AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

DISASTER MITIGATION: REDUCING COSTS AND SAVING LIVES

(113–64)

HEARING

BEFORE THE

SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND
EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

APRIL 3, 2014

Printed for the use of the
Committee on Transportation and Infrastructure

Available online at: http://www.gpo.gov/fdsys/browse/
committee.action?chamber=house&committee=transportation

U.S. GOVERNMENT PRINTING OFFICE

87–433 PDF WASHINGTON : 2014

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2104 Mail: Stop IDCC, Washington, DC 20402–0001

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

BILL SHUSTER, Pennsylvania, *Chairman*

DON YOUNG, Alaska
THOMAS E. PETRI, Wisconsin
HOWARD COBLE, North Carolina
JOHN J. DUNCAN, JR., Tennessee, *Vice Chair*
JOHN L. MICA, Florida
FRANK A. LOBIONDO, New Jersey
GARY G. MILLER, California
SAM GRAVES, Missouri
SHELLEY MOORE CAPITO, West Virginia
CANDICE S. MILLER, Michigan
DUNCAN HUNTER, California
ERIC A. "RICK" CRAWFORD, Arkansas
LOU BARLETTA, Pennsylvania
BLAKE FARENTHOLD, Texas
LARRY BUCSHON, Indiana
BOB GIBBS, Ohio
PATRICK MEEHAN, Pennsylvania
RICHARD L. HANNA, New York
DANIEL WEBSTER, Florida
STEVE SOUTHERLAND, II, Florida
JEFF DENHAM, California
REID J. RIBBLE, Wisconsin
THOMAS MASSIE, Kentucky
STEVE DAINES, Montana
TOM RICE, South Carolina
MARKWAYNE MULLIN, Oklahoma
ROGER WILLIAMS, Texas
MARK MEADOWS, North Carolina
SCOTT PERRY, Pennsylvania
RODNEY DAVIS, Illinois
MARK SANFORD, South Carolina
DAVID W. JOLLY, Florida

NICK J. RAHALL, II, West Virginia
PETER A. DEFAZIO, Oregon
ELEANOR HOLMES NORTON, District of Columbia
JERROLD NADLER, New York
CORRINE BROWN, Florida
EDDIE BERNICE JOHNSON, Texas
ELIJAH E. CUMMINGS, Maryland
RICK LARSEN, Washington
MICHAEL E. CAPUANO, Massachusetts
TIMOTHY H. BISHOP, New York
MICHAEL H. MICHAUD, Maine
GRACE F. NAPOLITANO, California
DANIEL LIPINSKI, Illinois
TIMOTHY J. WALZ, Minnesota
STEVE COHEN, Tennessee
ALBIO SIRES, New Jersey
DONNA F. EDWARDS, Maryland
JOHN GARAMENDI, California
ANDRÉ CARSON, Indiana
JANICE HAHN, California
RICHARD M. NOLAN, Minnesota
ANN KIRKPATRICK, Arizona
DINA TITUS, Nevada
SEAN PATRICK MALONEY, New York
ELIZABETH H. ESTY, Connecticut
LOIS FRANKEL, Florida
CHERI BUSTOS, Illinois

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

LOU BARLETTA, Pennsylvania, *Chairman*

THOMAS E. PETRI, Wisconsin
JOHN L. MICA, Florida
ERIC A. "RICK" CRAWFORD, Arkansas
BLAKE FARENTHOLD, Texas, *Vice Chair*
MARKWAYNE MULLIN, Oklahoma
MARK MEADOWS, North Carolina
SCOTT PERRY, Pennsylvania
MARK SANFORD, South Carolina
BILL SHUSTER, Pennsylvania *(Ex Officio)*

ANDRÉ CARSON, Indiana
ELEANOR HOLMES NORTON, District of Columbia
MICHAEL H. MICHAUD, Maine
TIMOTHY J. WALZ, Minnesota
DONNA F. EDWARDS, Maryland
RICHARD M. NOLAN, Minnesota
DINA TITUS, Nevada
NICK J. RAHALL, II, West Virginia *(Ex Officio)*

CONTENTS

Page

Summary of Subject Matter iv

TESTIMONY

David Miller, Associate Administrator, Federal Insurance and Mitigation Administration, Federal Emergency Management Agency 4
Hon. Linda Langston, president, National Association of Counties, and supervisor, Linn County, Iowa 4
Bryan Koon, vice president, National Emergency Management Association, and director, Florida Division of Emergency Management 4
Chad Berginnis, CFM, executive director, Association of State Floodplain Managers 4

PREPARED STATEMENTS SUBMITTED BY WITNESSES

David Miller 34
Hon. Linda Langston 45
Bryan Koon 55
Chad Berginnis, CFM 62

SUBMISSIONS FOR THE RECORD

Hon. Linda Langston, president, National Association of Counties, and supervisor, Linn County, Iowa:
- Response to request for information from Hon. Mark Meadows, a Representative in Congress from the State of North Carolina 21
- Answer to question for the record from Hon. Lou Barletta, a Representative in Congress from the State of Pennsylvania 53

Bryan Koon, vice president, National Emergency Management Association, and director, Florida Division of Emergency Management:
- Response to request for information from Hon. Mark Meadows, a Representative in Congress from the State of North Carolina 22
- Answers to questions for the record from Hon. Lou Barletta, a Representative in Congress from the State of Pennsylvania 60

Committee on Transportation and Infrastructure
U.S. House of Representatives

Bill Shuster Chairman	Washington, DC 20515	Nick J. Rahall, II Ranking Member
Christopher P. Bertram, Staff Director	March 28, 2014	James H. Zoia, Democrat Staff Director

SUMMARY OF SUBJECT MATTER

TO:	Members, Subcommittee on Economic Development, Public Buildings, and Emergency Management
FROM:	Staff, Subcommittee on Economic Development, Public Buildings, and Emergency Management
RE:	Subcommittee Hearing on Disaster Mitigation: Reducing Costs and Saving Lives

PURPOSE

The Subcommittee on Economic Development, Public Buildings, and Emergency Management will meet on Thursday, April 3, 2014, at 10:00 a.m. in 2167 Rayburn House Office Building to receive testimony related to disaster mitigation and how mitigation can reduce costs and save lives. At this hearing, the Subcommittee will hear from the Federal Emergency Management Agency and state and local representatives and organizations.

BACKGROUND

Disaster Mitigation

Disaster mitigation includes actions taken to reduce loss of life and property by lessening the impact of disasters. Effective mitigation acts to minimize the potential loss from a disaster based on identifying and understanding the risks in a given area or community. Mitigation can encompass a wide variety of activities, including preparation and planning, elevating or moving structures prone to flooding, hardening structures to mitigate effects of hurricanes or earthquakes, and establishing building codes and zoning ordinances.

Mitigation not only saves lives but has been shown to also reduce disaster costs by minimizing damage from a disaster. For example, pursuant to a requirement of the Disaster Mitigation Act of 2000, the Congressional Budget Office (CBO) completed an analysis on the reduction in federal disaster assistance as a result of mitigation efforts.[1] That study examined mitigation projects funded from 2004 to mid-2007. CBO found that of the nearly $500 million

[1] "Potential Cost Savings from the Pre-Disaster Mitigation Program," Congressional Budget Office, September 2007.

invested through Pre-Disaster Mitigation (PDM) grants, future losses were reduced by $1.6 billion for an overall ratio of 3 to 1. In essence, for every dollar invested in mitigation, $3 were saved. CBO's analysis reaffirmed a prior study commissioned by FEMA and conducted by the Multihazard Mitigation Council of the National Institute of Building Sciences that concluded, in 2005, each dollar spent on mitigation saves $4 in future losses due to disasters.[2]

Federal programs such as FEMA's Hazard Mitigation Grant Program (HMGP) and PDM help provide some of the investment needed to help communities in disaster mitigation. HMGP provides grants to state and local governments to rebuild after a disaster in ways that are cost-effective and reduce the risk of future damage, hardship, and loss from all hazards. FEMA also provides grants under HMGP to assist families in reducing the risk to their homes from future disasters, through such steps as elevating the home or purchasing the home to remove it from the floodplain.

On January 29, 2013, the Sandy Recovery Improvement Act (SRIA) was signed into law. That Act, drafted by the Committee, incorporated significant reforms to reduce overall costs of disasters and expedite funding for mitigation activities to ensure communities devastated by disasters could rebuild faster and smarter. Specifically, SRIA authorized FEMA to advance up to 25 percent of HMGP funds to communities impacted by major disasters. The purpose is to ensure communities have the resources needed upfront to incorporate mitigation as they rebuild.

While HMGP provides funding post-disaster, the PDM program provides funds to states, territories, Indian tribal governments, communities, and universities for hazard mitigation planning and the implementation of mitigation projects prior to a disaster event. Funding these plans and projects reduces overall risks to the population and structures, while also reducing reliance on funding from actual disaster declarations. On October 10, 2013, Ranking Member Carson introduced H.R. 3282 to reauthorize the PDM program through fiscal year 2018.

Reducing the Impact and Costs to Communities and Individuals

In addition to HMGP and PDM, there are other mitigation programs that can assist communities in mitigating against specific disasters, such as the Hazard Mitigation Assistance and Severe Repetitive Loss programs under the National Flood Insurance Program (NFIP). In addition, while these grant programs can be effective in reducing costs to communities and the federal taxpayer, there are other actions communities can take to mitigate against disasters and reduce costs.

FEMA's Community Rating System (CRS) program, for example, is a voluntary program that encourages communities across the Nation to exceed the minimum standards set under the National Flood Insurance Program (NFIP). CRS was established in 1990, and today nearly 3.8 million policyholders in 1,296 communities participate in the CRS. These communities participate by implementing local mitigation, floodplain management, and outreach activities. The benefits to communities participating in the CRS not only include creating a safer community by improving mitigation against flooding, but also lowering premium costs to

[2] "Natural Hazard Mitigation Saves: An Independent Study to Assess the Future Savings from Mitigation Activities," Multihazard Mitigation Council, National Institute of Building Sciences, 2005.

individual policyholders under the NFIP. Discounts are based on a rating system from 9 to 1, and as communities improve their ratings they can achieve higher premium discounts. For example, most communities just starting in CRS may enter at a rating of 9 or 8 which would provide for 5 or 10 percent discounts, respectively, on premiums for policyholders in Special Flood Hazard Areas. A Class 1 rating would provide for a 45 percent discount. These discounts are real savings to individual policyholders. For example, in Roseville, California, which has the highest rating of 1, the average premium discount of polices in Special Flood Hazard Areas is $832.

In order to achieve higher ratings, communities accrue points for engaging in 19 activities that fall under four broad categories: public information, mapping and regulations, flood damage reduction, and warning and response. The 19 activities include elevation certification, hazard disclosure, public outreach, floodplain mapping, stormwater management, and flood warning and response.

Federal Emergency Management Agency Background

FEMA was established in 1979 by Executive Order by President Carter following a number of massive disasters in the 1960s and 1970s, which resulted in proposals by the National Governors Association and others to streamline and cut the number of agencies states were required to work with following a disaster. Prior to the creation of FEMA, the federal government's emergency response mechanisms were scattered among many agencies throughout the government. The creation of FEMA helped to centralize these authorities and the coordination of the federal government's response to a disaster. FEMA's primary authority in carrying out its emergency management functions stems from the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act).[3]

Conclusion

There are a number of mechanisms that can assist communities in protecting themselves and mitigating against the risks of disasters. The programs have been shown to save lives, reduce damage to property, and reduce costs at all levels, including costs to communities and individual property owners. The hearing will focus on how these programs and activities can effectively be utilized so that communities can minimize their damages and costs in areas that may be prone to disasters.

[3] 42 U.S.C. §§ 5121-5207.

WITNESS LIST

Mr. David Miller
Associate Administrator for the Federal Insurance and Mitigation Administration
Federal Emergency Management Agency

The Honorable Linda Langston
Supervisor, Linn County, Iowa
President, National Association of Counties

Mr. Bryan Koon
Director, Florida Division of Emergency Management
On Behalf of
National Emergency Management Association

Mr. Chad Berginnis
Executive Director
Association of State Floodplain Managers

DISASTER MITIGATION: REDUCING COSTS AND SAVING LIVES

THURSDAY, APRIL 3, 2014

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT,
PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:03 a.m. in Room 2167, Rayburn House Office Building, Hon. Lou Barletta (Chairman of the subcommittee) presiding.

Mr. BARLETTA. The committee will come to order. Today's hearing will focus on disaster mitigation and what communities across the Nation can do to protect their homes and families and reduce their costs, particularly as it relates to floods.

So, why are we having this hearing today, and why focus on floods? Flooding is the number-one natural disaster in the United States, costing the taxpayer, States, local communities, and individual homeowners, and businesses billions of dollars every year.

For example, in 2012 alone, the National Flood Insurance Program, NFIP, paid more than $7.7 billion in flood insurance claims. In 2012 and 2013 the Disaster Relief Fund spent nearly $800 million just on flood-only disasters, and spent more than $7 billion on disasters that involved heavy flooding from hurricanes and tropical storms. And the Federal costs are only a portion of the total costs, including the costs to communities, individual homeowners and businesses.

Floods cost lives, property and communities. To give some perspective, in the past 5 years, all 50 States have experienced floods or flash floods. In 2013, out of the 62 major disaster declarations across the Nation, more than 41 of them involved flooding.

In Pennsylvania, floods are the most prevalent type of natural disaster. In 2011, Tropical Storm Lee hit Pennsylvania just a week and a half after Hurricane Irene, causing flooding that resulted in loss of life, homes destroyed, and an estimated $1 billion in damages in Pennsylvania alone.

While the committee does not have jurisdiction over the insurance policies and premiums, there are real and practical steps communities and individuals can take to protect their homes and their families from floods, and at the same time reduce their costs and insurance premiums. And that is what we are focusing on today.

Disaster mitigation has been proven to reduce the risks in disasters, including floods. At the Federal level, there are programs that can help States and communities mitigate against disasters. For

example, the Hazard Mitigation Grant Program, the Pre-Disaster Mitigation program, as well as the Hazard Mitigation Assistance Program help offset the costs of mitigation across the Nation. That is why I am concerned the administration's proposed budget for fiscal year 2015 removes the Pre-Disaster Mitigation Program funding out of FEMA's base budget. Recently, I, along with Ranking Member Carson and other Members of Congress, wrote a letter to the appropriators making clear continued funding for this program is critical.

Why do we invest in these programs, and why are they so important? Studies have shown that for every dollar we invest in mitigation, the taxpayer saves $3 to $4 in disaster assistance.

But, in addition to these programs, communities can take practical steps to reduce their flood risk through programs like the Community Rating System or "CRS." CRS specifically is designed to engage communities in mitigating against flooding. Communities that participate in the CRS program can see their insurance premiums reduced anywhere from 5 to 45 percent, and at the same time actually reduce their risk from flooding, protecting their families and property from devastation.

CRS works on a rating system based on the mitigation activities completed by participating communities. As communities take steps to improve their ratings, their costs decrease, including their insurance premiums. For example, in the program, communities are rated 9 to 1, 1 being the highest. With a rating of 9, a community can see a 5-percent reduction in their insurance rates under NFIP. A rating of 1 can result in a reduction of 45 percent. These are real and tangible savings to individual property owners.

Today I hope to hear how these programs are being used and can be used by communities in Pennsylvania and across the Nation to help alleviate some of the burden and costs of disasters and insurance premiums.

Mitigation is critical. It is critical to saving lives, critical to reducing overall costs of disasters, and critical to homeowners and businesses.

After Hurricane Irene and Tropical Storm Lee, I remember standing in front of one family's home, which had river water flowing more than a foot deep on its second floor. Most of this family's possessions were piled onto the sidewalk. Some were still dripping wet. The mother looked at her children's toys, ruined by the flood. She pointed to one little toy and said to me, "How can the Government put a price on that? My son played with that. Those are memories. How can you put a price on that?"

She is right. We cannot put a price tag on memories. But we can mitigate against floods so that when the next big storm, the next big flood comes, these communities are as prepared as possible, so that their homes are built better, and families do not have to watch irreplaceable photographs and heirlooms get washed away.

I look forward to hearing from our witnesses today, and I thank you all for being here.

I now call on ranking member of the subcommittee, Mr. Carson, for a brief opening statement.

Mr. CARSON. Thank you, Mr. Chairman. And, good morning, welcome, to our witnesses. Chairman Barletta, thank you for working

with me to schedule today's hearing on how disaster mitigation can save lives and reduce costs. I also want to acknowledge our ranking member emeritus, certainly an American icon, the honorable Congresswoman Eleanor Holmes Norton.

Now, before we begin, I want to extend my thoughts and condolences to those who have lost loved ones in the mudslide in Oso, Washington. Now, while nothing we do here can end your grief, I want everyone to know that we stand ready to help however we can. And I think we should also recognize the rescue workers, including the National Guard and Urban Search and Rescue teams who have dutifully and admirably performed this difficult task, despite those terrible conditions.

So, Mr. Chairman, if you don't object, very quickly I would like for us to take a quick moment of silence to recognize the losses in Washington.

[A moment of silence was observed.]

Mr. CARSON. Thank you, Mr. Chairman. Today our Nation is at a critical junction. In recent years we have seen strong storms with greater frequency. This results in increased vulnerability for our citizens and property. For years we have seen areas damaged by disaster rebuilt, only to be damaged later again. There is no doubt that, across the country, our constituents will continue to face floods, tornadoes, hurricanes, and other disasters. Unless something is done now, this cycle of build, damage, and rebuild will continue. The result will be large bills for taxpayers that might have been avoided with proper preparation.

Members of our committee know that we must support mitigation programs to break this cycle. This is why I also introduced H.R. 3282, to reauthorize the pre-disaster mitigation programs for 5 years at its last authorized level of $200 million. And we want to encourage our other colleagues to join us in supporting this critical bill.

I also want to thank the 54 bipartisan Members who joined Chairman Barletta and me in sending a letter to the Appropriations Committee this week. We urged them to fund pre-disaster mitigation programs sufficiently to actually implement mitigation programs.

Independent studies have shown that mitigation saves taxpayers money. This year, the President's Budget requested approximately $7 billion for the Disaster Relief Fund, which will be used to assist with disaster response and recovery. The more we invest in pre-disaster mitigation, the less will be needed in the future for disaster response and recovery. Because of the Sandy Relief Implementation Act, States now have up to 25 percent of their hazard mitigation grants available soon after a disaster. Now, I hope that this encourages communities to incorporate mitigation strategies into their rebuilding process.

In this hearing it is very important for us to remember that a major part of mitigation is community buy-in. Community support and participation is absolutely critical to ensuring effective mitigation strategies are undertaken. One of the challenges we face is how to encourage those who will be affected the most to take the necessary steps to prepare for future disasters. This is a difficult choice, because it costs more money upfront than many case afford.

And, finally, we are interested in learning more about any strategies that may be available to really educate developers, in particular, and others about the importance of safe building practices and other strategies.

So, we welcome today's testimony as we consider this important topic. And thank you to the witnesses for your testimony.

Mr. BARLETTA. Thank you, Ranking Member Carson. On our panel today we have Mr. David Miller, Associate Administrator for the Federal Insurance and Mitigation Administration, Federal Emergency Management Agency; the Honorable Linda Langston, president of the National Association of Counties, and supervisor of Linn County, Iowa; Mr. Bryan Koon, director of Florida Division of Emergency Management, testifying on behalf of the National Emergency Management Association; and Mr. Chad Berginnis, executive director, Association of State Floodplain Managers.

I ask unanimous consent that our witnesses' full statements be included in the record.

[No response.]

Mr. BARLETTA. Without objection, so ordered. Since your written testimony has been made a part of the record, the subcommittee would request that you limit your oral testimony to 5 minutes.

Mr. Miller, you may proceed.

TESTIMONY OF DAVID MILLER, ASSOCIATE ADMINISTRATOR, FEDERAL INSURANCE AND MITIGATION ADMINISTRATION, FEDERAL EMERGENCY MANAGEMENT AGENCY; HON. LINDA LANGSTON, PRESIDENT, NATIONAL ASSOCIATION OF COUNTIES, AND SUPERVISOR, LINN COUNTY, IOWA; BRYAN KOON, VICE PRESIDENT, NATIONAL EMERGENCY MANAGEMENT ASSOCIATION, AND DIRECTOR, FLORIDA DIVISION OF EMERGENCY MANAGEMENT; AND CHAD BERGINNIS, CFM, EXECUTIVE DIRECTOR, ASSOCIATION OF STATE FLOODPLAIN MANAGERS

Mr. MILLER. Thank you, Mr. Chairman. Chairman Barletta, Ranking Member Carson, and members of the subcommittee, thank you for having us here today. I am David Miller, the Associate Administrator for the Federal Insurance and Mitigation Administration at the Department of Homeland Security's Federal Emergency Management Agency. I am here to discuss FEMA's mitigation programs and how we educate, incentive, and fund State, local, tribal, and territorial efforts to build stronger communities that, collectively, create a Nation more resilient to an increasing number and intensity of hazards.

The benefits of effective mitigation are well established. Mitigation supports a more rapid recovery from disasters and lessens the financial impact of these events on the Nation. Mitigation saves money; one study by the Multihazard Mitigation Council cites a return of $4 for every dollar invested. Collectively, it has been estimated that mitigation programs annually save the American public $3.4 billion in losses avoided.

Investments in mitigation also serve to buy down risk, meaning that making positive changes lowers the probability of risk, and makes communities safer and more resilient. Buying down risk is

critically important, as a higher percentage of our population is living in vulnerable areas than ever before.

FEMA has made significant strides in the last 3 years in the area of mitigation, bringing the larger mitigation community together around shared doctrine; partnering with governments at all levels; and giving communities the funding, tools, and information they need to make informed, data-driven decisions that minimize the risks they have identified. This work was bolstered in 2011 with the release of Presidential Policy Directive 8 on National Preparedness.

This directive defined the mitigation mission area, and required the development of the National Mitigation Framework. In turn, the framework established the Mitigation Framework Leadership Group. The MitFLG, as we call it, is a senior-level group that works to coordinate national-level mitigation activities and implement policies in consultation with Federal agencies and State, local, tribal, and territorial governments.

Among other important work, the MitFLG is currently developing a consistent Federal flood risk management standard for Federal funds in recovery that are being used for rebuilding, and that may be applied to future disasters.

As the committee is aware, FEMA oversees and manages a number of grant programs to support mitigation efforts. You have already talked about the hazard mitigation grant program, pre-disaster mitigation grants, and the flood mitigation assistance programs. These programs have assisted governments in rebuilding and building stronger and more resilient communities.

In Indiana, FEMA recently awarded more than $1.6 million in HMGP funding to acquire 33 homes, as well as to bolster warning systems and update mitigation plans for several communities. In Pennsylvania, FEMA recently approved more than $9 million on HMGP funding to acquire 89 homes, all of which were substantially damaged, and were in special flood hazard areas.

Through effective mitigation, families in these homes chose to relocate out of harm's way, making way for open space that benefits their local communities, and stopping the damage-rebuild-damage cycle.

The President's fiscal year 2015 budget request includes $400 million for pre-disaster mitigation efforts through the Opportunity, Growth, and Security Initiative. These grants are designed to assist communities in the implementation of a sustained pre-disaster natural hazard mitigation grant program. These funds will buy down future risks by augmenting adaptation planning, and helping communities prepare for events such as wildfire, floods, and other disasters that could be exacerbated by an ever-changing climate.

In support of the President's Executive order and climate change action plan, FEMA has a leading role in helping prepare the Nation for the future impacts of climate change, including considering rising sea levels, the increasing frequency, intensity, and duration of storms, and the increasing unpredictability of drought and wet conditions and cycles. As we work to reduce risk nationally, and address both hazards and threats, we must incorporate climate change into our data collection, knowledge transfer, and mitigation planning, so we are working towards that goal.

Specifically, FEMA is working to integrate adaptation into its approach, and also the approaches of the larger Federal Government. To do this, the Agency is expanding its knowledge base and support for those who take on the challenge of climate adaptation.

You also mentioned the Community Rating System. Currently we have almost 1,300 communities participating in the CRS program, which represents 67 percent of the National Flood Insurance policyholders.

In conclusion, successful mitigation efforts are a shared responsibility, requiring an engagement with all levels of society and the Government. Moving forward, we will continue to focus on strengthening our data analytics, while setting priorities that will help us mitigate and buy down our future risk. FEMA's commitment to ensuring the success of these efforts rests in the fact that, ultimately—they ultimately result in more resilient communities and collectively make us stronger and more prepared, as a Nation.

Thank you for providing me this opportunity to discuss these important issues. I look forward to your questions.

Mr. BARLETTA. Thank you for your testimony, Mr. Miller. And, Ms. Langston, I know you have a lot of experience in flooding in your community, so I look forward to your testimony. You may proceed.

Ms. LANGSTON. Thank you, Chairman Barletta, Ranking Member Carson, and members of the subcommittee, for the opportunity to testify today. I am Linda Langston, and a county supervisor in Linn County, Iowa. I serve also as the president of the National Association of Counties, which represents over 3,000 county governments in the U.S.

Counties play a key role in our Nation's intergovernmental system, and we are a major owner of facilities and infrastructure, including 45 percent of America's roads, and nearly 40 percent of bridges. Counties play a critical role in justice, public safety, maintaining county police and sheriff departments, and investing over $70 billion in justice and public safety services. Nationwide, counties invest nearly $500 billion each year to pursue community policies that enable economic and community development, safeguard citizens, and provide a variety of community investments, public health, and well-being.

As president of NACo, I have implemented a resilient counties initiative to help bolster their ability to thrive in the ever-shifting physical, social, and economic conditions. This includes preparation for and recovery from natural and man-made disasters.

As you noted, having personally survived a flood, both personally and leading my county's response to the 2008 floods, which had about 10 square miles under water, I recognize that there are three key mitigation efforts that must take place in counties across America.

Proactive county planning is the cornerstone of flood mitigation efforts. Counties with land use authority are using it to encourage safe new development. McKenzie County, North Dakota, with 6,300 residents, does not allow construction in the special flood hazard area, and requires additional standards-related anchoring, construction materials, and elevation.

Structural protections, like levees or dams, restore natural systems such as wetlands. Places such as Fairfax, Virginia, have a levee and pumping station project that is scheduled to be completed in the spring of 2019. Lee County, Florida, and Jefferson Parish, Louisiana, are engaged in wetland restoration projects. In contrast to building structure protections, Black Hawk County, in my own home State, is engaged in buying out repetitive loss properties. It has accumulated $5.34 million in avoided damages, at a cost at this point of $4.3 million.

Counties are participating in the National Flood Insurance Program's Community Rating System. King County, Washington, with over 2 million residents, is one of only two counties in the country with a CRS rating of two, which, as you noted, results in a 40-percent discount to those in the special flood hazard area. It was the first county in the Nation to achieve this rating. CRS communities like King County are able to educate residents on flood risk and mitigate flood impacts, while lowering insurance premiums.

The key to building and preparing and managing a disaster begins, I believe, by building relationships beforehand. So when a disaster happens, resources can be deployed quickly and efficiently through established networks, and pre-assigned roles and responsibilities. My own county board meets as a hazard mitigation committee. And, through this, we are more aware of the challenges facing us. Counties play a key role in facilitating these critical relationships, not just within our local jurisdictions, but between our State and Federal partners.

Federal programs like HMGP program, or the pre-disaster mitigation grants, are invaluable to counties that are recovering from and proactively planning for disaster. We are pleased the Sandy Recovery Act recognized the value of HMGP by streamlining procedures, and allowing the advancement of funds.

Counties play an important role in communication, both pre and post-disaster, including educational—educating people about risk of exposure. While in this room, probably everyone understands the term "100-year flood." When I mention this term to people at home and elsewhere, if they have experienced a flood event, they believe they will not need flood insurance because they don't expect to live another 100 years. I would actually be 3,000 years old, based on the number of floods that I have occurred in my personal and professional life. I am either looking really good, or there is a problem.

[Laughter.]

Ms. LANGSTON. So, I explain to people that a 100-year flood means that during the life of their mortgage, there is a 25-percent chance that they are going to flood, and that changes the equation. It will take time and good education that must be continuous, to help people recognize and appreciate their risk. People's memories are short. As a county supervisor, it is imperative that we educate people about risk, because it is the first step to disaster mitigation. And it is in appreciating that risk that they can make good decisions. Education is key.

And on behalf of the Nation's counties, I want to thank you, Chairman Barletta, Ranking Member Carson, and the members of the committee for holding this hearing on disaster mitigation, and will look forward to questions. Thank you.

Mr. BARLETTA. Thank you. Thank you for your testimony. Mr. Koon, you may now proceed.

Mr. KOON. Thank you and good morning, Chairman Barletta, Ranking Member Carson, and distinguished members of the panel. My name is Bryan Koon, and I am director of the Florida Division of Emergency Management, and vice president of the National Emergency Management Association.

Over the years, Congress has authorized and appropriated significant financial and technical assistance to State and local governments to preempt damages and distress that result from natural disasters. Mitigation has done a good job at reducing the need for disaster response, and the overall cost of disasters. Done right, it prevents benefits throughout the life cycle, stimulating the local economy long past the construction phase of the project. It produces resilient and vibrant communities, attracting businesses, jobs, people, schools, and investment.

I have witnessed the countless benefits of a strong mitigation program. While there are many good mitigation success stories, continual improvement is critical to building a stronger program that will lessen the impact of disasters, lower their cost, and protect more citizens. To truly reduce the cost to Americans, both in dollars and life safety, we need to accelerate the programs that exist today and find ways to make them more successful.

The framework and structures are there. We need to dedicate the appropriate resources, eliminate those friction points that discourage participation, and demonstrate the return on investment and move it closer to the expenditure of the effort. I will use, as an example, the nexus between mitigation, the National Flood Insurance Program, and the Community Rating System in Florida.

Thirty-seven percent of the Nation's flood policies are in Florida, and nearly half of the State's NFIP communities go above and beyond the program's requirements, earning their policyholders additional discounts between 5 and 25 percent, by taking mitigative actions credited by the higher standards of the CRS. This saves Floridians $191 million in flood insurance premiums every year and develops well-prepared and disaster-resistant communities. However, 53 percent of Florida's communities do not participate in CRS; nationwide, only a dismal 6 percent of NFIP communities participate.

Why is this? Here is what our members say, as well as some recommendations to improve.

First, it is the smaller communities that are left out. Applying for and maintaining standing in the CRS programs requires significant staff time. And the smaller the community, the further down the priority list it becomes for that employee for whom this is a collateral duty. In addition to reviewing the administrative requirements for entry, FEMA should follow the success it has had with the program administration by States and apply it to CRS, allowing States to verify compliance and get communities enrolled through the 5- and 10-percent discount categories.

Secondly, there is a lack of awareness by individuals about the CRS program; consequently, a lack of awareness by elected officials. Without the appropriate level of support and oversight by local officials, the effort needed to enroll and maintain CRS stand-

ing is not adequate to make significant gains. We need to do a better job educating Americans about the impact of disasters and proven ways to help defray those costs. In addition to CRS, the establishment of tax-exempt disaster savings account to pay the expenses of home owners for disaster mitigation and recovery expenses, as proposed by Congressman Dennis Ross and Senator Inhofe, would incentivize homeowners to take additional actions to protect their home and property, further reducing the cost of disasters.

Third, administrative hurdles and roadblocks prevent advancement in the CRS program. For example, in order to move from a Class 5 25-percent discount to a Class 4 30-percent discount, a community has to produce a stormwater management plan. While this is a worthy goal, it is a complex, timely, and expensive effort. As a result, only 12 of the 22,000 NFIP communities are CRS Class 4 or better. Many hit this wall and progressed no further, causing them to take no further mitigation efforts. FEMA should identify and remove or modify such restrictions to improvement.

And finally, the program is too slow. The CRS FAQ states that it may take 18 months to enter the program once a community submits a letter of interest. This is unacceptable, and additional resources should be applied to accelerate entry into progression in the program.

Helping communities develop comprehensive flood plain management programs through participation in the CRS will reduce flood loss. Florida's goal is to enroll every community in the CRS program, and we are dedicating State resources in order to do so. FEMA should have the same goal across the country, because it will reduce flood loss expenditures, improve resilience, and add to the culture of mitigation it helped create. This will require a thorough analysis of how to make our current programs work better, and the application of additional resources, where necessary. The results will be well worth the effort.

Thank you, and I look forward to your questions.

Mr. BARLETTA. Thank you for your testimony, Mr. Koon. Mr. Berginnis, you may proceed.

Mr. BERGINNIS. Good morning. I am Chad Berginnis, executive director of the Association of State Floodplain Managers, and we are pleased to offer our thoughts related to the value of hazard mitigation to the Nation, and how we can improve our collective national mitigation effort.

Thank you, Chairman Barletta, Ranking Member Carson, and this subcommittee, for its longstanding and continuing affirmation that hazard mitigation is an effective pathway to reducing disaster losses. Time and again, this subcommittee has introduced, evaluated, and refined Federal mitigation strategies, resulting in the solid framework that exists today that gives State and local officials many tools to deal with the ever-increasing problems of natural disasters and, specifically, flooding. ASFPM's 15,000 members and 35 chapters are the country's practitioners who work with flood hazard mitigation programs on a daily basis.

According to NOAA's National Climate Data Center, the U.S. has experienced 151 weather and climate disasters since 1980, where the overall damages exceeded $1 billion. The total cost of these

events exceeded $1 trillion. Of that total, we have had 32 such events in the past 3 years. With today's advanced modeling capabilities, for example, we know that we can see disasters on the magnitude of Katrina or beyond. The ARkStorm scenario for the Sacramento area is based on a flood event similar to which occurred in California in 1861, would result in three-quarters of a trillion dollars in damage if that event happened today.

Population trends and climate change are increasing the Nation's vulnerability. And as cost of disasters continue to rise, governments and citizens must find ways to reduce risks from all hazards, but especially natural hazards.

"Floods are an act of God, but flood losses are largely an act of man," was a statement made by the late Dr. Gilbert White, who is also known as the Father of Flood Plain Management. Whether it be floods or other hazards, the only way we can reduce these disaster losses in the near and long term is through hazard mitigation. We have the ability to reduce these losses.

Hazard mitigation must be a joint effort among all level of governments, individuals, and the private sector. Everybody must do their part, and it is important that you know the Federal Government's investment in hazard mitigation is being supplemented by many State and local investments, as well. The Village of South Holland, Illinois, is one such community. They have established a unique mitigation rebate program available to all property owners residing in the village who wish to complete flood control projects within their home.

We have seen communities pass sales tax and income tax increases to fund mitigation outright, or match Federal funds. And, at the State level, many communities, including California, Minnesota, Wisconsin, Ohio, New Jersey, and South Carolina, have their own unique hazard mitigation programs, or a tradition of matching Federal mitigation funds. Such programs should be encouraged, incentivized, and increased. States and communities should not depend entirely on the Federal Government to address their natural hazard risk.

I do want to talk about a couple of key mitigation activities that would be within this committee's jurisdiction to address, as it relates to Federal mitigation programs. Our written testimony has a lengthy list of recommendations that are both within and outside of the committee's jurisdiction. But I want to focus on two areas: pre-disaster mitigation and speeding up mitigation assistance under the Stafford Act.

Like the committee leadership, ASFPM also shares the concern over the elimination of PDM. And we are very disappointed that over the last several years, time and again, FEMA has chosen to zero-out this important program in light of mitigation demand being unprecedented, and a new driver of that demand, which is NFIP reform, is now present. We have invested significant resources in hazard mitigation planning, so that now over 19,000 communities have adopted those plans, and they depend upon PDM as one source of funding to update those plans. And it is especially critical in States that do not receive large or frequent disaster declarations where they can use the HMGP program.

And when PDM is the proposed delivery vehicle for the $400 million in competitive grants to State, local, and tribal governments through the President's Opportunity, Growth, and Security Initiative, we are puzzled why the program continues to be slated for elimination.

State mitigation leaders in several States have told us that, even with disaster declarations, the small amount can be used for mitigation planning. They will be hard-pressed to help communities to maintain those plans.

The committee has done much work in helping speed up Federal mitigation assistance, but I would submit that what we need to look at it speeding up the initiation of mitigation projects, as opposed to limiting the overall timeframe for funding to be spent.

What outcome are we striving for? Wouldn't it be nice if you, as Members of Congress, didn't have to pass supplemental disaster appropriation bills after a major hurricane or flood strikes? Or at least deal with a much smaller bill. Hazard mitigation can take us to the point that, when the next disaster occurs, damage is minimized, cleanup is quick, and people get back to their lives quickly, and with minimal disruption.

As one of my colleagues says, "We should be starting mitigation when the fish is still flopping on the couch." Thank you.

Mr. BARLETTA. Thank you, Mr. Berginnis. I will now begin the first round of questions, limited to 5 minutes for each Member. If there are additional questions following the first round, we will have additional rounds of questions, as needed.

Mr. Miller, we are focusing today on practical steps communities can take to lower their costs and premiums. The FEMA's Community Rating System that we talked about, CRS program, is a voluntary program that allows communities to engage in certain mitigation activities that will lower their flood risk and, in essence, buy down their insurance premiums. Can you talk generally about the specifics of the program, and why it is beneficial for communities to participate?

Mr. MILLER. Yes, sir. As you spoke, probably the most evident beneficial piece of the CRS, is to buy down flood premiums, community-wide. We would like to think that the bigger effort, though, is to reduce the risk in the community. And it starts with education processes.

One of the first things that happens in the CRS program is we go do a community assistance visit to establish, in effect, the baseline that they are starting from. In many cases, they meet that first standard just by doing the public education pieces that buy down some risk.

But after that, as everybody has pointed out, the effort becomes more stringent, and requires investment, and sometimes considerable investment for the community. We talk about effective flood plain regulation, and those that go beyond the pale. We have restrictions currently in the NFIP about how we build, where we build, and the permitting processes. This builds that up a piece. It also recognizes more stringent building codes, and those efforts. But those become permitting processes that agencies go through. They take other effective measures to protect their communities,

whether it is building structural or nonstructural projects that mitigate loss. Those count in the CRS program.

Recently, we went through in the last year and re-evaluated all the things that counted for CRS. One of the parts is now that we have a history of what has been most effective. At the same time, in doing the realignment, we didn't penalize communities that had already reached a level—we are giving a transition period because the point system changed. So it wasn't to penalize, but it was to update and move to a more effective mitigation, based on our history and experience.

Mr. BARLETTA. Now, currently, Mr. Miller, 1,273 communities, representing 67 percent of all NFIP flood insurance policies are participating in CRS. How does a community not currently in the program apply, and what are some of the basic requirements for entering?

Mr. MILLER. I would need to get back to you on some of the basic requirements. The application process basically is telling us you are interested in it.

I think one of the ones that shy communities away is this community assistance visit, and the statement of where they are in their mitigation efforts, and the risks that are there in the community. It is an evaluative process. For instance, in New York, we had a discussion of participating in the CRS by New York City. The other question was could they come in borough-by-borough. Well, right now our rules are about cities. But I know one of the things that weighed on their minds was this establishment, this visit that says, "How do we get through this? Look at the documentation where we are, so we know starting points."

But then it is about the investment that is considered as they went through. And in some cases, it represents thousands of dollars in small communities. But in other communities, it can represent millions of dollars to be involved in the program.

It requires some design. When we met with officials in Oregon, they found it was very, very much to their benefit to move in certain areas, and the benefit of their community. But to get to a level one was going to be cost prohibitive for them, and they weren't seeing the return on that investment. It does cause us to relook the CRS, it does cause us to look at those mitigated benefits. But the community investment, the community discussion, the expression in interest, where their baseline is, and that investment is an important part to the equation.

Mr. BARLETTA. Ms. Langston, out of the more than 1,200 communities in the CRS program, only one has the highest rating, with the 45-percent discount on their insurance premiums. In Pennsylvania we have 25 communities in the program, and the highest discount is 20 percent.

Now, Mr. Koon, you talked about what some of the hurdles were. Ms. Langston, can you talk about what some of the hurdles are, and how can—what can communities do to improve their rating? And how do they overcome them?

Ms. LANGSTON. Well, first, I think, as Mr. Koon noted, especially in smaller communities it can be a challenge, just in terms of time, and the reality, as Mr. Miller has noted, thinking about a visit.

I know my county is a participant in CRS. We are, sadly, one of the only counties in Iowa that is doing that. And we are encouraging some of our fellow counties to come on. It does take the work of really looking at your stormwater management plan, your engagement plan. And I think, in the land of local government, we are stressed to do more with less right now, and that oftentimes makes these arenas difficult.

So, it really does become about an education effort. And when the discount is relatively small—5, 10, even 15 percent—it may not be seen as enough of a motivation. If you can do the work that actually gets you to the 30, the 40 percent, then you actually have people in your community who say, "Sign me up." So I think that is the balance that we face in this, is trying to make it accessible enough.

I also think there are opportunities for, whether city or county, to do more. It is really that education effort that makes a difference.

Mr. BARLETTA. Mr. Berginnis, can you add anything that you see as a hurdle, or what they can do to improve their ratings?

Mr. BERGINNIS. Yes, certainly. In terms of strategies on improving—and I will actually turn to my good friend, Mr. Koon, in Florida, and emphasize something that was really groundbreaking that the State of Florida did at the State level, is hiring a CRS coordinator at the State level. That is something that States could do. They do have capacity through their State flood plain management offices. They build capability through assistance, through a community assistance program.

But what those States here, as coordinators, can do is they can also look and obtain credit, what are called uniform State credits, that then help any community in that State, when they join the CRS, to have better scoring changes. And we think that is a good possibility.

If your small or rural communities—I have been in the flood plain management—State flood plain management office where I have done those community visits, and I have worked with rural communities that way, as well—and communities might want to think about banding together regionally, and perhaps securing a CRS coordinator resource that way.

Another idea might be a new use for the pre-disaster mitigation program. And a new and unique use, and maybe a gap here, is to allow, from an eligibility standpoint, projects that would help build CRS capability at a local level, at least to get that—provide that seed money to get communities through the application process.

So, those might be a few strategies. Thank you.

Mr. BARLETTA. Mr. Koon, do you have anything to add to what you have already testified to?

Mr. KOON. Yes, sir. I think one of the things that we are trying to accomplish in Florida—and perhaps other States could do as well—is, as Mr. Berginnis said, get enough points at the State level to apply to that uniform minimum standard, so that those smaller communities could take advantage of all of those points available at the State level to get them enrolled in the program. And that will spur further interest to drive them to do additional work at the local level.

So, if the State can get above, say, the 500 points necessary to achieve the Class 9 5-percent discount, automatically enroll, or allow the State to automatically enroll those communities, that gets the conversation started. That gets them aware of the program, into the program, and then they will start thinking about how to reach that 10 percent, 15 percent, and additional discounts.

Mr. BARLETTA. Thank you. I would like to now recognize Ranking Member Carson for 5 minutes of questions.

Mr. CARSON. Thank you very much, Mr. Chairman.

Mr. Miller, as part of the fiscal year 2015 budget, the President is proposing a pre-disaster mitigation fund. During the budget briefings with staff, FEMA personnel indicated that this is being called a pre-disaster mitigation fund, but it is completely different from the existing mitigation program, which funds mitigation projects before a disaster even occurs.

Please explain for us, sir, the differences between the existing program and the proposed program, as well as provide some examples of the type of projects that are currently eligible for the existing PDM program that would no longer be eligible.

Mr. MILLER. Thank you. I think one of the big differences is the focus. In the President making the announcement, the focus really focuses on climate change and climate adaptation strategies.

One of the criticisms of FEMA, even in our mitigation program, although it is about mitigating against future losses, is the data and the analytic that we often use is historical in its view. We are always mitigating against yesterday's event.

What I think the new effort is to do is to mitigate against future events, and give a better look to the science that projects into the future. Now, a lot of that science, a lot of that data, is less precise than what we would normally allow in the program. One of the issues that would come up under the new PDM is how do we get to a different benefit cost analysis that allows a more future look. There is a lot of work in that area. But I think the key difference is it is focused more on the climate, climate adaptation strategies, even though they have an overall mitigated value.

One of the other things that has always concerned us as we walk through projects is a lot of times what we do, especially when things aren't cost beneficial, we actually penalize communities by taking advance measures, because we won't fund them. Under the public assistance program, if you wanted an alternative product or—alternative project or an advanced project, it might not be eligible. This changes that equation. It is a greater partnership between us and public assistance. It is a way to do pre-disaster mitigation with a completely future look. So, while the mechanism would be the PDM grant mechanisms, I think the look of PDM would change, and it would have that deeper analytic for a future projection.

Mr. CARSON. Thank you. Madam Langston, for years the committee has held hearings on the benefits of mitigation. And all of us here today recognize the need of benefits of mitigation. Yet, it seems that some communities are still resistant to undertaking mitigation activities, even if incentives are provided.

So, as a local community representative, what do you think—why do you think other communities are so resistant to mitigation ac-

tivities, even when the evidence overwhelmingly shows that lives and money are being saved?

Ms. LANGSTON. I would say that this hails back to the issue of education. At the local level, we have many counties—I would say even within cities—whose property tax levels are constrained. And within that constrained environment, taking mitigation efforts where you spend minimal dollars—and you have to get community buy-in—can be something of a challenge at the local level.

So, as I noted before, I think a lot of it is within the realm of education, and being very specific about what the risks are. So, to Mr. Miller's comments, in my own home community we have looked at the flood risk. We are trying to not only advance buy-outs, but we are also trying to do flood walls.

The response that we got from the community for two rounds of using a sales tax to build flood walls was to turn it down, albeit by a very small amount. The community said they didn't think it would ever happen again. Now, partially, that could be our fault, that we were not clear enough in doing the future forecasting that Mr. Miller spoke about. It hasn't happened that much in the past, so why would it happen in the future? Why should we spent all of this money and time?

The secondary part, I would say—and we worked very hard to build our partnerships with, for instance, the home builders. And developers put a lot of pressure on local officials in their zoning laws. So when you seek to not only do mitigation itself, but you seek to put the zoning in place that requires people to build out of or further away from flood hazards, it is seen as an attractive place, and home builders want to do that. So that takes a long-time effort in local communities, building the kinds of partnerships that people see this as a value. Having open space next to rivers is a valuable thing. Parks are good. And that is where our community is going, is turning that entire area next to the river to greenways. That takes a lot of relationship-building.

So, I think it is really—it is a time issue, and it is about having your local officials, who are committed to building those kinds of relationships that really have the longer view in a community. Thank you.

Mr. CARSON. Thank you, ma'am.

Mr. BARLETTA. Thank you. The Chair would now like to recognize Ms. Norton, who is the former ranking member of this committee, and currently the ranking member of the Subcommittee on Highways and Transit.

Ms. NORTON. Well, first, let me thank you, Chairman Barletta and Ranking Member Carson, for this hearing. This is a very important and, I think, timely hearing. And may I ask the ranking member if I might be added to his bill? I commend him for it.

Mr. CARSON. It would be more than an honor, ma'am.

Ms. NORTON. Thank you. Mr. Chairman, this is one of my favorite programs that the Congress has. It is—but it is a very rare example of the Congress being able to fund before the fact. We just don't do that. Congress, of course, has an annual appropriation process; that may be one of the reasons. But it almost never funds to save. It insists on funding with a great deal more required after something has happened. It need not even be a disaster. Whatever

it is, it has to have happened. Its effect, though, on communities now, we have to begin to take account of. If for $500 million invested you can get $1.6 billion in return, if you were a private investor, you couldn't resist that. Only the Federal Government could resist that, and it continues to do so, and it is very bothersome.

Indeed, I have to ask you, Mr. Miller. Apparently, this program is being revamped. I commend you in the way you are looking at the new kinds of disasters, climate-change disasters we are having. But how could you revamp the program for the era of climate change with the same amount of money, no increases in funds? How do you justify that?

Mr. MILLER. The fact is, ma'am, we are in those tight budget times. And you are right, they ask for mitigation, the investment of mitigation. The requirement that we hear from our communities far exceeds the funding that we have. A lot of the answer that we are looking for is how do we streamline our efforts, remove some of the road blocks of use of funds, and where is the best place for investment.

Ms. NORTON. Remove some of the what? I am sorry.

Mr. MILLER. The road blocks to funding. We have looked at the Administration processes, and streamlining through our grants process. So whether it is the hazard mitigation grant program that comes after a disaster, whether it is the flood mitigation assistance programs that come with severe repetitive and repetitive loss under the flood insurance fund, whatever those programs are, we are working to streamline them, make the application processes easier, and get the money out faster.

Ms. NORTON. Are you saying that all of that is going to produce savings in some way? I am trying to figure out how you are going to do what you clearly understand has to be done with the same funding at—that we have had before, when there was less understanding.

So you talk about savings. Are those savings going to be applied to this program?

Mr. MILLER. Yes.

Ms. NORTON. So it is going to be more than $400 million when it is all over.

Mr. MILLER. Well, the $400 million proposed, ma'am, is yet to come. It is in the President's Budget.

Ms. NORTON. Yes.

Mr. MILLER. The plan is what are we going to do with it if we get it. And if we get it, it will come through the PDM——

Ms. NORTON. What is the present funding?

Mr. MILLER. The present fund, under PDM, as the vice chair has pointed out, is zeroed in the President's Budget. Congress, last year, put in $25 million nationwide in that budget. It has been as high as, I think, $100 million or a little over $150 million in previous years.

I think one of the questions that always came up was the ability to execute funds. We talked about it, Mr. Berginnis talked about using the funds for planning. And yet, when we analyze the use of the PDM, only about 18 percent of it was used for planning. Part of it is because planning dollars are available in other programs. They come in the Emergency Management Performance Grant. You

can fund them under the post-disaster HMGP, although it is a limited amount of money. You can fund them under flood mitigation assistance. There are other mechanisms for the planning part.

I think the larger question there is what is available for projects. And when we get to projects, a lot of the projects are multiyear in their purpose. So, one of the questions that always came—and this gets into the streamlining—is how quickly can we execute the money that we are given, and—rather than rolling it over. And we have to execute those monies. And yearly in the PDM, and in any of those programs, we tend to roll money over for projects. That becomes bothersome.

So, it is a streamlining, it is a looking at where funds are otherwise available, it is moving projects faster through the system, whether it is getting through construction seasons, doing more preplanning upfront, it is working with the communities to make those things happen quicker.

Ms. NORTON. If you—if climate change—and I commend you for factoring climate change into your work; I am very interested in how you do that.

We are having unprecedented climate. There was a recent report released just—I think it was this week or last week, in which scientists, the scientists who have all the knowledge, and we understand it now more than—almost 100 percent of scientists say that climate change is in operation. But this report says we are already in it. This is no longer we are—"This is what is going to happen." It is happening. And you talk to the people who experienced Sandy or the mud slide, and they will tell you that for those who want to be deniers, they have experienced it.

The problem is that these were unprecedented disasters. Sandy, for example, has had—we have had hurricanes going all up and down the east coast, but nothing like that. The President—I am sorry—the Governor of New York is talking about doing away with part of the shoreline, and no longer having what is there there. Are you engaged in that kind of really foresighted advice to—as part of mitigation that apparently the whole vision of what you did before is no longer viable, in light of these unprecedented storms and other climate events that we are experiencing?

Mr. MILLER. Yes, Congresswoman, we are. And let me use an example. When we did Superstorm Sandy, we knew that we were already—in different places within the community we were all looking at mapping actions that reflected current risk. And you know for our flood insurance program, the mapping actions, whether you are in the special flood hazard area or not is a big part of what drives the program.

We also knew, because of Biggert-Waters legislation, that if we did the rebuild wrong, and people built below base flood elevation, they used old data and old maps, they would build wrong and they would get penalized under the NFIP. So, the effort was to give them best available data, even though the maps weren't refined, weren't completely vetted, didn't go through the process. We worked very hard in doing that, worked with the State of New York, worked with the State of New Jersey to put those maps out.

But here was the difficulty, and I think it exemplifies what happens in the community. We could put out best available data, and

the thing we got pressed on is were we going to account for one of the areas relative to climate change and adaptation, sea level rise. There is a number of studies about sea level rise, that they happen on this continuum, with this variable of this many feet over this many years.

How much of that were we going to incorporate in our maps? And, probably more importantly to the communities, what were we going to use to regulate, and what were we going to use to inform?

But as we were looking at sea level rise data, just sea level rise data, given the preciseness of our maps, and getting the information out quickly, because we were thought to be conservative, in some cases they thought we over-projected what sea level rise would do. Instead of promoting building, we stopped it, because people were waiting on more preciseness to know whether they had to build to this standard or this standard, whether they were in the special flood hazard area, or they weren't. It is about that monetary investment, and it lives in that fine line of data and data analytics and, more importantly, the preciseness of that analytic.

So, while we want to move in those directions, communities have real decisions to make about the level of dollars invested, and the permitting they are going to do.

Mr. BARLETTA. Thank you, Ms. Norton. We will have a second round of questions. Very important hearing, and a lot of information.

The Chair now recognizes the gentleman from North Carolina, Mr. Meadows.

Mr. MEADOWS. Thank you, Mr. Chairman. And Mr. Berginnis, I will start with you on this end. This question applies down the road.

As we look at the Sandy Recovery Improvement Act, and the mitigation implementation as it relates to that, two things that work really well—I want you to give me two things that worked really well, and two things that didn't work well, if you can do that, so that we can hopefully address that in future legislation. Mr. Berginnis?

Mr. BERGINNIS. Sure, and I apologize to Mr. Miller; I may take some thunder from FEMA. But I do want to compliment them on a couple actions they took after the Sandy Recovery Act. And one of those was the advanced assistance program, in terms of authorizing that, and allowing States to use those funds, for example, to do things that they couldn't previously do.

When I was a State mitigation officer in Ohio, for example, we needed to do flood studies to prove benefit cost analysis. And under HMGP we couldn't do that. The advanced assistance specifically authorizes activities like that so you build good, credible mitigation projects.

And it also—I think the spirit of SRIA then also allowed FEMA to prioritize the program delegation—or program administration by States. That, again, allows States to have more stake and more control over the whole application process.

I only have—I have one, I think, critique and perhaps unintended consequence. And that is the legislation basically shortening the period of obligation and the time that funds are available for mitigation. And this is—this goes to my earlier point, that maybe

we should look at when mitigation projects actually start, because there is a lot of work to be done between the time a disaster happens and actually getting a full, eligible mitigation project that communities buy into. There is a lot of time. And many States, that takes over a year of process.

Sometimes States can be very quick and do things in, like, 6 months or those types of things. We need to look at that part of the process. FEMA has been doing a good job of improving some of the tools, benefit cost analysis and things, but we have the next bottleneck, which is when States actually get those projects turned in, and then reviewed, and then funded. And by shortening a deadline, that doesn't have much of an impact, in terms of improving that process. Thank you.

Mr. MEADOWS. So let me follow up on that.

Mr. BERGINNIS. Sure.

Mr. MEADOWS. So you are saying for a longer deadline is going to get the States—it is going to encourage them to move quicker?

Mr. BERGINNIS. Not necessarily. What I am saying is that——

Mr. MEADOWS. Because, normally, deadlines make—if the funds go away at a particular time—and maybe it is different in some of the States you deal with, but they normally work towards a deadline. And if you give them 18 months, a whole lot of work gets done in the last 2 months, prior to the end of the 18 months.

And so, I don't know how that would help speed up, or make it any more efficient.

Mr. BERGINNIS. What——

Mr. MEADOWS. I think Mr. Miller wants to comment on that, and I am running out of time.

Mr. BERGINNIS. Oh, OK, sure.

Mr. MEADOWS. So let me jump to you, Mr. Miller.

Mr. MILLER. Yes, I would like to add on to Chad's comments. There is a couple things that we notice, relative to timelines and implementation. And for purposes of disclosure, I used to be the State director of emergency management in Iowa, and worked with Linda in the 2008 floods.

Mr. MEADOWS. So you had the other shoe on the other foot. OK.

Mr. MILLER. Yes. The challenge about working at FEMA is all the questions I had I now have to answer.

But I think a part of it, and what we discuss often, as much as we have worked in FEMA in trying to streamline our processes, it is how communities are positioned to take advantage of them. One of the things we have all struggled with is that community capacity to engage mitigation when it becomes available. And too often, especially if you don't have a large number of disasters, you haven't built that capacity, or there is no State or local investment in that capacity, all the things necessary to move a mitigation project come after the disaster, when time is of the essence.

So, it is delayed, you are trying to rebuild, you are doing all the public assistance stuff, mitigation gets set aside. And yet it should complement the rebuild. It is about that capacity and capability building, as Linda has echoed. It is about positioning your community to take advantage of that prior to the disaster. And too often, we don't see that happen.

Mr. MEADOWS. All right. And I can see I am running out of time, so I would ask each of you, for the record, if you would just respond—two good things, two bad things—and get it back to the committee.

And I thank the chairman for his indulgence. I yield back.

[Hon. Linda Langston, president, National Association of Counties, and supervisor, Linn County, Iowa, responds below to Hon. Meadows' request for information:]

The Honorable Mark Meadows
United States House of Representatives
1516 Longworth House Office Building
Washington, D.C. 20515

April 17, 2014

Dear Congressman Meadows,

On behalf of the National Association of Counties (NACo), thank you for your leadership and participation in the recent hearing held by the House Transportation and Infrastructure Committee's Subcommittee on Economic Development, Public Buildings and Emergency Management titled "Disaster Mitigation: Reducing Costs and Saving Lives." During the hearing, you asked the panel of witnesses to comment on the Sandy Recovery Improvement Act of 2013 (SRIA).

As SRIA moves toward full implementation, we continue to carefully monitor the process and the potential impact on counties. We are particularly encouraged that SRIA:

1. Streamlined procedures for the Hazard Mitigation Grant Program (HMGP); and
2. Expedited HMGP funding by allowing the Federal Emergency Management Agency (FEMA) to provide up to 25 percent of estimated costs for eligible hazard mitigation measures before eligible costs are incurred.

We are hopeful that these provisions, once they take full effect, will help to decrease administrative burdens including the length of time to complete and approve applications. Additionally, expedited funding of 25 percent of estimated costs before eligible costs are incurred would allow counties and local governments to immediately use HMGP funds after a disaster. We applaud the efforts of the U.S. Congress in passing SRIA to ensure the safety of our country and citizens and look forward to working with the Committee and FEMA as the implementation process continues.

Sincerely,

Linda Langston
President, National Association of Counties (NACo)

Cc: Chairman Lou Barletta
Ranking Member Andre Carson

[Bryan Koon, vice president, National Emergency Management Association, and director, Florida Division of Emergency Management, responds below to Hon. Meadows' request for information:]

President
Mr. Charley English, GA

Vice President
Mr. Bryan Koon, FL

Secretary
Mr. William Hackett, CT

Treasurer
Mr. Dave Hard, CO

Past-President
Mr. John Madden, AK

Executive Director
Ms. Trina R. Sheets

Regional Vice-Presidents
Region I
Mr. William Hackett, CT

Region II

Region III
Mr. Jimmy Gianato, WV

Region IV
Mr. Michael Sprayberry, NC

Region V
Mr. Jonathon Monken, IL

Region VI
Mr. Greg Myers, NM

Region VII
Mr. Mark Schouten, IA

Region VIII
Mr. Ed Tinsley, MT

Region IX
Mr. Chris Smith, NV

Region X
Mr. Brad Richy, ID

April 15, 2014

The Honorable Mark Meadows
U.S. House of Representatives
Washington, D.C. 2051

Dear Representative Meadows:

Thank you for the opportunity to testify last week before the House Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings, and Emergency Management on Disaster Mitigation: Reducing Costs and Saving Lives.

During the question and answer period of the hearing, your line of questioning was specific to *the Sandy Recovery Improvement Act* (SRIA). This legislation not only helped facilitate a smooth recovery in the Sandy-impacted area, but also forever changes FEMA programs and policies. Some of the provisions of SRIA, such as the debris removal pilot program, have been supported by NEMA for many years. After a careful and thoughtful review of the legislation, our membership finds the SRIA improvements beneficial to the entire emergency management community and applauds Congress' quick action on ensuring passage. You requested each witness submit to you for the record two areas of success and two opportunities for improvement in regard to SRIA, and we are pleased to submit this letter to honor your request. To date, perhaps no stakeholder understands the implementation of these new provisions better than Oklahoma where they continue seeing the effects first-hand after responding to devastating tornadoes last year. By illustrating Oklahoma's use of SRIA provisions, many areas of success can be highlighted:

1. *Accelerated Debris Removal – Increased Federal Cost Share (Sliding Scale):* The sliding scale allowed Oklahoma applicants to take advantage of 85 percent federal reimbursement for eligible debris removal for the first 30 days and 80 percent reimbursement for the following 60 days. While the additional federal percentage remains important, the most beneficial element in this procedure represents the change in philosophy by the federal government. We now realize the quicker we remove debris the quicker local government can make the decisions necessary for long-term recovery. Beyond state and local savings from the additional federal share, the state is confident it has, and will realize additional savings through the amount of time saved in administering the debris removal mission. To show support for the new procedures, Governor Fallin allowed the state to continue to offer the full 12.5 percent state share over the first 90 days. Therefore, the applicants actually maintained the ability to contribute 2.5 percent over the first 30 days and 7.5 percent in the next 60 days.

2. *Recycling Revenues:* Oklahoma realized additional successes in allowing applicants to retain recycling revenue and apply those proceeds to cost share or practices designed for improving future debris operations. In this disaster, scrap metal and copper accounted for the majority of debris eligible for recycling. This procedure also led to enhanced efforts in preventing looting as not only the property owner but the applicant stood to lose revenue.

NEMA OFFICES:
The Council of State Governments
2760 Research Park Drive • P.O. Box 11910 • Lexington, Kentucky 40578-1910 • (859) 244-8000 • FAX (859) 244-8239
WASHINGTON OFFICE:
Hall of the States • 444 North Capitol Street, Suite 401 • Washington, DC 20001 • (202) 624-5459 • FAX (202) 624-5875

3. *Straight Time Force Account Labor:* Allowing reimbursement for employees' straight time force account labor when performing debris removal operations represents an invaluable improvement. This dramatic change for the better expedites the debris removal process. In the initial days following an event, local government calls on their public works staff to clear streets for emergency services access. Deducting their regular hours rarely made sense, and SRIA helped rectify the disparity.

4. *Debris Management Plans:* If the applicant had a debris management plan in place prior to the disaster, they could add another 2 percent to the federal reimbursement share. Unfortunately, most applicants in Oklahoma found it difficult to take advantage of this opportunity, but officials believe this will become easier.

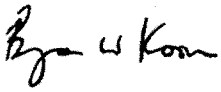
Despite these successes of SRIA in Oklahoma and elsewhere, opportunities for improvement always remain in such a vast legislative reform of a bureaucracy.

1. *National Strategy for Reducing Future Disaster Costs:* While FEMA fulfilled the requirement to Congress in developing a framework for a strategy to reduce disaster costs to the nation, NEMA believes the works has just begun and a full strategy should be developed. With the frequency and cost of disasters on the rise, only through coordination and honest assessment of existing policies can we effect change in the fiscal commitment required by the nation.

2. *Outreach and Education:* One of the most significant hurdles to state and local officials taking advantage of all SRIA has to offer is a lack of confidence in embracing the unknown. FEMA must conduct more robust outreach and education to states and locals in order for all the benefits of SRIA to be known and recipients achieve a level of comfort in understanding the many changes of the Act. For example, the Individual Assistance (IA) program and cost estimation process stands as one of the most personal interactions FEMA maintains with disaster victims. The process to improve this program must be thoughtful, thorough, and not allowed to become overly bureaucratic. Only then will state emergency managers become empowered to offer the full range of disaster assistance.

As you can see, SRIA greatly impacted the emergency management community, and overall NEMA remains pleased with the changes. As in any large legislative reform, however, there will be challenges to overcome. Thank you for the opportunity to present this letter in response to your inquiry, and NEMA stands ready to assist you and your colleagues in the future. Please feel free to contact our Director of Government Relations, Matt Cowles at 202-624-5459 or mcowles@csg.org should you require additional information.

Sincerely,



Bryan Koon
Vice President
National Emergency Management Association

cc: The Honorable Lou Barletta, Chairman
House Transportation & Infrastructure
Subcommittee on Economic Development, Public Buildings, and Emergency Management

The Honorable Andre Carson, Ranking Member
House Transportation & Infrastructure
Subcommittee on Economic Development, Public Buildings, and Emergency Management

Mr. BARLETTA. Thank you, Mr. Meadows. The Chair now recognizes the gentlewoman from Maryland, Ms. Edwards.

Ms. EDWARDS. Thank you. And thank you to the chairman and the ranking member. For somebody like me, who is not particularly an expert or know anything about disaster management and those things, I just have a kind of question that I get a lot of times from some of my constituents, and it has to do with areas where there are repeat losses and reimbursements and relief efforts. Times when there are areas of the country that are in the flood plain where, you know, there are numerous disasters, and disaster relief kicks in, and it feels like the relief is just over and over again.

And I wonder how, in the use of community rating, other than a community sort of stepping up and saying, "I want to participate, I want to do these things so that we can reduce our cost and liabilities," but also so that communities have the ability to kind of better manage a disaster—but it seems to me that there are more incentives in various parts of our statutes that are disincentives for participating in the Community Rating System. And I wonder if you could speak to that.

So I am thinking, for example, under—in our agriculture support statutes, the kinds of reimbursements that are made, and when. And for, you know, general kind of disaster relief, that there are more incentives for not participating than there are for participating. And so that might actually account for not as many communities as we need doing the things that they need to do to mitigate disaster, and then enable taxpayers to save a little bit of money.

And so, I just wonder if you could speak to that. Anyone? Mr. Miller, start with you.

Mr. MILLER. All right. I think there are a number of pieces that are there. And you talk about the disincentives. I think, as Ms. Langston has pointed out, a lot of that is an education process. One of the problems that we have in disasters always, in FEMA trying to put its good foot forward, was we are here to assist, we want to be very active, and we get very much disaster survivor-centric.

But what that does—and it sends a message, inadvertently—is no matter what your disaster, regardless of your level of loss, we are going to be here to help you recover. But the truth is the money is to help you get back on your feet. You don't come close to recovering all of your losses. So the message is mixed, is if I don't do anything I get this, but if I do something I may get some of this, but I will get it in a different avenue.

Again, an experience in New York for me, personally, was we went up and went to a disaster assistance center. And I am standing there, and I am watching people walk in and apply for individual assistance status. And they think they are going to get a max grant, which is a little over $33,000. But the average grant is only $5,000. So, they are disappointed.

Then we go to the other side, and I have somebody who comes in who has flood insurance. And what they saw was people were getting their individual assistance check in days. But, because of the insurance process, I have to go out, verify loss, and do these things. The person who bought their insurance was waiting weeks to get it. Now, we worked to streamline that process and get them their assistance quicker. But in their mind, "I paid for my insur-

ance, I did the right thing, and you just penalized me by delaying my payment for weeks, while people on the other side were getting theirs in days."

Those are the misperceptions and the issues that we have to solve to change this risk dynamic and how we pay for disasters and how people recover.

Ms. EDWARDS. Do you think we can do that by statute, or is it really by education? And go ahead, Ms. Langston.

Ms. LANGSTON. I would humbly suggest, Congresswoman, that some of this really has to happen in the local community, and it has to be driven by community engagement. I am not entirely sure you can legislate that.

I would give you the example of something that is very personal. In 2002 my house flooded. It was the day of a primary. The headline read, "Wins Primary, Loses House." So that was back in 2002. I just sold my house on Tuesday at something of a discount, I might add, but after the city had made the decision—this is 12 years since that flood happened—to use some money that they had gotten through local option tax for flood recovery to put in a berm in this neighborhood.

I would humbly suggest that, were I not an elected official, and I did not bother my city officials, that may never have happened. I made sure that the Watershed Management Commission stayed alive. I kept doing that so that all of the community said, "We cannot afford to lose this tax base. This would be a poor idea." But that is to the future, something that the Army Corps of Engineers does not take into effect. That was a community responsibility. Sadly, that money was in place because the wider community had a flood in 2008. And, while that got close to my house, it didn't take it down again.

So, it is about that engagement process. As I said, most commonly, people do not understand risk in their community. I would humbly suggest if you look to Japan from the 1600s, they have little markers up in the hills that say, "Do not build below here," and the tsunami came, and the building—it happened at the shoreline. We have to put rules in place.

I would note again in Black Hawk County and in the city of Cedar Falls, their city council took very proactive, very stringent flood requirements about where and how homes could be built. And it was a political risk. But it will make a difference to the future of that community. It will prevent people from flooding. I am not sure that those things can be legislated, truly, from either here or from the State level. It has to be a community having a conversation about their risk. And whatever incentives we can get, I would appreciate. But it has to be that partnership. Thank you.

Ms. EDWARDS. Thanks, and I think my time has expired. I know Mr. Berginnis wanted to respond, but my time has expired.

Mr. BERGINNIS. Thank you, Congresswoman. There—and these are all some very good points. I want to go back to a few points that were made earlier in terms of the value of mitigation planning. And one of the requirements that exists right now is that if a State fails to maintain its mitigation plan, there is no public assistance available after a disaster. We still don't have within the Federal Government the right ties, I think, between incentives and

disincentives. And we have to, I think, talk frankly about disincentives or penalties for also not doing the right thing.

So, what would happen if you brought that requirement down to the community level, that if a community doesn't update and maintain its mitigation plan, they no longer receive public assistance, which is really the largest category of disaster assistance? There can be more disincentives built in to existing programs.

I would also look at the U.S. tax code. Currently, the casualty loss deduction is maximized to—for people that do nothing to mitigate, because you deduct things like insurance settlements, mitigation, and those kinds of things. Can we make some reforms in the tax code in the casualty loss deduction or even tax credits—Mr. Koon, I think, mentioned, and I know there is a legislative proposal for tax-favored disaster savings accounts—those are the kinds of things, I think, that can also be changed to incent the right behavior and reverse these perverse disincentives that we have. Thank you.

Mr. BARLETTA. Thank you, Ms. Edwards. I am going to recognize each Member for an additional 5 minutes. This is a lot of good information.

Mr. Berginnis, you mentioned that the lack of technical assistance is one of the hurdles for communities in the CRS program. Can you talk more about this, and what could help address this problem?

Mr. BERGINNIS. Certainly. I think there is—there are two things that could be helpful. One of those—and, again, it is an existing FEMA program called the CAP–SSSE program—that provides some funding and resources to States to build and maintain a State flood plain management capability, and that has been very successful over the last several years. And so, the CAP–SSSE program could be resourced adequately to help communities and also help apply for those uniform State credits for the CRS program.

What doesn't exist right now is in the State mitigation program side of the world. There is no equivalent program to CAP–SSSE. And a lot of States, especially those that don't receive many disaster declarations, they—typically, their capability ebbs and flows, depending on disasters. And, as Mr. Miller pointed out, we need continuous State capability to handle the big event when it comes. So, to build a similar program that could be funded under PDM or another mechanism would be helpful. Thank you.

Mr. BARLETTA. This question is for all the witnesses here. Between the hazard mitigation grants, the pre-disaster grants, and the flood mitigation assistance grants, we spend hundreds of millions of dollars on mitigation. How can we better target these grants to reduce flood risks and enable communities to lower their flood insurance premiums, either through the CRS program or otherwise? And, Mr. Miller, you can begin.

Mr. MILLER. I think part of it is—and it is a discussion we have had for a long time—is where do we focus. You mentioned, sir, that the main area of focus is on flooding and flood mitigation as the number-one cause of damages. A lot of our efforts, I think, if I remember right—and I can get you the true figure for the record, but I think 60 or 70 percent of our funds go through—for flood mitigation kind of activities out of—in 2012 I think the total mitigation

assistance was a little over $800 million. It is clearly not enough to do everything we need to do in those areas.

But more importantly, what we try to do is get States and local governments some variability. And we have seen areas where they have tried to direct assistance to focus on a particular hazard, because that was the event that occurred. We have seen others where they have seen a large variability in what they want to do. For instance, in my State, if we had a disaster, the cause may be flood, but the disaster assistance available through the mitigation program is for any hazard in any county, whether they were affected or not. Other States changed that focus.

If communities aren't well-positioned to do that, you see them reach for low-hanging fruit. They may do property acquisitions. In some States they may do elevations. But they may not do the more effective or harder projects that need to get through cost benefit that may have a broader community benefit. Those are some of the challenges we all have. Are they ready for project? Have they planned for projects? Do they know where they are going to go and how they are going to get there? Are they going to pick low-hanging fruit that has a mitigative value, but probably not the bigger bang for the buck that we are all looking for?

Mr. BARLETTA. Ms. Langston?

Ms. LANGSTON. I would note that certainly flexibility is good, and the comment has been made earlier that regional opportunities exist. From my perspective, disasters rarely know political or geographical boundaries. They happen—and certainly, Chairman, in your home State of Pennsylvania, being familiar with a number of your Members there—because it takes in a good deal of land, I think the critical piece is giving the flexibility and incenting local governments to work together.

So, flood plain management, thinking of watershed, regional watershed, authorities that cover thousands of acres so that your mitigation is not always looking at building a flood wall, which may be partial to the solution, but the larger solution may be a 15-county response to watershed management. And that kind of flexibility is not something we have been as good at incenting, although there are dollars now available to that.

So I think, especially when it comes to that kind of response for flooding and disasters, the requirement to look more broadly, incenting communities to work together.

Mr. BARLETTA. Mr. Koon?

Mr. KOON. Mr. Chairman, I believe we can make progress in this by helping to incentivize the communities to participate in the Community Rating System, by streamlining the processes involved with applying for and continuing to improve your standing within the program, helping to raise awareness of citizens and the elected officials as to the potential return on investment on time and money spent on that program, and providing the assistance to those 94 percent of the communities not currently enrolled in the Community Rating System. Get them into the program, help them understand how it can save their policyholders money, and how it can improve the resilience of that community. Once they understand that it exists, once they understand how the monies that are out there can be spent and utilized, I think you will see a con-

tinuing evolution, and people participating in this program, and a continued benefit to the country from their participation.

Mr. BARLETTA. Mr. Berginnis?

Mr. BERGINNIS. I think one way that this can be done is having—as mitigation plans get updated and get better, is to focus mitigation plans on the action piece of those. You know, we spent over a decade building that local capability, and communities have all-hazard mitigation plans. But a deficiency that I have tended to see in those, in having reviewed many of them, is that the action element of that plan tends to not be as specific and as action-oriented as it could.

And to the extent that those plans can be specific and very proactive, and even perhaps to the extent that the plans achieve what I think folks initially thought mitigation planning should do, which is to almost have fairly ready projects that could be funded once disasters happen, or when other opportunities occur, then I think, as a Nation, we will be able to take advantage of those mitigation opportunities and target resources that are available more towards this flood problem.

Mr. BARLETTA. Thank you. The Chair now recognizes Ranking Member Carson.

Mr. CARSON. Thank you, Mr. Chairman. Madam Langston, you mentioned that you are pleased with the Sandy Recovery Improvement Act advance of hazard mitigation funds. Do you feel that counties are sufficiently aware of this provision, and have the capacity to really utilize it, or should FEMA even be doing more to educate counties on this provision?

Ms. LANGSTON. Thank you. I believe there is always more opportunity. I spend a lot of time going around the country right now, talking to people about whether or not they have read their hazard mitigation plan, and if they have been to an emergency drill. I will sadly tell you that probably no more than 50 percent of any room that I ever talk to has fully read their hazard mitigation plan.

But, in response to my being there, I hear from a lot of people who have gone back and read their hazard mitigation plan because I challenged them about it. So I think Mr. Miller and I have an opportunity to serve on the National Advisory Council together, and I think there are always those discussions that we have about how do we advance that. And within NACo, the whole focus on a resilient, thriving county is really focused on helping counties understand that.

So the flexibility is good, the opportunity for education is never ending. Because, in general, I would say that within my State I know that in any given election year the turnover of county elected officials is somewhere between 25 and 30 percent. So that means you are in a constant education process. So we always have work to do.

Mr. CARSON. Mr. Miller, in your written testimony you mentioned that there is a community input phase, and that individuals and communities are able to provide their own data for FEMA's consideration. I have two questions related to this, effectively.

First, what is the average cost for individuals and communities to provide this data? And, secondly, if individuals and communities bring information to FEMA's attention before the maps are final,

does FEMA pursue this information to determine if their maps are incorrect? Or does FEMA just publish the maps, knowing that they could possibly be incorrect?

Mr. MILLER. Well, there is a lot in there. Number one, the cost of challenging the maps, I think, can be significant. And it will vary, given the science or the engineering that needs to be brought forward to do that. But I can give you an average cost figure, and we will have the staff work that up.

I think the other part, though, as we go through it—and there have been some changes in the recent law about how we pay for challenges to the maps that I think are important.

More importantly, we always get into the discussion about whether the maps are wrong, or what data is right. Often it has to do with the level of preciseness. FEMA maps to a standard. And the standards that we set, both in the methodology we use, but, more importantly, the level that we map to, are vetted through a number of panels. Now you have the Technical Mapping Advisory Committee that will weigh in on those standards that came out of Biggert-Waters.

There is a number of things that will happen to look at the standards of mapping. But our investment only maps to a level of preciseness. And what communities often have is greater data and more precise data than we have. And when they bring that to the table, we will consider it.

Now, that said, if there is questions of methodology, like there recently was in Massachusetts, we will look at the methodology and sometimes, like in many places in science, there is disputes over if it is applicable. I think, at the end, we can always say we have looked at the science, we are going to apply it this way, we have to draw a point in time. But, more importantly, when we look at it, we want to look—does it change the outcome? And if it significantly changes the outcome, we really do want to take it into consideration. And is it a one-time event, or something that we bake into our science and methodology?

Mr. CARSON. All right, thank you. Yield back.

Mr. BARLETTA. Thank you, Ranking Member Carson. The Chair recognizes Ms. Edwards.

Ms. EDWARDS. Thank you again, Mr. Chairman. And here, I thought I wasn't going to be totally interested.

[Laughter.]

Ms. EDWARDS. I just have a question. I recall—I visited the areas that were devastated by Katrina down in New Orleans and Mississippi, and then again we also, as a committee, visited the areas that were devastated by Sandy. And my recollection is that one of the things that was discussed, in addition to the kind of hardening structural activity that needed to take place, was also a discussion about the kind of green wetlands replacement and those sort of things that could go a long way to help mitigate.

And so, I wonder if you could tell me how the sort of green infrastructure elements factor into improving community ratings and into the considerations for mitigation all together, and whether there might be things that we could do that would actually encourage some of those activities that tend to be less costly than some of the physical hardening structures.

Mr. MILLER. No, you are right, ma'am. Too often, our efforts, where we get the most focus and then discussion in community, is about structural mitigation, the hardening of a structure, the floodproofing of a structure, or building levees or flood walls, or doing those things, and we lose the benefit and analysis of the benefit for nonstructural efforts that mitigate against loss. We do take those into consideration, and we want to continue to consider those.

Matter of fact, I was recently at a briefing from a colleague from North Carolina, University of North Carolina, who also was with a colleague from Texas A&M. They have done a study and it actually says the more beneficial benefit are the nonstructural ecological and changes that can be made.

On our side, one of the things that we look at for benefit cost is how we do the calculation. Recently, what we did was build in some of the benefit costs for environmental considerations. The harder part of that, because we don't always have the body of science to evaluate, was to go look for the studies that put a value on that, so I could really get a dollars and cents benefit cost analysis. But we have done that, and updated our benefit cost accordingly to make more projects reach that, especially where they take those kinds of measures. It is not widespread. It tends to be more in coastal areas than in other areas. But it is something we want to look at.

I think, more importantly, where we are going to gain advantage in these others, it is something you mentioned earlier about how I would regard Agriculture or the other agencies. Under that Mitigation Framework Leadership Group, where we have a chance to bring people together, these are some of the issues we discuss, everything from unified review for environmental historical preservation pieces that came out of the Sandy Recovery Act to the kind of standards that we would set and policy would set. But at the bottom end of this it becomes about dollars and cents and can I find the monetary value that gives me benefit cost that allows these projects to move forward.

Ms. EDWARDS. Thank you. I would just call attention to—I have a bill that deals with using green infrastructure around stormwater management. But I think it would be important for us to begin to consider ways that we can provide more substantial kinds of incentives for incorporating those activities in county and locality plans. In the stimulus package that passed a couple years ago, they were some of the most sought-after funds, but they were quite limited. And I think it would prove very cost-effective for some of our communities. Thank you, Mr. Chairman.

Mr. BARLETTA. Thank you. Again, this is very good information, a very important hearing. So maybe if—we will do a third round, maybe limit it to one question, if we can.

Ms. Langston, I was a mayor for 11 years, so I will be interested in your opinion. It takes public money to participate in CRS. But the savings go to the policyholders. Does that make it difficult for the local government to make that a priority?

Ms. LANGSTON. Well, I would say it was not for our individual county, but I do understand it could be for some, particularly when you look at what is required to get to the higher levels of rating that get a larger response.

I think, to me, over and over again, it is about the engagement of the community. As a former mayor, you clearly understand this, that getting your constituents to understand that you are spending part of the money to actually help them put money back in their own pockets, but it doesn't always rise to top of mind.

I know I have had conversations with flood plain managers due to some work with FEMA, and trying to help people understand how do these various levels of government communicate. So how do I, as an elected official, know what is going on with the flood plain manager, and how do I know that that is really important, now that they have figured out what the risk is? And then, how do I turn around and use my leverage and my convening power to get back to my constituents to say, "It is really important that we do this"?

So, to my mind, the barriers are primarily one of communication between elected officials such as us, and the Administrators who have to put information in front of us that empowers us to take action.

Mr. BARLETTA. Mr. Koon?

Mr. KOON. Chairman Barletta, the—for every 500 points in Florida, if I could generate—if I could move every community up by one level on the Community Rating System, based on the premiums that the policyholders in Florida were paying a couple of years ago, before any increases, about $1.2 billion a year, that would be $60 million in savings across the State of Florida. That $60 million goes back into those policyholders' pockets. That is money they are going to spend in the local economy. That is money that is going to generate jobs, generate additional revenue in those communities. That is additional tax revenues going back to the locals and the States. That is going to reduce their flood insurance premiums, which could increase their property value, which could increase property taxes within the State, as well. So this is not solely a savings for the policyholder. That money goes back into the local economy and has a reverberating effect as it progresses through.

And oftentimes, achieving that 500 points is going to cost far, far less. You know, we have gone through and identified all the different things we can do in the Community Rating System to save those points. And many of them are low- to no-cost, particularly some of the outreach efforts that you can get credit for within a Community Rating System, simply by having the public aware of the hazards, or working with the Realtors to develop brochures. Those kinds of things, again, have little to no cost, and can generate tremendous savings.

So, we have gone through a prioritized, from zero to expensive, where should we put our dollars. And, again, many of them, it is going to cost us a very small amount of money to generate tens of millions of dollars of savings for Floridians.

Mr. BARLETTA. I agree. I know the roads in Florida are very good, but the roads in Pennsylvania, there are a lot of potholes. And sometimes elected officials hear it every day from their neighbors and people in the community, "When are you going to fix these, the potholes?" So it is a tough decision for elected officials to realize that this money has to go into saving the taxpayers in

that community. So, it is, I believe, one of the factors maybe why communities aren't investing in mitigation.

Ranking Member Carson?

Mr. CARSON. Well stated. Thank you, Mr. Chairman. Very insightful, Mr. Koon. Thank you for that.

Mr. Berginnis, even if local communities are aware of the—for the need of mitigating, they may not have the capacity to do so in many instances. Do you have any suggestions as to how Congress can help local communities obtain the capacity necessary to even implement effective mitigation strategies for participating in CRS?

Mr. BERGINNIS. It is an excellent question, and I think it largely has to do with making sure the assistance mechanisms for communities to join and to continue to participate are robust enough to handle the demand that is there.

You know, in Ohio, the CRS program, when I was working there at the State, was not a particularly large program. We had over 700 communities in the State, and I think we had less than 20 participating in the CRS. But, among those, we had communities the size of small villages—5,000 people—that participate in the CRS and did it successfully. And I think sometimes—and maybe it goes back to the communication—the experience that people tend to think they hear, in terms of applying and things like that, is a lot different than the reality.

In fact, the way FEMA administers the CRS, there is assistance in doing applications and those kinds of things. And so, probably, a couple things Congress could do, again, would be, one, to increase the State capability to provide the technical assistance. Secondly, perhaps to allow CRS application assistance to be an eligible item under mitigation programs that communities could participate in. And then the third is making sure that the CRS program itself has enough resources to address any of these delays that were talked about in terms of once a community is excited, they want to participate, by golly, let's get them in the program as soon as possible.

Mr. CARSON. Thank you, Mr. Chairman. I yield back.

Mr. BARLETTA. Thank you. I would like to thank all of you for your testimony today. It was incredibly insightful. And, again, it shines a light on how important education is, that we go back to many of these communities. If anyone has experienced as you all have, the sorrow and devastation after a flood, I think at that point in time we would do anything within our power to prevent it from happening. But it is times like right now, when we are not experiencing those in our communities, that we really need to get to work to try to stop those times from happening. So, again, I want to thank all of you.

I would ask unanimous consent that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing, and unanimous consent that the record remain open for 15 days for any additional comments and information submitted by Members or witnesses to be included in the record of today's hearing.

[No response.]

Mr. BARLETTA. Without objection, so ordered. I would like to thank our witnesses again for your testimony. If no other Members have anything to add, this subcommittee stands adjourned.

[Whereupon, at 11:36 a.m., the subcommittee was adjourned.]

STATEMENT

OF

DAVID MILLER
ASSOCIATE ADMINISTRATOR
FEDERAL INSURANCE AND MITIGATION ADMINISTRATION
FEDERAL EMERGENCY MANAGEMENT AGENCY
U.S. DEPARTMENT OF HOMELAND SECURITY

BEFORE
THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.

"DISASTER MITIGATION: REDUCING COSTS AND SAVING LIVES"

Submitted
By

Federal Emergency Management Agency
500 C Street, S.W.
Washington, D.C. 20472

April 3, 2014

Introduction

Chairman Barletta, Ranking Member Carson and Members of the Subcommittee, I am David Miller, Associate Administrator for the Federal Insurance and Mitigation Administration (FIMA) at the Department of Homeland Security's (DHS) Federal Emergency Management Agency (FEMA). I am grateful for the opportunity to be here today.

In this testimony, I will discuss FEMA's mitigation programs and how we educate, incentivize and fund state, local and tribal efforts to build stronger communities that collectively create a nation more resilient to an increasing number and intensity of hazards.

Mitigation[1] efforts support more rapid recovery from disasters and lessen the financial impact of disasters on the nation. Stringent building codes, flood-proofing requirements, earthquake design standards, wind-bracing requirements for new construction, and repair of existing buildings are all examples of mitigation in action.

FEMA has made significant strides in the last three years in the area of mitigation, bringing the larger mitigation community together around shared doctrine, partnering with state, local, tribal, and territorial governments and giving communities the funding, tools and information they need to make informed, data-driven decisions that minimize their risk.

This work was bolstered in 2011, with the release of Presidential Policy Directive 8 (PPD-8) on National Preparedness. This directive defined the mitigation mission area for the first time and required the development of national frameworks based on each mission area. As a direct result, FEMA released the National Mitigation Framework in May 2013. The Framework in turn established the Mitigation Framework Leadership Group (MitFLG). The MitFLG is a senior level group that works to coordinate national-level mitigation activities and implement policies in consultation with other federal agencies and state, local, tribal and territorial governments.

Federal, State, Local and Tribal Role in Mitigation

Most mitigation occurs at the local level, where communities apply a localized understanding of risks to effective planning and identify strategic mitigation options. Local and tribal governments are directly connected to community plans and goals and, in many cases, bring more precise understanding of local vulnerabilities to bear on risk reduction activity. State, tribal, territorial and local governments are responsible for the public safety, security, health and welfare of the people who live in their communities, while the federal government provides some of the tools and the funding they need to mitigate and create a safer environment for their citizens.

[1] As set forth in PPD-8, "mitigation" refers to those capabilities necessary to reduce loss of life and property by lessening the impact of disasters. Mitigation capabilities include, but are not limited to, community-wide risk reduction projects; efforts to improve the resilience of critical infrastructure and key resource lifelines; risk reduction for specific vulnerabilities from natural hazards or acts of terrorism; and initiatives to reduce future risks after a disaster has occurred.

With regard to grant funding, local and tribal governments are responsible for applying for funding, managing approved projects and maintaining records. States manage the overall mitigation program within the state, establishing funding priorities, and selecting projects for funding based on those priorities. FEMA oversees and manages the Hazard Mitigation Grant Program (HMGP), Pre-Disaster Mitigation Grants (PDM) and Flood Mitigation Assistance Program (FMA) programs, establishing minimum criteria for project eligibility, providing technical assistance and reviewing projects selected and submitted by the state for eligibility.

National Flood Insurance Program

The National Flood Insurance Program (NFIP) serves as the foundation for national efforts to reduce the loss of life and property from flood. The program identifies areas with risk of flood, mitigates the long-term risks to people and property from the effects of flooding, and makes insurance against the risk of flood generally available in participating communities. The NFIP works closely in partnership with participating private insurance companies – commonly known as "Write Your Own" companies – to market, sell, administer and adjust claims for policyholders. By encouraging mitigation and floodplain management efforts, the NFIP is estimated to save the nation $1.6 billion annually in avoided flood losses.

Building Codes

With regard to building codes, states and communities voluntarily adopt building codes based on their local needs and priorities. They often use consensus codes such as the International Codes, a family of building and fire safety codes that provide a set of coordinated, comprehensive and contemporary building and fire safety standards. Throughout the United States, code enforcement officials, architects, engineers, designers and building contractors work with a consistent set of requirements that, wherever adopted, lead to consistent code enforcement and higher quality construction. Despite the value of consensus codes and standards, their adoption from state to state varies. The most effective codes continue to be those that are up to date and enforced.

Last October, FEMA issued a the Report on Inclusion of Building Codes in National Flood Insurance Program to Congress to comply with Section 100235 of the Biggert-Waters Flood Insurance Reform Act of 2012, Pub. Law No. 112-141. The report describes the impact, effectiveness, and feasibility of including widely used and nationally recognized building codes as part of FEMA NFIP floodplain management criteria. FEMA found that approximately 70 percent of NFIP communities currently enforce building codes with flood provisions based on the model International Codes. Including building codes as part of the NFIP has the potential to reduce physical flood losses and other hazard losses, which in turn would positively affect the local land use planning and regulatory climate. Insurance losses would be also reduced for the properties required to comply with building codes because those properties would sustain less damage.

Mitigation and Resilience

As part of FEMA's effort and its stated strategic priority to enable disaster risk reduction nationally, FEMA is leveraging its partnerships, programs, risk information and tools to catalyze efforts to advance risk-based decision making across the nation to enable risk reduction through mitigation. This effort will help to build community resilience through ensuring a common risk picture, better targeting of resources, and a collaborative national effort to build the capabilities that will best address targeted risk areas.

Focus areas to enable disaster risk reduction nationally include:

- Enabling greater risk informed decision-making by improving the quality, accessibility and use of risk information and allowing for more data-driven decision making. For example: by updating flood hazard maps to include advisory base flood elevations when appropriate after a major flood event and the continued implementation of the Threat and Hazard Identification and Risk Assessment process. The Administration also recently launched climate.data.gov which will provide information that communities can use to better prepare for the impacts of climate change.
- Building the appropriate preparedness capabilities to address the identified risks through continued implementation of the National Preparedness System. For example: through the implementation of the National Mitigation Framework and National Disaster Recovery Framework, long-term disaster recovery planning, training and education, core capability development and sharing of lessons learned.
- Leading greater federal interagency collaboration around risk reduction and resilience, building upon the establishment of the MitFLG and implementing a consistent federal flood risk standard for federal funds in Hurricane Sandy rebuilding. For example: through the development of a Federal Flood Risk Reduction Standard under the President's *Climate Action Plan.*
- Unifying the Flood Mitigation Assistance, Repetitive Flood Claims and Severe Repetitive Loss grant programs under the FMA program, which will help FEMA deliver flood-related grants to states, local and tribal communities more effectively, while reducing future claims to the NFIP. These grants provide funding to states, federally-recognized tribal governments, and communities for the reduction and elimination of the long-term risk flood damage poses. They provide funds on an annual basis so that measures can be taken to reduce or eliminate risk of flood damage to buildings insured under the NFIP. These measures include the acquisition and demolition of flood prone structures, the elevation of homes above expected flood levels and the construction of minor drainage projects to reduce the impact of storms.
- Integrating the Public Assistance and Hazard Mitigation Assistance (HMA) programs so they work together and concurrently, rather than consecutively, with public assistance funding being applied and used before HMA funding. The approach will better align

funding and leads to better outcomes, while lowering the risk of projects losing momentum or being duplicated across program areas.

Encouraging Mitigation Throughout the Nation

FEMA helps thousands of communities and tens of thousands of individuals avoid the suffering and economic loss associated with disaster damage through encouraging the development of mitigation plans, funding mitigation activities, incentivizing sound floodplain management strategies and developing resources – such as maps – that inform risk.

FIMA's Community Education and Outreach Group also promotes effective hazard mitigation through community education, outreach, training and coordination with the public and private sectors. To achieve these goals, the Outreach Group provides advice to the public on hazard mitigation techniques and measures through Disaster Recovery Centers, other disaster assistance facilities, community meetings and special events.

In cooperation with the state, this group also promotes partnerships and trains local officials, the construction industry, and residential and commercial building owners. It also identifies, documents and disseminates best practices.

Encouraging the Development of Plans: Hazard Mitigation Planning

Mitigation plans are the foundation for effective hazard mitigation. A mitigation plan is a demonstration of the commitment of the whole community to reduce risks from natural hazards and serves as a strategic guide for decision makers as they commit resources.

The mitigation planning process includes hazard identification and risk assessment, which helps planners create a comprehensive mitigation strategy for reducing risks to life and property. The mitigation strategy section of the plan identifies a range of specific mitigation actions and projects being considered to reduce risks to new and existing buildings and infrastructure. This section includes an action plan describing how identified mitigation activities will be prioritized, implemented and administered.

FEMA's Hazard Mitigation Grants and Planning Group supports state, local and tribal participation in the Agency's mitigation programs, providing technical assistance as they develop multi-hazard mitigation plans.

FEMA also provides funds for communities to develop plans under the FEMA's HMA programs. These funds are provided to help state, tribal and local government with the resources they need to develop mitigation plans, which are required for receipt of Hazard Mitigation Grant funding.

Funding Communities: Grant Programs

FEMA's HMA programs provide funds for projects that reduce the risk to individuals and property from natural hazards. These programs enable mitigation measures to be implemented before, during and after disaster recovery. Local jurisdictions and tribes develop projects that reduce property damage from future disasters and submit grant applications to the state. The states submit applications to FEMA based on state criteria and available funding.

The HMA programs include:

- Pre-Disaster Mitigation Grants are designed to assist states, territories, tribes and local communities in the implementation of a sustained pre-disaster natural hazard mitigation program to reduce overall risk. The President's FY 2015 budget request includes $400 million for the Pre-Disaster Mitigation program in the Opportunity, Growth, and Security Initiative. These funds will help augment adaption planning by States, tribes and local communities and help them prepare for events such as wildfire, floods, and other disasters that could be exacerbated by climate change. This, combined with the $150 million in base funding for NFIP mitigation grants, represents an increase of $425 million over the 2014 spending level. These programs provide grants for eligible mitigation planning and projects that reduce disaster losses and protect life and property from future disaster damages, allowing for more flexibility and providing another option for applicants. This includes support for adaptation planning and pilot projects for cities and communities through hazard mitigation assistance, building on Administration efforts to implement the National Mitigation Framework. For mitigation funding provided through the Flood Insurance Program, this can include planning grants to prepare flood mitigation plans; cost-effective project grants to reduce flood losses; structure elevation; and retro-fitting of existing buildings. In FY 2013, FEMA's PDM programs helped local communities across the United States prepare for future disasters by obligating more than $31 million in flood grant funds for mitigation activities. These measures are expected to result in losses avoided of approximately $93 million for flood programs.
- The Hazard Mitigation Grant Program provides grants to implement long-term hazard mitigation measures after a major disaster declaration and to break the cycle of damage, rebuild and damage. Funding is available to implement projects in accordance with state, tribal and local priorities. Currently, FEMA is seeking public comment regarding administration of the HMGP and looks forward to using the public's input to inform the development of a new method of program delivery that may delegate certain program administration authority to States and tribes. Hazard Mitigation provides assistance for actions taken to prevent or reduce long-term risk to life and property from natural hazards. In FY 2013, more than $701 million in HMGP program funds were obligated, while in FY 2014, $333 million has been obligated thus far, resulting in more than an estimated $2 billion in losses avoided. To date, FEMA has obligated more than $8.5

billion to states and Indian Tribal Governments in HMGP funding. We continue to work with the applicants as they develop new applications and as they implement approved HMGP projects.

- The Flood Mitigation Assistance Grants program provides funding to reduce or eliminate risk of flood damage to buildings insured under the NFIP. Eligible applicants and/or subapplicants for funding include state, local and tribal governments. FEMA offers three types of FMA grants, including: planning grants to prepare flood mitigation plans, project grants to implement measures to reduce flood losses – such as elevation, acquisition or relocation – of NFIP-insured structures and Management Cost Grants for the state to help administer the FMA program. Since 1996, FEMA has obligated more than $311 million in FMA funds for mitigation. The President's FY 2015 budget request includes $150 million for the FMA grants program.

These efforts have a beneficial impact at the community level. For example, in Indiana, FEMA recently awarded more than $1.6 million in HMGP funding to acquire 15 houses in Morgan County and 18 in Tipton County, as well as to bolster warning systems and update mitigation plans for Bartholomew County, Fulton County and the town of Chandler.

In Pennsylvania, FEMA recently provided more than $9 million in HMGP funding to acquire 23 homes in Columbia County, 14 in Wyoming County, 11 in Columbia County, 12 in Montgomery County, 14 in Luzerne County and 15 in Lycoming County – all of which were substantially damaged and in Special Flood Hazard Areas.

The families in these homes have chosen to relocate, making way for open space that benefits these local communities and stops the cycle of damage, rebuild and damage through effective mitigation.

Incentivizing Communities: Community Rating System

The Community Rating System (CRS) is a program administered by FEMA that provides lower insurance premiums under the NFIP. Communities apply to participate in the CRS, and flood insurance policy holders of participating communities pay lower premium rates based on the implementation of floodplain management practices and other mitigation activities. Through the CRS, the cost of insurance is reduced where flood risk is reduced.

Communities earn CRS credit points toward their rating, and thus earn premium discounts.

The CRS recognizes communities that:

- Require new buildings to be constructed above the base flood elevation;
- Develop flood risk data and maps that supplement the flood insurance study data provided by FEMA;
- Maintain flood plain areas as open space; and

- Educate the public on best practices

As communities strive to recover from major flooding events, many consider how to rebuild to ensure greater future resiliency. This was the case in the aftermath of Hurricane Sandy, as many New Jersey communities impacted by the storm used technical guidance provided by FEMA to rebuild better. This guidance described the CRS credit available to communities if they would require certain damaged buildings to be elevated well above the established base flood elevation. Sixteen jurisdictions in New Jersey are making these changes, exceeding minimum requirements, reducing the cost of their flood insurance and creating safer environments for their citizens.

In Pennsylvania, 25 communities participate in CRS, including the City of Harrisburg and the City of Wilkes-Barre, which are among the most advanced CRS communities in the state. Both of these cities earn a 20 percent flood insurance premium discount. In Harrisburg, 984 policy holders receive the 20 percent discount. In Wilkes-Barre, 391 policy-holders receive the 20 percent premium discount.

In Indiana, 21 communities participate in CRS. Unincorporated Hamilton County has the most advanced CRS Class in the state, with 60 policy holders earning a 15 percent premium discount.

The CRS is currently seeing significant growth of inquiries about participation. In the last several years, approximately 40 communities have joined the CRS every year, with approximately 90 communities advancing in CRS Class annually.

In total, 1,273 communities participate in the CRS program, representing 67 percent of all NFIP flood insurance policies.

Educating Local Communities: Mapping Program

Mapping and identifying flood hazards enables informed, smart development and encourages communities to adopt and enforce minimum floodplain management regulations. These efforts minimize the financial impact of flooding on individuals and businesses, and mitigate the effects of flooding on new and improved structures.

To develop Flood Insurance Rate Maps (FIRMs), FEMA contracts with trusted, credible, experienced, credentialed and licensed engineering firms to map communities. To ensure that the maps incorporate the most current and accurate supporting data, FEMA engages state and local governments, the public broadly, professional engineers and licensed surveyors in all phases of map production, from data acquisition through flood hazard analyses, and ultimately to floodplain delineations. During the process of community input, FEMA encourages individuals and communities to provide their own data for FEMA's consideration. Finally, FEMA vets and publishes each individual map, and then each community follows its own established process to gather additional community input and formally adopt the maps at the local government level.

In addition to having the opportunity to contribute to the development of these maps, FEMA also has a process in place for homeowners to address any concerns they have with these finalized maps, giving them the option to comment on and appeal them.

FEMA consistently releases new flood maps and data, giving communities across America access to helpful, authoritative data that they can use to make decisions about flood risk, enabling safer development and rebuilding following disasters.

These FIRMs are critical not just because they give communities the information they need to help avoid future risk, but because they also help set actuarially sound insurance rates. Thus, FEMA is committed to ensuring that FIRMs are both accurate and reflect current risk.

Value of Mitigation

The National Institute of Building Sciences' Multi-hazard Mitigation Council estimated that for every dollar invested in hazard mitigation, a savings of four dollars is achieved. Mitigation programs save the American public an estimated $3.4 billion dollars annually through a strategic approach to natural hazard risk management, including the value of more stringent building codes.

Investments in mitigation also serve to buy down risk, meaning that making positive changes as part of a mitigation plan lessens the probability of risk. Additionally, mitigation contributes to creating a safer environment for citizens in which they are more likely to be safe and out of harm's way.

Looking Forward

Mitigation Framework Leadership Group

The National Mitigation Framework was released in May 2013 and established the MitFLG, a senior level group that works to coordinate national-level mitigation activities and implement policies with other federal agencies and state, local, tribal and territorial governments.

More broadly, the MitFLG is focused on creating a national culture that embeds risk management and mitigation in all planning, decision making and development.

The MitFLG held its inaugural meeting in July 2013 and meets quarterly. The group is currently focused on:

- Inviting the first cohort of state, local, tribal and territorial members to serve two year terms in the Group.
- Acting on the President's Climate Action Plan, FEMA is working with federal agencies to evaluate their flood-risk reduction standards for federally funded projects to reflect a consistent approach that accounts for sea-level rise and other factors affecting flood risks.

- Following up on recommendations from the Hurricane Sandy Rebuilding Strategy, including: applying infrastructure resilience guidelines to all federal infrastructure investments and projects for Hurricane Sandy recovery; institutionalizing regional approaches to resilience planning in the National Disaster Recovery Framework and National Mitigation Framework; and encouraging states and localities to adopt/enforce the most current version of the International Building Code and International Residential Code.

Climate Adaptation

In support of the Executive Order 13563 – *Preparing the United States for the Impacts of Climate Change*, and the President's *Climate Action Plan*, FEMA plays a leading role in helping prepare the United States for the future impacts of climate change, including considering sea level rise, increasing intensity and duration of storms, changing drought and fire risks, and shifting threats to human health and disease patterns.

FEMA is working to incorporate climate change into our data collection, knowledge transfer and mitigation planning. The Agency uses the best available science to understand expected climate change impacts on natural hazards. As we work to reduce risk nationally and address both hazards and threats,

FEMA also is working to integrate climate adaptation into its approach and to coordinate efforts across the federal government. Specifically, FEMA is integrating climate adaptation into the Agency's priorities by:

- Facilitating climate-resilient investments by building ways to demonstrate the applicability and cost effectiveness of specific risk reduction measures for climate adaptation;
- Developing actionable tools and data by providing innovative tools that help emergency managers and whole community partners effectively integrate future risk considerations into standard planning and decision-making processes.
- Advancing climate adaptation knowledge and capacity by disseminating best practices and establishing partnerships, pilot programs to test adaptation activities.

We are approaching all of these efforts with an awareness that understanding future risks is not enough – we must develop tools and resources that help communities take action to reduce these risks, support communities that are making changes and eliminate barriers to implementation – all while building the knowledge base of our emergency management community.

Conclusion

Successful mitigation efforts are a shared responsibility requiring the engagement of all levels of society and of government. Through its mitigation programs, FEMA educates, incentivizes and

funds state, local, tribal, and territorial efforts to build stronger communities that collectively create a nation more resilient to an increasing number and intensity of hazards.

FEMA has made significant strides in the last three years in the area of mitigation, bringing the larger mitigation community together around shared doctrine, partnering with state, local, tribal, and territorial governments and giving communities the funding, tools and information they need to make informed, data-driven decisions that minimize their risk.

The Agency looks forward to working with Congress on implementing the Homeowner Flood Insurance Affordability Act of 2014 and to working toward our shared goals of helping families maintain affordable flood insurance.

Thank you for providing me with the opportunity to discuss these important efforts. I look forward to your questions.

WRITTEN STATEMENT FOR THE RECORD

The Honorable Linda Langston
President, National Association of Counties and
Supervisor, Linn County, Iowa

On behalf of the
National Association of Counties (NACo)

Before the
U.S. House Committee on Transportation and Infrastructure
Subcommittee on Economic Development, Public Buildings and Emergency Management
"Disaster Mitigation: Reducing Costs and Saving Lives"

Washington, D.C.
April 3, 2014

Thank you, Chairman Barletta, Ranking Member Carson and members of the subcommittee for the opportunity to testify today on disaster mitigation efforts at the county level.

My name is Linda Langston and I am a county supervisor in Linn County, Iowa. I also serve as the president of the National Association of Counties (NACo). NACo represents all 3,069 county governments in the United States.

Counties play an instrumental role in our nation's intergovernmental system of federal, state and local governments. Counties are a major owner of facilities and infrastructure, including 45 percent of America's roads, nearly 40 percent of bridges, 960 hospitals and more than 650 nursing homes. Counties play a critical role in justice and public safety policy and services, with 3,105 county police and sheriff departments as well as 911 call centers, emergency

management professionals, fire departments, public health officials, public records and code inspectors, among others.

At the leadership level, county elected officials are tasked with shaping county and community policies and investments that enable economic and community development, safeguard our citizens and community investments, and promote public health and wellbeing. Nationwide, counties invest nearly $500 billion each year to pursue these goals. We also use our convening powers, professional networks and policymaking authorities that all are essential to effective disaster mitigation practices.

As president of NACo, I have implemented a presidential initiative focused on resiliency. My "Resilient Counties" initiative was started to help counties bolster their ability to thrive amid ever-shifting physical, social and economic conditions which includes preparation for and recovery from natural or man-made disasters. Counties are responsible for carrying out both long-term planning to promote resiliency, and taking immediate action in a crisis situation. Through this initiative, we are working to strengthen county resiliency by building leadership capacity to identify and manage risk and enable counties to become more flexible, responsive and prepared.

I want to thank you, Chairman Barletta, Ranking Member Carson and members of this subcommittee for recognizing the value of disaster mitigation and again, allowing me to testify.

Mr. Chairman, I will focus my remarks today on three key flood mitigation efforts taking place in counties across America.

- **Proactive county planning is the cornerstone of flood mitigation efforts.** County governments are often land use regulators and with this authority, counties can encourage development that is safe and performed in a manner that will ensure the community's viability. Through comprehensive, fact-based, inclusive planning processes, counties can encourage development in safer, low-risk areas.
- **Participation in the Community Rating System (CRS).** The National Flood Insurance Program's (NFIP) Community Rating System is an important tool for local governments, nationally. This program has proven to be a great way to achieve multiple goals. Through CRS, communities are able to educate residents on flood risk and mitigate flood impacts while lowering insurance premium costs for their residents and businesses.
- **Building relationships and establishing responsibilities before a disaster.** The key to preparing and managing a disaster begins by building relationships beforehand so when a disaster happens, resources can be deployed quickly and efficiently through an established network with pre-assigned roles and responsibilities. Counties can play a key role in facilitating these critical relationships.

Proactive county planning is the cornerstone of flood mitigation efforts.

Counties are tasked with the important responsibility to protect the health, safety and welfare of their citizens, as well as maintain and improve their quality of life. This includes effective county planning. County land use planning is an ongoing process, whether the community is already built up, growing rapidly or rural in nature. Local governments use land use planning to effectively manage the development of land within their borders – this could encompass protection of land and water resources in order to accomplish local goals. This also includes addressing flood plain management and hazard mitigation, while ensuring the economic viability of regions.

Every year, counties invest $25.6 billion in economic development and $106.3 billion in building infrastructure and maintaining and operating public works. In an era where "doing more with less" has become the norm, counties must make certain that the investments made in building communities carry through long-term. As stewards of public finances and property, counties must also ensure efficient use of public funds. Natural disasters like flooding pose a major risk to the social, environmental and economic health of counties nationwide. Such risks make the pursuit of flood mitigation a necessity. Additionally, as land use regulators, counties are responsible to pursue flood mitigation holistically.

Generally, counties have engaged in three types of land use activities to mitigate flood impacts: building flood protections in the form of physical structures and supporting natural systems, removing flood-prone structures and encouraging safe new development through land use regulations.

Structural protections, including activities like building levees or dams, and restoring natural systems, such as wetlands, continue in many parts of the country as a way to mitigate flood impact. Flood protection structures play an important role in protecting a community against surging waters. Fairfax County, Virginia is undertaking a levee and pumping station project to protect homes and other property in the Huntington neighborhood from flooding; completion is scheduled for spring 2019. Wetland restoration projects are also occurring in places like Lee County, Florida and Jefferson Parish, Louisiana as a way to promote storm and flood resiliency. Lee County (Florida), jointly with the Sanibel-Captiva Conservation Foundation and the City of Sanibel pursued the Clam Bayou restoration project to promote storm and flood resiliency in the Clam Bayou, a 400-acre mangrove-lined area on Sanibel Island in southwest Florida. Jefferson Parish, Louisiana joined with public and private partners to re-establish the native cypress trees along the Bayou Segnette Waterway south of New Orleans. With support from over 150 local and national volunteers, the strategic planting of more than 3,400 bald cypress

trees along 32,000 feet of riparian buffer provided Jefferson Parish with a much-needed stronger and more resilient barrier to floods and storms.

In addition to building protective structures or restoring natural systems, counties are also utilizing property buyouts in order to protect against potential property and life loss. The Midwest floods of 1993, inundated nine states with flood water and left $12 billion of damage. Since the 1993 floods, the state of Iowa and local governments, in partnership with FEMA, have removed more than 1,000 properties in the floodplain. Black Hawk County (Iowa), home to roughly 131,800 county residents, was one of the counties that participated in FEMA's buyout mitigation efforts. In December 1993, Black Hawk County started purchasing structures in floodplains in Cedar Falls, Iowa and re-purposed the land as open space – available to residents for gardening, hunting and fishing. The project was completed by September of 1997, shortly before Cedar Falls would experience another flood in 1999. As a result of the buyouts, ninety-eight homes and one lot were purchased, ninety-six of the homes were demolished and two moved to higher ground. In all, eighty-nine families moved safely away from the floodplain. The total cost of the program was $4.3 million and there was little loss to local business or the tax base. Since the beginning of the project in 1993, the same area has experienced several flood events and the estimated avoided damages from these floods total $5.34 million. The State of Iowa projects the 30-year benefits from this project to be over $6.6 million in avoided damages. The mitigation buyouts undertaken by local government in Black Hawk County were successful, saving taxpayers money, protecting property and lives.

Counties recognize the value of disaster mitigation measures and are encouraging safe new development through land use regulation. Ideally, all counties would have sufficient funds to buy out properties in flood prone areas. However, not all counties have the financial ability to do so, especially those that are more rural and have a smaller tax base. Smaller, more rural counties, however, are utilizing their land use authority to encourage safe development. In Iowa County, Wisconsin, home to roughly 23,000 residents, the County reviews all permit applications to determine whether proposed building sites will be reasonably safe from flooding. McPherson County, Kansas, home to roughly 29,000 residents, designated a floodwater structure breach district in which no new structures may be built because of the associated flood risk. McKenzie County, North Dakota is home to roughly 6,300 residents, and to protect against potential flooding, the county does not allow construction in the Special Flood Hazard Area (SFHA) and requires additional construction standards related to anchoring, construction materials and elevation to be met if an approved development is to take place.

Coconino County, Arizona is not in a flood zone but in 2010 experienced the Schultz wildfire, the largest wildfire in Arizona that year, which cost $120 million to fight. Prior to the fire, the landscape was easily able to handle rain events but the Schultz wildfire changed the physical

condition of the environment, creating optimum conditions for future flash flooding. Heavy rains followed the fire which resulted in significant flooding of residential areas below.

Since the fire, Coconino County has instituted storm water drainage requirements for all new subdivisions. This new standard will require that the drainage systems be able to handle a five-year, 24-hour storm event (five-year storm means a 20 percent chance of occurrence per year).

To address the challenges created by the fire, Coconino County has invested over $18 million of county funds to mitigate flood impact. From its federal partners, the county drew upon funds from the Hazard Mitigation Grant Program (HMGP) and additional funds through federal highway funding and the Natural Resources Conservation Service's Emergency Watershed Protection Program. The funds were used for large mitigation projects including land treatment (planting vegetative cover) and building protective structures like berms, among other activities.

The Hazard Mitigation Grant Program's (HMGP) post-disaster mitigation funds are essential to local communities. From providing the tools and resources needed for Black Hawk County to buy out repetitive loss properties and enabling Coconino County to create water drainage conveyances, HMGP helps counties build safer communities after a disaster. And we are pleased that the Sandy Recovery Improvement Act of 2013 (SRIA) recognizes the significance of this program by streamlining procedures and by allowing the advancement of funds so that post-disaster mitigation activities can be implemented as quickly as possible.

Another important program in which counties participate is the Community Rating System (CRS), part of the National Flood Insurance Program (NFIP). By providing discounts based on accumulated points for floodplain management activities that exceed NFIP minimum standards, communities are incentivized to recognize and plan for flood risk. In my own county, we participate in CRS not only because we want our residents to receive a discount on their flood insurance premiums but also because we want to educate our residents about true flood risk—to help protect our citizens and communities from future disasters. This program captures the most effective ways of informing and preparing community residents for flood hazards.

CRS allows a diverse range of communities to adopt safe and resilient policies and practices that have a direct impact on the risk exposure of the community. For example, Terrebonne Parish, Louisiana, home to roughly 111,890 residents, is distributing flood risk information through a dedicated website, www.floodsafeterrebonne.com. Additionally, the parish has held public meetings and is currently working on additional amendments to their flood ordinance to enable the parish to receive a higher CRS rating. These and other CRS activities have resulted in a 25 percent discount for county residents; it is one of the highest CRS ratings in the state.

King County, Washington, home to over 2 million county residents, is one of only two counties in the country with a CRS rating of 2, resulting in a 40 percent discount to those in the Special Flood Hazard Area (SFHA). It was the first county in the nation to achieve this rating. Beginning in 1990, King County has steadily increased its CRS rating by dedicating county resources to CRS activities like developing floodplain mapping studies which accounts for approximately 12 percent of King County's overall CRS credit.

CRS works because it helps communities identify and understand their risk and offers a diverse suite of options to mitigate against that risk. Terrebonne Parish and King County's accomplishments are possible because these counties understand their risk exposure.

Building relationships and establishing responsibilities before a disaster.

Disasters are local. Local governments are often first to the scene with police, sheriff and firefighters. They are also there for the cleanup, recovery and rebuilding. It is our job as local officials to protect both our public safety officers and our residents, while maximizing cost-efficiency by reducing risk before a disaster happens. A large part of the county mission to reduce risk can be accomplished through strong relationships among county officials and county residents, among county government personnel and our state and federal partners. Planning, coordination and collaboration among all levels of government – local, state and federal – before a disaster is key.

Coordination between county government and residents. When it comes to disaster mitigation, a large part of my role as an elected official is explaining risk and establishing buy-in from county residents. During a disaster, communication to county residents plays an important role in confining potential disaster costs. As such, counties are adopting technological and social media tools to encourage individuals to recognize and prepare for risk. To prepare *for* disaster, Coconino County, Arizona publishes a flood guide that reads like a newspaper and guides residents on disaster planning – many county residents do not know to have a ready-packed bag and critical papers protected and handy if a flash flood were to occur. In the event *of a* disaster, Coconino County is prepared to use software to alert residents in the area and utilizes social media to further reach their residents. In order to reduce cost and save lives, local officials need to stay connected to their constituents through every available channel.

Public information outreach is valuable because we help better inform our residents about risk; it also is an opportunity for local officials to engage with their residents. In times of emergency, these relationships have proved invaluable. In the Waldo Canyon Fire that ravaged El Paso County, Colorado in 2012, over 41,000 hours of volunteer work was completed by 6,000 people

– I believe that this type of recovery is only possible because of the strong, *deliberate,* social fabric that ties counties and their residents.

At the national level, we have learned from FEMA's Integrated Public Alert and Warning System (IPAWS) and many counties have implemented IPAWS at home. IPAWS provides our county public safety officials with an effective way to alert and warn the public about emergencies using the Emergency Alert System (EAS), Wireless Emergency Alerts (WEA), the National Oceanic and Atmospheric Administration (NOAA) Weather Radio and other public alerting systems from a single web-based interface. Baldwin County, Alabama and Monroe County, Indiana are just two examples of counties that have integrated IPAWS into their emergency alert systems – our counties are making sure that we do everything we can to alert our residents should a disaster strike.

Internal county government communications. Implementing outward bound communications systems is one part of planning for disaster. Internally, counties are proactively assigning roles and responsibilities among county personnel so recovery can happen efficiently should a disaster happen. That is why in my home county, the county board of supervisors regularly meets as the hazard mitigation committee. This is not simply an exercise for us – but helps us to develop the plan that will guide the county's efforts should another flood or disaster consume our community. As a result of these hazard-focused meetings, the Linn County Board of Supervisors is better informed about all the potential risks that face our county. We also know who to call upon should we face a disaster – for example, when a disaster strikes, we know to get in touch with the three utility companies that service our area and the twenty-five public safety services who manage everything from fire, emergency medical and ambulance services throughout the county. Establishing disaster-focused roles and responsibilities helps us know who to call upon should a flash flood happen while kids are being bussed to school or if there are a large number of pets roaming during a flash flood, a problem I faced when my county was inundated by flood waters in 2008.

Coordination across levels of government. From a macro point of view, we all know that partnerships between local, state and federal entities help expand resources and improve coordination. When a disaster strikes, the strength of the federal-state-local partnership is tested and it is incumbent upon us as elected officials to strengthen and encourage strong intergovernmental relationships.

In late January, I participated in a workshop hosted by FEMA's Risk Analysis Division on how to engage local elected officials and the community. NACo Second Vice President and El Paso County Commissioner (Colorado) Sallie Clark, also attended. She shared her experience with disaster mitigation and lessons learned from the Waldo Canyon Fire in 2012 and the Black Forest Fire in 2013. As a result of these wildfires, four people lost their lives, over 32,000 acres

and 800 homes were destroyed. The fires caused so much environmental change in the county that El Paso County has now become susceptible to flash flooding, further threatening the built environment and its residents. As we spoke to FEMA personnel from all the FEMA regions, we emphasized the importance of identifying local government partners and responsibilities before a disaster. We also identified ways FEMA and county officials could work together to better educate the community and protect ourselves from risk. It often begins with a conversation and knowing exactly who to call, not if but when, something devastating happens in your community.

Collaboration has taken a regional form in Iowa. Instead of developing flood management and water quality standards by political jurisdiction, we have adopted a model that allows collaboration among local governments and other stakeholders. By creating ten Watershed Management Authorities for each of the ten watersheds in Iowa, we are better able to collaborate and plan for disasters on a more regional basis. We have engaged in these multijurisdictional projects because disasters know no political or geographic boundaries – as such, work must often occur in a collaborative manner.

Our federal partners have also been instrumental in educating county governments about risk. Through the U.S. Department of Homeland Security's (DHS) Critical Infrastructure Vulnerability Assessments, counties are better able to identify vulnerabilities and interdependencies that affect nationally significant critical infrastructure and key resources. DHS uses site assistance visits of nationally-critical infrastructure sites to produce site-specific reports that alert counties and other site owners of existing vulnerabilities.

In closing, communication between counties and their residents, among officials and among our state and federal partners, should be initiated long before a disaster. This is one of the most cost effective and efficient ways to ensuring that our counties bounce back should we face a disaster.

Thank you Chairman Barletta, Ranking Member Carson and members of the subcommittee for recognizing the value of disaster mitigation and for implementing those values in the Sandy Recovery Improvement Act of 2013. Thank you also for the opportunity to testify today. I would welcome any questions.

The Honorable Lou Barletta
Chairman, Subcommittee on Economic Development,
Public Buildings, and Emergency Management
House Committee on Transportation and Infrastructure
115 Cannon House Office Building
Washington, D.C. 20515

May 5, 2014

Dear Chairman Barletta,

Thank you for allowing me to testify on behalf of America's 3,069 counties at the April 3 hearing titled "Disaster Mitigation: Reducing Costs and Saving Lives." In follow-up to the hearing, you asked, "When a disaster strikes, damaged infrastructure very often may be under the control of nongovernmental entities, including not for profit entities that may be eligible for Public Assistance. Understanding what federal assistance is needed is critical to ensuring counties can rebuild appropriately. How have counties worked with critical infrastructure providers to be able to better assess damages following a disaster?"

County governments are often owners and operators of critical infrastructure. Counties own and maintain 45 percent of America's roads, own 228,238 bridges, are involved in 27 percent of public transit systems and are involved in the operation of 30 percent of public airports. Counties provide healthcare through more than 1,550 local health departments and own 76 percent of publicly-owned nursing homes. Counties annually invest $106.3 billion in building infrastructure and maintaining and operating public works. From roads and bridges to county hospitals, counties heavily invest in our nation's system of infrastructure and understand the importance of rebuilding after a disaster.

Across the country, counties work to closely coordinate with other providers of critical infrastructure both before and after a disaster. As you know, the National Response Framework (NRF) provides guidance on how our nation responds to all types of disasters. The Federal Government and many state governments organize response resource capabilities using the Emergency Support Function (ESF) construct and many counties have followed suit. For example, in developing their ESF #12 (Energy), Black Hawk County, Iowa worked with infrastructure providers to develop a plan to collect, evaluate and share information on energy system damage and to estimate the impact of energy system outages in the event of a disaster or emergency.

Additionally, most counties have an all-hazard plan that details county responses following a disaster. In the development of these plans, counties incorporate input from critical infrastructure providers so that counties can effectively plan for, respond to and recover from disaster. Much of the disaster-related work counties do with critical infrastructure providers happens during times of non-disaster. For instance, in my home county, we have quarterly disaster trainings each year and these trainings are not just for county emergency personnel. Following the "whole community" approach, we invite members

of the critical infrastructure community and other stakeholders to participate in these trainings. We receive this education together and it is through these types of events that we establish relationships between county emergency personnel and many other critical infrastructure providers. Establishing these relationships prior to a disaster will help the community recover.

Again, thank you for your interest in county governments and the role we play in disaster mitigation, response and recovery. If you have any additional questions, please do not hesitate to contact NACo Associate Legislative Director, Yejin Jang at yjang@naco.org or 202.942.4239.

Sincerely,

Linda Langston
Supervisor, Linn County, Iowa
President, National Association of Counties

Bryan Koon

Vice President, National Emergency Management Association
Director, Florida Division of Emergency Management

STATEMENT FOR THE RECORD

On behalf of the
National Emergency Management Association

Submitted to the House Committee on Transportation and Infrastructure
Subcommittee on Economic Development, Public Buildings, and Emergency Management

United States House of Representatives

Disaster Mitigation: Reducing Costs and Saving Lives

April 3, 2014

National Emergency Management Association
444 N Capitol Street, NW, Suite 401
Washington, D.C. 20001
202-624-5459

Introduction

Chairman Barletta, Ranking Member Carson, and distinguished members of this panel - thank you for holding this hearing today on one of the most important phases of emergency management. When discussing any natural disaster, it is hard to argue against taking action before the catastrophe occurs, rather than waiting until costly damage has affected homes, businesses, and critical infrastructure. Over the years, Congress has authorized and appropriated significant financial and technical assistance to State and local government to pre-empt damages and distress resulting from a natural disaster such as flood, hurricane, tornado, or blizzard.

Mitigation activities can take many forms and the use of mitigation programs often differ by region. What does not differ, however, is the return on investment of these programs. FEMA's mitigation programs have been effective in reducing the property damage, personal and commercial hardship, as well as long-lasting monetary burdens after a disaster.

As the current Vice President of NEMA and the Director of the Florida Division of Emergency Management, I have witnessed the countless benefits of strong mitigation programs. We are here today because, while there are many good mitigation success stories, practical takeaways are critical to building a stronger program. This in turn will reduce the severity of disasters, lower the overall cost of disasters on all levels of government, and protect more citizens.

In order to effectively understand the role of disaster mitigation in the emergency management community, I will examine the National Flood Insurance Program, explain the benefits of the Community Rating System as it pertains to state and local entities, describe the current disaster mitigation efforts occurring in Florida, and provide some best practices, recommendations, and highlights to continue moving forward.

National Flood Insurance Program

The measure of success related to disaster mitigation lies in the overarching programs which help guide our policies. The National Flood Insurance Program Reform may provide some policy holders and community temporary relief, but additional efforts still need to occur. With the passage of the National Flood Insurance reform legislation, community rating systems will be more widely available to more communities.

Mapping and Modeling

NFIP has had difficulties with mapping and modeling the floodplains. It is important to have quality maps coming from a detailed study with a desire to consistently provide better data, more detail, and enhanced information. The frequency in which maps are updated should be shorter as very outdated maps make the insurance premium rate increase bigger rather than a more gradual approach. Access to the best data would allow communities to determine the highest risk areas and help them to mitigate the best way possible.

Community Rating System

Implemented in 1990, the Community Rating System (CRS) of NFIP operates as a voluntary program for recognizing and encouraging community floodplain management activities exceeding NFIP's minimum standards.

The CRS uses a Class rating system similar to fire insurance rating in determining flood insurance premium reductions for residents. CRS Classes are rated from nine to one. Most communities enter the program at a CRS Class 9 or Class 8 rating, which entitles residents in Special Flood Hazard Areas (SFHAs) to a 5 percent discount on their flood insurance premiums for a Class 9 or a 10 percent discount for Class 8. As a community engages in additional mitigation activities its residents become eligible for increased NFIP policy premium discounts. Each CRS Class improvement produces a 5 percent greater discount on flood insurance premiums for properties in the SFHA.

Additional mitigation activities which increase eligibility for policy premium discounts often cause strain on the already limited staff of small local communities. Unfortunately, this program realizes limited participation due to staffing issues. Often the responsible person maintains multiple responsibilities leaving precious little time to implement the CRS. The administrative work can quickly become a barrier to communities who are in the process of moving to the next level of classification. For instance, in Florida over 18 communities are at a classification five and are having difficulty moving to a classification four because of prerequisites. An example is requiring 50 percent of the planning activity, development of a Storm Water Master Plan, and enforcing freeboard standards, in order to meet the requirements to move to a classification of 4.

With smaller applicants the need for one-on-one assistance becomes more critical. Personalized attention on the front-end is vital to the success of CRS, but as time goes on and more education is received, it will be less important to provide one-on-one attention. The focus of all parties involved needs to be getting more communities participating and remaining engaged in the program. By having more communities in CRS, the assurance of mitigation and comprehensive floodplain management begins to become an important priority from the ground up. Not only an important priority, but CRS will reduce flood loses, facilitate accurate insurance rating, and promote the awareness of flood insurance.

Delivering Mitigation in Florida

Florida has taken concrete steps to promote CRS to assist communities and benefit policyholders. Florida has a goal of having all 463 NFIP enrolled in CRS. Currently, 47 percent of Florida's NFIP communities are enrolled in CRS. The Florida Division of Emergency Management hired two full-time staff to assist communities with CRS, and is taking steps at the state level to provide opportunities which communities can use in attaining minimum standard points. In the last month alone, five Florida communities have successfully been prepared to participate in CRS, pending Insurance Service Office (ISO) field verification visits.

For example, in St. Augustine Florida the city worked with state officials in completing the Avenida Menendez Seawall Project. This project will preserve and protect the historic seawall and enhance the

critical infrastructure which will not only add protection from flooding due to storm surge, but add a picturesque promenade for visitors to the city. While the new walking path and wall is expected to bring more people and tourism to the waterfront, the wall is already proving its worth. The city has seen a noticeable difference in the reoccurrence of flooding. This Fall, heavy rains, extreme high tides, and large waves from a passing coastal storm did not cause flooding that would have occurred if the wall had not been fixed.

Moving Forward

To quantify the effectiveness of mitigation projects, Congress commissioned a study on mitigation savings. The National Institute of Building Sciences (NIBS) conducted a study in 2005 which reported that for every $1 spent on various mitigation activities, $4 in response and recovery costs are saved. We hold this hearing today to learn of more actionable steps we can take to ensure that the savings from mitigation is in fact higher than a 4 to 1 ratio. This can be done through better implementation of programs, reevaluating CRS, and looking for more opportunities in providing incentives to individuals and communities to encourage mitigation.

Recently, the House of Representatives introduced the Disaster Savings Accounts Act of 2013 (HR 3989). Concurrently, the Senate introduced Disaster Savings Accounts Act of 2014 (S.1991). These bills would amend the Internal Revenue Code to establish tax-exempt disaster savings accounts to pay the expenses of homeowners for disaster mitigation and recovery expenses. They would also allow a deduction from gross income up to $5,000 in a taxable year for cash contributions to such accounts, exclusion from gross income distributions from such accounts to pay disaster mitigation and recovery expenses, and the setting forth of tax rules and penalties for excess contributions to disaster savings accounts and for failure to file required reports on such accounts. These bills would be a great way to encourage individuals to participate in mitigation by giving them immediate financial benefit.

Not only is Congress providing more incentives for individuals, but White House officials launched a new initiative helping local communities plan for the effects of climate change by providing them with troves of government data. Allowing countless infrastructure and geographical features across the U.S. to be made public is exactly the type of step which will permit communities to determine their risks and prepare for floods and other climate impacts. The availability of such data will surely help make communities tougher toward the effects of climate change.

Recommendations

The Disaster Savings Account bill and the White House's initiative on climate change demonstrate incentives to mitigation on an individual participation as well as participation on a community level. A few other recommendations for actionable steps to ensure that mitigation stays a priority throughout communities and all levels of government include:

1. **Reevaluate barriers to Community Rating Systems.** Administrative burdens, one-on-one assistance, and unreasonable expectations, are just some of the things standing in the way of

smaller communities from moving forward with CRS. Reevaluating these barriers will allow communities of all sizes to progress through the classification levels without running into walls. Allowing states to self-certify classes eight and nine would relieve some of the burden from them so that the ISO can focus on classes that could use extra attention. Allowing ISO to reevaluate States every five years would allow each community to remain on target with the overall goal of the CRS.

We must examine an equivalent plan to the Storm Water Management plan. This is a large part of the stall between classes five and four. Small communities simply do not have the ability to determine this information. If an equivalent activity cannot be acquired, we would recommend that it be eliminated. In an effort to make the program run more smoothly, states may be willing to assume some of the responsibility in pushing the classifications forward. For example, the elevation certification training can be administrated by the states. Elevation certificates are the number one precursor to admittance into the CRS. Training and certification from the state level would allow communities to understand what a correct elevation certification looks like.

2. **Encourage FEMA to promote participation for communities in the CRS.** Encouraging communities to adopt the flood damage prevention ordinance will help mitigation become a priority throughout all levels of the government.

3. **Support Mitigation Education.** Encouraging education and participation is vital to the success of any mitigation implementation program.

Conclusion

Mitigation plays a vital role in all phases of emergency management. Ensuring the longevity of the programs that implement mitigation is extremely important to saving more lives, reducing the severity of disasters, and lowering disaster cost. Encouraging outreach and education will create a more robust program as communities and individuals begin learning the benefit of mitigation and see direct effects from their efforts. Reevaluating NFIP and CRS will prove vital for achieving a better national mitigation program and ensuring that all communities participate.

We mitigate so that preparedness by citizens is based on the best assessment of the threats and the community measurement of that threat. We prepare because we cannot mitigate every threat. We respond because mitigation and preparedness can limit disruption and damage, but cannot eliminate events that can threaten life safety. We simply cannot mitigate and prepare for every eventuality. Finally, we recover because it is important we return to what our new normal has become, both individually and as a community. After all we have learned from our disaster experience, we then resume mitigation efforts of known or perceived threats all over again.

Again, thank you for the opportunity to testify and I look forward to any questions you may have.

QUESTIONS SUBMITTED FOR THE RECORD BY CONGRESSMAN LOU BARLETTA

NATIONAL EMERGENCY MANAGEMENT ASSOCIATION
Testimony Presented April 3, 2014

Bryan Koon
National Emergency Management Association (NEMA)
Director, Florida Division of Emergency Management

Question: How will the Sandy Recovery Improvement Act (SRIA) help to improve mitigation?

Answer: The Sandy Recovery Improvement Act (SRIA) created three avenues to help improve mitigation:

- *Changes to the Hazard Mitigation Grant Program (HMGP).* The legislation streamlines procedures and directs the Federal Emergency Management Agency (FEMA) to adopt measures to expedite implementation of the program. The changes also will allow for collaboration on all levels of government to improve the efficiency and effectiveness of HMGP by identifying the minimum criteria for complete applications; timeframes for reviewing actions and decisions; phasing projects; industry cost guides for estimates; industry design and construction standards; pre-calculated benefits. Some of these enhancements, such as pre-calculated benefits, also carry over into important non-disaster mitigation programs such as Flood Mitigation Assistance—a major change to allow for significant mitigation to take place during periods between disasters.

- *Advanced Assistance.* FEMA has the ability to provide up to 25 percent of the estimated cost for eligible hazard mitigation measures to a state or tribal grantee before eligible costs are incurred. This is implemented on a pilot basis for any state or tribe having a declaration with an open application period. The amount of assistance is limited to 25 percent of the HMGP ceiling or $10 million, whichever is less.

- *Program Administration by States (PAS)*: SRIA allows FEMA to implement, on a pilot basis, HMGP Administration by States. PAS provides a framework for FEMA and its partner states to better utilize their collective resources to efficiently and effectively implement HMGP. The pilot guidance was issued in March of 2013 and since then Florida has applied for PAS for two disasters. This FEMA-State operational agreement was executed in August in Florida.

Question: What, if anything, would you recommend FEMA focus on in ensuring an effective transition from the traditional Public Assistance process to one based on cost-estimates? What steps can FEMA and States take to ensure estimates are accurate and do not over-or under-estimate the damages?

Answer: One recommendation to ensure an easier transition from the traditional Public Assistance process to one based on cost-estimates would be to focus on the education of the process during non-disaster times. This will ensure that the program is effective throughout all levels of government. Another recommendation would be that the implementation process be transparent across all levels of government. To ensure estimates are accurate and do no over-or under-estimate the damages caused by a disaster detailed and specific guidance should be examined by the States and FEMA before being published.

Specific guidance priorities:

- To ensure accurate cost estimates for projects, the sub-grantee must be actively engaged in the damage description and appropriate scopes of work for each project. Once this has been determined and agreed upon by the Local, State and FEMA, the data for cost estimates of all known components will be inputted into the Cost Estimating Format (CEF). Several components go into the CEF to determine an appropriate estimate for a project. This approach allows known factors to be used in the estimate. The applicant must understand that these factors are to be provided by them. If they aren't, FEMA uses assumptions to base their estimates. Therefore, prior education and training regarding the use of the CEF for States and sub-grantees is vital.

- If the CEF is not used to provide an estimate, the sub-grantee must solicit a certified estimator/engineer to provide an estimate to FEMA. The sub-grantee, with assistance from the State must be responsive in requests from FEMA concerning additional information regarding the estimate. This should decrease assumptions made by FEMA, which may cause inaccurate cost estimates. Again, this detail should be part of the clear and complete education/training provided by FEMA.

- It is also important to note that timeliness in achieving an estimate for projects under the alternative procedures program is vital. Communicating this requirement of timeliness must be a priority on the part of FEMA. This includes the fact that if FEMA, the Grantee and the Sub-grantee cannot agree on the estimate within this time frame, the sub-grant will be processed using standard procedures.

Association of State Floodplain Managers, Inc.
575 D'Onofrio Drive, Suite 200, Madison, WI 53719
Phone: 608-828-3000 | Email: asfpm@floods.org | Website: www.floods.org

TESTIMONY

Disaster Mitigation: Reducing Cost and Saving Lives

before the

House Transportation and Infrastructure Committee
Subcommittee on Economic Development, Public Buildings and Emergency Management

by

Chad Berginnis, CFM
Executive Director
Association of State Floodplain Managers

April 3, 2014

Introduction

The Association of State Floodplain Managers (ASFPM) is very pleased to offer our thoughts and recommendations on ways to improve our nation's collective hazard mitigation efforts in order to be less impacted by disasters. We thank Chairman Barletta and Ranking Member Carson for your attention to the importance of this issue and how we can improve our collective hazard mitigation efforts in the nation. ASFPM very much thanks this subcommittee for its recognition of the need to promote and assist hazard mitigation. You have consistently supported the essential Pre-Disaster Mitigation Program and taken important steps in the Sandy Recovery Improvement Act to speed up access to mitigation funds.

ASFPM and its 35 Chapters represent more than 15,000 state and local officials and other professionals who are engaged in all aspects of floodplain management and hazard mitigation, including management, mapping, engineering, planning, community development, hydrology, forecasting, emergency response, water resources, and insurance for flood risk. All ASFPM members are concerned with working to reduce our nation's flood-related losses. For more information on the Association, our website is: http://www.floods.org.

Disasters Cost Taxpayers Billions

As we reflect over the early years of this century, disaster losses and costs have risen more than tenfold. Flood losses have climbed to average $10 billion per year or much more. As a nation, we really do not know what flood disasters cost us. 2012 alone resulted in 11 weather and climate disaster events, each with losses exceeding $1 billion in damages. This makes 2012 the second costliest year since 1980, with a total of more than $110 billion in damages throughout the year. The 2012 total damages rank only behind 2005, which incurred $160 billion in damages.

Unfortunately, this is neither unanticipated nor is it as bad as it could get. Experts have estimated that an earthquake in San Francisco of the same magnitude as the 1906 earthquake could cause as many as 3,400 deaths, displace up to 250,000 households, and cause as much as $120 billion in property damage alone. The recently published ARkStorm scenario modeling for the Sacramento area based on a scientifically realistic flood event, similar to that which occurred in California in 1861 and 1862, indicates that three quarters of a trillion dollars in damage (business interruption costs of $325 billion in addition to the $400 billion in direct property loss) would occur if that event happened today.

Hazard Mitigation Reduces Costs of Disasters

The reduction of risk is key to reducing disaster-related cost to the nation, states, communities, and property owners. In short, hazard mitigation saves money and hazard mitigation represents a societal investment, not a cost. The benefits of this investment are clearly evidenced in several ways:

- Averts loss of life and injury to people.
- Reduces damages to public and private property.
- Lessens expenditure of resources and exposure to risk for first responders.
- Reduces taxpayer costs of disaster response and recovery.
- Accelerates recovery of communities and businesses affected by disasters.
- Enhances community resiliency.

So how does mitigation post disaster save taxpayers money in the real world? After the 1993 Mississippi River flooded hundreds of homes and caused several million in damage in Arnold, Missouri (pop. 19,965), the city had purchased over 202 homes and 155 sites for mobile homes by the end of 1995, using a combination of FEMA, CDBG, and other funding sources. By 2008, over 322 homes had been acquired and when flooding occurred that year, a total of $12,000 in damage resulted. As part of the buyout, buildings were bought, demolished, and the remaining property was deed-restricted as open space. Arnold has repeatedly flooded since 1993; however, now flooding is mostly an inconvenience, and the long-term cost to the U.S. taxpayer is essentially zero. The key to the success of this project and ongoing minimization of taxpayer cost was the permanent deed restrictions on the acquired properties.

The Shrinking Cost of Flood-Fighting in Arnold, Missouri

	1993 Flood	1995 Flood	May 2002 Flood
Sandbagging sites in Arnold	60	3	0
FEMA Public Assistance to Arnold	$1,436,277	$71,414	$0
Applications from Arnold for Individual Assistance	52	26	1

The costs associated with natural disasters are increasing. Mitigation is the key to reducing risk and to reducing costs. The nation needs a broad national commitment to risk reduction. Some specific mitigation means for addressing flood related disasters are under the jurisdiction of this Committee and some are under the jurisdiction of the Financial Services Committee. Improved synergies between these Stafford Act and Flood Insurance mitigation efforts are needed. Therefore, this testimony will address some elements that fall outside this Committee's immediate jurisdiction – in an effort to better weave them together. A state or local official seeking to reduce risks must work with all of these programs so national policy should facilitate synergies among them.

Considerations for a National Mitigation Effort

Mitigation means taking a sustainable action to reduce or eliminate long-term risk from hazards and their effects. A variety of mitigation activities exist that can reduce the risk of losses from natural hazards. Typically, these activities are arranged in five different categories:

- Prevention: These activities are intended to keep the hazard risk problem from getting worse, and ensure future actions do not increase hazard losses. Examples include planning, zoning, and building codes.
- Property protection: These activities are intended to modify existing development subject to hazard risk. Examples include acquisition and demolition, elevation, relocation or retrofitting of existing buildings. These are the primary activities funded by FEMA mitigation programs.
- Natural resource protection: Activities intended to reduce intensity of hazard effects as well as improve the quality of the environment and wildlife habitats. Examples include wetlands restoration (for flood), buffer zones, setbacks, and forest management practices (wildfire).
- Emergency Services: Activities to ensure continuity of emergency services. Examples include critical facilities protection to a high standard so these facilities are operational and accessible during extreme events.
- Structural measures: Activities include development of large, highly engineered hazard reduction structures. Examples include levees and debris basins.

While hazard mitigation can be undertaken at any time, citizens and communities are most receptive in the aftermath of a disaster. This is because very significant decisions have to be made during rebuilding and it is much easier to incorporate mitigation measures as rebuilding occurs versus on a "sunny day" when there is no urgency or low perception of being at risk.

There is also a need to plan for mitigation and take actions based on risk identification. This is why we need post-disaster and pre-disaster mitigation efforts.

ASFPM believes there are four basic tenets to an effective national approach to hazard mitigation:

1. Ensure that all federal programs and resources incentivize mitigation-oriented behavior at the state, local, and individual levels. Too many perverse incentives still exist in federal disaster management and water (for flood related hazards) policy that do not result in resiliency-oriented behaviors and those perverse incentives actually help drive up taxpayer costs.
2. Optimize mitigation programs to deliver assistance effectively and quickly. There is ample opportunity to optimize existing programs to be effective in supporting hazard mitigation efforts. Mitigation programs are still too slow.
3. Our nation's collective mitigation effort must include participation and leadership at all levels of government, individually, and in the private sector.
4. Multiple mitigation solutions are almost always needed to reduce future disaster and hazard losses. Sometimes these are combinations of mitigation solutions.

How Congress decides to address these issues is central to the way in which future reforms to the nation's disaster mitigation framework should be developed. How effectively and comprehensively this

is done will have substantial bearing on the cost of future disasters to our nation. There seems to be a common misperception that preparedness and response activities should happen now, while mitigation activities can wait. This mindset misses many opportunities to not only reduce risk but also to save money for taxpayers and those affected by the disaster. Preparedness activities save lives and some personal property, while response and recovery activities can efficiently deliver immediate life-safety assistance and deliver assistance that an array of federal, state, and local programs provide. However, only hazard mitigation activities reduce the large costs associated with disasters. Early investment in hazard mitigation reduces the cost and effort associated with disaster preparedness, response, and recovery.

What can States, Communities, and Individuals do to Mitigate?

Hazard mitigation is not just a federal responsibility. States and communities must also do their share. While overall state and local efforts are far short of what is needed, success stories abound across the nation. The small city of South Holland, Illinois (population 23,000) funds its own mitigation rebate program where 25 percent of a mitigation project up to a $2,500 maximum will be provided to property owners who undertake flood mitigation actions. Many municipalities charge stormwater management assessments to fund buyouts of flood prone properties as well as fund stream restoration. Some communities implement a temporary or permanent income or sales tax dedicated to fully fund flood mitigation activities or to provide the non-federal share of larger mitigation projects.

At the state level, mitigation programs compliment local and federal efforts. The state of Ohio administers a revolving loan program to fund repairs to dams that reduce flooding. The Disaster Preparedness and Flood Protection Bond Act of 2006 authorizes $4 billion in general obligation bonds to rebuild and repair California's most vulnerable flood control structures to protect homes and prevent loss of life from flood-related disasters, including levee failures, flash floods, and mudslides and to protect California's drinking water supply system by rebuilding delta levees that are vulnerable to earthquakes and storms. The Flood Damage Reduction Grant Assistance Program in Minnesota was created in 1987 to provide technical and financial assistance to local government units for reducing the damaging effects of floods. New Jersey's Blue Acres program is an acquisition program that has used over $30 million to buy flood prone properties.

Tools and ASFPM Recommendations for Building an Effective Comprehensive National Hazard Mitigation Effort

Several tools are available to support mitigation at many levels (federal, state, community, individual), but some inadvertently work against each other. The result can sometimes be dis-incentives to mitigate or insufficient incentives to mitigate when counter-balanced with other development incentives. The recommendations below focus on several of these tools at the federal level and how they can be improved.

Hazard Mitigation Grant and Loan Programs

Today's mitigation toolbox has hazard mitigation grant programs for both pre- and post-disaster. The pre-disaster grant programs include FEMA's Pre-Disaster Mitigation Grant program (PDM), which works to mitigate against all hazards, and the Flood Mitigation Assistance Program (FMA) serves to mitigate against the hazard of flooding. Regarding post-disaster, two programs are the most popular, the Hazard Mitigation Grant Program (HMGP) and HUDs Community Development Grant Program (CDBG-DR). FEMA also has a mitigation component to the Public Assistance program called Section 406 mitigation and the Small Business Administration loans allow for hazard mitigation to be included in loan amounts.

FEMA's PDM program has been very beneficial to communities and has had a positive impact on mitigation capacity and reduced losses throughout the nation. PDM funding focuses on two activities – all hazard mitigation planning and hazard mitigation projects. It is the primary funding source for all-hazard mitigation planning, especially in states and communities that do not receive frequent disaster declarations where it is often the only source of funds. All states have natural hazards and need to plan for them and be prepared to mitigate when the disaster occurs, whether they have had a recent disaster or not.

Also, PDM is the primary funding source for hazard mitigation projects in those same states and communities. Demand has historically been high for PDM – the program usually takes in applications that exceed three times available funding. A recent driver of mitigation and need for PDM resources is NFIP reform. Both the reform acts in 2012 and 2014 result in flood insurance premium increasing toward full risk rates, which has driven and will drive an unprecedented interest in flood mitigation options to lower those premiums and risk. This is an appropriate reaction to better information about the true risk. However, the availability of PDM funds is key to taking advantage of this interest in mitigation, particularly in areas where there is not a declared disaster which would make Hazard Mitigation Grant Program funds available. ASFPM has been extremely disappointed in FEMA's lack of prioritization of this important program. PDM is a readily available tool that can ease the burden of flood insurance affordability. Ironically at the very same time citizens are asking communities, states and members of Congress for relief, FEMA has proposed to zero out PDM.

In the FY13 Unified HMA competition (which includes both PDM and FMA) where there was both a compressed application timeframe (60 days versus the historical 120-150 days) and after not having an open application period for two years, demand for mitigation projects was still three times the available funds. ASFPM thinks the demand is much higher as we have heard from many states that FEMA's new restrictions on the application period prevented them from doing an appropriate job running an effective application process (grant applications are made by communities to states where states conduct initial processing and prioritization before sending to FEMA). Presently, the biggest concern from states is maintaining local mitigation capacity by ensuring that local hazard mitigation plans are updated. ASFPM thanks this committee for its leadership in providing strong support for PDM and recognizing its essential role in reducing disaster-related losses. ASFPM notes and appreciates that

the Administration's proposed resiliency initiative efforts have identified PDM as an appropriate vehicle for supporting resiliency and have proposed $400 million for the Pre-Disaster Mitigation Grant program.

After reform of the NFIP increased flood insurance premiums (to see more on the NFIP please read the next section), floodplain managers were receiving calls from panicked property owners asking about mitigation options. Because this largely happened in a pre-disaster environment, local and state officials had few options available, especially for grants or loans. A gap exists for not only pre-disaster mitigation grant funding but even loan options as the only option currently available through SBA requires a disaster declaration. In fact, loan options could see significant interest as a result of NFIP reforms.. Programs already exist that could be readily deployed across the country. For example the HUD-FHA 203K loan program is often considered a loan of last resort because lenders writing conventional loans will not loan money on properties deemed not meeting minimum habitability standards (damaged, no functioning HVAC system, etc.). It is written throughout the country and has a robust process for cost estimates and inspections. The 203K loan program was used successfully after Sandy to not only repair homes but to also mitigate against the future flood threat. However, the program, as guidance currently exists, is used when there is some defect with the structure and not if the structure is merely at high risk from damage from a natural hazard like flooding. Such a program could be modified and be another option floodplain and other hazards managers would have in the toolbox.

ASFPM recommendations related to hazard mitigation grant and loan programs:

- **Support funding of PDM of at least $150 million per year with priorities for mitigation planning.**
- **Provide for a new type of PDM project that incents the building of state hazard mitigation capability and incentivizes states to build their own mitigation programs. A partnership arrangement should be developed and modeled after the NFIP's Community Assistance Program, but strengthened to allow for the development of permanent state capability to implement and manage hazard mitigation programs. Such a partnership could include incentives (cost-shared funding) and disincentives (state eligibility or sliding cost share for disaster assistance programs) to ensure the state develops and maintains long-term capability.**
- **Clarify eligibility requirements to use the FHA 203K rehab loan program which allows for the financing of repairs to a home as part of the larger home mortgage when a structure is at significant risk from natural hazards like floods, even if it is otherwise considered habitable.**
- **Reconsider a pre-disaster SBA hazard mitigation loan program. SBA piloted such a program in the mid-2000s, but has not been used since.**
- **Provide for new hazard mitigation loan mechanisms. There have been several Congressional proposals suggesting this idea in recent years.**

- **Maintain robust protective covenants (deed restrictions) for properties purchased with FEMA mitigation program funds in order to protect taxpayer investments and not have to pay disaster assistance on that property in the future.**

National Flood Insurance Program

The NFIP is the key national program used to reduce flood losses. Of course, the NFIP is not just an insurance program, but a mitigation program with four key components: Insurance to protect financially against flood losses, locally adopted standards for land use and buildings to improve resiliency, flood maps to identify risk areas, and flood mitigation programs to eliminate risk to older buildings that existed before modern codes and standards. 2012 and 2014 reforms to the NFIP were necessary from the standpoint that the NFIP needed to be made more actuarially sound so it could serve the nation well into the future. However, what Congress did not address at all in 2012 and only narrowly in 2014 is flood insurance affordability. While the NFIP could be considered a much more actuarially sound program now than prior to these reforms, property owners who cannot afford flood insurance need help. For 1.1 million policy holders, rates will be going up between 18% and 25% per year, not including new surcharges. This will impact small businesses especially hard as they will see 25% annual increases plus the highest surcharge.

The fastest post-disaster mitigation program is the Increased Cost of Compliance (ICC) element of a NFIP policy. This mechanism can very quickly result in both speedy recovery and mitigation. From 1997 to 2011, ICC has resulted in over $513 million in mitigation to nearly 25,000 at-risk structures resulting in at least $2.5 billion in benefits[1]. 60 percent of properties mitigated through ICC are elevated. Often property owners who use ICC to mitigate can have their mitigation completed before a mitigation grant through the federal government is even approved.

However, because an ICC claim is triggered by a local official declaring a structure substantially damaged, the process can be slowed down when a community does not have the capacity to do a large number of post-disaster inspections in a short time. This provides a great opportunity for FEMA assistance to communities to cost share these inspections and to facilitate the assistance of inspection officials from other jurisdictions. Also, the way ICC is being implemented today, there are restrictions on what elements are covered versus what a typical mitigation grant may pay for. FEMA has not implemented provisions enacted in the flood insurance reform legislation of 2004 to expand the reach and scope of ICC to function in a pre-disaster environment by triggering availability of ICC funds by a mere offer of other mitigation assistance – not by being substantially damaged. This is especially notable when, like PDM, FEMA could have brought to bear another program to ease flood insurance affordability issues. While the average cost to fully undertake mitigation for insured structures ranges from $20,000 to well over $100,000, ICC is capped at $30,000 and that amount plus any insurance claim cannot exceed the overall policy limit. ASFPM believes that the cap must be raised as FEMA is already

[1] Based on 2005 MMC study "Mitigation Saves" which calculated that benefits from FEMA flood mitigation projects were $5 for every $1 invested.

authorized to collect up to $75 per policy for ICC. Currently the average ICC policy surcharge is about $15.

Another effective hazard mitigation program under the NFIP is the Community Rating System (CRS) where communities to earn flood insurance premium discounts for undertaking activities that go beyond the minimum NFIP standards. While there are over 22,000 communities in the NFIP, approximately 1,300 communities participate in the CRS. As reforms of the NFIP push flood insurance policies towards greater actuarial soundness which have the effect of costing more, communities throughout the nation have rediscovered CRS and interest in the program is higher than it has been in years. At its core, the CRS program is a mitigation program. It is voluntary and it promotes actions that go far beyond the NFIP in reducing flood risk. Due to the higher demand and impact on actuarial rates to policy holders, the State of Florida has just hired a full time state level CRS coordinator to provide technical assistance to communities and develop statewide CRS uniform credits. The CRS application process is rigorous; and ASFPM is concerned that while rigor must be maintained, there cannot be unnecessary delays due to lack of technical assistance or capacity within the CRS to do the necessary things to process CRS applications. Perhaps such technical assistance could be supported by PDM funds.

At the same time, FEMA must ensure that there is adequate capacity through the State or FEMA to monitor community compliance with their CRS commitment. CRS provides well over $200 million each year in discounts to policy holders in CRS communities. It is important to all other policy holders and taxpayers that FEMA ensure the CRS communities are undertaking and implementing all those higher standards to which they have committed. Lack of compliance will result in increased flood losses, thus increasing claims on the NFIP or claims for federal disaster assistance. This discussion points to the need for adequate resources directed to the CRS program in order to help communities enter and maintain their participation in this complex program. Since this program operates fully within the NFIP Fund, a significant portion of this funding should come from the fund.

Another mitigation component of the NFIP is floodplain mapping or the identification of flood risk data. Currently only one million of the nation's three million miles of waterways have flood hazards identified. One of the most positive reforms in the 2012 legislation was the creation of the National Flood Mapping Program which established concrete mapping objectives and activities. ASFPM is pleased that Congress recognized the scope and breadth of flood risk in the nation including residual risks (such that exists behind dams and levees), the changing nature of flood risk over time due to a number of factors, and the need for agencies to work more closely together to share data. The foundation for any flood mitigation program is to know the current and potential flood risk at a given site. Otherwise, the potential is great for wasting money on solutions that do not result in long term risk reduction. ASFPM believes that the authorization of $400 million annually (provided in the Biggert-Waters flood reform legislation of 2012) is appropriate but is disappointed by the Administration's lack of prioritization of flood mapping and severely underfunded requests of around $85 million the past two years. Based on ASFPM's own cost analysis for mapping the nation, flood mapping investments at this

level virtually guarantee that the flood risk data will become less reliable over time and doesn't include any new mapping efforts.

The most cost-effective mitigation aspect of the NFIP is the minimum NFIP regulations. Unfortunately, it has been nearly 30 years since the minimum standards have been updated and we have learned a lot about the nature of flooding and flood damage. Research shows that repairing and mitigating older Pre-FIRM homes that were constructed before building codes required elevation to just the minimum NFIP standards results in 80 percent less flood damage in a future flood event. Avoided losses cumulatively for buildings in the nation constructed to NFIP standards is over $1.7 billion annually[2]. Recently there has been a call to exempt some agricultural structures from NFIP minimum standards. ASFPM believes that this is not appropriate; adequate provisions already exist within local codes to provide relief for unique situations. FEMA may want to consider providing additional technical guidance however.

ASFPM recommendations related to the NFIP:

- **Immediately implement the 2004 NFIP reforms to ICC that triggered availability of ICC funds upon an offer of mitigation.**
- **Increase the ICC cap to $50,000.**
- **Require that the new surcharges from the 2014 NFIP reform act be used for mitigation activities through ICC instead of building up the Reserve Fund for future claims. An approach that addresses the problem versus continual paying of claims will save taxpayers and the NFIP many more dollars in the long run.**
- **Increase the capacity of the CAP-SSSE program to incent states to have CRS coordination capability.**
- **Implement the National Flood Mapping Program with metrics that include 1) Eliminating the current inventory of old paper maps and 2) Mapping all of the nation's flood hazards so that such hazards are proactively identified before development and investments in infrastructure occur.**
- **Fund floodplain mapping at the fully authorized level of $400 million per year so we can complete the job of initially mapping every community in the nation in 10-15 years with an accurate flood map.**
- **Undertake rulemaking to review and update the minimum NFIP standards and include new standards for floodplain avoidance which was a founding objective of the NFIP.**

Post-Disaster Hazard Mitigation Activities

FEMA has begun to pilot the Program Administration by States for the Hazard Mitigation Grant Program, which was authorized 14 years ago as part of the Disaster Mitigation Act of 2000 and

[2] FEMA's FY13 Congressional Budget Justification National Flood Insurance Fund

supported again in the Sandy Recovery Improvement Act. ASFPM appreciates FEMA's efforts to bring this to fruition. Under the concept of a delegated program, appropriate roles for FEMA would be training and capability building of states, and periodic oversight/assessment of programs. HMGP funds would be provided to a state in a block grant format. Generally speaking the PAS seems to be consistent with this philosophy. Also, FEMA has made significant improvements with streamlined benefit-cost procedures as well as an Advanced Assistance program (again thanks to SRIA) that allows states to use a portion of mitigation funds to undertake activities that help properly identify, scope and develop effective mitigation projects. All of these items should have the net effect of speeding up the HMGP program and making it more efficient. These improvements have been promoted by this Subcommittee and subsequently by the entire Congress.

However, improvements can still be made. The Sandy Recovery Improvement Act (SRIA) placed an emphasis on funds management of the Disaster Relief Fund. However, what may have been a funds management solution has had a detrimental effect on state mitigation programs – the 2013 rescission of the six-month lock-in as a floor for HMGP funding. This longstanding provision provided states certainty as to the amount of HMGP funds that would be received based on estimates for other disaster expenditures. This rescission has had unintended consequences. States often relied on this guarantee to initiate mitigation program activities such as HMGP project application development so projects were not only ready to go, but the state could give a soft approval to the project because it knew the amount of HMGP it was going to receive. Now, there is no guarantee until 12 months. This means that states who want to speed up the HMGP process will be reluctant to do so out of the fear that they may be over-committing funds that they don't have.

The Stafford Act should be amended to allow for the reimbursement for the assistance necessary to perform building and code related inspections of damaged buildings under Public Assistance. As the Stafford Act is interpreted now, the reimbursement can only be made for inspections related to immediate life-safety issues. Yet, for rebuilding and mitigation programs to work right away during recovery, property owners and government officials need to quickly assess the damages and repairs needed. In our experience, owners start clean up and repairs in as little as the day after water has receded from a building. Community inspections must be made timely and inspections such as those to determine substantial damage in flood hazard areas are the initial triggers for mitigation programs to kick in. When a community building department has thousands of inspections to do with a staff of two to three people (, which may be adequate capacity in non-disaster times), there is no hope of completing these inspections in a timely manner. Disallowing the reimbursement for these additional temporary staff to conduct inspections under the Stafford Act means a slower recovery and mitigation process, but even more important, it misses the opportunity to let citizens and businesses know how badly damaged their building is and what options are available to them to rebuild it to be safer in the future. And while it seems that increasing eligibility for reimbursement of these expenses is initially more costly, it ends saving much more time and money as the recovery proceeds.

Another related issue involves the bureaucratic processes related to getting technical assistance into the field after a disaster event. The Hazard Mitigation Technical Assistance Program (HMTAP) is one example. Currently, after FEMA has opened up a Joint Field Office (JFO), HMTAP assistance can be requested by the state to support its Mitigation Strategy. However, unlike many provisions for assistance, the Federal Coordinating Officer (FCO) cannot, by himself, approve HMTAP assistance. Rather, it first is approved by the FCO, then the FEMA Region, and then FEMA Headquarters, wasting precious time in getting the technical resources in the field. ASFPM recommends that this process be changed to allow a quick review of the request to be done in the JFO. As long as the assistance request is consistent with the Mitigation Strategy and is an eligible activity, the FCO's approval would result in HMTAP assistance being provided. After Sandy, which occurred in October of 2012, HMTAP assistance to conduct substantial damage determinations did not even begin until late January – nearly three months after the event. This is an unacceptable lag in time. Then, after determinations were conducted, there were many reports of communities ignoring the data – and ignoring their floodplain management regulations and responsibilities. More accountability and floodplain management technical assistance must be provided. ASFPM fully supports FEMA's unpopular but necessary job to enforce NFIP floodplain management standards after disaster events.

Still another related issue is the underutilization of mitigation through the Public Assistance (PA) program. ASFPM is aware that Administrator Fugate has made it a priority to ensure that this type of mitigation be a much larger component of the PA process. The success of 406 mitigation after an event has to do with three primary factors: The attitude of the FCO, the federal Public Assistance Officer, and FEMA Region. Our members have long reported that the primary objective of many FCOs is to spend few dollars, get those dollars out quickly, and close disaster field offices as soon as possible. Mitigation efforts take more time. Currently, we are not aware of any metrics for the performance of FCOs related to improving the resiliency of the disaster affected area. While we applaud FEMA's efforts to better train FCOs to understand the dimensions and importance of hazard mitigation, until this becomes a priority for the FCO, labor intensive efforts such as a robust mitigation presence – both 404 and 406 – will not occur, thus resulting in missed opportunities for mitigation and slower implementation of both mitigation and recovery programs. Most mitigation activities other than the strategy development and grant application process kickoff occur after the JFO is closed. Mechanisms must be developed to maintain the presence of staff and technical assistance throughout the mitigation process or at least longer than exists now. While this means more investment of resources initially, it also means a much more efficient program in terms of increased mitigation accomplished in much more acceptable timeframes. Currently the evaluation of the feasibility of mitigation under PA for each Project Worksheet (PW) is encouraged but not mandatory. Regardless of whether or not mitigation is actually done, this serves as technical assistance and provides a blueprint for the community to later implement the mitigation measure. Since Public Assistance comprises the bulk of expenditures from the Disaster Relief Fund, it is essential that mitigation be better integrated into PA.

Related to the previous issue, there could be a better balance of JFO resources. For example while there is a robust presence related to outreach and community affairs, there is generally little

FEMA presence when it comes to mitigation and technical assistance. This must be improved. Recent experiences by other non-profit organizations in developing countries affected by earthquakes report better and more accepted mitigation by property owners when there is adequate technical assistance provided to them after an event. Why could this not be done here in the United States? For example, area disaster field offices could have individuals or teams that could work with individual property owners to review and identify specific mitigation measures that could be taken on a building by building basis.

ASFPM recommendations related to post-disaster hazard mitigation activities:

- **Continue to provide for a six-month lock in floor for HMGP.**
- **Specifically allow for the reimbursement of costs related to substantial damage determinations under the Public Assistance Program consistent with other life safety inspections.**
- **Require that FCOs have a performance metric related to hazard mitigation success**
- **Ensure that JFOs and FEMA's long term recovery efforts have ample resources and consideration for mitigation programs that take several years after the declaration to complete.**
- **Speed up the delivery of HMTAP assistance.**
- **Require that the eligibility of Public Assistance at the local level is dependent on the community having a current hazard mitigation plan.**

Other Mitigation Tools

Tax Code Reforms to Improve Mitigation

As it exists now, the tax code provides maximum incentives to do nothing to improve one's resiliency against natural hazards. Under t he casualty loss deduction,, people who take mitigative action or purchase flood insurance get a lesser deduction. There is no recognition of or credit for undertaking hazard mitigation activities. We urge this Subcommittee to find ways to determine the cost to taxpayers of the casualty loss deduction. Reforms could certainly be made to incentivize the deduction for those who have either undertaken or will undertake mitigation activities, and better target the deduction to those that need it. Bills have been introduced to provide assistance through the tax code. H.R. 1268 would provide a tax credit of up to $5000 for mitigation and H.R. 3989 would create tax free Disaster Savings Accounts with up to $5000 in contributions permitted annually.

ASFPM recommendations related to tax-code reforms:

- **Reform the casualty loss deduction to better target the deduction as well as incentivize those that have mitigated.**
- **Develop a hazard mitigation tax credit much like the energy efficiency tax credits that are given to property owners.**
- **Allow for tax advantaged disaster savings accounts.**

- **Provide specific IRS guidance more broadly exempting mitigation assistance (other than through FEMA) from federal taxes. Currently FEMA mitigation programs have a specific exemption.**

Hazard Mitigation Planning

Hazard mitigation plans form the foundation for a community's long-term strategy to reduce disaster losses and break the cycle of disaster damage, reconstruction, and repeated damage. Hazard mitigation planning capability has increased since it was stipulated as part of the Disaster Mitigation Act of 2000. As of April 30, 2012, all 50 States, the District of Columbia and five territories have FEMA-approved State Mitigation Plans. A total of 20,202 communities have FEMA-approved Local multi-hazard mitigation plans, and an additional 105 Indian Tribal governments have FEMA-approved Tribal Mitigation Plans. Communities and Tribes with planned mitigation strategies include 69% of the nation's population. This effort has resulted in better local hazard mitigation capability. Before these planning requirements, local mitigation projects were often implemented in a haphazard way without coordination with any type of local plans. Going forward challenges related to mitigation planning are to perform effective and cost-efficient updates. The reduction in availability of PDM has many states concerned about resources to assist with mitigation plan updates. Also the availability of disaster assistance must be much more closely linked to a community's efforts to reduce risk in the long-term through mitigation planning.

ASFPM recommendations related to hazard mitigation planning:

- **Better incorporate future conditions, such as watershed development and climate change data into state and local hazard mitigation plans.**
- **Incentivize the linking of hazard mitigation plans to comprehensive plans**

Interagency Cooperation to Improve Flood Hazard Mitigation

ASFPM is very pleased that there are two inter-agency cooperative efforts to coordinate mitigation activities more broadly, the Mitigation Federal Leadership Group (MIT-FLG) and the Federal Interagency Floodplain Management Task Force (FIFM-TF). Both are important - while the scope of the former includes multiple hazards, the latter is very focused on mitigation and water resource related programs that impact floodplain management. ASFPM congratulates the Administration for its speed and initiative in developing and applying the Uniform Flood Risk Reduction Standard. The effort, actively underway,, is informed by the best science and best practices including assessments taken following Hurricane Sandy and brings the federal standard into alignment with many state and local standards already in place. It takes into account the increased risk the various regions are facing from extreme weather events, sea level rise and other needs for climate adaptation It applies to the rebuilding of structures that were substantially damaged and will be repaired or rebuilt with federal funding. Other agencies such as NOAA and its Digital Coast Partnership have developed innovative outreach materials and tools to assist communities in rebuilding smarter and more resiliently. Many agencies have roles in

flood hazard mitigation. Continuing actions to foster and encourage coordination is key to ensuring that programs do not run at cross-purposes to one another or incentivize the wrong behavior.

Conclusion

Given the increasing costs of natural disasters, the predictions for more frequent and more severe storms and weather conditions, and the severe budgetary constraints the nation faces, getting effective mitigation accomplished is essential. It behooves us to figure out how to take much better advantage of the disaster recovery period and improved risk identification and messaging to get some serious mitigation work done – and save lives and many taxpayer dollars in the future. The Association of State Floodplain Managers appreciates this opportunity to share our observations and recommendations with the Subcommittee. For any further questions on this testimony contact Chad Berginnis, ASFPM Executive Director, at cberginnis@floods.org (608) 828-3000 or Meredith Inderfurth, ASFPM Washington Liaison at (703) 448-0245.

○