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REPORT
117–289

INCREASE FEDERAL DISASTER COST SHARE ACT OF 2021

APRIL 6, 2022.—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. 1951]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 1951) to increase the Federal share provided under the Robert T. Stafford Disaster Relief and Emergency Assistance Act for a certain time frame during fiscal year 2020, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

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The amendments are as follows:

Strike all after the enacting clause and insert the following:

SEC. 1. SHORT TITLE.

This Act may be cited as the "Increase Federal Disaster Cost Share Act of 2021".

SEC. 2. INCREASE OF FEDERAL SHARE.

Notwithstanding sections 403(b), 403(c)(4), 404(a), 406(b), 408(d), 408(g)(2), 428(e)(2)(B), and 503(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act 10 (42 U.S.C. 5121 et seq.), for any major disaster declared by the President under such Act during the period beginning on January 1, 2020, and ending on December 31, 2020, the Federal share of assistance provided under such sections shall be not less than 90 percent of the eligible cost of such assistance.

Amend the title so as to read:

A bill to increase the Federal share provided under the Robert T. Stafford Disaster Relief and Emergency Assistance Act for a certain time frame during 2020.

PURPOSE AND SUMMARY

The purpose of H.R. 1951, as amended, is to modify the federal cost share of certain assistance provided under the *Robert T. Stafford Disaster Relief and Emergency Assistance Act* for major disaster declarations from calendar year 2020.

BACKGROUND AND NEED FOR LEGISLATION

The *Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act,* P.L. 93–288 as amended) authorizes the President to make assistance available via the Federal Emergency Management Agency (FEMA) to supplement state, tribal, territorial, and local (STTL) efforts to respond to and recover from an incident that exceeds all available resources and overwhelms STTL governments.

FEMA's Public Assistance (PA) program provides federal help, typically through reimbursement, to STTL governments and certain private non-profit organizations for emergency and/or permanent work. PA eligibility is based on work and damage which occurred as a direct result of the incident that resulted in a Presidential Declaration of Emergency or Major Disaster. FEMA covers no less than 75 percent of the cost of eligible PA projects. The *Stafford Act* and 44 CFR Sec. 206.47 provides the President the authority and guidance to adjust the cost share requirement for the PA program.

Calendar year 2020 was unprecedented with STTL governments facing a record-setting number of natural disasters while simultaneously fighting the COVID–19 pandemic.[1] Fiscal resources at the STTL levels were depleted by disaster response and public health costs, while also facing declines in revenues that fund services for healthcare, education, public safety, transportation, and other vital programs as a result of necessary measures taken to combat COVID–19 and slow its spread.[2]

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[1] See National Oceanic and Atmospheric Administration, National Centers for Environmental Information, "Billion-Dollar Weather and Climate Disasters: Overview". Available at https://www.ncdc.noaa.gov/billions/; Thompson, Andrea. Scientific American. "A Running List of Record-Breaking Natural Disasters in 2020". Available at https://www.scientificamerican.com/article/a-running-list-of-record-breaking-natural-disasters-in-2020/.

[2] Davidson, Kate and David Harrison. Wall Street Journal. "Coronavirus-Hit State Budgets Create a Drag on U.S. Recovery". August 12, 2020. Available at https://www.wsj.com/articles/coronavirus-hit-state-budgets-create-a-drag-on-u-s-recovery-11597224600.

H.R. 1951, as amended, increases the federal share from 75 percent to not less than 90 percent for major disasters declared by the President in calendar year 2020.

HEARINGS

For the purposes of rule XIII, clause 3(c)(6)(A) of the 117th Congress, the following hearing was used to develop or consider H.R. 1951:

On March 18, 2021, the Subcommittee held a hearing titled "Building Smarter: The Benefits of Investing in Resilience and Mitigation." The Subcommittee received testimony from Mr. Russell "Russ"' Strickland, Executive Director, Maryland Emergency Management Agency, State of Maryland, testifying on behalf of the National Emergency Management Association; Mr. Roy E. Wright, President and Chief Executive Officer, Insurance Institute for Business and Home Safety; Ms. Velma Smith, Senior Government Relations Officer, Flood Prepared Communities Initiative, Pew Charitable Trusts; Mr. Ben Harper, Head of Corporate Sustainability, Zurich North America Insurance Company; and Mr. John "Chuck" Fowke, Chairman, National Association of Home Builders. This hearing examined the current and future capacities in emergency management, mitigation and resilience, insurance, and construction.

LEGISLATIVE HISTORY AND CONSIDERATION

H.R. 1951 was introduced in the House on March 16, 2021, by Mr. Thompson of California, and 18 original cosponsors and referred to the Committee on Transportation and Infrastructure. Within the Committee, H.R. 1951 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. 1951 on March 24, 2021.

The Full Committee considered H.R. 1951 on March 24, 2021, and ordered the measure to be reported to the House with a favorable recommendation, as amended, by a record vote of 46 yeas and 11 nays (Roll Call Vote #19).

The following amendments were offered:

An amendment offered by Mr. GRAVES of Louisiana (#1); was WITHDRAWN.

Page 2, beginning on line 6, strike "shall be not less than 90 percent" and insert "may be at a 100 percent Federal cost share in any area that has experienced a severe local impact or recent multiple major disasters or emergencies, applying the same considerations as carried out by the Administrator of the Federal Emergency Management Agency under section 1232 of the Disaster Recovery Reform Act of 2018 (42 U.S.C. 5170 note) and as determined appropriate by the Administrator,".

An amendment offered by Mr. GRAVES of Louisiana (#2); was AGREED TO by voice vote.

Page 2, line 2, strike, "emergency or".

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.

Committee on Transportation and Infrastructure Roll Call Vote No. 19

On: agreeing to H.R. 1951 and ordering the measure to be reported to the House with a favorable recommendation, as amended.

Agreed to: 46 yeas and 11 nays.

Majority Members	Vote	Minority Members	Vote
Mr. DeFazio	Yea	Mr. Graves of MO	Yea
Ms. Norton	Yea	Mr. Mr. Young	
Ms. Johnson of TX	Yea	Mr. Mr. Crawford	
Mr. Larsen of WA	Yea	Mr. Gibbs	Nay
Mrs. Napolitano	Yea	Mr. Webster	Yea
Mr. Cohen	Yea	Mr. Massie	Nay
Mr. Sires	Yea	Mr. Perry	Nay
Mr. Garamendi	Yea	Mr. Rodney Davis of IL	Yea
Mr. Johnson of GA	Yea	Mr. Katko	Yea
Mr. Carson	Yea	Mr. Babin	Nay
Ms. Titus	Yea	Mr. Graves of LA	Nay
Mr. Maloney of NY	Yea	Mr. Rouzer	Yea
Mr. Huffman	Yea	Mr. Bost	Yea
Ms. Brownley	Yea	Mr. Weber of TX	Nay
Ms. Wilson of FL		Mr. LaMalfa	Yea
Mr. Payne	Yea	Mr. Westerman	Nay
Mr. Lowenthal		Mr. Mast	Yea
Mr. DeSaulnier	Yea	Mr. Gallagher	Nay
Mr. Lynch	Yea	Mr. Fitzpatrick	Yea
Mr. Carbajal		Miss González-Colón	Yea
Mr. Brown	Yea	Mr. Balderson	Yea
Mr. Malinowski		Mr. Stauber	
Mr. Stanton	Yea	Mr. Burchett	Nay
Mr. Allred	Yea	Mr. Johnson of SD	Nay
Ms. Davids of KS	Yea	Mr. Van Drew	Yea
Mr. García of IL	Yea	Mr. Guest	
Mr. Delgado	Yea	Mr. Nehls	Yea
Mr. Pappas	Yea	Ms. Mace	Yea
Mr. Lamb	Yea	Ms. Malliotakis	Yea
Mr. Moulton		Ms. Van Duyne	
Mr. Auchincloss	Yea	Mr. Gimenez	
Ms. Bourdeaux	Yea	Mrs. Steel	Nay
Mr. Kahele	Yea		
Ms. Strickland	Yea		
Ms. Williams of GA	Yea		
Ms. Newman	Yea		
Vacancy			

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 sec-

tion 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. 1951 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 2, 2021.

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. 1951, the Increase Federal Disaster Cost Share Act of 2021.

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.

At a Glance

H.R. 1951, Increase Federal Disaster Cost Share Act of 2021

As ordered reported by the House Committee on Transportation and Infrastructure on March 24, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	310	655	870
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	310	655	870
Spending Subject to Appropriation (Outlays)	0	0	0

Statutory pay-as-you-go procedures apply?	Yes	**Mandate Effects**	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	< $5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- Increase the federal share of costs paid from 75 percent to 90 percent of total recovery assistance provided for any disaster declared in 2020

Estimated budgetary effects would mainly stem from

- Increasing the share of costs that the federal government would cover for certain disasters

Areas of significant uncertainty include

- Estimating the total amount of assistance that the Federal Emergency Management Agency and state governments will provide for certain disasters

Detailed estimate begins on the next page.

Bill summary: H.R. 1951 would increase the federal share of costs to 90 percent for any disasters that were declared by the President in calendar year 2020. Under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the federal government typically pays 75 percent of total recovery costs unless the Federal Emergency Management Agency (FEMA) agrees to pay a higher share; state governments pay the rest.

Estimated Federal cost: The estimated budgetary effect of H.R. 1951 is shown in Table 1. The costs of the legislation fall within budget function 450 (community and regional development).

TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF H.R. 1951

	By fiscal year, millions of dollars—											
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022–2026	2022–2031
Increases in Direct Spending												
Retroactive Costs:												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	250	0	0	0	0	0	0	0	0	0	250	250
Prospective Costs:												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	60	90	90	85	80	70	55	40	30	20	405	620
Total Changes in Direct Spending:												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	310	90	90	85	80	70	55	40	30	20	655	870

Basis of estimate: For this estimate, CBO assumes that the bill will be enacted by the end of calendar year 2021 and that outlays will follow historical spending patterns for the affected programs.

Direct spending: H.R. 1951 would increase the federal share of costs from 75 percent to 90 percent for any major disaster declared in 2020; state governments pay the remaining portion. As a result, FEMA would pay 15 percent more of the costs of providing assistance to eligible entities within states that were affected by qualifying disasters (those entities include local governments, as well as individuals and households).

During 2020, 104 disaster declarations were made, including 57 declarations on behalf of states and Indian tribes for the coronavirus pandemic (a declaration is made for each state or tribe affected by a particular disaster). Under current law, FEMA administratively increased the federal share for disasters related to the pandemic to 100 percent and increased the federal share to 90 percent for the declaration related to Hurricane Laura's effects in Louisiana. Therefore, CBO expects that enacting H.R. 1951 would result in higher costs with respect to the remaining 46 declarations.

Retroactive Costs. For those disasters that would be affected by the bill, FEMA has already obligated nearly $1.3 billion in assistance, paying 75 percent of project costs that total nearly $1.7 billion. Using information provided by the agency, CBO estimates that under the bill FEMA would retroactively pay an additional 15 percent of those costs—about $250 million—in 2022.

Prospective Costs. In addition, FEMA would pay a higher share on any future assistance allocated for those events. Using information provided by FEMA about the agency's projections of future needs, CBO expects that FEMA and states will obligate funds to

offset about $4.5 billion in losses over the 2022–2031 period. Under the bill, FEMA would be responsible for an additional 15 percent of those costs—$675 million. Of that amount, CBO estimates that the agency would spend $620 million over the 2022–2031 period from amounts available for that purpose. The balance, CBO estimates, would be spent after 2031.

In total, CBO estimates that enacting H.R. 1951 would increase spending by $870 million over the 2022–2031 period.

Uncertainty: This estimate is subject to considerable uncertainty. Because H.R. 1951 would increase the share of costs paid by the federal government—rather than state governments—the cost of the legislation would principally depend upon how much FEMA allocates for recovery from those qualifying disasters. While CBO's estimate of additional spending under the bill is informed by FEMA's current projection of the amounts that it will allocate for these disasters over the next decade, the ultimate amounts that will be provided—particularly later in the decade—are difficult to predict. Based on the needs of recipient communities in the future, if FEMA decided to increase or decrease the amounts allocated, spending under H.R. 1951 would, in turn, be higher or lower than CBO estimates.

Pay-as-you-go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 2. (Most of the outlays would come from appropriations designated in accordance with section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 as emergency requirements or for disaster relief.)

TABLE 2.—CBO'S ESTIMATE OF THE STATUTORY PAY-AS-YOU-GO EFFECTS OF H.R. 1951, THE INCREASE FEDERAL COST SHARE ACT OF 2021, AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE ON MARCH 24, 2021

	By fiscal year, millions of dollars											
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022–2026	2022–2031
Net Increase in the On-Budget Deficit												
Pay-As-You-Go Effect	310	90	90	85	80	70	55	40	30	20	655	870

Increase in long-term deficits: CBO estimates that enacting H.R. 1951 would not increase on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2032.

Mandates: None.

Estimate prepared by: Federal Costs: Jon Sperl, Mandates: Rachel Austin.

Estimate reviewed by: Justin Humphrey, Chief, Finance, Housing, and Education Cost Estimates Unit, H. Samuel Papenfuss, Deputy Director of Budget Analysis; Theresa Gullo, Director of 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 reduce the financial burden on

state, tribal, local, and territorial governments by increasing the Federal cost share for all disasters declared during calendar year 2020.

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. 1951, as amended, 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. 1951 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. Short title

This section provides that this bill may be cited as the "Increase Federal Disaster Cost Share Act of 2021".

Sec. 2. Increase of Federal share

This section states that the Federal share of assistance provided pursuant to sections 403(b), 403(c)(4), 404(a), 406(b), 408(d), 408(g)(2), 428(e)(2)(B), and 503(a) of the Stafford Act for any major

disaster declared by the President between January 1, 2020, and December 31, 2020, shall be not less than 90 percent of the eligible cost of such assistance.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

As reported by the Committee, H.R. 1951, as amended, makes no changes in existing law.

○