

CRS Report for Congress

Received through the CRS Web

Emergency Supplemental Appropriations for Hurricane Katrina Relief

Jennifer E. Lake
Domestic Social Policy Division

Ralph M. Chite
Resources, Science, and Industry Division

Summary

In response to the widespread destruction brought to the Gulf Coast by Hurricane Katrina, the 109th Congress completed action on a \$10.5 billion emergency supplemental bill (P.L. 109-61, H.R. 3645), as requested by the Administration. The President submitted the request on September 1, 2005. Both chambers approved it within 24 hours, and it was signed into law on September 2, 2005. Of the amount provided, \$10 billion is for the ongoing efforts of the Federal Emergency Management Agency (FEMA) to provide emergency food, shelter, and medical care to flooded regions; \$500 million is for the Department of Defense to defray the cost of deploying military personnel to the region for rescue and relief, and for other response costs. The Administration has stated that additional requests for supplemental funding will be made in the weeks ahead, as loss and recovery estimates become available. This report will be updated as events warrant.

Overview¹

Hurricane Katrina struck the Gulf Coast of the United States on August 29, 2005, causing widespread flooding and significant property and infrastructure damage to Louisiana, Mississippi, and Alabama. In response, the 109th Congress completed action on an emergency supplemental appropriation bill (P.L. 109-61, H.R. 3645) that provides \$10.5 billion in FY2005 funding to areas stricken by the disaster. The President submitted the request for the emergency supplemental on September 1, 2005. Both the Senate and the House quickly took action on the measure. The Senate passed the request by unanimous consent the evening of September 1, 2005. The House approved the bill by voice vote on September 2, 2005, and the President signed it into law the same day. P.L. 109-61 provides \$10 billion in FY2005 funding for the Department of Homeland Security's Federal Emergency Management Agency (FEMA), and \$0.5 billion for the

¹ Other CRS analysts contributing to this report were Keith Bea (FEMA) and Amy Belasco (Defense).

Department of Defense (DOD) to support the costs of evacuation, emergency repairs, and deployment of personnel, and other costs resulting from the immediate relief efforts.

P.L. 109-61 is anticipated to be the first of several emergency supplemental measures, with the next request likely to be submitted within a few days. The President has indicated that he will make additional requests for emergency funding as soon as reliable estimates of hurricane damage can be completed and a more comprehensive assessment of required resources is available.

Breakdown of Enacted Supplemental Spending

FEMA. Of the \$10.5 billion in supplemental funding provided by P.L. 109-61, \$10 billion is directed to FEMA to administer relief to the areas affected by the hurricane. These funds are derived from the Disaster Relief Fund (DRF), administered by FEMA. The Homeland Security Act of 2002 (P.L. 107-296) transferred the authorities and functions previously carried out by FEMA to DHS and charged the Secretary of Homeland Security with the responsibility for administering these activities. The Emergency Preparedness and Response Directorate (EPR) of DHS, which includes FEMA, has primary responsibility for activities authorized by the Stafford Act.²

DHS uses DRF funds to provide assistance to individuals, families, state and local governments, and certain nonprofit organizations, as authorized by the Stafford Act. 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.³ Federal assistance supported by DRF money is used by states, localities, and certain nonprofit organizations to provide mass care, restore damaged or destroyed facilities, clear debris, and aid individuals and families with uninsured needs, among other activities. In response to Hurricane Katrina the President has issued major disaster declarations for Louisiana, Mississippi, Alabama, and Florida.⁴

Amounts are appropriated to the DRF during the annual appropriations process to provide an available source of funding for disaster relief expenditures. For FY2005, Congress appropriated \$8.5 billion to the DRF. This amount included \$6.5 billion in supplemental disaster relief funding (P.L. 108-324) after Hurricanes Charley, Frances, Ivan, and Jeanne struck Florida and other states in the U.S. in the summer of 2004.⁵ For the FY2006 Department of Homeland Security appropriation, the President requested and both the House and Senate recommended, comparable funding of approximately \$2

² The Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq.

³ For more information on the Stafford Act and the DRF, see CRS Report RL33053, *Federal Stafford Act Disaster Assistance: Presidential Declarations, Eligible Activities, and Funding*, by Keith Bea.

⁴ For information on Hurricane Katrina, including the disaster declarations, see U.S. Federal Emergency Management Agency (FEMA), "Hurricane Katrina Information," at [http://www.fema.gov/press/2005/resources_katrina.shtml], visited Sept. 2, 2005.

⁵ For more information, see CRS Report RL32581, *Supplemental Appropriations for the 2004 Hurricanes and Other Disasters*, by Keith Bea and Ralph M. Chite.

billion for the DRF.⁶ (Final action on the FY2006 DHS appropriations bill (H.R. 2360) is pending.)

Table 1. FY2005 Supplemental Appropriations in Response to Hurricane Katrina, Administration's Initial Request, and P.L. 109-61
(\$ in millions)

Federal agency/account	Administration Request	Provided by P.L. 109-61/H.R. 3645
<i>Department of Defense (DoD)</i> Operations and Maintenance, Defense-Wide	500	500
<i>Department of Homeland Security (DHS)</i> <i>Emergency Preparedness and Response (EPR)</i> Disaster Relief Fund	10,000	10,000
Total:	10,500	10,500

Source: President's Request for Emergency Supplemental Funding in letter to the Speaker of the House dated September 1, 2005; and H.R. 3645.

See [http://www.whitehouse.gov/omb/budget/amendments/supplemental_9_1_05.pdf].

Defense. P.L. 109-61 also provides \$500 million to the Department of Defense (DOD) for emergency evacuation of military and civilian personnel, debris removal, and emergency repairs at over 20 defense installations affected by the hurricane, and for DOD's operational costs in evacuating, rescuing, and providing relief supplies to civilians in New Orleans and elsewhere. Damage at defense installations ranges from minor damage to fences and roofs to wholesale damage to facilities in New Orleans and Mississippi. Two of the damaged facilities — the Naval Supply Activity in New Orleans and the Army ammunition plant in Mississippi — are recommended for closure by the Department of Defense in the ongoing Base Realignment and Closure round.⁷

The DOD funds are appropriated to Operation and Maintenance, DOD-wide with special transfer authority allowing DOD to move the monies to other accounts depending on the type of expense (e.g., to pay military personnel costs, operating costs, procurement, family housing, and Defense Health). The congressional defense committees are to be notified in writing of transfers within five days. Additional requests are anticipated for military construction if new buildings need to be constructed as well as other expenses. These funds do not pay for the cost of activating National Guard forces, which are currently being borne by the states.

The DOD funds are appropriated to Operation and Maintenance, DOD-wide with special transfer authority allowing DoD to move the monies to other accounts depending on the type of expense (e.g., to pay military personnel costs, operating costs, procurement, family housing, and Defense Health). The congressional defense committees are to be notified in writing of transfers within five days. Additional requests are anticipated for military construction if new buildings need to be constructed as well as other expenses.

⁶ For more information, see CRS Report RL32863, *Homeland Security Department: FY2006 Appropriations*, coordinated by Jennifer E. Lake, and Blas Nuñez-Neto, pp. 49-53.

⁷ Final recommendations to the President from the base closure commission are due on September 8, 2005.