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## FEMA and Disaster Relief

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Keith Bea  
Specialist in American National Government  
Government Division



# FEMA and Disaster Relief

## Summary

The Federal Emergency Management Agency (FEMA) helps states and localities prepare for and cope with disasters that overwhelm their own capabilities. FEMA administers policies related to emergency management and planning, disaster relief, fire prevention, earthquake hazard reduction, emergency broadcasting services, flood insurance, mitigation programs, and dam safety.

President Clinton has requested \$3.1 billion for FEMA in FY1999. The majority of the funds (\$2.3 billion, or 75%) are requested as disaster relief funding that would only be available should the President and Congress designate it as emergency funding under the Balanced Budget Act. The remaining 25% (\$844 million) would fund agency salaries, grants to state and local governments, and training activities, and would replenish the Disaster Relief Fund with \$308 million. For the past 14 years, annual appropriations for FEMA have ranged from as little as \$600 million to a high of approximately \$5.9 billion, including supplemental measures. For FY1998, a total of \$842 million is available, as appropriated in P.L. 105-65. In FY1997 a total of \$5.1 billion was appropriated—\$1.8 billion in the FY1997 appropriations legislation (P.L. 104-204) and \$3.3 billion in supplemental appropriations (P.L. 105-18).

The principal federal authority for the provision of disaster relief is the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act). The act authorizes the President to issue major disaster or emergency declarations (the latter provide considerably less federal assistance than the former), sets out eligibility criteria, and specifies the types of assistance the President may authorize. Specifically, grants are provided to individuals to meet urgent housing needs, purchase necessary personal items, and obtain legal services needed as a result of the disaster. For state and local governments and non-profit corporations, funds are provided for the repair or reconstruction of infrastructure damaged or destroyed, for debris removal, and for the construction of protective measures. In addition to this assistance authorized under the Stafford Act, federal disaster assistance is provided by the Small Business Administration, the Department of Defense, the Department of Transportation, and other agencies.

Funding for Stafford Act related activities varies from one year to another, depending on the severity and frequency of declared catastrophes. In recent years billions of dollars have been appropriated to help communities recover from Hurricane Andrew, the Northridge earthquake, and other incidents. In response to congressional demands, the Clinton Administration has submitted legislation (S. 1007/H.R. 2446) to reduce certain disaster relief expenditures. The legislation would also increase certain expenditures and federal authority for hazard mitigation activities.



## Contents

Overview of FEMA .....	1
Basic Authorities .....	2
Statutes .....	2
Executive Orders .....	3
Agency Funding .....	4
Disaster Relief .....	9
Overview of the Stafford Act .....	9
Types of Major Disaster Assistance .....	10
Human Services .....	11
Infrastructure Assistance .....	12
Hazard Mitigation .....	13
Sequence of Events .....	14
Cost Share Requirements and Waivers .....	14
Funding .....	18
Appendix A. Significant Federal Disaster Relief Programs .....	23
Appendix B. Major Disaster and Emergency Declarations and Number of States Affected, 1975-1997 .....	25
Appendix C. FEMA Major Disaster Assistance, by State, Calendar Years 1974-1997 .....	26
Appendix D: FEMA Organization Chart .....	30

## List of Tables

Table 1. FEMA Funding, FY1984-FY1999 .....	5
Table 2. FEMA Funding by Account, Requests, Appropriations and Outlays, FY1997-FY1999 .....	8
Table 3. Stafford Act Obligations for Recent, Costly Major Disasters, as of July 1995 .....	10
Table 4. Major Disaster Declarations with Cost Share Adjustments, November 1985 - August 1997 .....	16
Table 5. Disaster Relief Fund: Requests, Appropriations, and Outlays, FY1974-FY1998 .....	20
Table C. FEMA Major Disaster Assistance, by State, 1974-1997 (dollars in thousands, constant 1997) .....	27



# FEMA and Disaster Relief

## Overview of FEMA

The Federal Emergency Management Agency (FEMA) was established in June 1979 by President Carter to improve the responsiveness of the federal government to catastrophes in the United States and insular areas. FEMA provides financial and technical assistance to states and localities overwhelmed by disasters.

FEMA administers policies related to emergency management and planning, evacuation, and matters often associated with civil defense, disaster relief, fire prevention, earthquake hazard reduction, emergency broadcasting services, flood insurance, mitigation programs,<sup>1</sup> and dam safety. Prior to the development of FEMA, these functions were administered by various agencies of the executive branch, such as the Defense Civil Preparedness Agency of the Department of Defense, the Federal Disaster Assistance Administration of the Department of Housing and Urban Development (disaster relief), and the National Fire Prevention and Control Administration of the Department of Commerce (fire prevention and control).<sup>2</sup> Overview information on FEMA is available on the World Wide Web at <http://www.fema.gov>.

The current Director of FEMA is James Lee Witt. In November 1993, FEMA reorganized the agency's 2,500 employees into five directorates, two administrations (the Federal Insurance Administration and the U.S. Fire Administration) and 10 regional offices. The most recent organizational chart of FEMA is presented in Appendix D of this report.

FEMA on occasion has been enveloped in controversy. In 1992, the agency was criticized for actions not taken after Hurricane Andrew struck south Florida. Some

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<sup>1</sup> Mitigation activities reduce losses in future disasters through structural changes (e.g., building dams or levees) and nonstructural changes (e.g., modifying land use patterns, relocating communities, or enacting and enforcing zoning ordinances).

<sup>2</sup> U.S. President (Carter), "Reorganization Plan No. 3 of 1978," H. Doc. 95-356, 95th Cong., 2nd sess. (Washington: GPO, 1978) p. 6 and "Federal Emergency Management Agency," Executive Order 12127, *Public Papers of the Presidents, Jimmy Carter* (Washington: GPO, Mar. 31, 1979) p. 566 and "Federal Emergency Management," Executive Order 12148, *Public Papers of the Presidents, Jimmy Carter* (Washington: GPO, July 20, 1979) p. 1277.

argued that administrators had not fully integrated the many missions of the agency.<sup>3</sup> The reorganization of the agency in 1993 was the Clinton Administration's response to that criticism and to concerns expressed by Members of Congress and others that the agency should focus on its core function, disaster relief.<sup>4</sup>

The Government Performance and Results Act (P.L. 103-62) requires that federal agencies develop strategic plans and objectives, measure performance, and link budgets to performance plans. The intent is to encourage efficiency, effectiveness, and accountability in spending practices. In September 1997, FEMA released its first strategic plan pursuant to the Act's requirements.<sup>5</sup> The mission statement in the agency plan focuses FEMA's efforts to reduce future loss of life and property through timely delivery of assistance that is intended to help communities restore damaged services and rebuild facilities. Most emergency management responsibilities for the agency are addressed in the plan. A few authorities, notably that pertaining to the Emergency Food and Shelter program, are not mentioned or receive little attention.<sup>6</sup>

## Basic Authorities

FEMA is charged with the administration of a range of authorities and programs. The most significant responsibilities and the pertinent authorities are found in the following statutes and executive orders.

### Statutes.

***Continuity of government.*** (National Security Act of 1947, 50 U.S.C. 404, 405 and Defense Production Act of 1950, 50 U.S.C. App. 2061 et seq.)

***Disaster relief.*** Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq. Includes civil defense authorities previously found in Civil Defense Act of 1950, 50 U.S.C. App. 2251 et seq.)

***Earthquakes.*** (Earthquake Hazards Reduction Act of 1977, 42 U.S.C. 7701 et seq.)

<sup>3</sup> National Academy of Public Administration, *Coping with Catastrophe*, (Washington: 1993), pp. 41-68.

<sup>4</sup> See, for example: U.S. Congress, Senate Committee on Governmental Affairs, *Rebuilding FEMA: Preparing for the Next Disaster*, hearing, 103rd Cong., 1<sup>st</sup> sess., May 18, 1993 (Washington: GPO, 1994), p. 335. For a discussion of the reorganization of FEMA see: Richard T. Sylves, "Ferment at FEMA: Reforming Emergency Management," *Public Administration Review*, vol. 54, May/June 1994, pp. 303-307.

<sup>5</sup> U.S. Federal Emergency Management Agency, *Partnership for a Safer Future* (Washington: Sept. 1997), p. 62. The strategic plan is also available on the FEMA website at [http://www.fema.gov/library/spln\\_1.htm](http://www.fema.gov/library/spln_1.htm), visited Feb. 20, 1998.

<sup>6</sup> For an analysis of the final strategic plan see: U.S. Library of Congress, Congressional Research Service, *Federal Emergency Management Agency and the 1997 Government Performance and Results Act Strategic Plan*, by Keith Bea, CRS Report 98-38 GOV (Washington: Jan. 12, 1998), p. 31.



***Emergency food and shelter.*** (Title III, Stewart B. McKinney Homeless Assistance Act, 42 U.S.C. 11331 et seq.)

***Emergency Planning and Community Right to Know Act of 1986.*** (42 U.S.C. 11001 et seq.)

***Fire control.*** (Federal Fire Prevention and Control Act of 1974, 15 U.S.C. 2201 et seq.)

***Flood insurance.*** (National Flood Insurance Act of 1968, 42 U.S.C. 4001 et seq.)

***Hazardous Materials Transportation Act.*** (49 U.S.C. 1801 et seq.)

***Nuclear facility emergencies.*** (Atomic Energy Act of 1954, 42 U.S.C. 2011 et seq.)

***Nuclear Regulatory Commission Authorization of 1980.*** (Atomic Energy Act of 1964, 42 U.S.C. 2011 et seq.)

***Urban Property Protection and Reinsurance Act of 1968.*** (12 U.S.C. 1749666 et seq. National Insurance Development Fund)

#### **Executive Orders.**

***E.O. 12148.*** Federal Emergency Management. July 20, 1979. Amended by Executive Orders 12155, 12156, 12319, 12356, 12379, 12381, and 12919.

***E.O. 12155.*** Strategic and Critical Materials. Sept. 10, 1979. Amended by Executive Order 12417.

***E.O. 12156.*** Federal Emergency Management Agency; Department of Energy. Sept. 10, 1979.

***E.O. 12241.*** National Contingency Plan. Sept. 29, 1980.

***E.O. 12265.*** Federal Consumer Programs. Jan. 15, 1981. Amended by Executive Order 12160.

***E.O. 12417.*** Strategic and Critical Materials. May 2, 1983. Amends Executive Order 12155.

***E.O. 12472.*** Assignment of National Security and Emergency Preparedness Telecommunications Functions. Apr. 3, 1984.

***E.O. 12656.*** Assignment of Emergency Preparedness Responsibilities. Nov. 18, 1988.

*E.O. 12657.* Federal Emergency Management Agency Assistance in Emergency Preparedness Planning at Commercial Nuclear Power Plants. Nov. 18, 1988.

*E.O. 12699.* Seismic Safety of Federal and Federally Assisted or Regulated New Building Construction. Jan. 5, 1990.

*E.O. 12788.* Defense Economic Adjustment Program. Jan. 15, 1992.

*E.O. 12816.* Management Improvement in the Federal Government. Oct. 14, 1992.

*E.O. 12919.* National Defense Industrial Resources Preparedness. June 3, 1994.

*E.O. 12941.* Seismic Safety of Existing Federally Owned or Leased Buildings. Dec. 1, 1994.

### **Agency Funding.**

For the past 15 years the annual appropriations for FEMA have ranged from a low of \$600 million to a high of approximately \$5.9 billion. In FY1997, \$5.1 billion was appropriated, including \$3.3 billion in supplementals. FY1998 funding totals \$829 million (current estimate).

The wide variation in funding is generally attributable to supplemental appropriations enacted to provide assistance after particularly destructive hurricanes and earthquakes. Table 1, below, provides information on administration requests and the appropriations approved each year since 1984.

Some patterns in requests and appropriations can be seen in Table 1. First, administration requests for operating accounts, emergency food and shelter, and other funding not associated with supplemental disaster relief hovered between \$500 and \$800 million, with relatively small shifts from one year to another. Second, appropriations have increased dramatically in recent years, compared to the lower levels approved during FY1984-FY1988. Third, in most years, appropriations usually have greatly exceeded requests, occasionally by magnitudes of four or five times the amount requested.

The difficulty of planning for disaster funding needs is apparent in the funding pattern from FY1989-FY1996. In late September, 1989, (FY1989) Hurricane Hugo struck Puerto Rico, the U.S. Virgin Islands, and the Carolinas. Two weeks later, on October 17, (FY1990) the Loma Prieta earthquake struck San Francisco. To meet the needs from these incidents, roughly \$2 billion was appropriated. In FY1991, disaster relief funds were not needed due to the continued availability of appropriations from the previous two years. However, the arrival of Hurricane Andrew in 1992 created new demands, requiring appropriations of over \$5 billion in FY1992 in response not only to that record-breaking event, but also to other

catastrophes, including Hurricane Iniki (Hawaii) and Typhoon Omar (Guam).<sup>7</sup> Perhaps of greatest significance, the \$6 billion obligated by FEMA after the Northridge earthquake struck California in 1994 required additional supplemental appropriations.

**Table 1. FEMA Funding, FY1984-FY1999**  
(dollars in thousands)

FY	Administration request		Appropriations	
	Nominal \$	Constant 1997 \$	Nominal \$	Constant 1997 \$
1984	\$559,928	\$842,124	\$577,416	\$868,425
1985	\$830,277	\$1,198,610	\$759,500	\$1,096,434
1986	\$634,922	\$891,119	\$862,802	\$1,210,950
1987	\$469,250	\$633,180	\$631,000	\$851,437
1988	\$613,394	\$801,927	\$632,111	\$826,397
1989	\$698,396	\$885,840	\$1,753,677	\$2,224,349
1990	\$796,273	\$966,233	\$1,795,820	\$2,179,129
1991	\$819,272	\$955,977	\$562,973	\$656,911
1992	\$723,515	\$827,252	\$4,834,065	\$5,527,172
1993	\$817,886	\$912,107	\$2,562,347	\$2,857,530
1994	\$796,846	\$869,634	\$5,928,474	\$6,470,014
1995	\$702,264	\$743,451	\$4,102,128	\$4,342,714
1996	\$817,119	\$837,899	\$3,972,472	\$4,073,495
1997	\$792,300	\$696,956	\$5,105,065	\$4,490,733
1998 <sup>c</sup>	\$3,226,028	\$2,819,955	\$829,454	\$725,047
1999	\$831,182	\$708,595	NA	NA

**Source:** FEMA justification of budget estimates, published annually by House Committee on Appropriations. Constant dollar calculation based on chain-type price index for state and local government consumption, February 1998, obtained from U.S. Department of Commerce, Bureau of Economic Analysis website (STATUSA subscription).

<sup>a</sup>Initial request by the President. Does not include subsequent adjustments.

<sup>b</sup>Includes all appropriations, including supplementals.

<sup>c</sup>Request for FY1998 included \$2.4 billion for disaster relief. The FY1997 supplemental appropriations approved in P.L. 105-18 included \$3.3 billion, \$2.3 billion of which is available in FY1998. See Table 4 of this report for further information on disaster relief appropriations.

<sup>d</sup>Request for FY1999 also includes emergency contingency request of \$2.3 billion for disaster relief, pending designation of that amount as emergency funding by the President and the Congress.

Six appropriations accounts constitute FEMA's budget, as summarized below:

- Salaries and expenses (S&E) - Funds used for employee salaries, benefits, and non-personnel costs such as travel, rental payments, supplies, and equipment.

<sup>7</sup> Money is generally appropriated to the disaster relief fund not only for individual catastrophic events, but for all declared disasters as well.

Allocations are made among directorates, administrations, and regional offices;

- Office of Inspector General (OIG) - Investigations, audits, and inspections are carried out with these funds. The Office of Inspector General was established by P.L. 100-504;
- Disaster Relief Fund (DRF) - As authorized by the Stafford Act (see next section of this report), funds are distributed to state and local governments, non-profit organizations, and individuals for assistance after the President declares a major disaster or an emergency. Also, the FEMA Director may award fire suppression assistance funds to lessen major fire destruction;
- Emergency Management and Planning Assistance (EMPA) - EMPA funds a range of emergency management programs for state and local governments. Grantees may use funds to improve readiness, simulations and drills, and fire prevention, and to undertake mitigation activities that reduce losses from future disasters. These funds are also used by FEMA to improve information technology, transportation, and communication facilities that are dispatched to disaster areas;
- Emergency Food and Shelter Program (EFSP) - Funding is distributed by a National Board (composed of representatives of certain voluntary agencies) to shelters and kitchens that serve the homeless. Local service providers may use the money to provide food, limited rental assistance, or home repair, or to operate shelters;
- Disaster Assistance Loan Subsidy (DLS) - Under the Stafford Act FEMA may provide loans to states or other public applicants which need assistance to meet the cost-share provisions.

FEMA administers a number of revenue based funds that, as a rule, do not require appropriations. These include the following.

1. A **Working Capital Fund** was established in the FY1997 appropriations legislation (P.L. 104-204) to provide for more efficient administrative practices. Funds have not been appropriated; instead, future appropriations, payments from entities within FEMA, other federal agencies, or other sources “authorized by law” pay for administrative services better performed through central services. The fund was available without fiscal year limitation. The FY1998 appropriations legislation (P.L. 105-65) does not contain the Working Capital Fund provisions, but the request for FY1999 does contain such a provision.
2. The **National Insurance Development Fund** provided riot and crime insurance since the 1968 civil disturbances. Authority for this fund has expired, and the activity is being closed out.
3. The **National Flood Insurance Fund** reimburses homeowners who elect to participate in the program. Money necessary for payments is obtained from

premium payments and borrowed from the U.S. Treasury. According to the Director of FEMA, roughly \$800 million has been borrowed as of March 1998.

4. Bequests and gifts for disaster relief assistance are administered through the **Cora Brown Fund**.
5. The President's request for FY1999 includes a one-time appropriation for the **Radiological Emergency Preparedness (REP) Fund**. The revenue in this fund, collected from licensed operators of nuclear power plants, is used to help state and local government prepare for possible incidents in communities surrounding those facilities. While such fees have been collected in past years to offset appropriations, the intent is to establish a self-supporting fund. Start-up funding of \$12.8 million is requested for FY1999.

Table 2 provides detail on the six budget accounts for the agency for the most recent years, along with information on new budget proposals for FY1999.

**Table 2. FEMA Funding by Account, Requests, Appropriations and Outlays, FY1997-FY1999**  
(dollars in millions)

	FY1997			FY1998			FY1999		
	Request	Appropriation	Outlay	Request	Appropriation	Outlay <sup>a</sup>	Request	Appropriation	Outlay <sup>a</sup>
DRF	\$320	\$4,620	\$2,551	<sup>c</sup> \$2,758	\$320	\$3,252	<sup>b</sup> \$2,566	NA	\$2,642
S&E	\$167	\$174	\$208	\$176	\$172	\$175	\$171	NA	\$172
EMP	\$199	\$219	\$183	\$265	<sup>d</sup> \$ 244	\$228	\$196	NA	\$218
IG	\$5	\$5	\$6	\$5	\$5	\$5	\$5	NA	\$5
EFS	\$100	\$100	\$100	\$100	\$100	\$100	\$100	NA	\$100
DLS	\$2	\$2	\$34	\$2	\$2	\$7	\$2	NA	\$2
MIT	NA	NA	NA	<sup>d</sup>	<sup>d</sup>	NA	\$50	NA	\$25
REP <sup>e</sup>	NA	NA	NA	NA	NA	NA	\$13	NA	(\$4)

**Sources:** U.S. Office of Management and Budget, *Appendix, Budget of the United States Government, Fiscal Year 1998*, (Washington: 1997), pp. 1047-1055. and U.S. Congress, House Committee on Appropriations, *Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations for FY1998*, 105<sup>th</sup> Cong., 1<sup>st</sup> sess. (Washington: 1997), p. 355. Appropriations include supplementals. Does not include transfers or rescissions.

**Note:** Outlays may exceed appropriations in any fiscal year because funded activities may be carried over from previous fiscal years. This is particularly evident with regard to the Disaster Relief Fund as some repair and replacement contracts require years to pay down.

<sup>a</sup>Estimates.

<sup>b</sup> Of this total \$2.258 billion is requested as contingency funding, available only when designated by the President and the Congress as an emergency requirement under the Balanced Budget Act, as amended.

<sup>c</sup> The FY1998 request included \$50 million for a proposed mitigation program to be funded from the Disaster Relief Fund.

<sup>d</sup>From the amount appropriated in the EMP account, \$30 million is available in FY1998 for hazard mitigation grants; \$1.5 million, for a specified project in Jackson, Mississippi.

<sup>e</sup> The REP fund would be based on fees collected from Nuclear Regulatory Commission licensees. The FY1999 request is expected to be “one-time” funding to establish the fund. Offsetting receipts not shown.

Abbreviations:    DRF - Disaster relief fund                                S&E - Salaries and expenses                                EMP - Emergency management and planning assistance

                          IG - Office of Inspector General                                EFS - Emergency food and shelter program                                DLS - Disaster assistance loan program

                          MIT - Pre-Disaster Mitigation                                REP - Radiological Emergency Preparedness

## Disaster Relief

### Overview of the Stafford Act

The principal federal authority for the provision of disaster relief is the Robert T. Stafford Disaster Relief and Emergency Assistance Act.<sup>8</sup> The act authorizes the President to issue major disaster or emergency declarations (the latter provide considerably less federal assistance than the former), sets out eligibility criteria, and specifies the types of assistance the President may authorize. Executive Order 12148 (1979) delegates to FEMA most of the authority granted to the President under the Disaster Relief Act of 1974. Among the few authorities not delegated are those to: (1) declare emergencies or major disasters; (2) repair or replace federal facilities; (3) order the military to provide assistance; and (4) distribute food coupons and surplus commodities.

The Stafford Act defines a major disaster in terms of specific “natural” catastrophes (hurricane, tornado, tsunami, earthquake, volcanic eruption, and others) and, “regardless of cause,” a fire, flood, or explosion. The explosions in New York City’s World Trade Center in 1993 and in Oklahoma City in 1995, for example, resulted in major disaster declarations

Not all catastrophes result in Stafford Act assistance. The statute requires that the President, prior to issuing either an emergency or a major disaster declaration, determine that sufficient damage has occurred to warrant assistance “to supplement the efforts and available resources of states, local government, and disaster relief organizations ....”<sup>9</sup> While the President has been granted considerable discretion in deciding whether to issue a declaration, the statute requires that state and local resources be overwhelmed before a disaster is declared.<sup>10</sup> According to FEMA, 66 requests for major disaster declarations were received during FY1997. Of these requests, 49 resulted in major disaster declarations; two were declared as emergencies; and the remaining 15 did not result in any declaration.<sup>11</sup> Table 3 lists examples of recent especially destructive and costly events declared to be major disasters.

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<sup>8</sup> P.L.93-288, the Disaster Relief Act of 1974 (May 22, 1974; 88 Stat. 143-164), as amended by P.L. 100-707 (Nov. 23, 1988; 102 Stat. 4689-4711), 42 U.S.C. 5121 et seq. The Act was further amended by the 103rd Congress as follows: modification of hazard mitigation authority, P.L. 103-181 (Dec. 8, 1993; 107 Stat. 2054-2056) and transfer of civil defense authority, P.L. 103-337 (Oct. 5, 1994; 108 Stat. 2663)

<sup>9</sup> Section 102(2) of the Stafford Act, 42 U.S.C. 5122.

<sup>10</sup> “All requests for a declaration by the President that a major disaster exists shall be made by the Governor of the affected State. Such a request shall be based on a finding that the disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary.” 18 U.S.C. 5170, 102 Stat. 4696.

<sup>11</sup> U.S. Federal Emergency Management Agency. *Justification of Estimates, Fiscal Year 1999*, (Washington: Feb. 1998), p. DR-4.

**Table 3. Stafford Act Obligations for Recent, Costly Major Disasters, as of July 1995**  
(dollars in millions)

Date of occurrence	FEMA contract no.	Disaster name	Amount obligated
Sept. 17, 1989	841-844	Hurricane Hugo	\$1,317
Oct. 17, 1989	845	Loma Prieta earthquake	\$844
Aug. 24, 1992	955, 956	Hurricane Andrew	\$1,832
June - July, 1993	993-1001	Midwest floods	\$1,148
Jan. 17, 1994	1008	Northridge earthquake	\$6,076
July 3, 1994	1033-1035	Tropical Storm Alberto	\$437
Sept. 15, 1995	1067-1068	Hurricane Marilyn	\$500
Sept. 5, 1996	1134-1135	Hurricane Fran	\$542
Feb.-Mar. 1997	1173-1175	Dakota floods	\$514

**Source:** FEMA, Office of Congressional Affairs, funding data as of Dec. 31, 1997.

Lesser catastrophes that overwhelm local and state governments may not result in major disaster declarations, but may still be catalysts for federal action. Broader, more inclusive language is used to define an “emergency” under the Stafford Act. The act lists no specific causal events; instead, an emergency is an event in which “Federal assistance is needed to supplement State and local efforts and capabilities to save lives and to protect property and public health and safety, or to lessen or avert the threat of a catastrophe in any part of the United States.”<sup>12</sup> In 1995, damages associated with Hurricane Erin in Florida and the bombing of the federal building in Oklahoma City resulted in emergency declarations.<sup>13</sup>

### Types of Major Disaster Assistance

Under the Stafford Act, federal agency heads may provide federal resources (personnel, equipment, and technical services) to assist the stricken area after the President has declared a major disaster. In addition, FEMA may provide grants for specific types of assistance. A summary list of key types of assistance that may be

<sup>12</sup> Section 102(1) of the Stafford Act, 42 U.S.C. 5122.

<sup>13</sup> The bombing of the Alfred P. Murrah building on April 19, 1995, is significant from the perspective of the Stafford Act for two reasons. First, the emergency declaration (#3115-EM) initially issued was later revised as a major disaster declaration (#1048-DR). Second, the initial emergency declaration marked the first time that a President issued an emergency declaration without a request from the governor under authority of Section 501(b) of the Stafford Act (42 U.S.C. 5191). This provision authorizes the President to act unilaterally if “the primary responsibility for response rests with the United States.”



provided is outlined below. Most of the assistance may be provided only under a major disaster declaration. Except where noted, this assistance is authorized by the Stafford Act. Beyond these measures, federal agencies other than FEMA provide aid to disaster victims and communities.<sup>14</sup> Appendix A of this report lists significant federal disaster assistance programs currently available. The programs are listed by funding agency. Types of assistance available from federal agencies are discussed below.

### **Human Services.**

Human services aid (formerly referred to as “Individual Assistance” programs) is given to individuals and families to help disaster victims with essential needs and to replace lost goods. The following types of assistance are provided by FEMA and other agencies.

*Disaster Housing Assistance (DHA).* Authorized by Section 408 of the Stafford Act (42 U.S.C. 5174), the DHA assures disaster victims a safe place to live until repairs are completed on damaged residences.<sup>15</sup> The basic forms of assistance include: money for rent payments, grants for essential home repair, and the provision of mobile homes, when necessary. Funds are provided for expenses that are not covered by insurance.

*Individual and Family Grants.* The Individual and Family Grant (IFG) Program, authorized by Section 411 of the Stafford Act (42 U.S.C. 5178) is a federal/state cost-shared program. It provides funds for the necessary expenses and serious needs of disaster victims which cannot be met through other forms of disaster assistance or through insurance. In FY1998, maximum grants of \$13,400 may be provided; historically, average grants approved ranged from \$2,000 to \$4,000. Assistance from the IFG can be used for housing, personal property, medical, dental, funeral, and transportation expenses, and for required flood insurance premiums. The state administers the IFG program and pays 25% throughout the grant amount; the federal government provides the remaining 75%.

*Small Business Administration Disaster Loans.* The Small Business Administration (SBA) can make federally subsidized loans to repair or replace homes, personal property, or businesses which sustained damages not covered by insurance (15 U.S.C. 636(b)). Three types of disaster loans provided by SBA include: (1) home disaster loans, to homeowners and renters to repair or replace disaster-related damages to homes or personal property; (2) business physical disaster

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<sup>14</sup> For descriptions of other assistance programs see: U.S. Executive Office of the President and U.S. General Services Administration, *1997 Catalog of Federal Domestic Assistance*, (Washington: 1997), pp. 1308. and U.S. Congress, Senate Bipartisan Task Force on Funding Disaster Relief, *Federal Disaster Assistance*, S. Doc. 104-4 (Washington: GPO, Mar. 15, 1995), p. 194.

<sup>15</sup> Prior to FY1996 FEMA referred to this program using the statutory title, “Temporary Housing Assistance.” For information on housing assistance, see: U.S. General Accounting Office, *Guidance Needed for FEMA’s “Fast Track” Housing Assistance Process*, GAO report RCED-98-1 (Washington: Oct. 17, 1997), p. 44.

loans, to business owners to repair or replace disaster-damaged property, including inventory and supplies; and (3) economic injury disaster loans, which provide capital to small businesses and to small agricultural cooperatives to assist them through the disaster recovery period.

*Farm Service Agency (FSA) Loans.* The U.S. Department of Agriculture can make loans of up to \$500,000 for the repair or replacement of damaged farm and aquaculture property and supplies (7 U.S.C. 1961). Assistance is authorized after a presidential declaration of a major disaster or upon declaration by the Secretary of Agriculture. Loans are provided at a 4.5% interest rate for no more than 20 years for production (up to 80% of loss) and no more than 40 years for property (up to 100% of loss). Assistance is provided only to those without access to credit.

*Unemployment Assistance.* Disaster unemployment assistance authorized by Section 410 of the Stafford Act (42 U.S.C. 5177) is administered through the U.S. Department of Labor. It is available for persons unemployed as a result of the disaster. The assistance cannot exceed compensation limits established by the state and continues to be provided until the individual is reemployed, but for not more than 26 weeks.

*Food commodities.* Commodities may be made available at mass feeding locations and food coupons may be distributed to low-income households, as authorized by Section 412 of the Stafford Act (42 U.S.C. 5179). Emergency management regulations require that adequate stocks of food be ready and conveniently available in any area of the United States which suffers a major disaster or emergency.

*Legal Services.* Legal services which include legal advice, counseling, and representation in non fee-generating cases may be provided to low-income individuals who require them as a result of a major disaster. Authorized by Section 415 of the Stafford Act, 42 U.S.C. 5182.

*Crisis Counseling.* Counseling provided through the National Institute of Mental Health, may be available to individuals or groups coping with mental or emotional crises as a result of the disaster. Authorized by Section 416 of the Stafford Act, 42 U.S.C. 5183.

*Gifts and Bequests for Disaster Assistance.* Other assistance may be provided from the Cora Brown Fund administered by FEMA, for needs of disaster victims which cannot be met through governmental or other organizational programs. Established by bequest; see regulations at 44 CFR 206.181.

### **Infrastructure Assistance.**

The infrastructure program provides funds to units of government and to certain non-profit organizations to meet immediate needs of communities and to rebuild disaster stricken areas. In addition to Stafford Act authority, legislation authorizes the Department of Transportation to provide funds for the repair of damaged highways.

*Grants.* Seven program areas have been established by FEMA to administer infrastructure assistance authorized in Title IV of the Stafford Act. These include: (1) Debris removal (Category A); (2) Protective measures (Category B); (3) Roads and bridges (Category C); (4) Water control facilities (Category D); (5) Public buildings (Category E); (6) Public utilities (Category F); and (7) Other (Category G). Funding and technical assistance is provided to state and local governments and certain private nonprofit institutions for the repair or replacement of facilities damaged or destroyed by the disaster. This assistance is generally in the form of a grant for not less than 75% of the cost of restoration (and hazard mitigation required by FEMA) of facilities, including schools. FEMA also can provide assistance for emergency protective measures, debris removal, emergency communications, and emergency public transportation. Authorized in Sections 403, 406, and 407 of the Stafford Act, 42 U.S.C. 5170b, 5172, and 5173.

*Federal Aid to Highways.* The U.S. Department of Transportation's Federal Highway Administration can provide financial and technical assistance for repair or reconstruction of highways on the federal aid system, forest highways, park roads and trails, and other similar projects damaged by the disaster. Authorized by 23 U.S.C. 125.

### **Hazard Mitigation.**

*Hazard Mitigation Planning.* Section 409 of the Stafford Act (42 U.S.C. 5176) requires that state and local governments evaluate the hazards within the disaster area, and take appropriate steps to mitigate those hazards. Federal regulations require a hazard mitigation plan to be developed 180 days after the disaster declaration.

*Hazard Mitigation Grant Program.* Section 404 of the Stafford Act (42 U.S.C. 5170c) established a program to fund mitigation measures after a disaster. FEMA can contribute 75% of the cost of eligible mitigation measures. Total funding under the current program is 15% of the estimated grants for individual assistance programs and public assistance projects. Under this program, mitigation measures must be cost-effective and must be consistent with mitigation plans required under Section 409 of the Stafford Act. The state is the grantee of the program and therefore has the responsibility to solicit projects, establish guidelines, and review proposals prior to review and approval by FEMA. Before July 1997, mitigation grants were provided only to counties eligible for specified Stafford Act assistance. Since then, all areas within a state that has received a disaster declaration are eligible for hazard mitigation grants.<sup>16</sup>

## **Sequence of Events**

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<sup>16</sup> U.S. Federal Emergency Management Agency, "Disaster Assistance; Hazard Mitigation Grant Program (Subpart N)," *Federal Register*, vol. 62, no. 129, July 7, 1997, p. 36289.

When a catastrophe strikes, the Governor of the affected state<sup>17</sup> may ask the President to declare that an emergency or major disaster exists if, in his or her judgment, state and local resources are inadequate. FEMA staff from the regional office, often accompanied by state and local officials, survey the area to assess the costs and the extent of damages. The findings of the survey team, along with an assessment of non-federal capabilities, are forwarded from the regional office to FEMA headquarters. The Director of FEMA evaluates the reports and recommends to the President whether an emergency or a major disaster declaration, if any, should be issued. The President then decides whether to issue a declaration for each state affected by the catastrophe.<sup>18</sup>

## Cost Share Requirements and Waivers

Before assistance is committed, federal and state officials must agree upon the terms of the contract. A FEMA official (generally the regional director) and the governor of the affected state (or the designated state representative) negotiate and sign a “FEMA/State Agreement,” which specifies the cost-share arrangements for public assistance, and binds both parties to mutual understandings. As part of the agreement, the governor provides assurances that the cost-sharing requirements under the Stafford Act will be met. Since the eruption of Mt. St. Helens in 1980, eligible public assistance has generally been provided by federal, state, and local governments. The federal government generally contributes 75% of eligible costs; state and local government, 25%. Eligible costs are those associated with the repair of public or nonprofit structures, debris removal, and essential assistance to save lives and protect property.<sup>19</sup>

The President may waive, and has waived, some or all of the cost-sharing required for public assistance after particularly destructive catastrophes.<sup>20</sup> The match requirement for human services (which the Stafford Act sets at 25% of eligible costs) cannot be waived, except for insular areas.<sup>21</sup> As of August 28, 1997, according to

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<sup>17</sup> Under the Stafford Act, the District of Columbia and the insular areas are defined as states.

<sup>18</sup> For more information on the declaration process see: U.S. General Accounting Office, *Disaster Assistance, Information on Declarations for Urban and Rural Areas*, GAO report RCED-95-242 (Washington: Sept. 1995), p. 48.

<sup>19</sup> See attachment to FEMA/State Agreement dated May 23, 1980 in Lacy E. Suiter, letter to Daniel P. Mulhollan, Director of CRS, Oct. 2, 1997, Government Division files maintained by the author. Much of the information on cost-share waivers is contained in this letter and its attachments. Hereafter cited as *Lacy Suiter Letter to CRS*.

<sup>20</sup> The Stafford Act, as amended in 1988 (P.L. 100-707), specifies that the minimum federal share of public assistance for eligible activities “shall be not less than 75 percent of the eligible cost of such assistance.” See Sections 403(b) and (c)(4), 406(b), 407(d). For emergency declarations, “the federal share for assistance provided under this title shall be equal to not less than 75 percent of the eligible costs.” See Section 503(a), 42 U.S.C. 5193.

<sup>21</sup> “The administering authority of any department or agency, in its discretion, may (i) waive any requirement for matching funds otherwise required by law to be provided by the (continued...) ”

FEMA, waivers had been issued in 32 disaster declarations since 1985. Information on these waivers, including the additional federal cost incurred for granting the waivers, is provided below in Table 4.

For most disasters, a threshold of \$64 per capita (statewide) has been used to determine when a waiver may be granted. That is, if the damages from a declared disaster in a state exceed \$64 multiplied by the entire state population, a waiver has been considered. Once that threshold has been reached, FEMA has adjusted the cost-share requirements as noted in Table 4.

For the Midwest floods of 1993, however, FEMA used a different criterion. After those floods FEMA “determined that when the total estimated damage [public and private] is greater than 0.1 percent of the country’s gross domestic product, a cost-share was warranted.”<sup>22</sup> An exception was also made for the state of Minnesota after flooding occurred (see contract #1175 in Table 4) “even though the state did not attain the \$64 per capita threshold.”<sup>23</sup>

While the use of different thresholds has evoked little discussion, Congress may wish to examine how FEMA has exercised its discretion to set thresholds. The issue of cost share adjustments is addressed, to some degree, in S. 1007 and H.R. 2446. The bills would amend section 406 of the Stafford Act by allowing reimbursement of “up to 90%” of net eligible costs “in the aftermath of major disasters which cause catastrophic losses.” The bills do not define such losses. The bills also would encourage hazard mitigation efforts. The cost share would increase “up to 90%” for state and local governments that implement hazard mitigation projects. On the other hand, the bills would reduce federal assistance to as little as 50% for states and localities that do not improve claims processing associated with this assistance. Regulatory changes are also in process. FEMA is drafting regulations “to raise the \$64 threshold to current dollars.”<sup>24</sup>

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<sup>21</sup>(...continued)

Insular Area involved. . . .” (48 U.S.C. 1469a(d))

<sup>22</sup> *Lacy Suiter Letter to CRS*, p. 2. According to one newswire report, the use of the \$64 threshold evoked considerable outcry from state officials. See: Associated Press, “Governors Unhappy with Flood Aid Formula,” *Chicago Tribune*, Sept. 3, 1993, p. 6.

<sup>23</sup> *Ibid.*

<sup>24</sup> *Ibid.*

**Table 4. Major Disaster Declarations with Cost Share Adjustments, November 1985 - August 1997**  
(by calendar year of declaration, current dollars)

<b>Jurisdiction</b>	<b>Contract</b>	<b>Year</b>	<b>Type of disaster</b>	<b>Federal/state cost share adjustments<sup>a</sup></b>	<b>Additional cost</b>
West Virginia	#753	1985	storms, flooding	PA - 75/25 up to \$10 per capita; then 100%	\$21,772,268
U.S. Virgin Islands	#841	1989	Hurricane Hugo	IFG & PA - 75/25 up to \$10 per capita; then 100%	\$38,362,728
Puerto Rico	#842	1989	Hurricane Hugo	PA - 75/25 up to \$10 per capita; then 100%	\$11,194,908
South Carolina	#843	1989	Hurricane Hugo	PA - 75/25 up to \$10 per capita; then 100%	\$50,563,436
American Samoa	#855	1990	Hurricane Ofa	PA - 75/25 up to \$10 per capita; then 90/10	\$52,202
Republic of Palau	#882	1990	Typhoon Mike	IFG - 100%; PA - 90/10	\$106,718
Marshall Islands	#925	1992	Typhoon Zelda	PA - 75/25 up to \$10 per capita; then 90/10	\$237,128
American Samoa	#927	1992	Hurricane Val	IFG - 100%; PA - 75/25 up to \$10 per capita; then 90/10	\$5,015,800
Marshall Islands	#932	1992	Tropical Storm Axel	PA - 75/25 up to \$10 per capita; then 90/10	\$193,470
Florida	#955	1992	Hurricane Andrew	PA - 75/25 up to \$10 per capita; then 100%	\$151,655,185
Louisiana	#956	1992	Hurricane Andrew	PA - 75/25 up to \$10 per capita; then 100%	\$10,895,067
Guam	#957	1992	Typhoon Omar	PA - 75/25 up to \$10 per capita; then 95/5	\$4,630,696
Hawaii	#961	1992	Hurricane Iniki	PA - 75/25 up to \$10 per capita; then 100%	\$34,359,427
Marshall Islands	#971	1993	Typhoon Gay	PA - 75/25 up to \$10 per capita; then 90/10	\$50,748
Minnesota	#993	1993	Midwest floods	EA - 100%; 90/10 all other PA costs	\$4,687,500
Wisconsin	#994	1993	Midwest floods	EA - 100%; 90/10 all other PA costs	\$3,262,500
Missouri	#995	1993	Midwest floods	EA - 100%; 90/10 all other PA costs	\$20,724,068

## CRS-17

<b>Jurisdiction</b>	<b>Contract</b>	<b>Year</b>	<b>Type of disaster</b>	<b>Federal/state cost share adjustments<sup>a</sup></b>	<b>Additional cost</b>
Iowa	#996	1993	Midwest floods	EA - 100%; 90/10 all other PA costs	\$17,277,527
Illinois	#997	1993	Midwest floods	EA - 100%; 90/10 all other PA costs	\$20,010,000
Nebraska	#998	1993	Midwest floods	EA - 100%; 90/10 all other PA costs	\$8,403,795
South Dakota	#999	1993	Midwest floods	EA - 100%; 90/10 all other PA costs	\$1,627,604
Kansas	#1000	1993	Midwest floods	EA - 100%; 90/10 all other PA costs	\$7,572,296
North Dakota	#1001	1993	Midwest floods	EA - 100%; 90/10 all other PA costs	\$1,277,550
California	#1008	1994	Northridge earthquake	EA - 100%; 90/10 all other PA costs	\$811,143,999
Georgia	#1033	1994	Tropical Storm Alberto	EA - 100%; 90/10 all other PA costs	\$54,073,035
Alaska	#1039	1994	storms and flooding	PA - 85/15	\$5,208,659
Virgin Islands	#1067	1995	Hurricane Marilyn	EA - 100%; 90/10 all other grants	\$19,695,000
North Carolina	#1134	1996	Hurricane Fran	EA - 100%; 90/10 all other PA grants	\$40,800,000
Puerto Rico	#1136	1996	Hurricane Fran	EA - 100%; 90/10 all other PA grants	\$8,662,500
South Dakota	#1173	1997	flooding, storms, rain, ice	EA - 100%; PA - 75/25 other PA grants, but see note <sup>b</sup>	\$2,950,000
North Dakota	#1174	1997	flooding, storms, rain, ice	EA - 100%; PA - 90/10 other PA grants, but see note <sup>b</sup>	\$25,950,000
Minnesota	#1175	1997	flooding, storms, rain, ice	EA - 100%; PA - 90/10 other PA grants (6 counties), see note <sup>b</sup>	\$29,700,000
<b>Federal costs</b>					<b>\$1,412,115,814</b>

**Source:** FEMA/State Agreement; May 23, 1980, *Lacy Suiter Letter to CRS*, Oct. 2, 1997.

<sup>a</sup> PA (public assistance) - Section 406, 42 U.S.C. 5172; IFG (individual and family grants) - Section 411, 42 U.S.C. 5178 [unless otherwise noted, all IFG cost shares are 75/25]; EA (essential assistance) - Section 403, 42 U.S.C. 5170b.

<sup>b</sup> Public assistance for debris removal and protective measures provided at 100% of eligible costs.

## Funding

Funds are appropriated for Stafford Act assistance on a “no-year” basis; that is, the funds remain available indefinitely and do not have to be spent in any given fiscal year. Table 5 identifies requested appropriations and outlays from the fund. The balance in the fund fluctuates continually as contracts between FEMA and grantees are paid. At the end of calendar year 1997, \$3.8 billion was available in the Fund. According to one FEMA budget officer, as of February 5, 1998, the agency projected that roughly \$980 million would remain in the Fund through FY1998 assuming that no significant new costs would be incurred.<sup>25</sup> According to one news source, additional FY1998 supplemental appropriations totaling \$641.6 million disaster relief is being considered in light of the flooding in California and the ice storm that affected Maine in February, 1998.<sup>26</sup>

During debate on the FY1997 and FY1998 appropriations for FEMA, the Senate urged FEMA to take action to reduce disaster relief costs. In the debate on the FY1998 appropriations, the Senate Appropriations Committee reported that members continue “to be deeply troubled by the escalating cost of FEMA disaster relief . . . [and] there remains little accountability for expenditures, inadequate financial controls, and far too much awarded to low-priority projects such as the refurbishment of golf courses and stadiums.”<sup>27</sup> The full Senate-approved language in S. 1034, prohibiting the expenditure of FEMA disaster relief funds for certain projects, is as follows:

Provided, That none of the funds appropriated for the Federal Emergency Management Agency may be used to perform repair, replacement, reconstruction, or restoration activities with respect to (1) trees and other natural features belonging to State and local governments that are located within parks and recreational facilities, as well as on the grounds of other publicly-owned property; (2) parks, recreational areas, marinas, golf courses, stadiums, arenas or other similar facilities which generate any portion of their operational revenue through user fees, rents, admission charges, or similar fees; or (3) beaches.

Conferees deleted this provision from the final text of the legislation, but noted that they “support efforts to rein in disaster relief expenditures ... [and] urge the committees of jurisdiction to take swift action to consider the proposed Stafford Act

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<sup>25</sup> Telephone conversation with budget office, Feb. 5, 1998.

<sup>26</sup> National Journal's CongressDaily, Issue dates: February 23, and March 4, 1998. For information on the FY1998 supplemental see: U.S. Library of Congress, Congressional Research Service, *Supplemental Appropriations and Rescissions for FY1998*, by Larry Nowels, Coordinator, CRS Report 98-123 F (Washington: Feb. 13, 1998), p. 12.

<sup>27</sup> U.S. Congress, Senate Committee on Appropriations, *Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, 1998*, report to accompany S. 1034, 105<sup>th</sup> Cong., 1<sup>st</sup> sess., S. Rept. 105-53 (Washington: GPO, 1997), p. 73.



amendments, including holding hearings at the earliest possible time.”<sup>28</sup> The President signed H.R. 2158 into law (P.L. 105-65) on October 27, 1997.

Options to reduce federal disaster relief expenditures have been considered by Congress for years. During the 103rd Congress, both the House and Senate established bipartisan task forces to collect information and consider alternatives on federal disaster relief costs. The House Bipartisan Task Force on Disasters completed a report that contained a range of recommendations on sharing and reducing disaster costs.<sup>29</sup> The Senate published a report that provided relatively comprehensive historical information for fiscal years 1977-1993 on federal disaster expenditures and summarized existing policies.<sup>30</sup> While both the House and Senate reports established baseline information and listed possible alternatives, no permanent legislation resulted during the 103rd or the 104th Congresses.

In 1996, the General Accounting Office reviewed the Stafford Act public assistance program and recommended that FEMA’s criteria be clarified and that auditing procedures be improved. The report also included recommendations provided by FEMA’s regional offices and state emergency management officials.<sup>31</sup>

FEMA has begun action on one aspect of cost control, a determination of the conformance of projects with building code standards. The point of contention is whether eligible costs should be based on codes adopted by communities on, or before, the disaster declaration date.<sup>32</sup> The intent is to clarify Stafford Act language (42 U.S.C. 5172(e)(1)) that limits federal costs to reconstructing a facility pursuant to “current” building codes and standards. According to a FEMA official, the final rule is expected to be published in 1998. This issue is also addressed in the legislation pending before the 105<sup>th</sup> Congress.<sup>33</sup>

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<sup>28</sup> U.S. Congress, Conference Committees, 1997, *Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, 1998*, conference report to accompany H.R. 2158, H.Rept. 105-297, 105<sup>th</sup> Cong., 1<sup>st</sup> sess. (Washington: GPO, 1997).

<sup>29</sup> U.S. Congress, House Bipartisan Task Force on Disasters, *Report*, (Washington: Dec. 14, 1994), p. 23.

<sup>30</sup> Senate Bipartisan Task Force on Funding Disaster Relief, *Federal Disaster Assistance*, pp. 5-15.

<sup>31</sup> U.S. General Accounting Office, *Disaster Assistance: Improvements Needed in Determining Eligibility for Public Assistance*, GAO report RCED-96-113 (Washington: May 23, 1996), p. 68.

<sup>32</sup> U.S. Federal Emergency Management Agency, “Disaster Assistance; Restoration of Damaged Facilities,” *Federal Register*, vol. 61, Oct. 25, 1996, pp. 55262-63.

<sup>33</sup> Section 7(d) of S. 1007 and section 7(4) of H.R. 2446.

**Table 5. Disaster Relief Fund: Requests, Appropriations, and Outlays, FY1974-FY1998**  
(thousands of dollars)

FY	Request	<sup>a</sup> Appropriations		Total		Outlays	
		Original	Supplemental	Nominal \$	Constant 1997 \$	Nominal \$	Constant 1997 \$
1974	\$100,000	\$200,000	\$232,600	\$432,600	\$1,411,419	\$250,085	\$815,938
1975	\$100,000	\$150,000	\$50,000	\$200,000	\$580,552	\$205,858	\$597,556
1976	\$187,500	\$187,500	\$0	\$187,500	\$505,255	\$362,458	\$976,712
1977	\$100,000	\$100,000	\$200,000	\$300,000	\$751,315	\$294,016	\$736,329
1978	\$150,000	\$115,000	\$300,000	\$415,000	\$972,352	\$461,007	\$1,080,148
1979	\$200,000	\$200,000	\$194,000	\$394,000	\$854,849	\$276,992	\$600,981
1980	\$193,600	\$193,600	\$870,000	\$1,063,600	\$2,080,595	\$573,760	\$1,122,379
1981	\$375,570	\$358,449	\$0	\$358,449	\$633,638	\$400,590	\$708,132
1982	\$400,000	\$301,694	\$0	\$301,694	\$498,256	\$115,439	\$190,651
1983	\$325,000	\$130,000	\$0	\$130,000	\$203,954	\$201,905	\$316,763
1984	\$0	\$0	\$0	\$0	\$0	\$243,014	\$365,490
1985	\$100,000	\$100,000	\$0	\$100,000	\$144,363	\$191,683	\$276,719
1986	\$194,000	\$100,000	\$250,000	<sup>b</sup> \$350,000	\$491,228	\$335,444	\$470,799
1987	\$100,000	\$120,000	<sup>c</sup> \$0	\$120,000	\$161,921	\$219,112	\$295,658
1988	\$125,000	\$120,000	\$0	<sup>d</sup> \$120,000	\$156,883	\$186,901	\$244,347
1989	\$200,000	\$100,000	<sup>e</sup> \$1,108,000	\$1,208,000	\$1,532,217	\$140,316	\$177,976
1990	\$270,000	\$98,450	\$1,150,000	<sup>f</sup> \$1,248,450	\$1,514,925	\$1,332,837	\$1,617,324
1991	\$270,000	\$0	\$0	\$0	\$0	\$551,795	\$643,868

CRS-21

FY	<sup>a</sup> Appropriations						
	Request	Original		Total		Outlays	
				Nominal \$	Constant 1997 \$	Nominal \$	Constant 1997 \$
1992	<sup>e</sup> \$184,459	\$185,000	\$4,136,000	<sup>h</sup> \$4,321,000	\$4,940,544	\$902,175	\$1,031,529
1993	\$292,095	<sup>i</sup> \$292,095	\$2,000,000	<sup>j</sup> \$2,292,095	\$2,556,145	\$2,276,216	\$2,538,436
1994	<sup>k</sup> \$1,154,000	\$292,000	<sup>l</sup> \$4,709,000	\$5,001,000	\$5,457,819	\$3,743,210	\$4,085,136
1995	\$320,000	\$320,000	<sup>m</sup> \$3,275,000	\$3,595,000	\$3,805,844	\$2,116,000	\$2,240,102
1996	\$320,000	\$222,000	<sup>m</sup> \$2,275,000	<sup>n</sup> \$2,497,000	\$2,560,500	\$2,232,000	\$2,288,761
1997	\$320,000	<sup>o</sup> \$1,320,000	<sup>o</sup> \$3,300,000	\$4,620,000	\$4,064,039	\$2,551,000	<sup>p</sup> \$2,244,018
1998	\$2,708,000	\$320	<sup>o</sup> \$0	\$320	\$280	<sup>p</sup> \$3,252,000	<sup>p</sup> \$2,842,657
1999	\$2,566,230	NA	NA	NA	NA	<sup>p</sup> \$2,642,000	<sup>p</sup> \$2,252,344
<b>Total</b>	<b>\$11,255,454</b>	<b>\$5,206,108</b>	<b>\$24,049,600</b>	<b>\$29,255,708</b>	<b>\$35,878,894</b>	<b>\$26,057,813</b>	<b>\$30,760,751</b>

**Source:** U.S. President Annual Budget Documents, appropriations legislation.

<sup>a</sup> Administration request column generally represents first budget request submitted each year by the administration and does not include amended requests or supplemental requests. However, note footnotes for 1992 and 1994. Total appropriations column does not include rescissions unless they have been incorporated in appropriations acts. Includes total amount appropriated regardless of emergency requirement designation under Budget Enforcement Act.

<sup>b</sup> According to FEMA, in FY1986 a sequester of \$4.3 million was applied.

<sup>c</sup> In February 1987, a total of \$57,475,000 was rescinded and transferred from the Disaster Relief Fund to the Emergency Food and Shelter Program account (P.L. 100-6). That amount was returned to the Disaster Relief Fund that same year in supplemental appropriations legislation enacted in July 1987 (P.L. 100-71).

<sup>d</sup> Public Law 100-202, the Continuing Appropriations Act for Fiscal Year 1988, appropriated \$120 million for disaster relief. According to information provided by FEMA, the original appropriation for that fiscal year was \$125 million, but \$5 million was transferred, pursuant to instructions, to the Department of Labor for “low income agriculture workers.”

<sup>e</sup> Funds included in P.L. 101-100, a continuing appropriations bill enacted after Hurricane Hugo struck in September 1989. According to FEMA, this amount was “referred to as a ‘supplemental’ but was an increase in the original appropriation during a continuing resolution.”

<sup>f</sup> P.L. 101-130, enacted after the Loma Prieta earthquake, appropriated \$1.1 billion. In addition, \$50 million was appropriated in P.L. 101-302, dire emergency supplemental appropriations legislation. Also, according to FEMA, total appropriation includes \$2.5 million transfer from President’s Unanticipated Needs Fund.

- <sup>g</sup> Does not include budget amendment of \$90 million submitted by the administration after action taken by House Appropriations Committee.
- <sup>h</sup> Includes \$185 million original appropriation; \$943 million dire emergency supplemental in P.L. 102-229, enacted in the fall of 1991 after Hurricane Bob; \$300 million after the Los Angeles riots and flooding in Chicago (spring of 1992) in P.L. 102-302; and \$2.893 billion in P.L. 102-368 after Hurricanes Andrew and Iniki, Typhoon Omar, and other disasters.
- <sup>i</sup> Of the total appropriated, no more than \$95,000 was permitted to be transferred to FEMA's direct loan account for administrative expenses and subsidies.
- <sup>j</sup> Includes \$2 billion supplemental approved after the Midwest floods of 1993 (P.L. 103-75).
- <sup>k</sup> The original FY1994 budget request was \$292 million. On July 29, 1993, a supplemental request of \$862 million was sent by the President to Congress. The message accompanying the request for the supplemental funds noted: "This proposal would provide additional funds for FEMA's Disaster Relief Fund to cover the projected unfunded emergency requirements of disasters already declared, and expected to be declared, by September 30, 1993."
- <sup>l</sup> Supplemental appropriation enacted following the Northridge earthquake in Los Angeles (P.L. 103-211).
- <sup>m</sup> Additional supplemental appropriation for Northridge earthquake costs (P.L. 104-19), with half (\$3.275 billion) appropriated to a contingency fund for FY1996. However, \$1 billion of the contingency fund was rescinded in the FY1996 omnibus appropriations legislation, P.L. 104-134. Note that in that same legislation another \$7 million was also appropriated to other FEMA accounts for costs associated with the bombing of the federal building in Oklahoma City.
- <sup>n</sup> The FY1998 budget appendix indicates a transfer of \$104 million from the fund in FY1996.
- <sup>o</sup> In the FY1997 appropriations act (P.L. 104-204), \$1 billion rescinded in FY1996 money (P.L. 104-134) was restored, and \$320 million in new funds was appropriated. Supplemental appropriations of \$3.3 billion were approved in P.L. 105-18 after flooding in the Dakotas and Minnesota and storms in other states were declared major disasters. The legislation specified, however, that of the total, \$2.3 billion was to be available in FY1998 only when FEMA submitted a cost control report to Congress. This requirement was met, and the funding was made available in FY1998.
- <sup>p</sup> The FY1999 request consists of \$307,745,000 for the Disaster Relief Fund and an additional \$2,258,485,000 to be available when the President and the Congress designate the funds as an emergency requirement under the Balanced Budget Act of 1985, as amended. According to a FEMA budget officer contacted Feb. 5, 1998, the Disaster Relief Fund contained \$3.8 billion in unobligated funds at year-end, CY1997. As of that date, FEMA estimates (assuming no significant additional disaster costs are incurred during the current fiscal year) that roughly \$980 million will be available in the Fund at the end of FY1998.
- <sup>q</sup> Current estimates.

## Appendix A. Significant Federal Disaster Relief Programs

Agency	Program	Summary of Benefits
<b>Department of Agriculture</b>	Noninsured Assistance Program	Direct payments for noninsurable producers who suffer significant losses
	Federal Crop Insurance Program	Program is designed to protect crop producers from unavoidable disasters
	Emergency Conservation Program	Grants for rehabilitating farmland damaged by disasters
	FSA Emergency Disaster Loans	Loans to help farmers repair or replace property and to assist in meeting operational costs
	Emergency Watershed Protection	Grants and technical assistance to protect lives and property in watershed areas threatened by disasters
	Disaster Food Distribution Program	Provision of food commodities for mass feeding of victims
	Food Stamp Program—Emergency Issuance	Expedited food stamp assistance to victims
<b>Department of Defense</b>	Humanitarian Assistance	Mass shelter, feeding, and care
<b>Department of Energy</b>	Radiological Emergency Assistance	Technical assistance after radioactive materials incidents
<b>Department of Health and Human Services</b>	Disaster Services to the Elderly	Reimbursements to states for assistance provided to the elderly (up to \$50,000 per state per disaster)
<b>Department of Housing and Urban Development</b>	Mortgage Insurance—Homes for Disaster Victims	Insured loans for the purchase of single-family housing by disaster victims
<b>Department of the Interior</b>	Fire Suppression and Emergency Rehabilitation of Indian Lands	Technical assistance to suppress fires on Indian lands and some rehabilitation assistance
<b>Department of Justice</b>	Emergency Law Enforcement	Provides funds and technical assistance to aid communities faced with law enforcement emergencies
<b>Department of Labor</b>	Unemployment Assistance	Unemployment benefits or re-employment assistance to victims unemployed due to a disaster
<b>Department of the Treasury</b>	Tax Information and Education	Provision of tax-related information to victims
<b>Department of Transportation</b>	Highway Construction, Emergency Relief	Grants for the repair and reconstruction of federal-aid highways damaged by disasters
<b>Department of Veterans Affairs</b>	Adjustments to Federal Loans	Counseling and loan assistance for property owners with veterans' loans

Agency	Program	Summary of Benefits
<b>Army Corps of Engineers</b>	Flood Control Works and	Repair and rehabilitation of flood
<b>Federal Emergency Management Agency</b>	Fire Suppression Assistance	Grants for firefighting assistance to prevent a fire from becoming a major disaster
	Planning Grants	Grants provided to help states update disaster preparedness plans
	Debris Removal	Grants for the removal of debris from public and private property
	Emergency Protective Measures	Provision of emergency measures (such as search and rescue, protection of property from further damage)
	Public Transportation	Provision of emergency public transportation services
	Crisis Counseling Assistance and Training	Provision of professional counseling services to disaster victims
	Temporary Housing	Provision of temporary housing through grants, repair assistance, or mobile homes
	Cora Brown Fund Assistance	Grants for assistance not provided by public or private relief agencies

## Appendix B. Major Disaster and Emergency Declarations and Number of States Affected, 1975-1997

Calendar year	Number of declarations	Number of States <sup>a</sup>
1975	7	7
1976	35	27
1977	52	37
1978	25	25
1979	42	33
1980	29	22
1981	15	13
1982	26	20
1983	22	15
1984	34	28
1985	27	19
1986	28	22
1987	24	20
1988	11	10
1989	31	24
1990	38	28
1991	43	31
1992	47	30
1993	53	40
1994	37	27
1995	33	24
1996	70	37
1997	40	27

<sup>a</sup> Represents the number of states (and territories) in which at least one disaster occurred during the calendar year.

**Source:** FEMA.

**Appendix C. FEMA Major Disaster Assistance, by State,  
Calendar Years 1974-1997**



**Table C. FEMA Major Disaster Assistance, by State, 1974-1997**  
(dollars in thousands, constant 1997)

State	No.	Total funding	Median allocation to state	Least costly incident in state			Most costly incident in state		
				Type of disaster	Year	FEMA \$	Type of disaster	Year	FEMA \$
Alabama	25	\$684,086	\$7,174	tornadoes, storms, flooding	1981	\$723	Hurricane Frederic	1979	\$407,897
Alaska	12	\$162,031	\$7,227	freeze	1974	\$1,684	storms and flooding	1994	\$77,911
Arizona	9	\$272,435	\$22,495	storms, wind, rain	1984	\$1,158	flooding	1993	\$129,184
Arkansas	20	\$116,097	\$3,431	storms and tornadoes	1980	\$249	tornadoes	1997	\$27,475
California	37	\$9,889,415	\$22,593	fire	1988	\$810	Northridge earthquake	1994	\$6,631,212
Colorado	4	\$59,745	\$11,973	storms and flooding	1982	\$3,238	storms, flooding, landslides	1976	\$32,562
Connecticut	8	\$98,666	\$8,546	storms and tornadoes	1979	\$2,066	Hurricane Gloria	1985	\$24,478
Delaware	4	\$14,837	\$3,503	storms and flooding	1992	\$1,334	ice storms and flooding	1994	\$6,497
District of Col.	3	\$8,034	\$3,056	blizzard	1996	\$1,361	storms and winds	1989	\$3,617
Florida	24	\$2,367,829	\$11,078	storms and flooding	1979	\$820	Hurricane Andrew	1992	\$1,924,526
Georgia	15	\$529,314	\$4,442	freeze	1977	\$578	Tropical Storm Alberto	1994	\$428,025
Hawaii	10	\$341,899	\$4,957	storms and flooding	1974	\$196	Hurricane Iniki	1992	\$284,871
Idaho	7	\$165,695	\$8,711	ice and flooding	1984	\$347	Teton dam collapse	1976	\$101,601
Illinois	25	\$813,406	\$8,536	tornadoes	1974	\$452	storms and flooding	1993	\$280,169
Indiana	15	\$149,135	\$5,685	tornadoes	1986	\$16	tornadoes	1974	\$37,142
Iowa	15	\$357,213	\$3,562	tornadoes, rain, wind	1988	\$1,287	storms and flooding	1993	\$281,217
Kansas	10	\$135,822	\$4,018	storms and flooding	1974	\$951	flooding and storms	1993	\$99,320
Kentucky	18	\$464,452	\$8,001	sewer explosion	1981	\$146	storms and flooding	1977	\$174,777
Louisiana	27	\$525,612	\$5,507	storms and tornadoes	1989	\$816	Hurricane Andrew	1992	\$169,680
Maine	13	\$86,933	\$3,856	flooding and ice jams	1994	\$1,037	storms and flooding	1987	\$20,331
Maryland *	10	\$77,260	\$4,448	Tropical Storm Fran	1996	\$3,256	storms, tornadoes, flooding	1979	\$22,411
Massachusetts	9	\$268,276	\$23,302	fire	1981	\$4,015	flooding	1978	\$86,522
Michigan	12	\$159,637	\$9,776	storms and flooding	1982	\$192	storms and flooding	1986	\$39,963

\* Maryland received a major disaster declaration but no funding from FEMA for storms and flooding in 1985, according to data provided by FEMA May 1996.

State	No.	Total funding	Median allocation to state	Least costly incident in state			Most costly incident in state		
				Type of disaster	Year	FEMA \$	Type of disaster	Year	FEMA \$
Minnesota	19	\$426,890	\$10,289	flooding	1975	\$486	flooding, storms, snowmelt	1997	\$169,545
Mississippi	21	\$332,405	\$4,642	flooding	1997	\$950	winter storm	1994	\$78,441
Missouri	17	\$475,290	\$7,957	storms and tornadoes	1980	\$268	storms and flooding	1993	\$312,291
Montana	8	\$43,659	\$3,573	storms, flooding, ice jams	1996	\$1,849	storms and flooding	1978	\$13,520
Nebraska	14	\$260,563	\$8,917	storms and tornadoes	1984	\$333	storms and flooding	1993	\$68,586
Nevada	4	\$39,088	\$4,309	storms and flooding	1981	\$330	flooding, mud/land slides	1996	\$30,140
New Hampshire	9	\$26,503	\$2,601	high winds, tides, flooding	1978	\$961	Fall n'easter rainstorm	1996	\$6,245
New Jersey	10	\$163,933	\$7,859	ice	1976	\$742	storm, high tides, rain	1992	\$65,172
New Mexico	8	\$19,288	\$1,997	winter storm	1997	\$33	flooding	1978	\$5,536
New York	23	\$664,633	\$15,656	storms and flooding	1985	\$564	storms and flooding	1996	\$133,591
North Carolina	15	\$687,020	\$5,944	storms and flooding	1979	\$557	Hurricane Fran	1996	\$492,358
North Dakota	14	\$408,644	\$11,117	flooding	1982	\$621	flooding, storms, rain, ice	1997	\$233,912
Ohio	16	\$211,851	\$5,162	storms and flooding	1982	\$692	tornadoes	1974	\$59,938
Oklahoma	16	\$147,905	\$7,085	tornadoes and flooding	1983	\$711	storms and flooding	1986	\$27,017
Oregon	9	\$129,575	\$3,943	flooding	1995	\$2,048	winds, storms, flooding	1996	\$90,335
Pennsylvania	18	\$816,426	\$10,743	storms and flooding	1986	\$1,377	storms and flooding	1997	\$326,103
Rhode Island	4	\$23,930	\$5,201	snow and ice	1978	\$209	Hurricane Bob	1991	\$13,319
South Carolina	4	\$510,377	\$6,095	Hurricane Fran	1996	\$4,183	Hurricane Hugo	1989	\$494,004
South Dakota	11	\$159,778	\$6,866	tornadoes and flooding	1992	\$1,341	flooding, storms, rain, ice	1997	\$48,447
Tennessee	17	\$170,683	\$6,213	storms and flooding	1982	\$1,285	winter storm and flooding	1994	\$68,008
Texas	40	\$691,528	\$4,581	tornadoes	1984	\$16	storms and flooding	1994	\$180,433
Utah	4	\$83,683	\$10,924	storms and flooding	1986	\$1,232	storms, landslides, flooding	1983	\$60,603
Vermont	11	\$58,256	\$4,042	ice storms, rain, flooding	1998	\$1,019	storms, winds, flooding	1976	\$22,100
Virginia	16	\$255,952	\$8,792	storms, tornadoes	1993	\$286	storms and flooding	1977	\$71,400
Washington	22	\$466,083	\$8,169	landslides and flooding	1986	\$376	winds, storms, flooding	1996	\$117,926
West Virginia	14	\$417,047	\$13,067	storms and flooding	1974	\$84	storms, landslides, flooding	1985	\$165,611
Wisconsin	17	\$173,847	\$3,031	tornadoes	1974	\$357	storms, tornadoes, floods	1993	\$78,773
Wyoming	3	\$7,814	\$3,006	storms and tornadoes	1979	\$1,015	storms, flooding, mudslides	1978	\$3,794
<b>State total</b>	716	\$256,204,820							

State	No.	Total funding	Median allocation to state	Least costly incident in state			Most costly incident in state		
				Type of disaster	Year	FEMA \$	Type of disaster	Year	FEMA \$
<b>Insular areas</b>									
Am. Samoa	6	\$175,549	\$6,399	flooding and landslides	1979	\$669	Hurricane Val	1991	\$115,264
Guam	6	\$385,189	\$41,987	Typhoon Roy	1988	\$3,521	Super Typhoon Paka	1997	\$200,517
Marianas Islands	9	\$54,741	\$3,367	Typhoon Lynn	1987	\$425	Typhoon Kim	1986	\$18,128
Marshall Islands	9	\$40,258	\$4,368	fire	1987	\$241	seawaves and flooding	1979	\$12,572
Micronesia	7	\$63,362	\$2,195	Typhoon Axel	1992	\$1,005	Typhoon Owen	1990	\$31,813
Pacific Islands	2	\$11,536	\$5,768	Typhoon Marie	1996	\$2,360	Typhoon Pamela	1996	\$9,176
Palau	1	\$7,818	NA	Typhoon Mike	1990	\$7,818	NA		
Puerto Rico	11	\$1,626,438	\$82,330	storms and flooding	1986	\$2,405	Hurricane Hugo	1989	\$687,488
Virgin Islands	7	\$922,756	\$5,000	Tropical Storm Klaus	1984	\$2,128	Hurricane Marilyn	1995	\$484,698
<b>Subtotal</b>	58	\$3,287,647							
<b>Grand total</b>	774	\$28,908,129							

Source: Disaster funding information through Dec. 31, 1997, provided by the Office of Congressional Relations, FEMA, Feb. 1998.

Constant dollar calculations based on quarterly data on chain weighted price indexes for state and local governments (total purchases consumption and investment) obtained from U.S. Dept. Of Commerce web site.

## Appendix D: FEMA Organization Chart



