

PREDISASTER MITIGATION PROGRAM REAUTHORIZATION  
ACT OF 2003

NOVEMBER 4, 2003.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Transportation and  
Infrastructure, submitted the following

R E P O R T

[To accompany H.R. 3181]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 3181) to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to reauthorize the predisaster mitigation program, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE LEGISLATION

The purpose of H.R. 3181, the Predisaster Mitigation Program Reauthorization Act of 2003, is to reauthorize the Predisaster Mitigation Program (PDM) for three years; increase the percentage of Hazard Mitigation Grant Program (HMGP) funds to 15%; allow the President to offer additional home repair assistance to disaster victims; and require the completion, within 2 years of a Congressional Budget Office (CBO) study of the cost-effectiveness of the program.

BACKGROUND AND NEED FOR THE LEGISLATION

At its inception, the Federal Emergency Management Agency was created to consolidate and coordinate the efforts of over 15 different agencies and departments that were responsible for responding to and preparing for disasters. Created by President Carter through Executive Order 12148 in 1979, FEMA was tasked with carrying out the authorities contained in the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. §5121 et. seq., as amended) (Stafford Act), which is an amalgamation of pre-

vious disaster acts, including the National Flood Insurance Act of 1968, the Disaster Relief Acts of 1970 and 1974, the Flood Disaster Protection Act of 1973, and the Federal Fire Prevention and Control Act of 1974.

In 2002, the authorities contained in the Stafford Act, as well as the personnel and assets of FEMA were incorporated into the newly created Department of Homeland Security (DHS) as a part of the reorganization of the federal government mandated by the Homeland Security Act of 2002 (P.L. 107-296). As a part of this reorganization, FEMA was merged with 21 other departments and agencies; however, an amendment to the legislation required that the new department retain the statutory mission of FEMA.

The Homeland Security Act of 2002 transferred all of the statutory functions under the Stafford Act from the Director of FEMA to the Secretary of DHS. However, these functions have been delegated to the Undersecretary for Emergency Preparedness and Response (EP&R). The Emergency Preparedness and Response Directorate within DHS contains most of the functions that were previously housed within FEMA, and includes some new authorities that were previously held by other Departments. Additionally, other offices within DHS now administer some programs previously administered by FEMA.

Since 1976 there have been nearly 1,000 presidential disaster declarations in the United States and the Insular Territories. These disasters have been caused by every natural disaster imaginable, from wildfires on the west coast, snowstorms on the east coast, flooding in the Midwest, earthquakes in Alaska, tsunamis in the Pacific, and hurricanes in the Atlantic. These storms have caused hundreds of billions of dollars in damages and taken an untold numbers of lives.

Between 1980 and 2000, the estimated cost of natural disasters has increased dramatically. In 1990, the estimated cost (in 1994 dollars) of hurricane damage was \$16.5 billion; by the year 2000, the estimated cost of hurricanes was \$35 billion. Similarly, the cost to the federal government increased over this same time period, though the government's cost increase has been much more dramatic. From 1979 until 1989, total obligations from the Disaster Relief Fund (DRF) were \$4 billion; from 1989 until 1999, that number increased to \$21 billion. Prior to 1989 only one disaster event (Hurricane Agnes in 1972) cost over \$500 million; since 1989, every year, except 1991, has had at least one disaster event costing more than \$500 million in federal assistance.

The Stafford Act establishes the basis for federal assistance to state and local governments impacted by a significant disaster or emergency. EP&R is primarily responsible for administering such assistance. The Stafford Act not only provides funding for post-disaster recovery, but it also provides funding for cost-effective hazard mitigation projects. Hazard mitigation includes any action taken to reduce or eliminate the risk to people and property from hazards and their effects before the disaster occurs. Examples of mitigation activities include the seismic strengthening of buildings and infrastructure, construction of levees, relocation of buildings out of floodplains, installing shutters and shatter resistant windows in hurricane-prone areas, and building "safe rooms" in houses and other buildings to protect against high winds.

## HAZARD MITIGATION GRANT PROGRAM

Section 404 of the Stafford Act—also known as Hazard Mitigation Grant Program (HMGP)—authorizes the President to contribute “up to 75 percent of the cost of hazard mitigation measures \* \* \* which substantially reduce the risk of future damage, hardship, loss, or suffering in any area affected by a major disaster.” The total amount of Federal spending under the HMGP is limited to 15 percent of the aggregate amount of federal assistance grants made under the Stafford Act with respect to a specific disaster in a specific area. Thus, after a disaster is declared and an area receives federal recovery assistance, the disaster area is also eligible to receive an additional 15 percent in federal funding to be used for hazard mitigation projects. This amount was reduced to 7.5 percent in the Consolidated Appropriations Resolution FY2003 (P.L. 108–7). FEMA has subsequently interpreted this section to allow the funding of mitigation projects in any part of the state in which the disaster occurred. State or local governments must pay at least 25 percent of the cost of any mitigation project funded under the HMGP.

## PREDISASTER MITIGATION PROGRAM

During the 106th Congress, FEMA underwent a comprehensive reauthorization. The Disaster Mitigation Act of 2000 (P.L. 106–390) implemented a number of cost-savings and streamlining provisions that were intended to increase predisaster hazard mitigation activities and reduce the cost of providing post-disaster assistance. To achieve this, P.L. 106–390 created a pilot predisaster hazard mitigation program that was to last for three years and authorized \$105 million for the program in the first two years and then from available funds through Section 404. This program allowed for the distribution of grants to states to carry out approved disaster mitigation plans. These plans would be created to identify areas in which assistance could be used to reduce the vulnerability from future disasters.

Prior to the creation of this pilot program, such disaster mitigation funds were only available to states in the immediate aftermath of a disaster declaration in the form of HMGP funds. However, due to the delayed implementation of the PDM program, there is very little data on how the program has been used, how effective it has been, and to what extent the program has achieved key goals, including saving money on disasters.

## STUDIES

In order that the nation’s emergency personnel are adequately prepared to respond to any disaster, the Committee requests that the Department, in conjunction with the University of Akron, conduct a feasibility study on the Ravenna Arsenal in Ravenna, Ohio to determine its adequacy to serve as a facility for all-hazards training. Such a study should be completed at the earliest possible time, but the findings should be reported to the Committee not later than January 31, 2004.

In order that the nation’s emergency personnel are adequately equipped to respond to any disaster, the Committee requests that the Department conduct a feasibility study on MidAmerica Airport,

in Mascoutah, Illinois to determine its adequacy to serve as a terminal logistics center. Such a study should be completed at the earliest possible time, but the findings should be reported to the Committee not later than January 31, 2004.

#### SUMMARY OF THE LEGISLATION

##### SECTION 1: SHORT TITLE

This section designates the legislation as the “Predisaster Mitigation Program Reauthorization Act of 2003”.

##### SECTION 2: PREDISASTER HAZARD MITIGATION

This section amends Section 203(m) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133(m)) to reauthorize the Predisaster Mitigation Program for an additional three years. The underlying statute authorizes such sums as may be necessary for the program.

##### SECTION 3: HAZARD MITIGATION

This section amends Section 404(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c(a)) by striking “7.5” and inserting “15” as the percentage of assistance available to states following a disaster. This section also makes this provision retroactive to apply to all disasters declared by the President after September 30, 2002.

The Consolidated Appropriations Resolution for FY 2003, passed by the Congress in January of 2003, changed this provision; though the authorizing committees of the House of Representatives and the Senate were never given an opportunity to consider the matter. This provision restores the percentage to the level in effect prior to passage of that resolution.

##### SECTION 4: REPAIR ASSISTANCE TO INDIVIDUALS AND HOUSEHOLDS

This section amends Section 408(c)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5174(c)(2)) to make additional assistance available for home repair. Currently the amount of home repair assistance is capped at \$5,000. This section would designate this amount as “initial assistance” and authorizes the President to offer additional assistance to an individual or household unable to complete repairs using insurance, loans or other financial assistance from the Small Business Administration.

This provision is effective upon enactment.

##### SECTION 5: STUDY REGARDING COST REDUCTION

This section amends Section 209 of the Disaster Mitigation Act of 2000 (42 U.S.C. 5121 note; 114 Stat. 1571) to extend the deadline for completion of a study by the Congressional Budget Office (CBO) until September 30, 2005. This study was originally due by September 30, 2003, but due to the delayed implementation of the Predisaster Mitigation Program, was not able to be completed for lack of information.

#### LEGISLATIVE HISTORY AND COMMITTEE CONSIDERATION

The Subcommittee on Economic Development, Public Buildings and Emergency Management met on Wednesday, September 24, 2003 to receive testimony on Emergency Preparedness Issues, including Reauthorization of the Predisaster Mitigation Program. The Subcommittee received testimony from the Department of Homeland Security, Association of State Floodplain Managers, and the American Public Works Association.

On September 24, 2003, the Subcommittee met in open session and considered draft legislation to reauthorize the predisaster mitigation program, and for other purposes. On a motion by Mrs. Norton, the draft bill was ordered favorably reported to the Full Committee, by voice vote, with a quorum present. Mr. LaTourette and Mrs. Norton introduced H.R. 3181 on September 25, 2003, a bill identical to the draft considered by the Subcommittee.

On October 1, 2003, the Full Committee considered H.R. 3181. A motion by Mr. LaTourette, to order H.R. 3181 favorably reported to the House was agreed to by the Full Committee unanimously, by voice vote, with a quorum present. There were no recorded votes taken during Committee consideration of H.R. 3181.

#### ROLLCALL VOTES

Clause 3(b) of rule XIII of the House of Representatives requires each committee report to include the total number of votes cast for and against on each rollcall vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against. There were no rollcall votes taken in ordering H.R. 3181 favorably reported to the House.

#### COMMITTEE OVERSIGHT FINDINGS

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

#### COST OF LEGISLATION

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

#### COMPLIANCE WITH HOUSE RULE XIII

1. With respect to the requirement of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, and 308(a) of the Congressional Budget Act of 1974, the Committee references the report of the Congressional Budget Office included below.

2. With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goals and objective of this legislation are to reduce the cost of disaster relief efforts by promoting cost effective disaster mitigation, provide for additional home repair assistance, increase the percentage of

HMGP funds available following a disaster, and study the cost savings produced from predisaster mitigation efforts.

3. With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 3181 from the Director of the Congressional Budget Office.

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, October 21, 2003.*

Hon. DON YOUNG,  
*Chairman, Committee on Transportation and Infrastructure,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3181, the Predisaster Mitigation Program Reauthorization Act of 2003. If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Lanette J. Walker.

Sincerely,

DOUGLAS HOLTZ-EAKIN,  
*Director.*

Enclosure.

*H.R. 3181—Predisaster Mitigation Program Reauthorization Act of 2003*

Summary: H.R. 3181 would authorize the Federal Emergency Management Agency (FEMA), within the Department of Homeland Security, to provide grants to states and localities for predisaster mitigation programs such as constructing levies, relocating homes from flood plains, and retrofitting buildings in earthquake areas. Under current law, authority for this program expires on December 31, 2003. The bill would extend the authorization for the predisaster mitigation program until September 30, 2006. CBO estimates that implementing H.R. 3181 would cost \$280 million over the 2004–2008 period, assuming appropriation of the necessary amounts. Enacting H.R. 3181 would have no impact on direct spending or revenues.

H.R. 3181 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would benefit state, local, and tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 3181 is shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development).

	By fiscal year, in millions of dollars—					
	2003	2004	2005	2006	2007	2008
SPENDING SUBJECT TO APPROPRIATION						
Spending under current law for predisaster mitigation grants:						
Budget authority <sup>1</sup> .....	150	150	0	0	0	0
Estimated outlays .....	30	75	90	75	30	0
Proposed changes:						
Estimated authorization level .....	0	0	154	158	0	0
Estimated outlays .....	0	0	31	78	93	78

	By fiscal year, in millions of dollars—					
	2003	2004	2005	2006	2007	2008
Spending under H.R. 3181 for predisaster mitigation grants:						
Estimated authorization level <sup>1</sup> .....	150	150	154	158	0	0
Estimated outlays .....	30	75	121	153	123	78

<sup>1</sup> The 2003 and 2004 levels are the amounts appropriated for those years.

**Basis of estimate:** FEMA is authorized to provide predisaster mitigation grants to states and localities to help prevent damage in areas frequented by disasters until December 2003. H.R. 3181 would extend this authority until September 30, 2006. CBO estimates that extension would cost \$280 million over the five-year period, subject to appropriation of the necessary amounts. This estimate assumes that appropriations for 2005 and 2006 would be equivalent to the amounts appropriated for 2004, adjusted for anticipated inflation. (The 2004 appropriation for disaster mitigation grants was \$150 million.) CBO's estimate of spending is based on historical spending patterns for such grants. Mitigation grants could reduce the severity of damages caused by future natural disasters and thus could affect the amount and timing of spending for disaster assistance. CBO has no basis, however, to estimate any significant change in the need for disaster assistance over the next several years due to the reauthorization of disaster mitigation grants.

**Intergovernmental and private-sector impact:** H.R. 3181 contains no intergovernmental or private-sector mandates as defined in UMRA and would benefit state, local, and tribal governments. It would reauthorize grants for disaster mitigation, and any cost to those governments would be incurred voluntarily as conditions of federal aid.

Estimate prepared by: Federal Costs: Lanette J. Walker. Impact on State, Local, and Tribal Governments: Melissa Merrell. Impact on the Private Sector: Jean Talarico.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

#### CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause (3)(d)(1) of rule XIII of the Rules of the House of Representatives, committee reports on a bill or joint resolution of a public character shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the measure. The Committee on Transportation and Infrastructure finds that Congress has the authority to enact this measure pursuant to its powers granted under article I, section 8 of the Constitution.

#### FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act. (Public Law 104-4).

## PREEMPTION CLARIFICATION

Section 423 of the Congressional Budget Act of 1974 requires the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt state, local or tribal law. The Committee states that H.R. 3181 does not preempt any state, local, or tribal law.

## ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act are created by this legislation.

## APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act. (Public Law 104–1).

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

**ROBERT T. STAFFORD DISASTER RELIEF AND  
EMERGENCY ASSISTANCE ACT**

\* \* \* \* \*

**TITLE II—DISASTER PREPAREDNESS  
AND MITIGATION ASSISTANCE**

\* \* \* \* \*

**SEC. 203. PREDISASTER HAZARD MITIGATION.**

(a) \* \* \*

\* \* \* \* \*

(m) **TERMINATION OF AUTHORITY.**—The authority provided by this section terminates **[December 31, 2003]** *September 30, 2006*.

\* \* \* \* \*

**TITLE IV—MAJOR DISASTER  
ASSISTANCE PROGRAMS**

\* \* \* \* \*

**SEC. 404. HAZARD MITIGATION.**

(a) **IN GENERAL.**—The President may contribute up to 75 percent of the cost of hazard mitigation measures which the President has determined are cost-effective and which substantially reduce the risk of future damage, hardship, loss, or suffering in any area affected by a major disaster. Such measures shall be identified fol-

lowing the evaluation of natural hazards under section 322 and shall be subject to approval by the President. Subject to section 322, the total of contributions under this section for a major disaster shall not exceed **[7.5]** 15 percent of the estimated aggregate amount of grants to be made (less any associated administrative costs) under this Act with respect to the major disaster.

\* \* \* \* \*

**SEC. 408. FEDERAL ASSISTANCE TO INDIVIDUALS AND HOUSEHOLDS.**

(a) \* \* \*

\* \* \* \* \*

(c) TYPES OF HOUSING ASSISTANCE.—

(1) \* \* \*

(2) REPAIRS.—

(A) \* \* \*

(B) RELATIONSHIP TO OTHER ASSISTANCE.—A recipient of *initial* assistance provided under this paragraph shall not be required to show that the assistance can be met through other means, except insurance proceeds.

(C) MAXIMUM AMOUNT OF *INITIAL* ASSISTANCE.—The amount of *initial* assistance provided to a household under this paragraph shall not exceed \$5,000, as adjusted annually to reflect changes in the Consumer Price Index for All Urban Consumers published by the Department of Labor.

(D) *ADDITIONAL ASSISTANCE*.—*Subject to the limitation contained in subsection (h), the President may provide additional repair assistance under this paragraph to an individual or household that is unable to complete the repairs described in subparagraph (A) using insurance proceeds, loans, or other financial assistance, including assistance from the Small Business Administration.*

\* \* \* \* \*

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**SECTION 209 OF THE DISASTER MITIGATION ACT OF 2000**

**SEC. 209. STUDY REGARDING COST REDUCTION.**

Not later than **[3 years after the date of the enactment of this Act]** *September 30, 2005*, the Director of the Congressional Budget Office shall complete a study estimating the reduction in Federal disaster assistance that has resulted and is likely to result from the enactment of this Act.