure expedited enactment.

- **Strengthening Criteria.** In general, the Senate criteria for requesting emergency funding stipulate that the situation be essential, sudden, urgent, or unforeseen.⁴⁶ The Bipartisan Task Force offered the use of more strict criteria as a policy option. If specific criteria were enforced, it is argued, Congress and the President would have to issue written justifications for designating appropriations as emergencies. Proponents of rewriting the criteria say the measure would open the debate on the use of emergency supplemental appropriations by adding an additional layer of scrutiny to the emergency appropriation process. Opponents may argue that changing the criteria may create unnecessary delays for appropriating needed emergency funding.

- **Increase Funding to the DRF.** As mentioned earlier in this report, Congress may decide to increase the funding level of the DRF through annual appropriations. Doing so could eliminate, or at least greatly decrease, the need for emergency supplemental funding.

- **The Creation of a Rainy-Day Fund.** A rainy-day fund, also known as a reserve account, would be financed by cuts in other discretionary accounts, or by instituting new taxes. Spending from this fund would then be allowed only when needed for expensive disasters. Proponents of this policy option would likely argue a rainy-day fund carries several advantages. For one, in contrast to emergency supplemental appropriations which increase the federal deficit through borrowing funds, rainy-day accounts do not add to the federal deficit because they are funded through savings and/or new taxes. Furthermore, the balance for a rainy-day fund would increase during periods in which there are few, or relatively small disasters. Another advantage would be that a rainy-day fund would not require a restructuring of the process of administering disaster relief.


• **The Creation of a Contingency Fund.** A contingency fund based on a cost analysis of previous disasters could be created for use after large a disaster occurs. A contingency fund could be funded at a level sufficient for large disasters, while relatively routine disasters would still be funded through the DRF. As the contingency fund is drawn down, the account would be replenished through regular appropriations, obviating the need for emergency supplemental appropriations. During congressional testimony, James Lee Witt, who was the Director of FEMA during the Clinton Administration, summarized the fund as follows:

> What we did and what worked so well with Congress and with OMB was we were able to use that five year cost analysis to set up a contingency fund that was under OMB that was budgeted, that you did not have to go back for supplementals every time you had a disaster declaration. And then all we would do then is go to OMB and say we have a Presidential disaster declaration that’s going to cost $400 million.47

• **Model Federal Disaster Funding on State Statutes.** In the majority of states, the first recourse for funding disaster relief is to reallocate departmental appropriations to meet emergency needs. Should the reallocation prove insufficient, the legislature may be called into special session to approve the appropriation of additional funds. In some states, local agency funds must be exhausted before state financial assistance is requested.

In other states, state statutes impose limits on the amount that may be expended on a given disaster. For example, the governor of Alaska may use up to $1 million in state funds per year for disaster assistance. Another example is Hawaii, which caps the amount of funding for a single disaster at $1 million.48

Proponents of applying the model used by some states may claim that such measures would reduce the amount needed to fund the DRF. Opponents of the measure, on the other hand, may claim that reallocating funds from other accounts would jeopardize programs that already struggle with tight budgets. They may also argue that should the reallocation of funds for disaster relief become a standard practice, there would be a need to fund potential donor accounts at higher levels, defeating the purpose of reallocating funds to save money. Finally, they may argue that its usage would be impractical for large events such as Hurricane Katrina, which would still require an emergency supplemental appropriation for disaster relief.

If there is interest in changing current practices in funding disaster relief, Members of Congress may wish to further explore other policies for reforming the disaster funding budgeting process such as the ones discussed above, or formulate other strategies that may potentially reform federal disaster relief funding.


Additional Approaches for Funding Federal Disaster Relief

Should Congress become concerned that disaster relief negatively affects the federal deficit, or that the federal share of disaster relief has become disproportionate, other avenues exist for decreasing the amount of federal funding. Two of these include the following:

- **Decrease the Federal Cost Share.** Generally, when the president declares a disaster the federal government reimburses 75% of a state’s disaster relief expenses. The cost share could be altered so that states pay for more of their disaster activities. For example, prior to the Midwest floods in 1993, the federal cost share for mitigation was 50%. Reducing the federal cost share could significantly decrease the amount the federal government pays for disaster relief.

- **Strengthen Declaration Criteria.** It may be argued that the current declaration process allows what some call “marginal” disasters to receive federal funding. A marginal disaster is an event that some argue could be handled by the state without federal assistance. A set of standardized criteria could be developed to ensure that only events meeting a certain criteria would be eligible for federal disaster relief. Proponents would further argue that scaling back federal funding may be beneficial because states may trim investments in mitigation if federal assistance is too generous. 49

Oversight on Reporting

A 2006 Government Accountability Office (GAO) report indicated there was a need to improve the information in FEMA’s weekly reports on the status of hurricane relief, and that OMB should take action to improve transparency and accountability regarding the status of hurricane related funding. 50 Both OMB and FEMA agreed that these improvements were needed and would be forthcoming. Congress could authorize oversight mechanisms to investigate the extent to which FEMA has made such improvements. For example, section 203 of H.R. 5351 (introduced in the 109th Congress) would have required each state, local, tribal, and non-profit entity that received federal assistance funds in response to catastrophic events or other emergencies to report to the pertinent federal agency six months after the initial disbursement of resources. Furthermore, the legislation would have also required any agency that disbursed federal assistance funds to report to the Inspector General of the Department the purpose for which resources were provided, the amounts disbursed, allocated, and expended, and the status of reporting by agencies that received disbursements.

H.R. 4899

In regard to H.R. 4899, two potential issues that Congress could address are (1) whether the expenditures of FEMA monies are appropriately considered to be emergency spending; and (2) whether current estimates that the DRF is running low are reasonable.

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In its first budget blueprint, *A New Era of Responsibility*, the Obama Administration criticized previous Administrations as “irresponsible” for unrealistic budgeting practices.\(^{51}\) In the FY2010 request, the Administration proposed $2 billion for the DRF. Congress then provided $1.6 billion, $400 million below the request. For FY2011 the Obama Administration is requesting $1.9 billion for the DRF. It could be argued that neither request, when compared with amounts for previous years, represents a significant increase.

OMB’s rationale for the request and the need to restrict expenditures is that 59 disasters have occurred in 2009 and another 18 have already taken place in 2010,\(^{52}\) fewer than the 74 disasters declared in 2008 and 63 in 2007. The need for the current supplemental request is attributable mainly to additional arbitration rulings, some related to the Katrina hurricane in 2005.

In recent years, regular requests have been insufficient to meet needs. Higher levels may continue to be necessary to meet the devastation wrought by the Gulf Coast hurricanes in 2005 and 2008 because recovery could take five years or longer. Some might argue that given the number of disasters and carryover needs from the Gulf hurricanes, Congress might consider a higher level of regular appropriations for the DRF to avoid the need for supplemental funding. On the other hand, others might argue that disasters are inherently unpredictable, and hence qualify as emergency needs. If this is so, and if Members prefer waiting for large-scale disasters to occur before providing disaster funding for recovery, Congress may choose to maintain the status quo.

Although the replenishment of the DRF may be justified, FEMA has provided little information to substantiate its request. The only example cited by FEMA in its current request is an arbitration ruling awarding $475 million to New Orleans’ Charity Hospital, which has been closed since Hurricane Katrina in 2005. If FEMA wishes to make the case that there is a need to supplement the DRF, it may need to provide more information about how the DRF was drawn down and the nature and the scope of the arbitration cases.

### Concluding Policy Questions

Since the 1950s, the level of financial assistance given to states for disaster relief by the federal government has steadily increased. In light of the federal deficit, the increased federal involvement has raised policymaking questions concerning how disaster relief should be equitably funded. Some of these questions include the following:

- The model for emergency and disaster response is built on the premise that emergencies and disasters are local. Requests for assistance from the next level of government are made only if that unit of government is overwhelmed. Some would argue that some incidents funded by the federal government do not meet this requirement. An example might be snow removal or repairs after minor flooding. Is the federal government funding emergencies and major disasters that do not meet the criterion of the states being overwhelmed before requesting

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assistance? Are states using federal funding for disaster relief to protect their budgets?

- Should federal disaster relief be subject to thresholds and maximums? For example, an emergency or major disaster might not receive federal funding unless damage estimates reach a certain level. As another example, the total amount of federal relief for an event could be capped at a certain amount. After this level has been reached, the state would then be responsible to pay for the rest of recovery.

- Should the state’s fiscal capability factor into disaster relief? In 1986 FEMA proposed measures to reduce the amount the agency contributed toward disaster relief. One of the proposals argued that funding allocations should be made according to each state’s ability to fund its own disaster relief. The determination would be based on a comparison of the state’s per capita income with the national per capita income. The calculation would then be used to create a sliding scale for assistance. Communities capable of funding their own disaster relief would receive limited or no assistance. In contrast, struggling communities would be eligible to receive more federal assistance.

- Some may argue that federal funding for disaster relief has become entrenched to the point that it has contributed to unintended consequences. For example, it has been argued that some states do not properly fund mitigation measures because there is a presumption that federal funding is virtually guaranteed should an emergency or major disaster occur. Those advocating this position could arguably point out that federal involvement in disaster relief will continue to increase and that in order to be fiscally responsible, changes should be made in the way in which disaster relief is funded. Others may claim the function of the federal government is to help states in their time of crisis. Withholding, or limiting the amount of funding a state could receive for an incident would be neglectful of that state’s needs.

- OMB’s A New Era of Responsibility projects that spending for disaster costs for FY2010 will be $11 billion dollars. By 2019 disaster costs are projected to rise to $30 billion dollars. This represents an increase of 173% in disaster costs. On what basis did the Administration calculate this increase in disaster costs?

- Congress requires FEMA to submit a monthly status report on the DRF. The reports must detail obligations, allocations, and expenditures for Hurricanes Katrina, Rita, and Wilma. Other than the DRF report, scant data exists on other

54 Under current law (42 USC 5163) areas cannot be precluded from receiving assistance solely on the basis of a sliding scale or formula. Congress amended the Stafford Act in this fashion as a response to the 1986 proposed regulation.
57 P.L. 110-161, also 42 USC 5208.
federal funding for emergencies and major disasters. In light of the amount of federal funding going to these incidents, could better transparency be achieved by requiring the same level of reporting for all declared emergencies and major disasters?

These and other questions may be raised should Congress elect to debate the past and future funding of disaster relief.

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