

➤ **Increase Funding and Flexibility for EMPG**

EMPG is the only Federal source of funding to assist state and local governments with planning and preparedness activities associated with natural disasters. While support swells for EMPG each year, 2010-11 will be a critical time in assisting states in maintaining emergency management capabilities.

➤ **Sustain Homeland Security Grant Funding**

As the Homeland Security Grant Program (HSGP) and associated programs continue to mature, programs and priorities at the state level continue to accompany a more effective spending strategy. Many states also utilize these programs as an enhancement to EMPG grants in building all-hazard capabilities. Greater flexibility, 100 percent funding, and a reduction in “carve outs” should continue as tenants of these programs to avoid duplicative efforts and less efficient uses of the grant.

➤ **Reauthorize and Adequately Resource the Pre-Disaster Mitigation Program**

In order for this nation to adopt a truly comprehensive pre-disaster mitigation effort, the Pre-Disaster Mitigation (PDM) program must be reauthorized for 5 years and continue to be adequately funded. PDM is the complement program to the post-disaster Hazard Mitigation Grant Program. Together the two programs serve specific needs and must continue to work in harmony.

➤ **Obtain Budget Line Item Funding for EMAC**

EMAC is the first national disaster-relief compact ratified by Congress since the Civil Defense and Disaster Compact of 1950. Since ratification in 1996, 50 states, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands have enacted legislation to become EMAC members. Annual line-item funding is critical for building EMAC capabilities and our nation’s mutual aid system.

➤ **Increase and Standardize the Management Cost Allowance for States**

Current FEMA rules severely limit the ability for states to recover costs for managing disasters pursuant to the intent of the Stafford Act. The flat rates established by FEMA are unrealistic given the cost and complexity of today’s disasters and the expectations of disaster victims for State and local governments. NEMA recommends a flat rate of 10 percent for PA and HMGP consistent with other Federal grant programs.

➤ **Coordinate Stafford Act Changes with the Emergency Management Community**

As Congress considers changes to the Robert T. Stafford Disaster Relief and Emergency Assistance Act, NEMA and partners in the emergency management community should be consulted regarding any changes. Such consultation will provide for a comprehensive review of any impact states and disaster response.

➤ **Obtain Allowance for FEMA to Reinststitute the PA Pilot Program**

The PA Pilot Program was established in the PKEMRA and was a huge success until it ended on December 31, 2008 pending a final report to Congress. It provided grants based on estimates for large projects, provided an additional 5 percent federal cost share, allowed applicants to retain salvage revenue, and reimbursed the salaries of employees of the applicant conducting debris removal activities. The required report has since been submitted and NEMA recommends the program reinstituted.

➤ **Upgrade EOC’s for the 21st Century**

EOCs serve as the nerve center and coordination point for state and local coordination during disasters and emergencies. There continues to be a shortfall in the ability for states to build, retrofit, and upgrade state primary and alternate EOCs. The current EOC grant program is severely diluted through earmarks, so the program must be adequately funded beyond individual projects and focused more on a statewide strategy.

Increase Funding and Flexibility for EMPG

Background

EMPG stands as the only federal source of funding assisting state and local governments with planning and preparedness activities associated with natural disasters. EMPG is primarily utilized in maintaining personnel for state and local emergency management programs, and consequently the nation's emergency response system. EMPG is the only mechanism to build a minimum capability at the state and local level and remains the only all-hazards capacity building program. EMPG must be strengthened and maintained through shared investments.

The program is more important than ever as a tool for states with budget concerns. States are facing billions of dollars in shortfalls, so federal investments in assisting with preparedness activities is critical to preventing a disaster from becoming a financial avalanche for governments. As state fiscal situations apply pressure on the ability to achieve the 50-50 matching requirement, maintaining flexibility to address state priorities in the EMPG program becomes more important.

According to the NEMA 2010 Biennial Report, the total need for EMPG is \$530 million and the total authorized amount for the program through the *Implementing the Recommendations of the 9/11 Commission Act of 2007* is \$815 million for FY 2011. The program was funded at \$340 million for FY 2010. The \$190 million difference between the FY 2010 appropriation and the total need of \$530 represents the shortfall needed to fund all jurisdictions at the 50-50 level and to establish emergency management programs in jurisdictions not currently able to be funded.

Talking Points

- Only federal source of funding to assist state and local government with planning and preparedness activities associate with natural disaster.
- The \$190 million difference between the FY 2010 appropriation and the total need of \$530 represents the shortfall needed to fund all jurisdictions at the 50/50 level and to establish emergency management programs in jurisdictions not currently able to be funded.
- Needed amount remains \$285 million below authorized amount for FY 2011.
- Primarily for maintaining personnel, emergency management programs, and building capacity at the state and local levels.
- NEMA intends to focus heavily on building metrics to measure outcomes of the program and continues to support the matching requirement in exchange for flexibility.
- The program was funded at \$340 million in FY 2010, but authorized for \$680 million.

Requested Action

- Congress should continue to make strong investments in EMPG and ensure adequate support for emergency management at the state and local levels. The current shortfall for EMPG must be addressed to help state and local governments prepare for all disasters.
- EMPG must be maintained as a flexible and all-hazards program not stray from the Congressional intent of authorizing legislation including the Stafford Act. Program funds should not be tied to specific percentages, or "carve outs," for specific tasks, and improvements to emergency operations centers should continue as an allowable cost.

Sustain Homeland Security Grant Funding

Background

The Homeland Security Grant Program (HSGP) suite consists of five grant programs including the State Homeland Security Program (SHSP), Urban Areas Security Initiative (UASI), Operation Stonegarden (OPSG), Metropolitan Medical Response System (MMRS), and Citizen Corps Program (CCP). The core of HSGP provides funds to build capabilities at the state and local levels and to implement the goals and objectives included in state homeland security strategies and initiatives in their State Preparedness Report. Consistent with the *Implementing Recommendations of the 9/11 Act of 2007*, states are required to ensure that at least 25 percent of SHSP appropriated funds are dedicated towards law enforcement terrorism prevention-oriented planning, organization, training, exercise and equipment activities, including those activities which support the development and operation of fusion centers.

These homeland security grants must be used in support of building an all-hazard capability. Greater flexibility in use of homeland security funds for all hazards must be provided to states. Such flexibility allows the grant funding to be utilized by each state according to need, existing resources, and capabilities. The effort to enhance and build the national emergency response system is a national effort and federal resources must be continued at the current level to maintain effectiveness.

Talking Points

- Recent funding levels combined with a maturing of the programs have facilitated a more effective spending strategy at the state level.
- “Carve outs” in form of mandated percentages of the total allocation often have the unintended consequence of hindering the progression of a strategy forward or building a state-specific capability.

Requested Action

- NEMA urges Congress to appropriate sustained levels of funding on a multi-year basis to allow for long-range planning, maintenance, and implementation.
- Reduce or eliminate percentage-based “carve outs” from the program for specific objectives.

Reauthorize and Adequately Resource PDM

Background

The Pre-Disaster Mitigation Program (PDM) is administered by FEMA and authorized by Section 203 of the *Robert T. Stafford Disaster Relief and Emergency Management Act* (Stafford Act). Reauthorization of PDM occurred in the *Disaster Management Act of 2000*. Since that time PDM has provided financial and technical assistance to State and local government to prevent damages and distress resulting from a natural disaster such as flood, hurricane, tornado, or blizzard. Successful mitigation activities can reduce the reliance on federal funding from future disasters. In September 2007, the Congressional Budget Office evaluated the PDM program in a report titled *Potential Cost Savings from the Pre-Disaster Mitigation Program*. In the report, compiled disaster data suggests that for every \$1.00 spent on mitigation projects, losses from future disasters realize a \$3.00 savings. While both PDM and HMGP fund similar mitigation projects, PDM allows consistent annual funding to be provided to states to mitigate the effects of disasters *before* they happen.

PDM was originally authorized as a program to provide every state with funding for mitigation, regardless of disaster history or current risk assessments, but was changed in the FY 2002 appropriations legislation when PDM became a competitive grant program. The program was set to sunset in September 2008, but has received two extensions in concurrent appropriations bills and will expire in September of 2010. In the 111th Congress, the House Transportation and Infrastructure Committee approved H.R. 3377 and H.R. 1746 reauthorizing the PDM Program. As of the beginning of the 2nd Session of the 111th, however, the Senate has not yet introduced companion legislation. Reauthorization stalled after the President's FY 2010 Budget referenced the development of a risk-based formula for PDM fund allocation. While the risk-based formula requirement has been abated, swift Congressional action is needed to allow this program to function without disruption and avoid additional short-term authorizations.

Talking Points

- Pre-Disaster Mitigation is the only non-flood related grant program designed to assist states, localities, and tribal governments etc. to implement mitigation efforts *before* a disaster occurs.
- For every \$1.00 spent on mitigation projects, losses from future disasters realize a \$3.00 savings.
- Earmarks within the PDM account create impediments to reauthorization and program development efforts.
- Success stories provided by NEMA are vital to clearly understanding the effects of adequate PDM funding and consistently illustrate the integral role mitigation plays in the overall emergency management spectrum

Requested Action

- NEMA requests the Pre-Disaster Mitigation program be reauthorized by Congress in 2010 and adequate funding is authorized and appropriated.
- Reduce unnecessary earmarks that obligate funds to projects that do not fit the mitigation priorities outlined in FEMA-approved State and/or Local Hazard Mitigation Plans.

Obtain Budget Line Item Funding for EMAC

Background

EMAC was the first national disaster-relief compact ratified by Congress since the Civil Defense and Disaster Compact of 1950. Since ratification in 1996, every state, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands have enacted legislation to become EMAC members. Annual line-item funding is critical for building EMAC capabilities for our nation's mutual aid system.

The strength of EMAC and the quality that distinguishes it from other plans and compacts lie in its governance structure; its relationship with federal organizations, states, counties, territories, and regions; and the ability to move any resource one state has to assist another state including National Guard (in State Active Duty and Title 32), public works, fire and hazardous materials, law enforcement, search and rescue, incident management, animal health, emergency medical services, mass care, and medical-public health resources.

Specific funding for investment into EMAC is needed to continue to build capabilities. The response to Hurricanes Katrina and Rita resulted in the largest deployment of interstate mutual aid in the nation's history. EMAC deployed over 66,000 personnel comprised of multiple disciplines from all EMAC member states to respond to Louisiana, Mississippi, Alabama, Florida, and Texas. Most recently in 2010, EMAC was used to coordinate information between states and FEMA during the response to the earthquake in Haiti, flooding in Georgia, wildfires in South Carolina, and the 2009 floods in Minnesota and North Dakota.

Talking Points

- All 50 states, DC, and 3 territories have enacted legislation to become EMAC members.
- The Post Katrina FEMA Reform Act authorized \$4 million annually for EMAC, but no funds were appropriated. The program is due for reauthorization.
 - Reauthorization language is currently included in H.R. 3377, the larger Stafford Act Bill, but the Senate has a stand-alone bill, S. 1288. NEMA encourages a stand-alone bill in the House to mirror S. 1288.

Requested Action

- Reauthorize EMAC at \$4 million annually for 2011 and beyond.
- Provide budget line item for EMAC to the full authorized amount of \$4 million.
- Include an annual budget line item in FEMA to assist in training and education, resource typing requirements in the 2006 Post Katrina Emergency Management Reform Act and FY 2007 DHS appropriations, credentialing, and information and resource management.

Increase and Standardize the Management Cost Allowance for States

Background

The *Disaster Mitigation Act of 2000* (P.L.106-390) directed FEMA to establish management cost rates for public assistance (PA) and the Hazard Mitigation Grant Program (HMGP) for State and local governments. The legislative intent was to transfer program responsibility from FEMA to the States. In return for accepting additional program management responsibilities the States were authorized to receive higher management cost allowances. FEMA subsequently issued an Interim Final Rule on State Management Costs establishing a flat rate for the PA Program at 3.34 percent and a flat rate for the HMGP at 4.89 percent.

FEMA's interim final rule runs counter to P.L.106-390 and will not allow States to fully recover their actual costs of managing these programs during a presidentially declared disaster. The rates established by FEMA are unrealistic and unreasonable given the cost and complexity of disasters and the expectations of disaster victims for State and local governments. Furthermore, the Interim Final rule places a greater administrative burden on States to monitor and track administrative costs. The methodology used by FEMA to establish the rates failed to include costs for major disasters that occurred in 2004 and 2005, and did not include management and administrative costs previously eligible. These limits in eligibility stand in conflict with statutory language of the Stafford Act.

Talking Points

- A FEMA Interim Final Rule regarding flat rates for PA Programs and HMGP run counter to the legislative intent of the *Disaster Mitigation Act of 2000*.
- The existing rates of 3.34 percent for the PA Program and 4.89 percent for HMGP remain arbitrary and inconsistent with other comparable grant programs.
- Adopting a flat rate of 10 percent will make the management cost allowance for states for reasonable and bring the policy in line with other Federal grant programs such as Federal Highway Administration grants, the Byrne grant program, and the Low Income Home Energy Assistance Program.

Requested Action

- NEMA recommends Congress clarify the legislative intent of the *Disaster Mitigation Act of 2000* to specifically allow states to utilize management and administrative costs for all intended purposes and allow states reimbursement for the true costs of managing disasters.
- Encourage or require FEMA to adopt a flat rate of 10 percent consistent with the rates of comparable Federal grant programs and other FEMA grant programs such as Pre-Disaster Mitigation, Flood Mitigation Assistance, Repetitive Flood Claims, and Severe Repetitive Loss

Coordinate Stafford Act Changes with the Emergency Management Community

Background

The *Robert T. Stafford Disaster Relief and Emergency Assistance Act* (Stafford Act) authorizes the President to issue a major disaster declaration to speed a wide range of federal aid to states determined to be overwhelmed by hurricanes or other catastrophes. Financing for the aid is appropriated to the Disaster Relief Fund (DRF) and administered by DHS and FEMA. Funds appropriated to the DRF remain available until expended which makes it a “no year account.” The Stafford Act authorizes temporary housing, grants for immediate needs of families and individuals, repair of public infrastructure, emergency communications systems, and other forms of assistance.

Since the Stafford Act provides the President with permanent authority to direct federal aid to stricken states, Congress need not enact new legislation to meet immediate needs, but will occasionally address program reauthorization within the Stafford Act such as current legislation H.R. 3377. While NEMA stands supportive of many provisions of H.R. 3377, it remains imperative the Association be consulted should any more broad changes to the Stafford Act be considered.

Talking Points

- There is no current effort to affect broad changes to the Stafford Act, but H.R. 3377 addresses reauthorization requirements of some provisions to which NEMA is generally supportive:
 - Section 101 reauthorizing the Pre-Disaster Mitigation Program
 - Section 102 to authorize the Integrated Public Alert and Warning System (IPAWS) through the Stafford Act and to continue the programmatic relationship with FEMA.
 - Section 105 to authorize the nation’s Urban Search and Rescue System through the Stafford Act and allow FEMA the ability to continue managing the program.
 - Section 302 to reauthorize the Emergency Management Assistance Compact (EMAC).

Requested Action

- Should more broad changes to the Stafford Act be considered, NEMA should be utilized as a resource for consultation.

Obtain Allowance for FEMA to Reinstitute the PA Pilot Program

Background

Section 689j of the *Post Katrina Emergency Management Reform Act* (PKEMRA, P.L. 109-295) directs FEMA to conduct a Public Assistance (PA) Pilot program. The law established three goals for the PA Pilot program: (1) reduce the costs to the Federal Government of providing assistance to state and local governments, (2) increase flexibility in grant administration, and (3) expedite the provision of assistance to states and local governments.

FEMA instituted the program from June 1, 2007, with the priorities to:

- Provide grants based on estimates for large projects up to \$500,000.
- Provide an additional five percent federal cost share, not to exceed 100 percent, to applicants that had a FEMA-approved debris management plan and at least two pre-qualified debris and wreckage removal contractors identified prior to the disaster.
- Allow applicants to retain any revenue from the salvage of recyclable disaster debris as an incentive to recycle debris.
- Reimburse the straight- or regular-time salaries of an applicant's permanently employed staff that performed debris-related activities.

The PA Pilot Program ended on December 31, 2008, pending a report by FEMA to Congress. FEMA officially submitted the required report on May 20, 2009. During the program period, 3,965 applications in 78 disasters participated in at least one procedure of the Pilot Program. The PA Pilot Program was not an independently funded grant program, but rather a means by which to disperse funds from the Disaster Recovery Fund.

Talking Points

- The PA Pilot Program ended December 31, 2008, and was a successful means of dispersing the Disaster Recovery Fund.
- As Congress considers restarting the program, flexibility and the ability to "opt-in" should be maintained.
- The program allows applicants adopting debris management plans prior to a disaster to initiate post-disaster debris removal operations more rapidly than those without existing plans.

Requested Action

- Congress should allow FEMA to reinstitute the PA Pilot Program for a fixed period of time to facilitate further analysis of the program with the option of making it a permanent program within FEMA's portfolio.

Upgrade EOC's for the 21st Century

Background

Emergency Operation Centers (EOC) serve as the nerve center and coordination point for state and local coordination during disasters and emergencies. There continues to be a shortfall in the ability for states to build, retrofit, and upgrade state primary and alternate EOCs. The 2010 NEMA Biennial Report revealed that an estimated \$398 million would be needed to build, retrofit, and upgrade state primary and alternate EOCs. In addition, when considering the needs to build, retrofit, and upgrade local primary and alternate EOCs as well, the overall requirement is approximately \$1.3 billion.

The current EOC Grant Program is intended to improve emergency management and preparedness capabilities by supporting flexible, sustainable, secure and interoperable EOCs with a focus on addressing identified deficiencies and needs. This program provides funding for construction or renovation of a state, local or tribal governments' principal EOC. Fully capable emergency operations facilities at the state and local levels are an essential element of a comprehensive national emergency management system and are necessary to ensure continuity of operations and continuity of government in major disasters caused by any hazard. This program has become severely diluted, however through Congressional earmarks preventing funds from reaching the most critical projects as determined by state officials.

Talking Points

- There continues to be a shortfall in the ability for states to build, retrofit, and upgrade primary and alternate EOCs.
- An additional \$398 million will be needed to complete needed EOC updates.
- The EOC Grant Program at FEMA provides funding for construction or renovation of a state, local or tribal governments' principal EOC.
- While appreciated, the effectiveness of the current EOC Grant Program is severely diminished through Congressional earmarks.

Requested Action

- Congress should make a commitment to address EOC deficiencies as identified by the state.
- Continue to make clear that EMPG funds can be utilized for improvements to EOC as intended by the authorizing language in the Stafford Act.