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July 10, 2017

The Honorable Paul Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Ryan and Minority Leader Pelosi:

On behalf of the National Emergency Management Association (NEMA), I write to you concerning H.R. 2936, *the Resilient Federal Forests Act of 2017*. We have serious concerns about provisions in H.R. 2936 that will undermine the basic premise of federal disaster assistance in this country and will have a severe impact on FEMA's resources available to support state and local disaster response and recovery.

As you know, the Disaster Relief Fund (DRF) is FEMA's primary source of funding for disaster assistance to state, local, and tribal governments, and certain private nonprofits. The purpose of this funding is to assist states, localities, and tribes after a disaster, and it has proven crucial to help them effectively respond to events and quickly begin the recovery process.

The Budget Control Act (BCA) fundamentally changed the Federal Government's approach to disaster funding from a reactive posture to a proactive one but that stability is now at risk. The BCA created a sequestration-exempt Disaster Relief Allowable Adjustment ('Disaster Cap') to provide funding for Major Disasters declared under the Stafford Act. FEMA now receives sufficient funding through its annual appropriation to support disaster needs in all but the most extreme years.

The amount of funding that can be appropriated for disaster relief under the Disaster Cap without triggering sequestration is limited by a formula dictated by the BCA. While the formula has generally proved sufficient to support the DRF's requirements to date, it has resulted in a sharply decreasing Cap because historically-high appropriation years have aged-out and more recent historically-high appropriation years are excluded. The Disaster Cap has fallen from a high of \$18.4B in FY15, to a low of \$8.1B in FY17. In FY18, FEMA projects the Cap will fall to \$7.4B, and by FY19 it will fall again to somewhere between \$6.8B-\$7.3B. Unfortunately, the Cap's formula creates a downward ratchet that allows the Cap to fall, but not to increase because only funds appropriated under the Cap count toward the calculation of the average. We believe that the Disaster Cap is no longer



sufficient to support the annual needs of FEMA's DRF (about \$8B annually), and that we have returned to a point where FEMA will need emergency supplementals on a regular basis. In a tough legislative climate, supplementals are not guaranteed and could require FEMA to halt critical assistance in the middle of recovery, stranding communities across the country.

Title X of H.R. 2936 will significantly change the structure and purpose of the Stafford Act by permitting the transfer of funds from the Disaster Cap to the Departments of Interior and Agriculture for wildfire suppression activities on federal lands. This would mark a dramatic change and expansion to this funding, as until now major disaster funding has been directed at assistance for state, local and tribal response and recovery. Moreover, this change would set a troubling precedent, as additional agencies will likely similarly seek to use Disaster Cap funding to fund other federal activities. This will put further stress and create additional demands on the Disaster Cap while providing no relief with regards to the insufficient Disaster Cap space projected under the existing formula.

The bill leaves unclear the extent to which the new authority will impact Disaster Cap space and the ambiguity is troubling. The language: (1) does not limit the amount of funding that can be appropriated for wildfire suppression under the Disaster Cap; (2) does not specify the methodology by which the President will request funding for the Wildfire Suppression Operations Account; (3) does not specify the methodology by which Agriculture and Interior will assess the impending insolvency of wildfire accounts; and (4) does not detail a requirement for Agriculture and Interior to obligate discretionary funding for wildfire suppression before accessing funding appropriated under the Disaster Cap.

NEMA recognizes the importance of providing appropriate funding for fighting wildland fires on federal lands. These fires have consequences for the whole community, and our federal partners should receive the support and assistance they need. However, we believe that funding for this need should be provided directly to agencies with responsibility for this issue—rather than by creating complicated changes to the Disaster Cap that change and expand the purpose of these funds. We would like to work with you to craft alternative solutions to this problem.

If you need any additional information or have any questions please do not hesitate to contact Alexa Noruk, NEMA Director of Government Relations at (202) 624-5459. Thank you.

Sincerely,



Wendy Smith Reeve
President, National Emergency Management Association
Director, Arizona Division of Emergency Management

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