

AMENDING THE ROBERT T. STAFFORD DISASTER RELIEF AND EMERGENCY ASSISTANCE ACT TO ENSURE THAT UNMET NEEDS AFTER A MAJOR DISASTER ARE MET

JULY 11, 2019.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. DEFazio, from the Committee on Transportation and Infrastructure, submitted the following

R E P O R T

[To accompany H.R. 1311]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 1311) to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to ensure that unmet needs after a major disaster are met, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

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## PURPOSE OF LEGISLATION

The purpose of H.R. 1311 is to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to ensure that unmet needs after a major disaster are met.

## BACKGROUND AND NEED FOR LEGISLATION

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 100–107, “Stafford Act”) created the statutory framework through which the Federal Government provides aid to state, local, tribal, and territorial authorities following a major disaster declaration. Unfortunately, in many larger disasters the provisions of the Stafford Act may not adequately address several of the recovery needs that arise for individual victims. As a result, other agencies may be tasked to fill the gap, creating inconsistency and unpredictability in the types of support available in the wake of a disaster.

H.R. 1311 would amend the Stafford Act to add a new section to provide financial assistance for these otherwise unmet needs. The new section, Section 431, would give the Federal Emergency Management Agency (FEMA) Administrator the authority to disburse up to ten percent of grant amounts provided by Sections 406 and 408 of the Stafford Act within 30 days of a disaster declaration, subject to appropriations. Further, H.R. 1311 would allow these funds to be used for a broader range of recovery solutions than are currently covered by Section 408 of the Stafford Act, including home repair and business activities. To expedite financial assistance, the bill would create a mechanism for states to report to FEMA the criteria established for determining how the funds are spent and how funds are ultimately allocated, rather than requiring Federal approval.

## HEARINGS

For the purposes of section 103(i) of H. Res. 6 of the 116th Congress—

The following hearing was used to develop or consider H.R. 1311:

On February 26, 2019, the Committee on Transportation and Infrastructure held a hearing entitled, “Examining How Federal Infrastructure Policy Could Help Mitigate and Adapt to Climate Change.” Witnesses included: Dr. Daniel Sperling, Board Member, California Air Resources Board; Mr. Ben Prochazka, Vice President, Electrification Coalition; Ms. Vicki Arroyo, Executive Director, Georgetown Climate Center; Mr. James M. Proctor, II, Senior Vice President and General Counsel, McWane, Inc., testifying on behalf of the Build Strong Coalition; Mr. Kevin DeGood, Director, Infrastructure Policy, Center for American Progress; Ms. Lynn Scarlett, Vice President, Policy and Government Affairs, The Nature Conservancy; and Dr. Whitley J. Saumweber, Director, Stephenson Ocean Security (SOS) Project, Center for Strategic and International Studies. Topics discussed included impacts of severe weather events and associated recovery costs often borne by disaster survivors due to a patchwork of post-disaster federal assistance programs.

## LEGISLATIVE HISTORY AND CONSIDERATION

H.R. 1311 was introduced in the House on February 19, 2019, by Mr. Graves of Louisiana and referred to the Committee on Transportation and Infrastructure. Within the Committee, H.R. 1311 was referred to the Subcommittee on Economic Development, Public Buildings, and Emergency Management.

The Subcommittee on Economic Development, Public Buildings, and Emergency Management was discharged from further consideration of H.R. 1311 on March 27, 2019.

The Full Committee met in open session to consider H.R. 1311 on March 27, 2019, and ordered the measure to be reported to the House with a favorable recommendation, without amendment, by voice vote with a quorum present.

## COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires each committee report to include the total number of votes cast for and against on each record 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 recorded votes taken in connection with consideration of H.R. 1311.

## 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.

## NEW BUDGET AUTHORITY AND TAX EXPENDITURES

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.

## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

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 enclosed cost estimate for H.R. 1311 from the Director of the Congressional Budget Office:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, July 8, 2019.*

Hon. PETER A. DEFAZIO,  
*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. 1311, a bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to ensure that unmet needs after a major disaster are met.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Jon Sperl.

Sincerely,

PHILLIP L. SWAGEL,  
*Director.*

Enclosure.

<b>At a Glance</b>			
<b>H.R. 1311, a bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to ensure that unmet needs after a major disaster are met</b>			
As ordered reported by the House Committee on Transportation and Infrastructure on March 27, 2019			
By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Deficit Effect	0	0	0
Spending Subject to Appropriation (Outlays)	0	1,731	3,056
Statutory pay-as-you-go procedures apply?	No	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
<b>The bill would</b>			
<ul style="list-style-type: none"> <li>Authorize the appropriation of funds for the Federal Emergency Management Agency to provide assistance to state and local governments, as well as individuals and households, to cover unmet needs in the aftermath of major disasters</li> </ul>			
<b>Estimated budgetary effects would primarily stem from</b>			
<ul style="list-style-type: none"> <li>Appropriations provided in future years in response to major disasters declared under the Stafford Act</li> <li>Additional appropriations that the President would choose to allocate for unmet needs</li> </ul>			
Detailed estimate begins on the next page.			

Bill summary: H.R. 1311 would amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize the Federal Emergency Management Agency (FEMA) to provide assistance to state and local governments, as well as individuals and households, to cover unmet needs in the aftermath of major disasters declared under that act. Under the bill, unmet needs would be broadly defined to include:

- Disaster-related home repair and rebuilding assistance to families;
- Disaster-related needs of families who are unable to obtain adequate assistance from other sources;
- Other services that alleviate human suffering and promote the well-being of disaster victims; and
- Economic and business activities, including those related to food and agriculture, economic recovery, infrastructure improvements, business financing, and other activities authorized under a comprehensive economic development strategy.

Estimated Federal cost: The estimated budgetary effect of H.R. 1311 is shown in Table 1. The costs of the legislation fall within budget function 450 (community and regional development).

TABLE 1.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 1311

	By fiscal year, millions of dollars—						
	2019	2020	2021	2022	2023	2024	2019–2024
<b>Disaster Relief Fund:</b>							
Estimated Authorization .....	0	610	610	610	610	610	3,050
Estimated Outlays .....	0	3	125	430	564	595	1,717
<b>Administrative Costs:</b>							
Estimated Authorization .....	0	1	2	3	4	4	14
Estimated Outlays .....	0	1	2	3	4	4	14
<b>Total Changes:</b>							
Estimated Authorization .....	0	611	612	613	614	614	3,064
Estimated Outlays .....	0	4	127	433	568	599	1,731

Basis of estimate: Under H.R. 1311, FEMA would be authorized to spend appropriated funds from the Disaster Relief Fund (DRF) on newly authorized assistance. The broad definition of unmet needs in the bill would allow FEMA to provide assistance for activities not currently authorized under the Stafford Act, including long-term economic recovery, revitalization, and community development projects that are similar to those funded by the Department of Housing and Urban Development's (HUD's) Community Development Block Grant Disaster Recovery (CDBG–DR) program.

Disaster Relief Fund. Appropriations provided to the DRF have varied historically, depending on the number and severity of disasters. Over the 2009 to 2018 period, the Congress provided appropriations to the DRF averaging \$12.2 billion annually. For this estimate, CBO assumes that appropriations of that amount would continue to be provided for each year over the 2020–2024 period. Using information provided by FEMA, CBO estimates that the agency has historically spent about 50 percent of those appropriations (about \$6.1 billion) on certain activities under sections 406 and 408 of the Stafford Act to repair or replace damaged facilities and for assistance to individuals and households for housing and other needs.

The bill would authorize FEMA to allocate additional DRF funds for specified unmet needs after a major disaster is declared under the Stafford Act. The amount of the allocation could equal up to 10 percent of the assistance FEMA estimates it would provide under sections 406 and 408 of the Stafford Act in response to a particular disaster. The bill also would prohibit FEMA from reducing the amount of assistance that it otherwise would provide for the activities currently authorized. Assuming the President allocates the maximum allowed under the bill for unmet needs following all major disasters declared over the 2020–2024 period, CBO estimates that H.R. 1311 would effectively authorize an additional appropriation of \$610 million annually over the 2020–2024 period.

CBO also estimates that the agency would spend those funds at a pace comparable to the pace that HUD currently spends funds appropriated for the CDBG–DR program, because the definition of unmet needs under H.R. 1311 is similar to the types of activities that are currently funded under that program. In total, CBO esti-

mates that assuming appropriation of the necessary amounts, FEMA would spend \$1.7 billion over the 2020–2024 period, and \$1.3 billion in later years to implement the bill. CBO expects that spending would ramp up gradually as FEMA sets up the new program.

**Administrative Costs.** Using information from FEMA and HUD, CBO estimates that FEMA would need to hire an additional 20 employees by 2024 (at an average cost of \$150,000) to perform additional activities authorized in the bill and would gradually add those employees over the next five years. In total CBO estimates the agency would spend \$13 million over the 2020–2024 period for those employees and support costs.

Finally, the bill would require the Government Accountability Office to conduct a review on the fiscal controls implemented by state agencies that receive funds under the program. CBO estimates that producing the report would cost \$1 million.

Pay-As-You-Go considerations: None.

Increase in long-term deficits: None.

Estimate prepared by: Federal costs: Jon Sperl; Mandates: Rachel Austin.

Estimate reviewed by: Kim P. Cawley, Chief, Natural and Physical Resources Cost Estimates Unit; H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis; Theresa Gullo, Assistant Director for Budget Analysis.

#### PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goal and objective of this legislation is to provide the President and the FEMA Administrator the authority to provide financial assistance to address unmet needs after a disaster declaration.

#### DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 1311 establishes or reauthorizes a program of the federal government known to be duplicative of another federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

#### CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

In compliance with clause 9 of rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the rule XXI.

#### 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 finds that H.R. 1311 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 were created by this legislation.

#### APPLICABILITY TO 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).

#### SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

##### *Section 1. Unmet needs assistance*

This section amends the Robert T. Stafford Disaster Relief and Emergency Assistance Act by adding Section 431, which allows the President to direct the FEMA Administrator to provide financial assistance for unmet needs following a disaster declaration. Within 30 days of a disaster, subject to appropriations, the Administrator would be able to allocate up to ten percent of the estimated aggregate amount of grants made under Sections 406 and 408 of the Stafford Act.

The section defines “unmet needs” to include disaster-related home repair and rebuilding assistance to families for permanent housing purposes, disaster-related unmet needs of families who are unable to obtain adequate assistance from other sources, other services that alleviate human suffering and promote the well-being of disaster victims, and economic and business activities to implement post-disaster recovery measures.

The section also requires States that receive assistance under Section 431 to submit a report to FEMA detailing the criteria for the notice and comment period, how funds were allocated, and how funds were ultimately spent.

##### *Sec. 2. Repair and rebuilding*

This section amends the Stafford Act to allow for financial assistance to be used for the repair and rebuilding of owner-occupied residences. The section also removes conditions for permanent housing construction and replaces them with language allowing for such construction when the President considers it a cost-effective alternative to other housing solutions.

*Sec. 3. Review by Comptroller General*

This section requires the Comptroller General of the United States to conduct a review of the fiscal controls of States that receive funds under Section 431.

## 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, and existing law in which no change is proposed is shown in roman):

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

\* \* \* \* \*

**TITLE IV—MAJOR DISASTER  
ASSISTANCE PROGRAMS**

\* \* \* \* \*

**SEC. 408. FEDERAL ASSISTANCE TO INDIVIDUALS AND HOUSEHOLDS.****(a) IN GENERAL.—**

(1) **PROVISION OF ASSISTANCE.**—In accordance with this section, the President, in consultation with the Governor of a State, may provide financial assistance, and, if necessary, direct services, to individuals and households in the State who, as a direct result of a major disaster, have necessary expenses and serious needs in cases in which the individuals and households are unable to meet such expenses or needs through other means.

(2) **RELATIONSHIP TO OTHER ASSISTANCE.**—Under paragraph (1), an individual or household shall not be denied assistance under paragraph (1), (3), or (4) of subsection (c) solely on the basis that the individual or household has not applied for or received any loan or other financial assistance from the Small Business Administration or any other Federal agency.

**(b) HOUSING ASSISTANCE.—**

(1) **ELIGIBILITY.**—The President may provide financial or other assistance under this section to individuals and households to respond to the disaster-related housing needs of individuals and households who are displaced from their predisaster primary residences or whose predisaster primary residences are rendered uninhabitable, or with respect to individuals with disabilities, rendered inaccessible or uninhabitable, as a result of damage caused by a major disaster.

**(2) DETERMINATION OF APPROPRIATE TYPES OF ASSISTANCE.—**

(A) **IN GENERAL.**—The President shall determine appropriate types of housing assistance to be provided under this section to individuals and households described in subsection (a)(1) based on considerations of cost effectiveness, convenience to the individuals and households, and



such other factors as the President may consider appropriate.

(B) MULTIPLE TYPES OF ASSISTANCE.—One or more types of housing assistance may be made available under this section, based on the suitability and availability of the types of assistance, to meet the needs of individuals and households in the particular disaster situation.

(c) TYPES OF HOUSING ASSISTANCE.—

(1) TEMPORARY HOUSING.—

(A) FINANCIAL ASSISTANCE.—

(i) IN GENERAL.—The President may provide financial assistance to individuals or households to rent alternate housing accommodations, existing rental units, manufactured housing, recreational vehicles, or other readily fabricated dwellings. Such assistance may include the payment of the cost of utilities, excluding telephone service.

(ii) AMOUNT.—The amount of assistance under clause (i) shall be based on the fair market rent for the accommodation provided plus the cost of any transportation, utility hookups, security deposits, or unit installation not provided directly by the President.

(B) DIRECT ASSISTANCE.—

(i) IN GENERAL.—The President may provide temporary housing units, acquired by purchase or lease, directly to individuals or households who, because of a lack of available housing resources, would be unable to make use of the assistance provided under subparagraph (A).

(ii) LEASE AND REPAIR OF RENTAL UNITS FOR TEMPORARY HOUSING.—

(I) IN GENERAL.—The President, to the extent the President determines it would be a cost-effective alternative to other temporary housing options, may—

(aa) enter into lease agreements with owners of multifamily rental property impacted by a major disaster or located in areas covered by a major disaster declaration to house individuals and households eligible for assistance under this section; and

(bb) make repairs or improvements to properties under such lease agreements, to the extent necessary to serve as safe and adequate temporary housing.

(II) IMPROVEMENTS OR REPAIRS.—Under the terms of any lease agreement for property entered into under this subsection, the value of the improvements or repairs shall be deducted from the value of the lease agreement.

(iii) PERIOD OF ASSISTANCE.—The President may not provide direct assistance under clause (i) with respect to a major disaster after the end of the 18-month period beginning on the date of the declaration of the

major disaster by the President, except that the President may extend that period if the President determines that due to extraordinary circumstances an extension would be in the public interest.

(iv) COLLECTION OF RENTAL CHARGES.—After the end of the 18-month period referred to in clause (iii), the President may charge fair market rent for each temporary housing unit provided.

(2) REPAIRS.—

(A) IN GENERAL.—The President may provide financial assistance for—

(i) the repair of owner-occupied private residences, utilities, and residential infrastructure (such as a private access route) damaged by a major disaster **to a safe and sanitary living or functioning condition** *to ensure that their home is habitable during longer term recovery. Assistance allowed under this section may be used in coordination with other sources for the repair and rebuilding of an owner-occupied residence.*; and

(ii) eligible hazard mitigation measures that reduce the likelihood of future damage to such residences, utilities, or infrastructure.

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

(3) REPLACEMENT.—

(A) IN GENERAL.—The President may provide financial assistance for the replacement of owner-occupied private residences damaged by a major disaster.

(B) APPLICABILITY OF FLOOD INSURANCE REQUIREMENT.—With respect to assistance provided under this paragraph, the President may not waive any provision of Federal law requiring the purchase of flood insurance as a condition of the receipt of Federal disaster assistance.

(4) PERMANENT HOUSING CONSTRUCTION.—The President may provide financial assistance or direct assistance to individuals or households to construct permanent or semi-permanent housing in insular areas outside the continental United States and in other locations **in cases in which—** *if the President considers it a cost effective alternative to other housing solutions, including the costs associated with temporary housing provided under this section, and long-term rebuilding costs associated with section 431*

**[(A) no alternative housing resources are available; and**

**(B) the types of temporary housing assistance described in paragraph (1) are unavailable, infeasible, or not cost-effective.]**

(d) TERMS AND CONDITIONS RELATING TO HOUSING ASSISTANCE.—

(1) SITES.—

(A) IN GENERAL.—Any readily fabricated dwelling provided under this section shall, whenever practicable, be located on a site that—

(i) is complete with utilities;

(ii) meets the physical accessibility requirements for individuals with disabilities; and

(iii) is provided by the State or local government, by the owner of the site, or by the occupant who was displaced by the major disaster.

(B) SITES PROVIDED BY THE PRESIDENT.—A readily fabricated dwelling may be located on a site provided by the President if the President determines that such a site would be more economical or accessible.

(2) DISPOSAL OF UNITS.—

(A) SALE TO OCCUPANTS.—

(i) IN GENERAL.—Notwithstanding any other provision of law, a temporary housing unit purchased under this section by the President for the purpose of housing disaster victims may be sold directly to the individual or household who is occupying the unit if the individual or household lacks permanent housing.

(ii) SALE PRICE.—A sale of a temporary housing unit under clause (i) shall be at a price that is fair and equitable.

(iii) DEPOSIT OF PROCEEDS.—Notwithstanding any other provision of law, the proceeds of a sale under clause (i) shall be deposited in the appropriate Disaster Relief Fund account.

(iv) HAZARD AND FLOOD INSURANCE.—A sale of a temporary housing unit under clause (i) shall be made on the condition that the individual or household purchasing the housing unit agrees to obtain and maintain hazard and flood insurance on the housing unit.

(v) USE OF GSA SERVICES.—The President may use the services of the General Services Administration to accomplish a sale under clause (i).

(B) OTHER METHODS OF DISPOSAL.—If not disposed of under subparagraph (A), a temporary housing unit purchased under this section by the President for the purpose of housing disaster victims—

(i) may be sold to any person; or

(ii) may be sold, transferred, donated, or otherwise made available directly to a State or other governmental entity or to a voluntary organization for the sole purpose of providing temporary housing to disaster victims in major disasters and emergencies if, as a condition of the sale, transfer, or donation, the State, other governmental agency, or voluntary organization agrees—

(I) to comply with the nondiscrimination provisions of section 308; and

(II) to obtain and maintain hazard and flood insurance on the housing unit.

(e) FINANCIAL ASSISTANCE TO ADDRESS OTHER NEEDS.—

(1) MEDICAL, DENTAL, CHILD CARE, AND FUNERAL EXPENSES.—The President, in consultation with the Governor of a State, may provide financial assistance under this section to an individual or household in the State who is adversely affected by

a major disaster to meet disaster-related medical, dental, child care, and funeral expenses.

(2) PERSONAL PROPERTY, TRANSPORTATION, AND OTHER EXPENSES.—The President, in consultation with the Governor of a State, may provide financial assistance under this section to an individual or household described in paragraph (1) to address personal property, transportation, and other necessary expenses or serious needs resulting from the major disaster.

(f) STATE ROLE.—

(1) STATE- OR INDIAN TRIBAL GOVERNMENT-ADMINISTERED ASSISTANCE AND OTHER NEEDS ASSISTANCE.—

(A) GRANT TO STATE.—Subject to subsection (g), a Governor may request a grant from the President to provide assistance to individuals and households in the State under subsections (c)(1)(B), (c)(4), and (e) if the President and the State or Indian tribal government comply, as determined by the Administrator, with paragraph (3).

(B) ADMINISTRATIVE COSTS.—A State that receives a grant under subparagraph (A) may expend not more than 5 percent of the amount of the grant for the administrative costs of providing assistance to individuals and households in the State under subsections (c)(1)(B), (c)(4), and (e).

(2) ACCESS TO RECORDS.—In providing assistance to individuals and households under this section, the President shall provide for the substantial and ongoing involvement of the States in which the individuals and households are located, including by providing to the States access to the electronic records of individuals and households receiving assistance under this section in order for the States to make available any additional State and local assistance to the individuals and households.

(3) REQUIREMENTS.—

(A) APPLICATION.—A State or Indian tribal government desiring to provide assistance under subsection (c)(1)(B), (c)(4), or (e) shall submit to the President an application for a grant to provide financial assistance under the program.

(B) CRITERIA.—The President, in consultation and coordination with State and Indian tribal governments, shall establish criteria for the approval of applications submitted under subparagraph (A). The criteria shall include, at a minimum—

(i) a requirement that the State or Indian tribal government submit a housing strategy under subparagraph (C);

(ii) the demonstrated ability of the State or Indian tribal government to manage the program under this section;

(iii) there being in effect a plan approved by the President as to how the State or Indian tribal government will comply with applicable Federal laws and regulations and how the State or Indian tribal government will provide assistance under its plan;

(iv) a requirement that the State or Indian tribal government comply with rules and regulations established pursuant to subsection (j); and

(v) a requirement that the President, or the designee of the President, comply with subsection (i).

(C) REQUIREMENT OF HOUSING STRATEGY.—

(i) IN GENERAL.—A State or Indian tribal government submitting an application under this paragraph shall have an approved housing strategy, which shall be developed and submitted to the President for approval.

(ii) REQUIREMENTS.—The housing strategy required under clause (i) shall—

(I) outline the approach of the State in working with Federal partners, Indian tribal governments, local communities, nongovernmental organizations, and individual disaster survivors to meet disaster-related sheltering and housing needs; and

(II) include the establishment of an activation plan for a State Disaster Housing Task Force, as outlined in the National Disaster Housing Strategy, to bring together State, tribal, local, Federal, nongovernmental, and private sector expertise to evaluate housing requirements, consider potential solutions, recognize special needs populations, and propose recommendations.

(D) QUALITY ASSURANCE.—Before approving an application submitted under this section, the President, or the designee of the President, shall institute adequate policies, procedures, and internal controls to prevent waste, fraud, abuse, and program mismanagement for this program and for programs under subsections (c)(1)(B), (c)(4), and (e). The President shall monitor and conduct quality assurance activities on a State or Indian tribal government's implementation of programs under subsections (c)(1)(B), (c)(4), and (e). If, after approving an application of a State or Indian tribal government submitted under this paragraph, the President determines that the State or Indian tribal government is not administering the program established by this section in a manner satisfactory to the President, the President shall withdraw the approval.

(E) AUDITS.—The Inspector General of the Department of Homeland Security shall provide for periodic audits of the programs administered by States and Indian tribal governments under this subsection.

(F) APPLICABLE LAWS.—All Federal laws applicable to the management, administration, or contracting of the programs by the Federal Emergency Management Agency under this section shall be applicable to the management, administration, or contracting by a non-Federal entity under this section.

(G) REPORT ON EFFECTIVENESS.—Not later than 18 months after the date of enactment of this paragraph, the Inspector General of the Department of Homeland Security shall submit a report to the Committee on Homeland Secu-

rity and Governmental Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives on the State or Indian tribal government's role to provide assistance under this section. The report shall contain an assessment of the effectiveness of the State or Indian tribal government's role in providing assistance under this section, including—

(i) whether the State or Indian tribal government's role helped to improve the general speed of disaster recovery;

(ii) whether the State or Indian tribal government providing assistance under this section had the capacity to administer this section; and

(iii) recommendations for changes to improve the program if the State or Indian tribal government's role to administer the programs should be continued.

(H) REPORT ON INCENTIVES.—Not later than 12 months after the date of enactment of this paragraph, the Administrator of the Federal Emergency Management Agency shall submit a report to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives on a potential incentive structure for awards made under this section to encourage participation by eligible States and Indian tribal governments. In developing this report, the Administrator of the Federal Emergency Management Agency shall consult with State, local, and Indian tribal entities to gain their input on any such incentive structure to encourage participation and shall include this information in the report. This report should address, among other options, potential adjustments to the cost-share requirement and management costs to State and Indian tribal governments.

(I) PROHIBITION.—The President may not condition the provision of Federal assistance under this Act on a State or Indian tribal government requesting a grant under this section.

(J) MISCELLANEOUS.—

(i) NOTICE AND COMMENT.—The Administrator of the Federal Emergency Management Agency may waive notice and comment rulemaking with respect to rules to carry out this section, if the Administrator determines doing so is necessary to expeditiously implement this section, and may carry out this section as a pilot program until such regulations are promulgated.

(ii) FINAL RULE.—Not later than 2 years after the date of enactment of this paragraph, the Administrator of the Federal Emergency Management Agency shall issue final regulations to implement this subsection as amended by the Disaster Recovery Reform Act of 2018.

(iii) WAIVER AND EXPIRATION.—The authority under clause (i) and any pilot program implemented pursuant to such clause shall expire 2 years after the date of enactment of this paragraph or upon issuance of

final regulations pursuant to clause (ii), whichever occurs sooner.

(g) COST SHARING.—

(1) FEDERAL SHARE.—Except as provided in paragraph (2), the Federal share of the costs eligible to be paid using assistance provided under this section shall be 100 percent.

(2) FINANCIAL ASSISTANCE TO ADDRESS OTHER NEEDS.—In the case of financial assistance provided under subsection (e)—

(A) the Federal share shall be 75 percent; and

(B) the non-Federal share shall be paid from funds made available by the State.

(h) MAXIMUM AMOUNT OF ASSISTANCE.—

(1) IN GENERAL.—No individual or household shall receive financial assistance greater than \$25,000 under this section with respect to a single major disaster, excluding financial assistance to rent alternate housing accommodations under subsection (c)(1)(A)(i) and financial assistance to address other needs under subsection (e).

(2) OTHER NEEDS ASSISTANCE.—The maximum financial assistance any individual or household may receive under subsection (e) shall be equivalent to the amount set forth in paragraph (1) with respect to a single major disaster.

(3) ADJUSTMENT OF LIMIT.—The limit established under paragraphs (1) and (2) shall be adjusted annually to reflect changes in the Consumer Price Index for All Urban Consumers published by the Department of Labor.

(4) EXCLUSION OF NECESSARY EXPENSES FOR INDIVIDUALS WITH DISABILITIES.—

(A) IN GENERAL.—The maximum amount of assistance established under paragraph (1) shall exclude expenses to repair or replace damaged accessibility-related improvements under paragraphs (2), (3), and (4) of subsection (c) for individuals with disabilities.

(B) OTHER NEEDS ASSISTANCE.—The maximum amount of assistance established under paragraph (2) shall exclude expenses to repair or replace accessibility-related personal property under subsection (e)(2) for individuals with disabilities.

(i) VERIFICATION MEASURES.—In carrying out this section, the President shall develop a system, including an electronic database, that shall allow the President, or the designee of the President, to—

(1) verify the identity and address of recipients of assistance under this section to provide reasonable assurance that payments are made only to an individual or household that is eligible for such assistance;

(2) minimize the risk of making duplicative payments or payments for fraudulent claims under this section;

(3) collect any duplicate payment on a claim under this section, or reduce the amount of subsequent payments to offset the amount of any such duplicate payment;

(4) provide instructions to recipients of assistance under this section regarding the proper use of any such assistance, regardless of how such assistance is distributed; and

(5) conduct an expedited and simplified review and appeal process for an individual or household whose application for assistance under this section is denied.

(j) **RULES AND REGULATIONS.**—The President shall prescribe rules and regulations to carry out this section, including criteria, standards, and procedures for determining eligibility for assistance.

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**SEC. 431. UNMET NEEDS ASSISTANCE.**

(a) **IN GENERAL.**—After the declaration of a major disaster, the President may direct the Administrator of the Emergency Management Agency to provide, subject to amounts made available from appropriations, assistance necessary for meeting unmet needs as a result of such disaster.

(b) **FUNDING.**—

(1) **AMOUNT OF FUNDING.**—Subject to appropriations and not later than 30 days after a declaration is made under section 401, the President acting through the Administrator may allocate an amount that equals up to 10 percent of the estimated aggregate amount of the grants to be made pursuant to sections 406 and 408 for the major disaster in order to provide technical and financial assistance under this section and such set aside shall be deemed to be related to activities carried out pursuant to major disasters under this Act.

(2) **ESTIMATED AGGREGATE AMOUNT.**—Not later than 180 days after each major disaster declaration pursuant to this Act, the estimated aggregate amount of grants for purposes of paragraph (1) shall be determined by the President and such estimated amount need not be reduced, increased, or changed due to variations in estimates.

(3) **NO REDUCTION IN AMOUNTS.**—The amount set aside pursuant to paragraph (1) shall not reduce the amounts otherwise made available for sections 403, 404, 406, 407, 408, 410, 416, and 428 under this Act.

(c) **UNMET NEEDS.**—Financial assistance provided under this section may be used to provide assistance, in addition to other amounts made available under this Act, for the following unmet needs:

(1) Disaster-related home repair and rebuilding assistance to families for permanent housing purposes, including in conjunction with eligible expenditures under section 408.

(2) Disaster-related unmet needs of families who are unable to obtain adequate assistance from other sources.

(3) Other services that alleviate human suffering and promote the well-being of disaster victims.

(4) Economic and business activities (including food and agriculture) after a disaster to implement post-disaster economic recovery measures, including planning and technical assistance for long-term economic recovery plans, infrastructure improvements, business or infrastructure financing, market or industry research, and other activities authorized under a comprehensive economic development strategy.

(d) **ACCOUNTING AND FISCAL CONTROLS.**—

(1) **IN GENERAL.**—Not later than 6 months after receipt of funds and every 6 months thereafter until all such funds are ex-



*pended, a State shall submit a report to the Administrator that includes—*

*(A) the criteria established for determining how the funds are spent;*

*(B) the allocation of those funds; and*

*(C) the process for public notice and comment.*

*(2) COMPLIANCE.—Any individual who receives assistance pursuant to this section shall comply with section 312(b).*

*(3) ADMINISTRATIVE COSTS.—A State that receives funds under this section may expend not more than 5 percent of the amount of such funds for the administrative costs of providing financial assistance to individuals and households in the State.*

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