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# Disaster Spending and Mitigation: A State-by-State Story

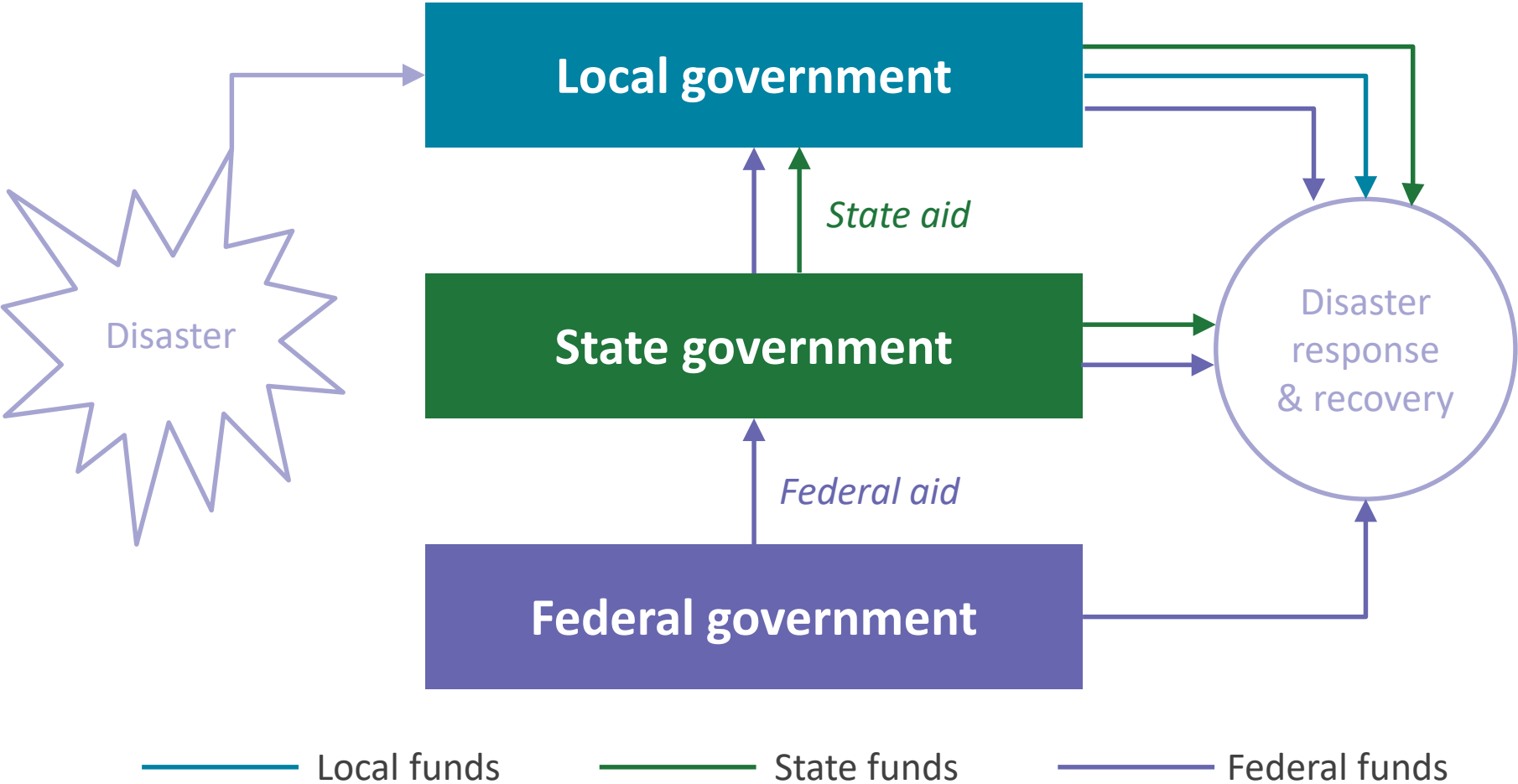
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Natural Hazards Center/FEMA “Making Mitigation Work” Webinar

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# Natural Disaster Spending on Response and Recovery is Highly Intertwined Across Levels of Government



# The federal-state relationship



Every state has had a federal declaration since 2013

FEMA had 8 of its most expensive years on record in the decade ending in 2016

Federal government has spent \$450 billion on disasters since 2005

# Federal proposals

## 1 Adjusting the threshold for federal assistance

- Disaster Recovery and Reform Act (discussed but not included in final bill)

## 2 Encouraging mitigation activities

- Bipartisan Budget Agreement of 2018
- National Mitigation Investment Strategy
- IA Eligibility Criteria

“It is a **wake-up call** for this country, for local and state elected officials to give their governors and their emergency management directors...the **full budgets** that they need to be fully staffed, to design **rainy day funds**, to have your own **standalone** individual assistance and public assistance programs.”

- Then-FEMA Administrator Brock Long  
*CBS Face the Nation, September 3, 2017*

# What does this mean for states?

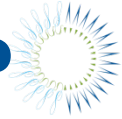


● Preliminary findings: How states budget for disasters

● How states track their spending

● Mitigation

# Budgeting: How does the money flow?



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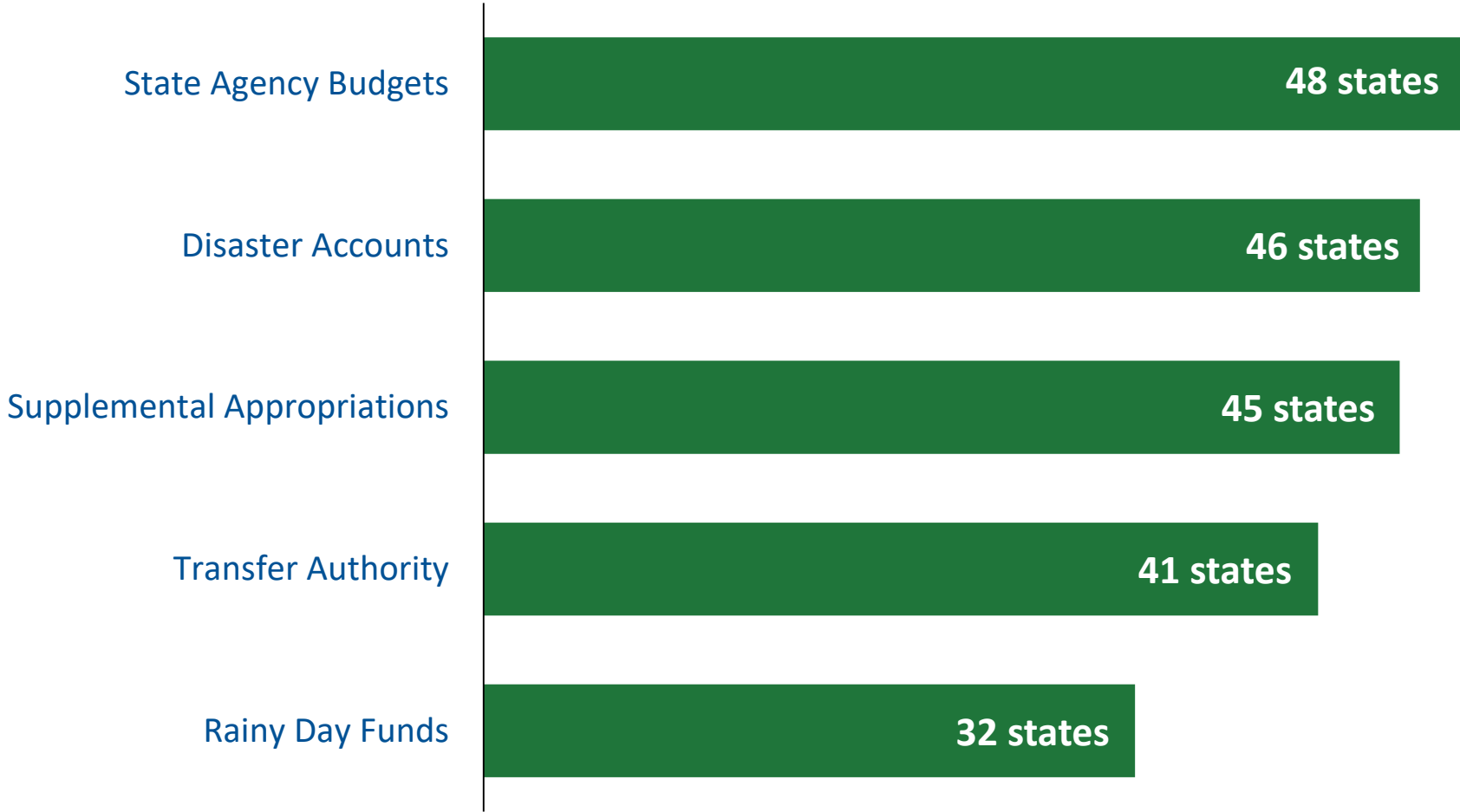
States spend money on disasters in two ways:

- 1 State and local disasters that don't get a federal declaration
- 2 Cost-shares and matches required for federal disaster grants

# Using Similar Tools, States Take Varied Approaches to Budgeting for Disasters



\*PRELIMINARY FINDINGS\*





# Tracking: How is the money spent?



Most states don't comprehensively track spending

Spending varies widely

Recommend commitment to data collection

# Why is tracking so challenging?



● Spending is spread across many agencies

# Spending spread across many agencies

Federal Emergency Management Agency  
At least 17 major departments and agencies are involved in disasters

- Department of Housing and Urban Development
- Department of Health and Human Services
- Department of Defense
- Environmental Protection Agency
- Department of Treasury
- Department of Homeland Security
- Small Business Administration
- Department of Energy
- Corporation for National and Community Service
- Department of Justice
- Federal Communications Commission
- Department of Transportation
- Army Corps of Engineers
- Department of Interior
- National Aeronautics and Space Administration

# Spending spread across many agencies

Florida: At least 11 major departments and agencies are involved in disasters

- Division of Emergency Management
- Department of Environmental Protection
- Agency for Persons with Disabilities
- Highway Safety and Motor Vehicles
- Department of Health
- Department of Children and Families
- Department of Military Affairs
- Department of Elder Affairs
- Department of Transportation
- Department of Juvenile Justice
- Department of Agriculture and Consumer Services

# Why is tracking so challenging?

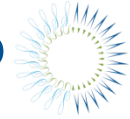


● Spending is spread across many agencies

● Disasters are episodic

● Capacity

# What do the data we collected tell us?



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States spend differently in amount and purpose

Policy implication: Impact of federal change would vary from state to state

Recommendation: State and federal policymakers should prioritize the collection of comprehensive data

# What can states do?



● The North Carolina Office of Recovery and Resilience was established to track spending on recent hurricanes.

● The Ohio budget office developed a new system to track state spending on disasters across agencies.

● Statewide resiliency planning

# Mitigation: Proactive investment can reduce future costs



—● You can't mitigate what you don't track

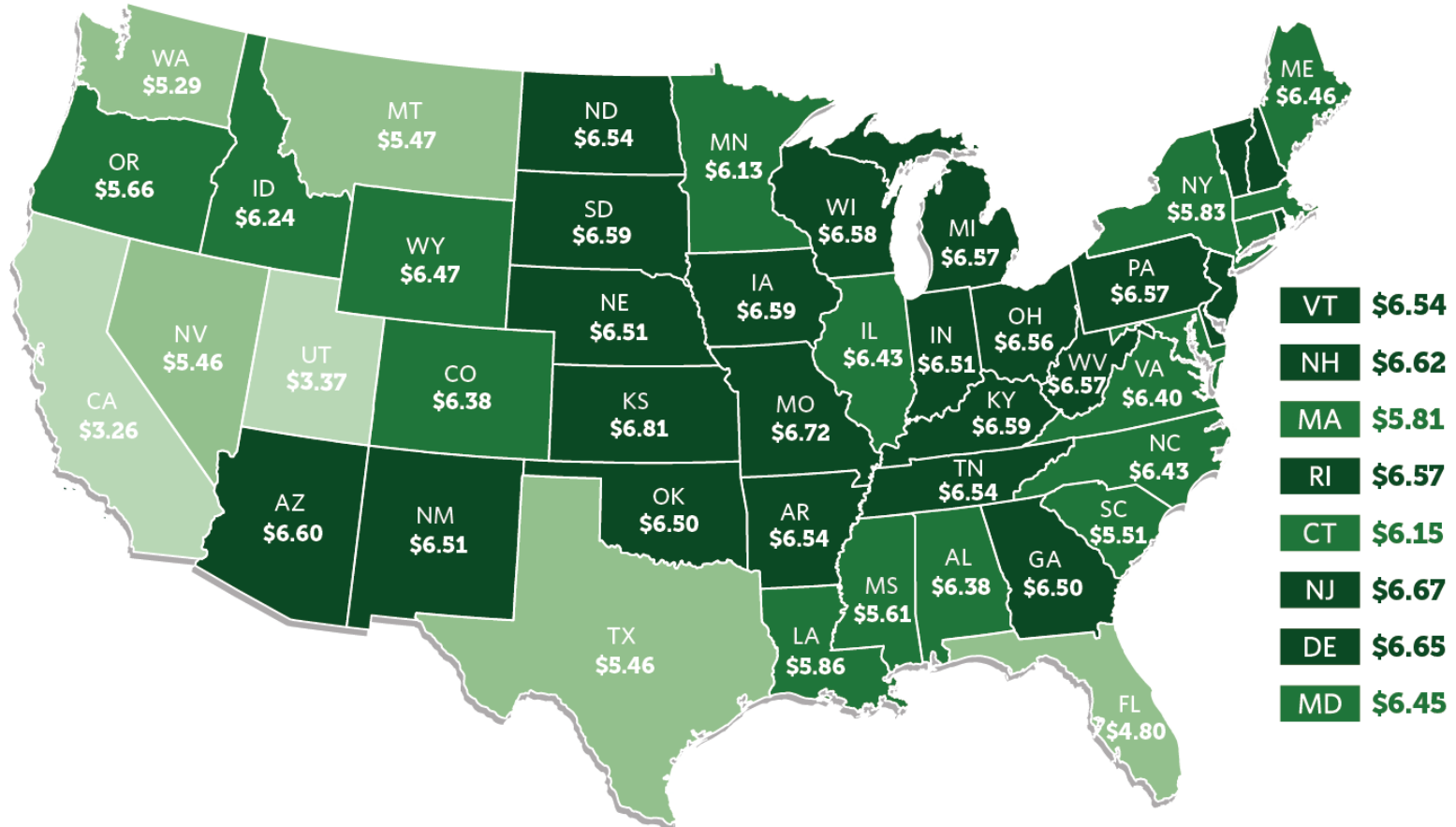
—● \$1 in mitigation → \$6 saved in post-disaster recovery costs



# Mitigation Saves in Every State



Money saved on average per dollar spent for select federal mitigation programs, 1993-2016



- Less than \$3.50
- \$3.50 to \$5.49
- \$5.50 to \$6.49
- \$6.50 to \$6.99

# Recognizing the Value of Mitigation

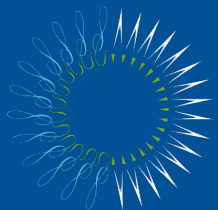


● New federal Building Resilient Infrastructure and Communities (BRIC) 6% set-aside for mitigation

● National Mitigation Investment Strategy

● 2018 Bipartisan Budget Act provided extra federal funds for states that invest in mitigation

● Texas allocated \$800 million from its rainy day fund toward mitigation following Hurricane Harvey



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