NEMA® Response and Recovery Committee

National Recovery Program Reform Recommendations

Reform Principle: States are prepared to take on greater responsibility for disaster recovery. That responsibility, however, must be matched with the authority, capacity, resources, flexibility, and federal support necessary to succeed. FEMA recovery reform should shift from a model centered on federal control and administrative compliance to one grounded in partnership, state flexibility, risk-based accountability, shared outcomes, and strong federal support when disasters exceed state and local capabilities. The objective should not simply be to make the system faster. It should make disaster assistance simpler, more consistent, more flexible, more predictable, and better at getting the right assistance to the right place the first time.

Build a True Federal-State Partnership

Recommendation: *Reorient FEMA's recovery programs around partnership, service, expertise, and shared outcomes rather than primarily compliance and transaction management.*

States should experience FEMA as a knowledgeable partner that helps navigate complex requirements, resolve issues early, and achieve successful recovery outcomes. Accountability and program integrity should remain strong, but they should be paired with responsiveness, consistency, problem-solving, and customer service.

Why this matters: States can lose significant time and resources when federal guidance is inconsistent, difficult to obtain, or focused primarily on identifying deficiencies rather than helping resolve them. Frequent turnover or insufficiently trained federal personnel can also force applicants to repeatedly explain project histories, resubmit documentation, or reconcile conflicting guidance.

What this means in practice:

- Establish clear FEMA standards for responsiveness, communication, escalation, and resolution.
- Strengthen program-specific training and continuity for Program Delivery Managers (PDMGs) and other recovery personnel.
- Preserve institutional knowledge by retaining staff through critical phases of a disaster whenever feasible.

- Establish mechanisms for regular state/applicant input and use that feedback to improve program delivery.
- Improve coordination across federal disaster assistance programs and help states leverage available federal resources.

Pair Greater State Responsibility with Federal Capacity and Support

Recommendation: *Give states greater responsibility and flexibility while ensuring that responsibility is matched by federal resources, authority, technical assistance, technology, training, management support, and surge capacity.*

State-led recovery should not become state-alone recovery. State capabilities vary significantly in staffing, technology, financial resources, legal authorities, and disaster experience. The federal government should therefore support multiple pathways to state implementation rather than assuming a single model will work everywhere.

Why this matters: It is not cost-effective for every state and territory to maintain specialized capabilities independently, as these capabilities may only be needed during catastrophic disasters. FEMA's national capacity, including specialized expertise, catastrophic housing capability, call centers, inspections, logistics, and surge staffing, remains an important form of federal support.

Similarly, transferring eligibility determinations, environmental reviews, audits, applicant technical assistance, financial oversight, damage validation, or other responsibilities to states creates real staffing and administrative costs. Much of this also shifts the risk to the states; for example, federal regulations on code compliance and environmental compliance do not disappear when states must handle these activities.

What this means in practice:

- Assess state capacity before transferring major responsibilities.
- Clearly define who is responsible for each type of compliance (EHP, fraud, etc.). For each compliance responsibility that FEMA shifts to the states, FEMA must ensure that states are trained as they perform the work on its behalf.
- Provide adequate funding for staffing, technology, training, administration, and management.
- Allow implementation models to reflect different levels of state capacity.
- Maintain federal surge and catastrophic capabilities for events that exceed state capacity.
- Establish transition periods and readiness requirements before major responsibilities shift.

Preserve the Federal Mission of Disaster Recovery Programs and Make Funding Follow Risk and Need

Recommendation: *Maintain the federal government's role as the financial and operational backstop for disasters that exceed the capacity of state, tribal, territorial, or local governments, while making assistance more predictable and responsive to actual conditions*.

Federal assistance should remain focused on significant events, but declaration and cost-share policies should recognize the realities of modern disasters, including cumulative impacts, localized catastrophic events, extraordinary infrastructure consequences, insurance conditions, and varying state capacity.

Why this matters: A single annual expenditure threshold or other arbitrary measure may not reflect whether a disaster has exceeded a community's ability to respond and recover. A rural disaster, for example, may have lower aggregate damage numbers while still overwhelming the affected community. Likewise, considering insurance as a measure of capacity without accounting for underinsurance could unintentionally penalize responsible policyholders. It is equally important to consider home rule states that have little control over the financial decisions municipalities/locals make.

What this means in practice:

- Preserve an incident-based declaration process that considers severity, concentration, consequences, and available capacity.
- Account for cumulative and concurrent disasters.
- Avoid annual state spending requirements as a prerequisite for federal assistance.
- Consider state investments in preparedness, mitigation, building codes, fiscal stewardship, and program performance when structuring cost share and oversight.
- Preserve federal catastrophic housing and other surge capabilities.
- Ensure insurance considerations account for underinsurance and actual community damage impacts.

Replace Administrative Speed with Quality, Consistency, and Risk-Based Accountability

Recommendation: *Redefine efficiency as getting the right answer faster, not simply processing more applications, projects, or decisions*.

FEMA should reduce duplicative administrative requirements and establish consistent national standards while allowing states greater flexibility in how assistance is delivered. Oversight should be proportional to risk and demonstrated performance.

Why this matters: An inaccurate decision made quickly is not an efficient decision. Inconsistent Consolidated Resource Centers (CRC) determinations, regional reversals, or incomplete guidance can require states and applicants to redo work, appeal decisions, delay construction, and incur additional costs. Likewise, treating every project as equally risky creates unnecessary federal workload without necessarily improving program integrity.

What this means in practice:

- Establish tiered oversight based on recipient and project risk.
- Use streamlined or state-certified review for lower-risk work.
- Target federal validation toward moderate and higher-risk projects.
- Use demonstrated performance to reduce administrative requirements for strong-performing recipients.
- Eliminate duplicative reviews and leverage state systems where appropriate.
- Evaluate Validate As You Go on whether it improves accountability without creating unnecessary delays or workload.
- Measure performance using quality, accuracy, timeliness, and resolution; not processing volume alone.

Give FEMA and States the Flexibility to Manage Reality

Recommendation: *Design recovery programs around the reality that disaster projects, costs, and circumstances change*.

FEMA should provide controlled mechanisms to revise projects, adjust classifications, account for actual eligible costs, and address material changes without forcing states and applicants into lengthy appeals simply because the original project assumptions no longer apply.

Why this matters: Disaster recovery is inherently dynamic. A project that appears to fit one category at the outset may ultimately require substantially different work or incur substantially different costs. Historically, mechanisms existed to convert or version certain projects when justified. Removing those tools can shift manageable program adjustments into appeals, rework, and additional administrative costs.

What this means in practice:

- Restore appropriate project versioning and adjustment mechanisms.
- Allow justified changes between small and large project categories.
- Permit reimbursement based on documented actual eligible costs where appropriate.
- Create controlled flexibility within the program rather than requiring appeals when legitimate circumstances change.
- Establish reliance protection when applicants reasonably act in good faith based on written FEMA guidance or approved determinations, absent fraud, material misrepresentation, changed facts, or clear statutory prohibition.

Make Recovery Survivor and Applicant Centered, and Manage Change Predictably

Recommendation: *Simplify the disaster assistance system around the needs of survivors, communities, and applicants, while making major program changes predictable and implementable*.

The ultimate measure of recovery performance should be whether assistance reaches the right people, at the right time, for the right need; not whether FEMA has successfully completed a series of administrative steps.

Why this matters: States are often responsible for translating federal programs into real-world assistance. Abrupt policy changes, new thresholds, insufficient implementation guidance, limited data access, and delays between federal programs can create gaps that ultimately affect survivors. For example, a change that takes effect immediately can affect thousands of projects already in development or construction before states have the technology, staffing, training, or guidance necessary to implement it.

What this means in practice:

- Establish a formal state consultation and implementation-readiness process for significant program changes prior to implementation of a program.
- Provide adequate lead time, testing, guidance, training, and transition periods.
- Improve transparency and predictability around Individual Assistance declarations.
- Provide states with appropriate, secure, role-based access to survivor information needed for coordinated recovery.
- Address delays and gaps between sheltering, temporary housing, Disaster Case Management, and long-term recovery.
- Use equitable assistance methodologies that account for regional costs and housing market conditions.

- Account for the significantly longer recovery timelines associated with catastrophic home destruction.

Conclusion: The Bottom Line

The goal of reform should not be simply to shift responsibility from FEMA to the states or to expedite disaster assistance. The goal should be to build a system in which responsibility follows capacity, funding follows responsibility, accountability follows risk, and federal support remains available when disasters exceed state capabilities. States and territories agree that national recovery reform is necessary. Reform without engagement from those responsible for implementation (i.e. states and territories) is a recipe for failure. The history of prior attempts at FEMA reform is that FEMA promulgated policy changes, attempted to implement them, but made programs more complex, laden with additional bureaucracy, and prone to new failures. Any good organizational change theorist or practitioner will tell us that outcomes will be better if we collectively engage in policy development to secure lasting implementation.