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Assistance After Hurricanes and Other Disasters: FY2004 and FY2005 Supplemental Appropriations

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Keith Bea
Specialist, American National Government
Government and Finance Division

Ralph M. Chite
Specialist, Agricultural Policy
Resources, Science, and Industry Division

Assistance After Hurricanes and Other Disasters: FY2004 and FY2005 Supplemental Appropriations

Summary

Congress has acted on four Administration requests to appropriate supplemental relief funds in the aftermath of a series of devastating hurricanes and other disasters. The first such request, submitted on September 6, 2004, largely in response to the devastation caused by Hurricanes Charley and Frances in Florida, sought \$2 billion in FY2004 emergency supplemental funding. On September 7, 2004, the House and Senate approved that funding in H.R. 5005; President Bush signed the bill into law (P.L. 108-303) the next day.

In addition, the House passed an FY2005 supplemental bill (H.R. 5212) on October 6 that would appropriate the \$11 billion included in the three other requests as well as funding for drought relief in midwestern states, and it considered additional FY2005 supplemental disaster relief funding (H.R. 5227). Reports indicate that the House may incorporate the text of H.R. 5212 into the FY2005 appropriations legislation for the Department of Homeland Security (H.R. 4567). The Senate-passed version of the FY2005 DHS appropriations bill contains an estimated \$3 billion in agricultural disaster assistance, which would be available to any producer who meets eligibility requirements.

Issues that have been and might yet be explored by Congress include the following:

- For decades Congress and Presidents have relied upon supplemental funding to meet unforeseen and urgent needs that result from catastrophes. Some critics or observers contend that federal disaster assistance expenditures have created increased expectations among constituents and they urge Members to consider options to control federal costs.
- The scope and magnitude of emergency agricultural disaster payments is being debated. The Administration has requested \$530 million in farm disaster assistance, but only for hurricane losses. Certain western and midwestern senators support a \$3 billion assistance package primarily to aid drought and freeze victims.
- According to the Office of Management and Budget (OMB), obligations could be made from the DRF “in anticipation of a supplemental request to the Congress for urgent needs.” Congress might wish to explore this assertion.

This report will be updated as Congress further considers the President’s request for supplemental funding or as other events warrant.

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Assistance After Hurricanes and Other Disasters: FY2004 and FY2005 Supplemental Appropriations

Recent Developments

By October 5, 2004, the Administration had submitted four supplemental appropriations requests, totaling almost \$13 billion, to Congress after a series of hurricanes struck Florida and other states in August and September. The first request for \$2 billion for FY2004 was approved when Congress enacted H.R. 5005 on September 7 and the President signed the legislation into law (P.L. 108-303) the next day. On October 6 the House approved the other \$11 billion requested by the Administration in three additional requests for disaster relief in H.R. 5212. (The fourth request submitted by the Administration incorporates the amount requested but not appropriated previously.) Also on October 6, the Chair of the House Appropriations Committee introduced another FY2005 supplemental funding bill for disaster relief (H.R. 5227) on October 7.

Both the FY2005 Homeland Security Appropriations bill (H.R. 4567) as passed by the Senate and H.R. 5212 as passed by the House contain an estimated \$3 billion in emergency agricultural disaster assistance, primarily to drought- and freeze-affected regions. The Administration has requested farm disaster aid only for hurricane-affected regions.

Overview

For the first time this century a single state has endured four major hurricanes in the span of weeks. From mid-August through mid-September 2004, Hurricanes Charley, Frances, Ivan, and Jeanne resulted in billions of dollars of insured and uninsured damages in Florida.¹ In addition to the four major disaster declarations issued by President Bush in Florida for each of the hurricanes, declarations were issued after the hurricanes and related storms caused severe losses in 11 other states.² Taken at a glance, calendar year 2004 may perhaps close as the most expensive year of natural disasters to date.

¹ Damage estimates require weeks of effort as damage survey teams assess the extent of destruction. According to one news report insured losses may exceed \$20 billion; see [<http://www.klfy.com/Global/story.asp?S=2325982&nav=7k7cR7af>], visited Oct. 6, 2004. Federal costs have not yet been determined.

² A “major disaster declaration” may be issued by the President if a governor certifies that the affected state has suffered damages that require federal assistance. For more information see page 9 of this report. For a list of states in which major disaster declarations have been issued, see [<http://www.fema.gov/news/disasters.fema?year=2004#diz>], visited Oct. 7, 2004.

In light of these losses, and those associated with other disasters throughout the nation, the Bush Administration submitted three supplemental appropriations requests for FY2004 that totaled approximately \$12 billion between September 6 and September 27, 2004. Congress approved legislation (H.R. 5005) that appropriated the \$2 billion initially requested, and the President signed the legislation in law (P.L. 108-303). The funding from the two requests submitted September 14 and 27 were incorporated by the House into H.R. 5072, which received no action due to subsequent disasters. The Senate incorporated emergency agricultural assistance into the FY2005 appropriations legislation (H.R. 4567) for the Department of Homeland Security (DHS). **Table 1** of this report presents summary information on the requests and congressional action for supplemental disaster relief funding for FY2004.

**Table 1. FY2004 Supplemental Appropriations for Assistance
After Hurricanes and Other Disasters**

(\$ in millions)

Federal agency/purpose	Req.	H.R. 5072	Senate^A	P.L. 108- 303	Total enacted
Departments					
Dept. of Agriculture / Forest Service	20	30			
Dept. of Agriculture / Commodity Credit Corp. ^B	400		see Table 2		
Dept. of Commerce / National Oceanic and Atmospheric Admin. (NOAA) — Op., Res., Facilities	8				
Dept. of Commerce / NOAA — Procurement, Acq., Construction	7				
Dept. of Defense / Corps of Engineers — Civil Works / Operation and maintenance, general	134				
Dept. of Defense / Corps of Engineers — Civil Works / Flood control and coastal emergencies	142	88			
Dept. of Defense / Corps of Engineers — Flood control, specified states	4				
Dept. of Defense / Op. and Maintenance	690	72.5			
Dept. of Defense / Mil. Personnel	12				
Dept. of Defense / Procurement	250				
Dept. of Defense / Family Housing	8				
Dept. of Defense / Revolving, Mngmt. Funds	2				
Dept. of Defense / General Provisions ^C					
Dept. of Health and Human Services / Dept. Management / Health and social services	50	50			

Federal agency/purpose	Req.	H.R. 5072	Senate^A	P.L. 108- 303	Total enacted
Dept. of Homeland Security / Emerg. Preparedness and Response / Disaster relief fund	8,500 ^D	2,000		2,000	
Dept. of Homeland Security / Coast Guard	26	8			
Dept. of Housing and Urban Development / Community planning and development	150	150			
Dept. of the Interior / Fish and Wildlife Service	23	14			
Dept. of the Interior / U.S. Geological Survey	1				
Dept. of the Interior / National Park Service	42	7			
Dept. of Justice / Fed. Prison System	24				
Dept. of Transportation / Fed. Aviation Admin.	5				
Dept. of Transportation / Fed. Highway Admin.	600				
Dept. of Veterans Affairs / Veterans Health Administration / Medical services	7	6			
Dept. of Veterans Affairs / Veterans Health Admin. / Medical facilities	20	17			
Dept. of Veterans Affairs / Veterans Health Admin. / Medical admin.	2	2			
Dept. of Veterans Affairs / Dept. Admin.	1				
Other Agencies					
Agency for International Develop.	50				
National Aeronautics and Space Admin. / Space flight capabilities	126	126			

Federal agency/purpose	Req.	H.R. 5072	Senate ^A	P.L. 108- 303	Total enacted
Small Business Admin. ^E	501	248			
Executive Office of the President / Unanticipated needs	70	70			
Total^F	11,875	2,889		2,000	2,000

Sources:

Administration request: U.S. Office of Management and Budget, “Estimate #9, FY2004 Emergency Supplemental: Department of Homeland Security Federal Emergency Management Agency (FEMA), Disaster Relief Associated with Hurricanes Charley and Frances,” available at [http://www.whitehouse.gov/omb/budget/amendments/supplemental_9_6_04.pdf]; “Estimate #11, Emergency Supplemental: Hurricanes Charley and Frances (Various Agencies), 9/14/04,” available at [http://www.whitehouse.gov/omb/budget/amendments/supplemental_9_14_04.pdf]; and “Estimate #13, Emergency Supplemental: Hurricanes Ivan and Jeanne (Various Agencies), 9/27/04,” at [http://www.whitehouse.gov/omb/budget/amendments/supplemental_9_27_04.pdf], all visited Sept. 16, 2004.

Congressional action: P.L. 108-303, H.R. 5072, H.R. 4567.

^A Reflects Senate passed version of FY2005 appropriations for DHS (H.R. 4567).

^B The request would provide funds for disaster payments and debris removal associated with hurricane damage, among other activities.

^C The Administration’s supplemental request #13 includes general provisions for the Department of Defense, including the authority to transfer up to \$200 million between accounts.

^D Total for disaster relief fund reflects requests from Estimates #9, #11, and #14.

^E Up to \$30 million appropriated in P.L. 108-303 is authorized to be transferred to the SBA for administrative expenses necessary for the disaster loan program.

In the second half of September Hurricanes Ivan and Jeanne prolonged the destruction of Charley and Frances. The Administration recognized that additional funds would be required by the time Hurricane Jeanne had run its course in late September. As a result, the fourth request for supplemental appropriations was submitted to Congress on October 5, 2004. As introduced in H.R. 5212, the funds associated with the fourth request, along with the second and third requests, were designated as FY2005 emergency supplemental appropriations. In addition to passing H.R. 5212, the House began consideration of a third supplemental funding measure (H.R. 5227) that would appropriate additional disaster relief money for FY2005 beyond the Administrations requests. **Table 2** presents information on the request and congressional action as of October 7.

**Table 2. FY2005 Supplemental Appropriations,
for Assistance After Hurricanes and Other Disasters**
(\$ in millions)

Federal agency/purpose	Request ^A	H.R. 5212	H.R. 5227	Senate ^B	Total enacted
Departments					
Dept. of Agriculture / Forest Service/National Forest System	2	2			
Dept. of Agriculture/Forest Service/Capital Improvements and Maintenance	13 ^C	33			
Dept. of Agriculture / Commodity Credit Corp.	530 ^C	320 ^D		3,000	
Dept. of Commerce / National Oceanic and Atmospheric Admin. (NOAA) — Operations, Research, Facilities	0	8			
Dept. of Commerce / NOAA — Procurement, Acq., Construction	0	7			
Dept. of Defense /Corps of Engineers — Civil Works/ Operation and maintenance, general	94 ^C	94			
Dept. of Defense / Corps of Engineers — Civil Works /Flood control and coastal emergencies	147 ^C	147	147		
Dept. of Defense / Corps of Engineers — Flood control, specified states	0	4			
Dept. of Defense /Operations and Maintenance	34	715			
Dept. of Defense /Military Personnel	2	14			
Dept. of Defense/Health programs	0	10			
Dept. of Defense / Procurement	105	105			
Dept. of Defense/Military const.	148	148			
Dept. of Defense / Family Housing	1	9			
Dept. of Defense / Revolving, Management Funds	75	77			
Dept. of Defense / General Provisions	E	E			
Dept. of Health and Human Services /Dept. Management / Health and social services	0	50			

Federal agency/purpose	Request ^A	H.R. 5212	H.R. 5227	Senate^B	Total enacted
Dept. of Homeland Security / Emerg. Preparedness and Response /Disaster relief fund	0	6,500			
Dept. of Homeland Security / Coast Guard	0	26	7		
Dept. of Housing and Urban Development / Community planning and development	0	150 ^F			
Dept. of the Interior / Fish and Wildlife Service	27 ^C	27			
Dept. of the Interior / U.S. Geological Survey	0	1			
Dept. of the Interior /National Park Service	50 ^C	50	108		
Dept. of Justice / Fed. Prison System	0	24			
Dept. of Transportation / Fed. Aviation Admin. ^G	25	30			
Dept. of Transportation / Fed. Highway Admin. ^H	800 ^C	800	750		
Dept. of Veterans Affairs / Veterans Health Administration /Medical services	38 ^C	38			
Dept. of Veterans Affairs / Veterans Health Admin. /Medical facilities	47 ^C	47			
Dept. of Veterans Affairs / Veterans Health Admin. / Medical admin.	2 ^C	2			
Dept. of Veterans Affairs / Dept. Admin.	37 ^C	37			
Other Agencies					
Environmental Protection Agency	3	3			
Agency for International Development.	100 ^C	100			
National Aeronautics and Space Admin. /Space flight capabilities	0	126	59		
Small Business Administration	0	930			

Federal agency/purpose	Request ^A	H.R. 5212	H.R. 5227	Senate^B	Total enacted
Executive Office of the President / Unanticipated needs	70	70			
Total ^I	2,350	10,704	1,578		

Source: U.S. Office of Management and Budget, “Estimate #14, Emergency Supplemental: Hurricanes Charley, Frances, Ivan, and Jeanne (Various Agencies), 10/5/04,” available at [http://www.whitehouse.gov/omb/budget/amendments/supplemental_10_5_04.pdf], visited Oct. 6, 2004. H.R. 5212, introduced Oct. 6, 2004.

^A Request column reflects Administration supplemental request #14. Where indicated by “^C” the information in this column also reflects totals included in requests #11 and #13 as well. Refer to Table 1 of this report, as some requests included in #11 and #13 (and reflected in Table 1) were not mentioned in request #14.

^B Column reflects Senate-passed version of H.R. 4567, the FY2005 homeland security appropriations bill, which includes \$3 billion in agricultural assistance.

^C Amount shown reflects supplemental request #14 plus funds previously requested in #11 and #13, cited in Table 1, above.

^D Not included in the House total is an adopted floor amendment that provides an estimated \$3 billion in agricultural assistance primarily in drought-stricken regions. This funding is offset in the bill by a \$3 billion reduction in funding for an agricultural conservation program.

^E H.R. 5212 includes general provisions for the Department of Defense, including the authority to transfer up to \$210 million between accounts.

^F H.R. 5212 specifies that Community Development Block Grant (CDBG) funds are to be used “for emergency expenses resulting from natural disasters in Florida,” except for FEMA or SBA activities. The bill also specifies that “such funds may be awarded to the State of Florida for affected areas” and imposes requirements on and grants authority for waivers to Florida in using the funds.

^G Up to \$25 million of the funds for the FAA to be derived from the Airport and Airway Trust Fund.

^H Funds for the repair of federal-aid highways are to be derived from the highway Trust Fund.

^I Total reflects rounding and does not account for funding specified or described in endnotes.

Issues of Debate

Little debate historically occurs in Congress on federal disaster assistance funding measures. Many constituents, Members of Congress, and analysts generally agree that the federal government has an important role in the immediate response to significant catastrophes, as well as in long-term recovery efforts. Debate may occur, however, on the types of activities to be funded through this request, the addition of provisions in supplemental appropriations legislation for activities not always seen to be emergency needs, and activities funded through supplemental appropriations, among other issues. Some of the issues that might be and have been raised in the debate over the FY2004 and FY2005 disaster assistance supplemental requests submitted to Congress are discussed below. Additional information will be provided as congressional debate proceeds.

Some, but not all, disaster losses are reimbursed through federal assistance programs. For example, costs incurred in removing debris, rebuilding facilities of state and local governments and certain nonprofit organizations, and meeting immediate needs for food and personal assistance will be met through appropriated funds. Many small businesses and property owners will be eligible for low-cost loans. In addition, the state of Florida and other states have access to federal grants intended to stimulate economic recovery and repair or replace private and public structures.³

As is the case with many disasters, however, federal assistance will not cover all losses. Those without insurance may be challenged to replace homes, businesses, or personal goods. To a certain extent, some of those losses may be covered by programs authorized and administered by the state.⁴ Other needs may only be met through voluntary contributions or individual efforts. For example, property owners with insurance will face higher than expected deductibles from insurance policies as a result of changes in Florida insurance regulations.⁵ In essence, federal assistance meets certain needs to supplement disaster assistance available from other sources. The following issues explore some of the policy matters that have been raised with regard to federal disaster assistance.

³ Information on federal assistance programs is presented in CRS Report RL31734, *Federal Disaster Recovery Programs: Brief Summaries*, by Ben Canada.

⁴ For a summary of and citations to Florida statutes, see CRS Report RS21784, *Florida Emergency Management and Homeland Security Statutory Authorities Summarized*, by Keith Bea.

⁵ For example, see Christopher Oster, Carrick Mollenkamp, and Chad Terhune, "After Storms, Florida Wakes Up to a New Insurance Reality," *Wall Street Journal*, Sept. 7, 2004, p. A1, A6.

Background on the Disaster Relief Fund

P.L. 108-303 appropriated \$2 billion to the disaster relief fund (DRF) administered by the Department of Homeland Security (DHS). DHS uses DRF funds to provide assistance to individuals, families, state and local governments, and certain nonprofit organizations, as authorized by the Stafford Act.⁶ Stafford Act aid is available after the President issues a declaration that federal assistance is needed to supplement the resources of states and localities that are overwhelmed by particularly significant catastrophes.⁷ Federal assistance supported by DRF money is used by states, localities, and certain non-profit organizations to provide mass care, restore damaged or destroyed facilities, clear debris, and aid individuals and families with uninsured needs, among other activities. In calendar year 2003, President Bush issued 56 major disaster declarations; thus far in calendar year 2004, 61 such declarations have been issued.⁸

Five types of declarations may be issued by the President or the Secretary of DHS, summarized as follows:⁹

- **Major disaster.** The President issues a major disaster declaration after receiving a request from the governor of the affected state.¹⁰ A declaration authorizes DHS to administer various federal disaster assistance programs for victims of declared disasters. Each major disaster declaration specifies the type of incident covered, the time period covered, the types of disaster assistance available, the counties affected by the declaration, and the Federal Coordinating Officer.
- **Emergency.** The declaration process for emergencies is similar to that used for major disasters; the President may, however, issue an emergency declaration without a gubernatorial request if primary

⁶ The Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq.

⁷ For more information on the Stafford Act and the DRF, see CRS Report RL32242, *Emergency Management Funding for the Department of Homeland Security: Information and Issues for FY2004*, by Keith Bea, Shawn Reese, Wayne Morrissey, Frank Gottron, and C. Stephen Redhead.

⁸ For a list of major disaster declarations, see U.S. Federal Emergency Management Agency, "Federally Declared Disasters by Calendar Year," at [<http://www.fema.gov/library/drcys.shtml>], visited Sept. 16, 2004.

⁹ Summaries adapted from testimony by FEMA in U.S. Congress, Committee on Appropriations, Subcommittee on VA, HUD, and Independent Agencies, *Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations for 2001*, hearing, 106th Cong., 2nd sess., Feb. 29, 2000 (Washington: GPO, 2000), p. 702.

¹⁰ For criteria considered in the declaration of a major disaster, see 44 CFR 206.48.

responsibility rests with the federal government.¹¹ Under an emergency declaration, the federal government funds and undertakes emergency response activities, debris removal, and individual assistance and housing programs. DRF expenditures for an emergency are limited to \$5 million per declaration unless the President determines that there is a continuing need; Congress must be notified if the \$5 million ceiling is breached.

- **Fire suppression.** The Secretary of DHS is authorized to provide fire suppression assistance to supplement the resources of communities when fires threaten such destruction as would warrant a major disaster declaration.
- **Defense emergency.** Upon request from the governor of an affected state, the President may authorize the Department of Defense (DoD) to carry out emergency work for a period not to exceed 10 days. DoD emergency work is limited to work essential for the preservation of life and property.
- **Pre-declaration activities.** When a situation threatens human health and safety, and a disaster is imminent but not yet declared, the Secretary of DHS may place agency employees on alert. DHS monitors the status of the situation, communicates with state emergency officials on potential assistance requirements, and deploys teams and resources to maximize the speed and effectiveness of the anticipated federal response and, when necessary, performs preparedness and preliminary damage assessment activities.

The Homeland Security Act of 2002 (P.L. 107-296) transferred the authorities and functions previously carried out by the Federal Emergency Management Agency (FEMA) to DHS and charged the Secretary of Homeland Security with responsibility for administering these activities. The Emergency Preparedness and Response Directorate (EPR) of DHS, which includes FEMA, has primary responsibility for allocating funds from the DRF for activities authorized by the Stafford Act.

Table 3 of this report lists appropriations made to the DRF since 1974. Prior to FY1989, supplemental appropriations made to the DRF were approved infrequently and generally exceeded the amount originally appropriated in each fiscal

¹¹ “The President may exercise any authority vested in him ... of this title with respect to an emergency when he determines that an emergency exists for which the primary responsibility for response rests with the United States because the emergency involves a subject area for which, under the Constitution or laws of the United States, the United States exercises exclusive or preeminent responsibility and authority. In determining whether or not such an emergency exists, the President shall consult the Governor of any affected state, if practicable. The President’s determination may be made without regard to subsection (a) of this section.” 42 U.S.C. 5191(b).

year by roughly \$100 to \$200 million.¹² By comparison, since FY1989, appropriations have exceeded \$1 billion in each fiscal year and supplemental appropriations have been approved in all but FY1991 and FY2000.

The last two columns of **Table 3** show that a similar growth pattern has developed for outlays from the DRF. Prior to FY1989, outlays from the DRF averaged \$568 million, and on only two occasions (Hurricane Frederic in FY1978 and the eruption of Mt. St. Helens in FY1980) exceeded \$1 billion. Since 1989, however, average annual outlays have exceeded \$2 billion, due to significant hurricanes (Hugo in FY1989, Andrew in FY1992, Floyd in FY1999), earthquakes (Loma Prieta in FY1990, Northridge in FY1994), floods (Midwest floods of 1993, Red River floods of 1995), and the terrorist attacks of September 11, 2001.

¹² An exception occurred in FY1980 after the eruption of Mt. St. Helens.

Table 3. Disaster Relief Fund, FY1974-FY2005
(millions of dollars, 2002 constant dollars)

FY	Appropriations (available funds)						
	AReq.	Orig.	Supp.	Total appropriations		Outlays	
				Nominal	Constant	Nominal	Constant
74	100	200	233	433	1,412	250	816
75	100	150	50	200	591	206	609
76	187	187	0	187	517	362	999
77	100	100	200	300	770	294	754
78	150	115	300	415	997	461	1,108
79	200	200	194	394	876	277	616
80	194	194	870	1,064	2,175	574	1,173
81	375	358	0	358	668	401	746
82	400	302	0	302	526	115	201
83	325	130	0	130	217	202	337
84	0	0	0	0	0	243	391
85	100	100	0	100	156	192	299
86	194	100	250	350	533	335	511
87	100	120	^B 0	120	178	219	325
88	125	120	0	^C 120	173	187	269
89	200	100	^D 1,108	1,208	1,674	140	194
90	270	98	^E 1,150	1,248	1,668	1,333	1,781
91	270	0	0	0	0	552	711
92	^F 184	185	4,136	^G 4,321	5,429	902	1,134
93	292	292	2,000	^H 2,292	2,816	2,276	2,796
94	^I 1,154	226	^J 4,709	4,935	5,935	3,743	4,502
95	320	320	^K 3,275	3,595	4,235	2,116	2,492
96	320	222	^K 3,275	^K 3,497	4,042	2,233	2,581
97	320	^L 1,320	^L 3,300	4,620	5,248	2,551	2,898
98	^M 2,708	320	^N 1,600	1,920	2,155	1,998	2,242
99	^O 2,566	^P 1,214	^Q 1,130	2,344	2,597	3,746	4,149
00	2,780	^R 2,780	0	2,780	3,019	2,628	2,853
01	2,909	300	^{S,T}	^T 5,890	6,249	3,217	3,413
02	^U 1,369	664	^V 7,008	^V 12,160	12,677	3,947	4,114
03	1,843	800	^W 1,426	^W 2,199	2,255	8,541	8,761
04	1,956	1,800	^X 2,275	^X 2,042	^Y 2,068	^Y 3,044	^Y 3,082
05	2,151	NA	NA	NA	NA	^Y 3,363	^Y 3,363
Total	24,240	14,318	40,488	61,557	73,913	50,648	60,224

Sources: U.S. President annual budget documents; appropriations legislation; U.S. Federal Emergency Management Agency budget justifications. Constant dollar amounts based on CRS calculations based on GDP (chained) price index in: U.S. President (Bush), *Historical Tables, Budget of the United States Government, Fiscal Year 2005* (Washington, 2004), pp. 184-185.

^A Data in the request column generally represent the first budget request submitted by the Administration each year and do not include amended or supplemental requests. Note, however, additional detail in this column.

^B In February 1987, a total of \$57.5 million was rescinded and transferred from the DRF to the Emergency Food and Shelter Program account (P.L. 100-6). That amount was returned to the fund the same year in supplemental appropriations legislation enacted in July 1987 (P.L. 100-71).

^C P.L. 100-202, the Continuing Appropriations Act for FY1988, appropriated \$120 million for disaster relief. According to FEMA, the original appropriation for that fiscal year was \$125 million, but \$5 million was transferred to the Department of Labor for “low income agriculture workers.”

^D Supplemental funds were included in P.L. 101-100, continuing appropriations legislation 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.”

^E P.L. 101-130, enacted after the Loma Prieta earthquake, appropriated \$1.1 billion in supplemental funding for FY1990. In addition, \$50 million was appropriated in P.L. 101-302, dire emergency supplemental appropriations legislation. Table 2 does not reflect a \$2.5 million transfer from the President’s unanticipated needs fund.

^F FY1992 request does not include the budget amendment of \$90 million submitted by the Administration.

^G Appropriations for FY1992 included a \$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.

^H Total for FY1993 includes the \$2 billion supplemental approved after the Midwest floods of 1993 (P.L. 103-75).

^I The original FY1994 budget request was \$292 million. On July 29, 1993, a supplemental request of \$862 million was sent by President Clinton to Congress.

^J Supplemental appropriations for FY1994 enacted after the Northridge earthquake struck Los Angeles (P.L. 103-211).

^K Additional supplemental appropriation approved for Northridge earthquake costs (P.L. 104-19) for FY1995, with the same amount (\$3.275 billion) reserved for a contingency fund for FY1996. However, \$1 billion of the contingency fund was rescinded in FY1996 omnibus appropriations, P.L. 104-134. In the same legislation, another \$7 million was also appropriated to other FEMA accounts for costs associated with the bombing of the Alfred P. Murrah federal building in Oklahoma City.

^L The FY1998 budget appendix (p. 1047) noted a transfer of \$104 million from the disaster relief fund in FY1996. In the FY1997 appropriations act (P.L. 104-204), \$1 billion that had been rescinded in FY1996 (P.L. 104-134) was restored, and \$320 million in new funds were appropriated. Supplemental appropriations of \$3.3 billion were approved in P.L. 105-18 after flooding in the Dakotas and Minnesota, and after 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.

^M The FY1998 request consisted of a \$320 million base amount plus \$2.388 billion “to address actual and projected requirements from 1997 and prior year declarations.” (*Budget Appendix FY1998*, p. 1047). Does not include \$50 million requested for the DRF for mitigation activities.

^N Supplemental appropriations legislation (P.L. 105-174) for FY1998 approved for flooding associated with El Niño and other disasters.

^o The FY1999 request consisted of \$307.8 million for the DRF and an additional \$2.258 billion in contingency funding to be available when designated as an emergency requirement under the Balanced Budget Act of 1985, as amended.

^p The FY1999 omnibus appropriations act (P.L. 105-277, 112 Stat. 2681-579) included \$906 million for costs associated with Hurricane Georges, flooding associated with El Niño, and other disasters.

^q Emergency supplemental appropriations for FY1999 (P.L. 106-31) included \$900 million for tornado damages as well as \$230 million for unmet needs, subject to allocation directions in the conference report (H.Rept. 106-143).

^r FY2000 appropriations act (P.L. 106-74, 113 Stat. 1085) included disaster relief funding as follows: \$300 million in regular appropriations and \$2.480 billion designated as emergency spending for costs associated with Hurricane Floyd and other disasters. In addition, the Consolidated Appropriations Act (P.L. 106-113) authorized the Director of FEMA to use up to \$215 million in disaster relief funds appropriated in P.L. 106-74 for the purchase of residences flooded by Hurricane Floyd, under specified conditions.

^s Supplemental appropriations legislation (P.L. 106-246) authorized that \$77 million from the DRF to be used for buyout and relocation assistance for victims of Hurricane Floyd. The act also appropriated \$500 million in a separate account for claim compensation and administrative costs associated with the Cerro Grande fire that destroyed much of Los Alamos, New Mexico.

^t P.L. 107-38 appropriated \$40 billion in response to the terrorist attacks of September 11, 2001. Pursuant to the statute, these funds for FY2001 were allocated by the Office of Management Budget from the Emergency Response Fund (ERF). Of the total appropriated in P.L. 107-38 after the September 11 attacks, \$4.4 billion were allocated for FY2001 through P.L. 107-117 (115 Stat. 2338). The total available for obligation for FY2001 (\$5.9 billion) taken from FEMA *Justification of Estimates, FY2003*, p. DR-2.

^u Request for FY2002 did not include funding for the Disaster Relief Contingency Fund.

^v Congress appropriated a total of \$7.008 billion for FY2002 in P.L. 107-117 and 107-206 to meet additional needs associated with the terrorist attacks. Total funds available (\$12.16 billion) include a transfer from the Transportation Security Administration, \$1 billion released from the Emergency Contingency Fund, and other sources. See Department of Homeland Security, Emergency Preparedness and Response Directorate, *Justification of Estimates, FY2004*, p. DR-2.

^w Includes \$442 million in P.L. 108-69 and \$938 million in P.L. 108-83 to meet needs associated with tornadoes, winter storms, the recovery of wreckage of the Space Shuttle *Columbia* and other disasters. Also, funds appropriated in these measures and in the FY2004 appropriations act for DHS (P.L. 108-90) have been used for costs associated with Hurricane Isabel. Total of \$2.199 billion available taken from: Department of Homeland Security, Emergency Preparedness and Response Directorate, *Justification of Estimates, FY2005*, p. FEMA-18.

^x P.L. 108-106 which primarily addressed reconstruction costs in Iraq and Afghanistan also contained an appropriation of \$500 million for needs arising from disasters in the fall of 2003, including Hurricane Isabel and the California fires. Section 4002 of the act designates the funds an emergency requirement pursuant to the budget resolution adopted by Congress (H.Con.Res. 95), but the Consolidated Appropriations Act for FY2004 (Sec. 102(a), Division H, P.L. 108-199) rescinded \$225 million of the \$500 million appropriated in P.L. 108-106. Total of \$2.043 billion taken from: Department of Homeland Security, Emergency Preparedness and Response Directorate, *Justification of Estimates, FY2005*, p. FEMA-18. P.L. 108-303, enacted after Hurricanes Charley and Frances struck Florida, appropriated \$2 billion to the DRF and gave discretion to DHS to transfer \$300 million to the Small Business Administration for disaster loans.

^y Outlay data and constant dollar calculations based on estimates.

Members might elect to consider issues associated with appropriations to the DRF during the debate on the pending supplemental appropriations legislation. These include, among others, actions taken, or not taken, by the executive branch to anticipate disaster expenses and thereby forcing congressional action on supplemental appropriations, and funding the American Red Cross.

Unanticipated Events and Apportionment of Spending. One issue concerns the anticipation of catastrophes, notably hurricanes, and the rate at which funds are depleted from the DRF. Hurricanes Charley and Frances struck during the congressional recess. By mid-August the DRF, which is used for all disaster and emergency declarations issued by the President, contained insufficient funds to meet even the immediate response needs.¹³ Accordingly, the schedule DHS had established for obligating funds, pursuant to statutory apportionment requirements, had to be revised.¹⁴ In a letter to the chairman of the House Appropriations Committee, an OMB official reported that in light of the immediate needs, “it will be necessary to obligate funds at a rate that will exhaust amounts currently appropriated to fund immediate disaster response efforts involving the safety of human life and the protection of property.”¹⁵ Expediting the obligation rate, OMB noted, required expeditious passage of supplemental appropriations “[b]ecause of the unanticipated magnitude of the destruction caused and anticipated to be caused by this season’s hurricanes.”

The notification OMB gave to Congress on September 3 makes reference to an exception to the statutory apportionment requirements.¹⁶ In essence, DHS cannot obligate funds from the DRF in excess of the amount appropriated and must obligate funds from the DRF effectively and economically. DHS (and other departments and agencies) may, however, expedite the rate of obligation for reasons specified in the statute. Due to the immediate needs that resulted from the two hurricanes, OMB contended that the exception was appropriately invoked. As noted in the OMB notice, this change in the obligation rate (apportionment) necessitated supplemental appropriations to provide funds for the response to the hurricanes and other disasters.

While Congress theoretically could have refused to appropriate the requested supplemental funds, it is not unreasonable to have expected positive action. Some

¹³ Telephone conversation between the author and congressional staff, September 7, 2004.

¹⁴ “An appropriation for an indefinite period and authority to make obligations by contract before appropriations shall be apportioned to achieve the most effective and economical use.” 31 U.S.C. 1512.

¹⁵ Letter from Joshua B. Bolten, Director, Office of Management and Budget, to the President, September 6, 2004.

¹⁶ “Except as provided ..., an official may make, and the head of an executive agency may request, an apportionment under section 1512 of this title that would indicate a necessity for a deficiency or supplemental appropriation only when the official or agency head decides that the action is required because of ... (B) an emergency involving the safety of human life, the protection of property, or the immediate welfare of individuals when an appropriation that would allow the United States Government to pay, or contribute to, amounts required to be paid to individuals in specific amounts fixed by law or under formulas prescribed by law, is insufficient.” 31 U.S.C. 1515(b)(1).

may argue, however, that congressional power over the purse is compromised by having DHS and OMB decide that supplemental appropriations are necessary. That decision arguably rests with Congress.

While the situation that led to enactment of P.L. 108-303 was resolved expeditiously, one may conceive that future catastrophic disasters (including terrorist attacks more devastating than those of September 11, 2001) could occur in the future while Congress is in recess, or in adjournment. The revision of the apportionment rate from the DRF, and the resulting press to enact supplemental appropriations, might be alleviated in the future if Congress were to address the issue. Options for congressional action include:

- Congress could extend to the Secretary of DHS the authority currently held by the Secretary of Defense (and the Secretary of Transportation for the Coast Guard) to obligate funds from the DRF on a deficiency basis under specified circumstances.¹⁷ As the Coast Guard has been transferred from the Department of Transportation to DHS, it may be argued that the Secretary of DHS has this authority when the Coast Guard operates as a service to the Navy.
- In light of advances made in hurricane prediction and projections of storm intensity, it may be argued that hurricanes may be foreseen and anticipated, at least to a degree adequate enough for Congress to consider supplemental appropriations in late spring or early summer of each year, prior to the August district work period.¹⁸
- Congress could appropriate reserve funds that would be released to DRF for obligation if specified conditions exist. For example, over \$2 billion appropriated for the DRF in FY1998 was only made available “until the Director of the Federal Emergency Management Agency submits to the Congress a legislative proposal to control disaster relief expenditures including the elimination of funding for certain revenue producing facilities.”¹⁹

American Red Cross Funding. The American Red Cross (ARC) is one of many voluntary and service organizations in the United States that provides

¹⁷ “No contract or purchase on behalf of the United States shall be made, unless the same is authorized by law or is under an appropriation adequate to its fulfillment, except in the Department of Defense and in the Department of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies, which, however, shall not exceed the necessities of the current year.” 41 U.S.C. 11.

¹⁸ Perhaps the most prominent forecasting models used by a team of researchers at Colorado State University, headed by Dr. William Gray. See [<http://hurricane.atmos.colostate.edu/forecasts/>], visited Sept. 9, 2004.

¹⁹ P.L. 105-18, 111 Stat. 200.

disaster assistance.²⁰ ARC is unique, however, in at least two respects. First, it operates under a congressional charter to provide disaster assistance.²¹ Second, it is the only nonfederal signatory agency to the *Federal Response Plan*, the framework adopted by FEMA to ensure coordination in the response to major disasters.²²

The Senate voted to appropriate \$70 million for the ARC in the Homeland Security Appropriations bill for FY2005 due to a deficiency of funds.²³ On at least one previous occasion, Congress appropriated funds for the ARC.²⁴ The \$30 million appropriated to the President's Unanticipated Needs account was specifically to be used "only for a grant to the American Red Cross for reimbursement of disaster relief, recovery expenditures, and emergency services" The precedent of appropriating funds on two occasions for the ARC, the nexus established between the federal government and the ARC, and the ongoing financial distress facing the organization, raise issues that might be explored by the Congress, including the following.

- The costs incurred by the ARC in any presidentially declared disaster, as set forth in the *Response Plan*, are provided through the DRF when DHS makes a mission assignment to the organization. Funds appropriated directly to the ARC by Congress would likely be used to meet costs other than those assigned to the organization under the *Plan*. Congress might elect to consider making future appropriations through the DRF for ARC needs not directly attributable to mission assignments made by DHS. Also, Congress might elect to continue to appropriate funds through the President's Unanticipated Needs account.
- While it may be argued that the ARC has a unique relationship to the federal government through its charters and its responsibility under

²⁰ For information on all voluntary organizations see the website for National Voluntary Organizations Active in Disaster (NVOAD), at [<http://www.nvoad.org/>], visited Sept.9, 2004. Information on the American Red Cross disaster service is available at [http://www.redcross.org/services/disaster/0,1082,0_319_,00.html], visited Sept. 9, 2004.

²¹ The charter adopted in 1900 authorized the organization "to continue and carry on a system of national and international relief in time of peace and apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other great national calamities." Chap. 784, 56th Cong., 31 Stat. 279. A second charter adopted in 1905 retained the mandate adopted in 1900 and added, at the end, "and to devise and carry on measures for preventing the same." Chap. 23, 58th Cong., 33 Stat. 600.

²² The *Federal Response Plan* is to be replaced by the *National Response Plan* pursuant to the Homeland Security Act of 2002 (P.L. 107-296, Sec. 502(6), 6 U.S.C. 312(6)). For background see CRS Report RS21697, *Overview of Components of the National Response Plan and Selected Issues*, coordinated by Keith Bea.

²³ For a floor statement on the appropriation, see Sen. Bill Nelson, remarks in the Senate, "Homeland Security Appropriations," *Congressional Record*, daily edition, vol. 150, Sept. 9, 2004, p. S9006-9008. The vote on the amendment is recorded at *Congressional Record*, daily edition, vol. 150, Sept. 14, 2004, p. S9208.

²⁴ P.L. 105-277, 112 Stat. 2681-576.

the *Response Plan*, one might also contend that other voluntary and charitable organizations provide similar services to victims of disasters. Congress might elect to consider whether grants made expressly to the ARC should also be extended to other voluntary organizations facing financial difficulties.

- While the contributions of the ARC to disaster relief efforts in the nation are well known and long-standing, it may be argued that the responsibility to administer these services should, at this point, fall to DHS or another federal agency. In this manner the funding problems facing the ARC would not hinder federal efforts to ensure a robust disaster response.

Agricultural Disaster Assistance²⁵

Background. The late summer 2004 hurricanes damaged or destroyed significant portions of Florida's agricultural production, particularly citrus trees, vegetables, and nursery products. Various other parts of the nation also have suffered farm production losses over the past year caused by prolonged drought, floods, freezes, and other weather-related disasters. Generally, farm production losses are not eligible for FEMA assistance, but instead are covered under an assortment of ongoing programs administered by the U.S. Department of Agriculture (USDA). These include disaster loans, the federal crop insurance program, and the noninsured crop disaster assistance program.²⁶

When major disasters affect widespread portions of the nation, Congress traditionally has supplemented these ongoing USDA programs with emergency crop loss payments, livestock feed assistance and other ad-hoc programs. Between fiscal years 1988 and 2003, Congress approved nearly \$17 billion in emergency crop loss payments, and approximately \$2.6 billion in livestock and other emergency farm disaster assistance.²⁷

Most recently, the FY2003 Consolidated Appropriations Act (P.L. 108-7) contained authority to reimburse farmers for either 2001 or 2002 farm commodity losses, including an estimated \$2 billion in crop loss payments and approximately \$350 million in livestock feed assistance. Major disasters, such as hurricanes, often serve as a catalyst for Congress to authorize emergency farm assistance. Once authorized, however, the assistance generally is not limited to a specific region, but in most cases is made available to any farmer nationwide who meets a certain minimum crop loss requirement (usually about 35%).

²⁵ This section prepared by Ralph Chite, Resources, Science, and Industry Division, CRS.

²⁶ For more information on these and other USDA assistance programs, see CRS Report RS21212, *Agricultural Disaster Assistance*, by Ralph Chite.

²⁷ For more details on this spending, see CRS Report RL31095, *Emergency Funding for Agriculture: A Brief History of Supplemental Appropriations*, by Ralph Chite.

To assist farmers with more recent production losses, congressional and administrative action is taking place on a number of fronts: (1) both the Senate-passed FY2005 Homeland Security Appropriations bill (H.R. 4567/S. 2537) and the House-passed FY2005 emergency supplemental appropriations bill (H.R. 5212) would provide an estimated \$3 billion in farm disaster assistance, primarily for 2003 or 2004 crop and livestock feed losses; (2) Administration requests for an estimated \$530 million in additional assistance, exclusively for agricultural losses caused by the 2004 hurricanes, are pending before Congress; H.R. 5212, as passed by the House, provides a portion of this request (\$320 million), primarily for debris clean-up and specialty crop assistance; and (3) the Administration announced a new program using existing funds to make an estimated \$500 million in crop loss payments for victims of Hurricanes Charley and Frances.

Crop and Livestock Assistance. On September 14, 2004, the full Senate adopted the Baucus amendment to the FY2005 Homeland Security bill (H.R. 4567/S. 2537) that would provide an estimated \$3 billion in emergency supplemental farm disaster assistance in response to various natural disasters. On October 6, 2004, the House adopted a Neugebauer floor amendment to an FY2005 emergency supplemental appropriations bill (H.R. 5212) that would provide assistance in a similar manner as the adopted Baucus amendment. However, the projected \$3 billion cost of the assistance in the House bill is offset by capping 10-year expenditures for the mandatory Conservation Security Program at a level that is \$3 billion below its current estimated 10-year cost.

The Administration has not requested any assistance for agricultural disasters other than the 2004 hurricanes. Fiscal conservatives have insisted that the cost of any agricultural assistance for disasters other than the 2004 hurricanes should be offset with reductions in other USDA programs. Supporters of farm and conservation programs are opposed to reducing spending for any farm bill programs to pay for disaster assistance, and contend that all natural disasters should be treated equally. The House-passed FY2005 supplemental bill and the House- and Senate-passed versions of the Homeland Security appropriations are expected to be resolved together in conference.

Much of this \$3 billion in assistance is expected to benefit western states that have experienced multiple years of drought, and other regions that were affected by a later summer frost and other disasters. Although crop losses were significant in Florida following the summer hurricanes, a program feature that prohibits payments to producers with gross income greater than \$2.5 million likely would exclude Florida citrus growers and nursery operations from receiving benefits. Hence, the Florida delegation has sought additional assistance for their producers. (See sections below for details on hurricane agricultural assistance.)

Within the \$3 billion in estimated assistance in the two are “such sums as necessary” from USDA’s Commodity Credit Corporation (CCC) to fully fund payment formulas for three disaster programs — crop loss assistance, livestock assistance, and tree assistance. CBO estimates the cost of these three programs at \$2.5 billion for crop losses, \$475 million for livestock assistance, and \$20 million for tree replantings. If these estimates fall short of program needs, CCC funds would be available for any shortfall.

As mandated by both bills, the crop loss payments would be implemented in the same fashion as the 2000 crop disaster program. A crop producer would be eligible for assistance if crop losses due to any natural disaster were in excess of 35% in either 2003 or 2004 (but cannot receive assistance for both years). For losses in excess of the 35% threshold, an eligible producer would receive a payment of up to 65% of the relevant price for the commodity. Payments would be made to all eligible producers regardless of whether a farmer was in a declared disaster area. Recipients would be subject to an \$80,000 per person payment limit.

Also included in the total is necessary funding for a Livestock Assistance Program (LAP), which would provide direct payments to eligible livestock producers who suffered grazing losses due to a natural disaster. The bills require the program to be modeled after the LAP implemented in 2000. Under this proposed program, a livestock producer would be eligible for LAP benefits when a natural disaster caused the producer in an approved county to suffer a 40 percent or greater loss of grazing for three or more consecutive months during either 2003 or 2004. Like the crop loss program, the livestock producer would be eligible for payments for either year, but not both.

Finally, necessary funds are provided to fully fund the Tree Assistance Program (TAP), which was authorized by the 2002 farm bill (P.L. 107-171) but did not receive any regular appropriations for FY2004. TAP provides financial assistance to orchard growers to help them replant eligible trees, bushes, and vines that are damaged or destroyed by a natural disaster. A grower who loses more than 15% of eligible trees to a natural disaster can be reimbursed for 75% of the cost of replanting eligible losses. Payments are limited to 500 acres and no more than \$75,000 per person.

USDA's Florida Hurricane Disaster Assistance Program. On September 24, 2004, the Administration announced a new agricultural disaster program designed to assist any Florida county that was declared a disaster area as a result of either Hurricane Charley or Hurricane Frances. The new Florida Hurricane Disaster Assistance Program will use existing USDA Section 32 funds²⁸ (estimated by USDA at more than \$500 million) to provide direct disaster payments to producers of citrus, vegetables, and nursery crops based on estimated losses. Sign-up for the program is expected in early October. Recipients are subject to an \$80,000 payment limit and are exempt from a \$2.5 million gross income limitation if 75% of income is derived from farming or forestry. This 75% provision allows large agricultural operations to be eligible for disaster assistance, as long as most of their income is from farming. For more on this program, see the USDA press release at [http://www.usda.gov/wps/portal/!ut/p/_s.7_0_A/7_0_1OB?contentidonly=true&contentid=2004/09/0414.xml].

²⁸ "Section 32" is a permanent appropriation that since 1935 has earmarked the equivalent of 30% of annual customs receipts to support the farm sector through a variety of activities. Perhaps the best-known use of Section 32 funds is USDA's direct purchases of meats, poultry, fruits, vegetables, and fish, which are diverted mainly to school lunch and other domestic food programs.

Pending Agricultural Assistance for Hurricane Losses. The Administration has requested an estimated \$530 million in assistance exclusively for agricultural losses caused by the 2004 hurricanes. (This request would primarily assist crop growers with losses associated with Hurricanes Ivan and Jeanne in all affected states, while the Administration's initiative described above is designed to help only Florida victims of Hurricanes Charley and Frances.) Included in this amount is \$230 million in debris clean-up assistance through various USDA conservation programs, an estimated \$210 million in farm disaster payments, and a \$90 million transfer to Section 32 from USDA's Commodity Credit Corporation to further fund the Administration's Florida hurricane assistance. The requested disaster payments would cover an eligible producer with hurricane crop losses in excess of 35%, and would make a payment of up to 50% of the relevant price of the commodity for losses in excess of the 35% threshold. The same payment limit as in the Administration's initiative would apply to recipients, so that the sum of disaster aid from either source could not exceed \$80,000. A gross income limitation of \$2.5 million would apply only if less than 75% of income is derived from farming.

The House-passed FY2005 supplemental appropriations bill (H.R. 5212) contains the requested \$230 million exclusively for hurricane debris cleanup and land restoration, as well as the \$90 million transfer to Section 32 for the Administration's citrus, vegetable, and nursery assistance program. H.R. 5212 also provides an additional \$50 million for debris cleanup and land restoration for any region of the country suffering a disaster, which was not requested by the Administration. The bill did not provide any funding for the hurricane-related crop disaster payments requested by the Administration. No comparable provisions are in any Senate bill.

Conclusion

Hurricanes Charley, Frances, Ivan, and Jeanne, the continuing drought, and other catastrophes serve as reminders that natural disasters, not just terrorist attacks, devastate communities and have short-term (if not long-term) adverse economic impacts. These hurricanes continue a decades-long trend that has required billions of dollars in federal expenditures. The immediate shortfall in the DRF in early September 2004 was resolved with the passage of H.R. 5005, P.L. 108-303. With three other supplemental requests the Administration indicated to Congress that the needs of stricken communities and victims required more aid. During the debate on the supplemental request Members of Congress have considered issues such as the funding of disasters and the American Red Cross.

Although farm disaster assistance has been enacted to cover farm production losses in virtually every crop year between 1988 and 2002, some policymakers are concerned that the continued availability of ad-hoc disaster payments might discourage producers from purchasing a crop insurance policy. Several billion dollars in additional premium subsidy were pumped into the federal crop insurance program beginning in 2000, to enhance farmer participation and preclude the need for ad-hoc disaster assistance. Participation in the crop insurance program has increased significantly since 2000. However, when widespread disasters strike, the political pressure continues to further compensate farmers for disaster losses.