



LEGISLATIVE UPDATE

FY21 Administration Request

TO: NEMA State Directors
FROM: NEMA Legislative Committee
DATE: February 11, 2020
SUBJECT: FY21 Administration Budget Request

On Monday, the White House released a \$4.8 trillion budget proposal for FY21. The budget touts priorities such as rebuilding the military, securing the border, protecting the economy from external threats (ie, protecting intellectual property), and ensuring energy independence. The \$1.9 trillion in spending cuts to non-defense discretionary programs, however, hits particularly hard those programs within the Department of Homeland Security (DHS) not related to border security.

DHS-WIDE SUMMARY

Coming in at \$49.8 billion, the first major difference from the FY20 enacted appropriations bill is the absence of \$2.7 billion reflecting a requested move of the United States Secret Service (USSS) out of DHS and back to the Department of the Treasury. Highlights include:

- \$1.2 billion increase for Customs and Border Protection including funds for new border wall, personnel, technology, and equipment;
- \$2 billion increase for Immigration and Customs Enforcement including funds for detention facilities, personnel, and technology;
- \$254 million in reductions to the Cybersecurity and Infrastructure Security Agency;
- \$1.1 billion for Coast Guard shipbuilding;
- \$200 million for the continued construction of the consolidated DHS Headquarters on the St. Elizabeths Campus in Washington, D.C., and;
- \$835 million reduction to the Federal Emergency Management Agency (FEMA) state and local programs.

Federal Emergency Management Agency (FEMA)

The request includes \$14.53 billion for FEMA, an overall decrease of \$12.48 billion, the majority of which is from a reliance on future supplementals to sustain the Disaster Relief Fund (DRF). A breakdown of the major proposals in the request include:

Operations & Support

- *Emergency Management Assistance Compact (EMAC)*. The request proposes to eliminate the \$2 million in funding for EMAC and instead FEMA intends to:

- Further the data interoperability between NEMA’s Mutual Aid Support System (MASS) and EMAC Operating System with FEMA’s One Responder.
 - Continually review and improve the EMAC data analysis for the improvement of the core capabilities that stabilizes community lifelines, and;
 - Support the National Qualification System (NQS) by providing a mechanism within the EMAC Operating System to deploy qualified NQS personnel through EMAC.
- *NQS.* Despite the reliance on NQS to justify the elimination of EMAC funding, FEMA also does not request any additional funding for this program in FY21, instead indicating an ability to complete work using remaining FY20 funds.
 - *Predisaster Mitigation.* The request addresses the new construct for predisaster mitigation. The Disaster Recovery Reform Act (DRRA) established the National Public Infrastructure Pre-Disaster Hazard Mitigation program, which allows FEMA to set aside up to six percent of estimated disaster expenses for each major disaster to fund a new grant program: Building Resilient Infrastructure and Communities (BRIC). The budget notes how BRIC is a competitive grant program and will also aim to measurably reduce the future need for Federal disaster assistance by targeting high-risk areas. FEMA is responsible for completing funding estimates and that process is not yet complete for FY21.
 - *Personnel.* Several requests for increased personnel are included for activities such as expanding the investment in the adoption and enforcement of modern building codes, staffing IPAWS, hiring in the regions, and meeting the requirements of implementing the Disaster Recovery Reform Act (DRRA).
 - *FEMA Integration Teams.* \$3.8 million (an increase of \$2 million over FY20 enacted) for FEMA Integration Teams (FIT). FEMA expects this program to reach 47 FTE with a program cost of \$7.5 million in FY21.
 - *Dams and Earthquake Programs.* Sustain FY20 enacted funding levels for the National Dam Safety Program (\$8.7 million) and National Earthquake Hazard Reduction Program (\$7.3 million)
 - *Flood Insurance.* Similar to the proposal for FY20, the administration repeats a request for reforms to the National Flood Insurance Program (NFIP) and a targeted means-tested affordability program to offer premium assistance based on income or ability to pay, rather than location or date of construction.

Federal Assistance

- *Preparedness Grants.* A chart outlining funding levels for all the grant programs is included with this summary. The request includes reductions to all preparedness grants citing how “[w]hile sustainment of existing capabilities is important, addressing emergent threats and hazards suffers when significant portions of funds are budgeted exclusively for sustainment purposes.” This is an obvious reference to the proposed resilience grant (see below).
- *Preparedness Grant Cost-Share.* The request proposes a 25 percent cost share for the State Homeland Security Program, Urban Area Security Initiative, and Transit Security Grant Program.

- *New Security & Resilience Grant.* The request includes \$407 million for a never previously funded National Security and Resilience Grant (NSRG) Program (formerly named National Priorities Security Grant Program). The full justification to Congress is included here since no additional details are provided:

The NSRG Program will review gaps that are not being adequately addressed through existing preparedness grant programs. It will contribute to the development of a culture of preparedness through lessons learned from catastrophic disasters and terrorist incidents. NSRG is designed to help address the dynamic risk environment by introducing an agile program informed by lessons learned from catastrophic disasters, terrorist incidents, and other incidents. Funding this program will create a set of national priorities that drive innovative solutions and investments to address emerging threats. States will continue to use traditional funding sources to maintain and build other preparedness capabilities; however, to ensure the program reflects the current threat landscape, the program's priorities will be assessed frequently and will shift as needed.

- *Training & Education.* The request includes a decrease of \$127 million, which eliminates all funding for the Center of Homeland Defense and Security (\$18 million), Continuing Training Grants (\$8 million), and National Domestic Preparedness Consortium (\$101 million). The justification cites duplication of programs and the preference for states and locals to fund their own training needs.
- *RiskMAP.* The proposed \$163 million decrease is to “allow FEMA to focus available resources on implementing higher priority DHS and FEMA missions.”

Disaster Relief Fund

- *DRF Estimates.* The FY21 request includes \$5 billion in funding for the DRF to cover the costs expected to obligate in 2021. This amount is a placeholder and will likely increase dramatically between now and the completion of the appropriations process. The full amount available under the disaster cap for FY21 is \$15.3 billion.
- *Review of Disaster Relief.* The budget request includes the call for a comprehensive examination of all Federal disaster relief and recovery programs to consider how the nation can speed-up recovery and improve long-term outcomes; balance stakeholder incentives and responsibilities, and; reduce costs to the Federal Government.
- *Changes to Public Assistance.* The request supports phasing out Federal spending on certain public buildings and equipment following a disaster under FEMA's Public Assistance program. The legislative proposal is in the concurrence process, but language in the budget seems to indicate support for eliminating Category E funding, citing:

“FEMA's current program is a no-limit, no-premium insurance policy for State and local governments, which disincentivizes self-protection and burdens taxpayers with the risky decisions made by State and local governments. Eliminating this assistance will encourage State and local governments to more responsibly manage their risk, including better land management and planning, purchasing insurance, and/or investing in mitigation.”

- *Changes to Individual Assistance.* The request supports a non-Federal cost-share of 25 percent for FEMA's Individuals and Households Program and projects an annual savings of \$383 million. The legislative proposal is in the concurrence process.
- *Per-Capita Indicator.* The request supports a regulatory change to adjust the per capita indicator to account for years when the indicator was not adjusted for inflation (1968-1999). This would increase the per capita indicator to \$2.30. The regulation would also increase the \$1 million minimum threshold for inflation to \$1.509 million.

NON-FEMA DISASTER PROGRAMS

- *Small Business Loans.* In 2019, the Small Business Administration (SBA) approved more than 42,000 disaster loans totaling over \$2.2 billion. The request provides continued support for these efforts and includes new information technology investments that would improve customer service and reduce the burden on disaster survivors.
- *Housing and Urban Development.* The proposal requests no funding for the Community Development Block Grant (CDBG) Program and recommends a reexamination of the CDBG-Disaster Recovery (CDBG-DR) program, its role in disaster recovery, and its impact on Federal disaster spending.
- *U.S. Army Corps of Engineers.* The request includes \$50 million in the Flood Control and Coastal Emergencies Account, and \$50 million in the Harbor Maintenance Trust Fund for emergency response work following flood-related disaster declarations.

USEFUL LINK:

[FY21 Budget in Brief](#) (DHS begins on page 55)

This summary is provided courtesy of the NEMA Legislative Committee. Should you have any questions, please contact:

Matt Cowles, NEMA Deputy Director; 202-624-5459; mcowles@csg.org
Lauren Goodwillie, Policy Analyst; 202-624-5458; lgoodwillie@csg.org

**FEDERAL EMERGENCY MANAGEMENT AGENCY
Summary**

<i>(in millions)</i>	FY20 Enacted	FY21 Request
Operations & Support	1,102	1,134
Procurement, Construction, and Improvements	133	87
Federal Assistance	3,188	2,483
State Homeland Security Grant Program	560	332
<i>Operation Stonegarden</i>	(90)	*
<i>Tribal Homeland Security Grants</i>	(15)	*
<i>Non-Profit Security Grant Program</i>	(40)	*
Urban Area Security Initiative	665	426
<i>Non-Profit Security Grant Program</i>	(50)	*
Public Transportation Security Assistance	100	36
Port Security	100	36
Assistance to Firefighters (SAFER/AFG)	710	689
Emergency Management Performance Grants (EMPG)	355	279
National Priorities Security Grant	0	407
RiskMAP	263	100
Regional Catastrophic Preparedness Grants	10	0
High Hazard Potential Dams	10	0
Emergency Food & Shelter	125	#
Targeted Violence and Terrorism Prevention	10 ^{&}	20
Training & Exercises	280	157
<i>Center for Domestic Preparedness</i>	(67)	(67)
<i>Center for Homeland Defense and Security</i>	(18)	(0)
<i>Emergency Management Institute</i>	(21)	(20)
<i>U.S. Fire Academy</i>	(47)	(50)
<i>National Domestic Preparedness Consortium</i>	(101)	(0)
<i>Continuing Training</i>	(8)	(0)
<i>National Exercise Program</i>	(19)	(19)
Disaster Relief Fund (DRF)	17,863	5,653
Base Disaster Relief	511	593
Disaster Cap Adjustment	17,352	5,060
<i>Rescission of Prior Year Funds</i>	(300)	(0)

* Provides discretion to the Secretary in lieu of specifying funding amounts

Requests program be shifted to other homelessness/housing programs at the Department of Housing & Urban Development

& Funded in the Office of the Secretary with direction for FEMA to administer