December 12, 2023

The Honorable Brian Schatz  
Chairman  
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies  
United States Senate  
Washington, DC 20510

The Honorable Cindy Hyde-Smith  
Ranking Member  
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies  
United States Senate  
Washington, DC 20510

Letter for the Record: Hearing on “Communities in Crisis: What Happens When Disaster Recovery Funds are Delayed,” Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies

Dear Chairman Schatz and Ranking Member Hyde-Smith:

The Bipartisan Policy Center leads a Disaster Response Reform Task Force, a bipartisan group of emergency management and disaster recovery leaders focused on making federal disaster assistance programs work better for disaster survivors. On behalf of the Task Force, I want to commend you for convening this important hearing and providing us with the opportunity to share our thoughts.

We know that the number and costs associated with disasters have been increasing, with 25 disasters just this year each costing over $1 billion, from severe storms to floods to wildfires.¹ Yet, at various times this year, it was also unclear whether Congress would appropriate the funding needed to keep critical federal assistance flowing to these and other communities recovering from disasters all across the country.

This uncertainty is just one problem that makes it more difficult for communities in crisis to plan, secure the resources they need, and rebound quickly. In fact, numerous Congressional Budget Office, Government Accountability Office, and inspectors general reports have concluded:

- The rising number of natural disasters and increasing reliance on federal assistance is a significant source of federal fiscal exposure.
- As currently configured, federal disaster assistance programs are complex and difficult for disaster-impacted communities and households to navigate.
- Reliance on ad hoc, supplemental funding, as well as numerous statutory and program barriers, add uncertainty to and delay disaster recoveries, particularly for those with the fewest resources.²

Our Task Force has heard about the complexity and unpredictability of federal assistance directly from disaster survivors, in different stages of their recovery, in Puerto Rico, Colorado, California, Louisiana, and now Hawaii in meetings and site visits over the past few months.

The reality is that federal disaster recovery funding is largely unpredictable outside of periodic contributions to FEMA’s Disaster Relief Fund and credit subsidies for the Small Business Administration’s disaster loan programs. HUD Community Development Block Grant Disaster Recovery (CDBG-DR) program funding is supplemental and only triggered via administration request or congressional initiative. Moreover, funding for diverse agencies such as the U.S. Army Corps of Engineers, the Federal Transit Administration, and the Department of Agriculture are often included in a supplemental package along with the occasional tax incentive, but it is hard to predict when such steps will be taken and what the level of aid will be because these decisions are not based on documented, data-driven estimates of need.

Even FEMA is not immune to problems in securing funding for its Disaster Relief Fund, which was virtually tapped out earlier this year. Across the board, Congress needs to consider pre-funding these needs to enable swifter post-disaster responses—having financial resources in hand would enable the timelier launch of recovery efforts.

Our Task Force has also extensively explored the need to advance fundamental reform priorities—for example, to provide greater certainty of funding, reduce friction between federal and local entities, improve pre-disaster planning and mitigation, and promote more equitable disaster recoveries.³ We have focused extensively on HUD’s Community Development Block Grant Disaster Recovery (CDBG-DR) program, which was first funded almost three decades ago and, in the intervening years, has become one of the most significant sources of long-term rebuilding assistance that a community impacted by a major disaster can receive.

In that time, although there have been notable successes in the use of CDBG-DR to promote long-term recovery, that record of performance is increasingly in jeopardy. The reality is that, as CDBG-DR has “matured,” it has run headlong into a set of predictable challenges. Uncertain funding, broadened requirements, expanded expectations, inadequate administrative resources, and a creeping undergrowth of policies (as process and programmatic tweaks accumulate in the absence of a permanent authorization) have collectively slowed many grantee efforts to a crawl. Lengthy Federal Register notices can take months to produce while denying predictability to state and local governments actively serving disaster survivors.

While FEMA is the lead federal agency in emergency response given its responsibilities under the Stafford Act, programs like CDBG-DR play a critical role in supporting longer-term rebuilding and recovery efforts. This is most notable regarding substantial housing repair and reconstruction, something FEMA programs are not suited to do. If CDBG-DR is to continue to deliver benefits to communities most impacted by major disasters and to direct those benefits primarily to those with the

fewest resources to recover in the wake of disasters, Congress must prioritize efforts to fund, reform, and codify the program.

S. 1686, the Reforming Disaster Recovery, would direct HUD to establish permanent regulations for CDBG-DR, enhancing the program’s efficiency and predictability. The bill also incorporates recommendations from both the Government Accountability Office and HUD’s Office of the Inspector General, including reforms that would improve federal coordination, reduce unnecessary bureaucratic burdens, and authorize “quick release” funds to assist communities immediately following disasters. Together, these reforms would empower disaster-impacted communities to better support their lowest-income, most vulnerable members throughout their long-term recovery.

Even when funding is available, too many communities have suffered economically and socially as the arc of recovery from the most significant disasters is pushing out well beyond a decade. While it is hard to predict when disasters will strike, it is possible to prepare and invest in resiliency to decrease future vulnerabilities, improve long-term recovery outcomes, and reduce overall recovery costs.

The fact is: we need to face reality as these types of events are no longer outliers. Members of both parties in Congress and the Biden administration can find common ground in implementing reforms to enhance the predictability and impact of federal disaster response dollars. Thank you for hosting this important conversation and allowing us the opportunity to comment.

Sincerely,

Andy Winkler
Director, Housing and Infrastructure Project
Bipartisan Policy Center

BPC’s Disaster Response Reform Task Force

- Kevin Bush – Principal, Resilient Infrastructure, Cadmus Group; Former HUD Deputy Assistant Secretary for Grant Programs and District of Columbia Chief Resilience Officer
- Jeffrey Byard – Vice President of Operations, Team Rubicon; Former FEMA Associate Administrator for Response and Recovery
- Pete Gaynor (Task Force Co-Chair) – Senior Vice President and Director of National Resilience, Response and Recovery Programs, GEI Consultants; Former FEMA Administrator
- Fernando Gil-Enseñat – Principal, FGE LLC; Former Puerto Rico Secretary of Housing
- Stan Gimont – Senior Advisor for Community Recovery, Hagerty Consulting; Former HUD Deputy Assistant Secretary for Grant Programs
- Jennifer Gray Thompson – Founder and CEO, After the Fire USA
- Pamela Hughes Patenaude (Task Force Co-Chair) – Board Member, Bipartisan Policy Center; Former HUD Deputy Secretary
- Bryan Koon – Vice President of Homeland Security and Emergency Management, IEM; Former Florida Director of Emergency Management
- Reese May – Chief Strategy and Innovation Officer, SBP
• Ben Metcalf – Managing Director, Terner Center, University of California-Berkeley; Former Director, California Department of Housing and Community Development
• Neal Racleff – Attorney at Law, Racleff LLP; Former HUD Assistant Secretary for Community Planning and Development
• Chauncia Willis – Co-Founder and CEO, Institute for Diversity and Inclusion in Emergency Management; Former Emergency Manager of Tampa, FL