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# DHS Appropriations FY2017: Protection, Preparedness, Response, and Recovery

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## Summary

This report is part of a suite of reports that discuss appropriations for the Department of Homeland Security (DHS) for FY2017. It specifically discusses appropriations for the components of DHS included in the third title of the homeland security appropriations bill—the National Protection and Programs Directorate, the Office of Health Affairs, and the Federal Emergency Management Agency. Collectively, Congress has labeled these components in recent years as “Protection, Preparedness, Response, and Recovery.”

The report provides an overview of the Administration’s FY2017 request for these components, and the appropriations proposed by the Senate and House appropriations committees in response. Rather than limiting the scope of its review to the third title of the bills, the report includes information on provisions throughout the bills and report that directly affect these components.

Protection, Preparedness, Response, and Recovery is the second largest of the four titles that carry the bulk of the funding in the bill, and includes the bulk of grant funding provided by DHS. The Administration requested \$5.69 billion in FY2017 net discretionary budget authority for components included in this title and \$6.71 billion in specially designated funding for disaster relief—together representing 26.0% of the Administration’s \$47.7 billion request for net discretionary budget authority and disaster relief funding for DHS. As part of the request, the Administration proposed consolidating the Office of Health Affairs (OHA), along with several other parts of DHS, into a new Chemical, Biological, Radiological, Nuclear, and Explosives Office, which would be funded in another title.

The appropriations request was \$718 million (11.2%) less than was provided for FY2016 in net discretionary budget authority. The proposed decrease in discretionary funding for the components in this title is more than double the total net decrease in adjusted net discretionary budget authority requested for the entire department. The largest budget decrease proposed was a \$546 million (11.7%) reduction in net discretionary budget authority for the Federal Emergency Management Agency, largely driven by reductions in grant programs. Also contributing to the reduction in the request was its proposal to consolidate OHA (along with several other parts of DHS) into a new Chemical, Biological, Radiological, Nuclear, and Explosives Office, funded in Title IV. OHA had been funded at \$125 million in Title III in FY2016.

Senate Appropriations Committee-reported S. 3001 would have provided the components included in this title \$6.58 billion in net discretionary budget authority. This would have been \$898 million (15.8%) more than requested, and \$180 million (2.8%) more than was provided in FY2016. S. 3001 included the requested disaster relief funding.

House Appropriations Committee-reported H.R. 5634 would have provided the components included in this title \$6.44 billion in net discretionary budget authority. This would have been \$753 million (13.2%) more than requested, and \$34 million (0.5%) more than was provided in FY2016. H.R. 5634 also included the requested disaster relief funding.

On September 29, 2016, the President signed into law P.L. 114-223, which contained a continuing resolution that funds the government at the same rate of operations as FY2016, minus 0.496% through December 9, 2017. For details on the continuing resolution and its impact on DHS, see CRS Report R44621, *Department of Homeland Security Appropriations: FY2017*, which also includes additional information on the broader subject of FY2017 funding for DHS as well as links to analytical overviews and details regarding components in other titles.

This report will be updated once the annual appropriations process for DHS for FY2017 is concluded.

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## Introduction

This report is part of a suite of reports that discuss appropriations for the Department of Homeland Security (DHS) for FY2017. It specifically discusses appropriations for the components of DHS included in the third title of the homeland security appropriations bill—the National Protection and Programs Directorate (NPPD), the Office of Health Affairs (OHA), and the Federal Emergency Management Agency (FEMA). Collectively, Congress has labeled these components in recent years as “Protection, Preparedness, Response, and Recovery.”

The report provides an overview of the Administration’s FY2017 request for these components, and the appropriations proposed by the Senate and House appropriations committees in response. Rather than limiting the scope of its review to the third title of the bills, the report includes information on provisions throughout the bills and report that directly affect these components.

The suite of CRS reports on homeland security appropriations tracks legislative action and congressional issues related to DHS appropriations, with particular attention paid to discretionary funding amounts. The reports do not provide in-depth analysis of specific issues related to mandatory funding—such as retirement pay—nor do they systematically follow other legislation related to the authorization or amending of DHS programs, activities, or fee revenues.

Discussion of appropriations legislation involves a variety of specialized budgetary concepts. The Appendix to CRS Report R44621, *Department of Homeland Security Appropriations: FY2017*, explains several of these concepts, including budget authority, obligations, outlays, discretionary and mandatory spending, offsetting collections, allocations, and adjustments to the discretionary spending caps under the Budget Control Act (P.L. 112-25). A more complete discussion of those terms and the appropriations process in general can be found in CRS Report R42388, *The Congressional Appropriations Process: An Introduction*, by (name redacted) and (name redacted), and the Government Accountability Office’s *A Glossary of Terms Used in the Federal Budget Process*.<sup>1</sup>

## Note on Data and Citations

Except in summary discussions and when discussing total amounts for the bill as a whole, all amounts contained in the suite of CRS reports on homeland security appropriations represent budget authority and are rounded to the nearest million. However, for precision in percentages and totals, all calculations were performed using unrounded data.

Data used in this report for FY2016 amounts are derived from two sources. Normally, this report would rely on P.L. 114-113, the Omnibus Appropriations Act, 2016—Division F of which is the Homeland Security Appropriations Act, 2016—and the accompanying explanatory statement published in Books II and III of the *Congressional Record* for December 17, 2015. However, due to the implementation of the Common Appropriations Structure for DHS (see below), additional information is drawn from H.Rept. 114-668, which presents the FY2016 enacted funding in the new structure. H.Rept. 114-668 also serves as the primary source for the FY2016 enacted funding levels, the FY2017 Administration-requested funding levels, and the House Appropriations Committee recommendation in the new structure. S.Rept. 114-264 serves as the primary source for the FY2016 enacted funding levels, the FY2017 Administration-requested funding levels, and

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<sup>1</sup> U.S. Government Accountability Office, *A Glossary of Terms Used in the Federal Budget Process*, GAO-05-734SP, September 1, 2005, <http://www.gao.gov/products/GAO-05-734SP>.

Senate Appropriations Committee recommendation in the “legacy structure”—the overall structure of appropriations enacted for FY2016.

The two appropriations committees took different approaches not only with the Common Appropriations Structure, but also with the Administration’s proposed establishment of the new Chemical, Biological, Radiological, Nuclear, and Explosives Office—the Senate Appropriations Committee did not accept the reorganization, while the House did not. Readers should bear that in mind while making their analytical comparisons of funding for NPPD or OHA, or funding levels by title of the bill.

## **The “Common Appropriations Structure”<sup>2</sup>**

Section 563 of Division F of P.L. 114-113 (the FY2016 Department of Homeland Security Appropriations Act) provided authority for DHS to submit its FY2017 appropriations request under the new common appropriations structure (CAS), and implement it in FY2017. Under the act, the new structure was to have four categories of appropriations:

- Operations and Support;
- Procurement, Construction and Improvement;
- Research and Development; and
- Federal Assistance.<sup>3</sup>

Most of the FY2017 DHS appropriations request categorized its appropriations in this fashion. The exception was the Coast Guard, which was in the process of migrating its financial information to a new system. DHS has also proposed realigning its Programs, Project, and Activities (PPA) structure—the next level of funding detail below the appropriation level—possibly trying to align PPAs into a mission-based hierarchy.

The House Appropriations Committee made its funding recommendation using the CAS (although it chose to implement it slightly differently than the Administration had envisioned in Title I), but the Senate Appropriations Committee did not, instead drafting its annual DHS appropriations bill and report using the same structure as was used in FY2016. It remains to be seen how differences between the House and Senate structures will be worked out in the legislation which finalizes FY2017 appropriations levels for DHS. Some individual programmatic comparisons are possible between the two bills, and the Coast Guard’s appropriations are comparable as its FY2017 funding was not proposed in the CAS structure. However, no authoritative crosswalk between the House Appropriations Committee proposal in the CAS structure and Senate Appropriations Committee proposal in the legacy structure is publicly available.

## **Summary of DHS Appropriations**

Generally, the homeland security appropriations bill includes all annual appropriations provided for DHS, allocating resources to every departmental component. Discretionary appropriations<sup>4</sup> provide roughly two-thirds to three-fourths of the annual funding for DHS operations, depending

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<sup>2</sup> A more complete analysis of the history and impact of the Common Appropriations Structure proposal is available in CRS Report R44621, *Department of Homeland Security Appropriations: FY2017*, coordinated by (name redacted) .

<sup>3</sup> Section 563, Division F, P.L. 114-113.

<sup>4</sup> Generally speaking, those provided through annual appropriations legislation.

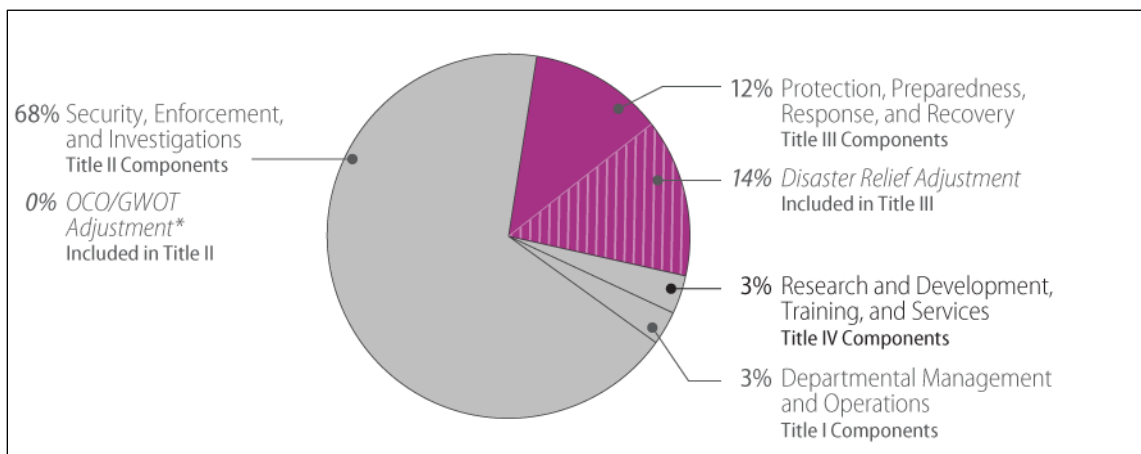
how one accounts for disaster relief spending and funding for overseas contingency operations. The remainder of the budget is a mix of fee revenues, trust funds, and mandatory spending.<sup>5</sup>

Appropriations measures for DHS typically have been organized into five titles.<sup>6</sup> The first four are thematic groupings of components: Departmental Management and Operations; Security, Enforcement, and Investigations; Protection, Preparedness, Response, and Recovery; and Research and Development, Training, and Services. A fifth title contains general provisions, the impact of which may reach across the entire department, impact multiple components, or focus on a single activity.

The following pie chart presents a visual comparison of the share of annual appropriations requested for the components funded in each of the first four titles, highlighting the components discussed in this report.

**Figure I. Proportion of Requested DHS Discretionary Budget Authority by Title, FY2017**

(including budget authority designated for disaster relief or OCO/GWOT under the Budget Control Act)



**Source:** CRS analysis of data from U.S. Department of Homeland Security, *FY2017 Budget in Brief*.

**Notes:** \*—The Administration requested \$163 million to be transferred to DHS under the Overseas Contingency Operations/Global War on Terror (OCO/GWOT) allowable adjustment under the Budget Control Act. This amount rounds to zero for this calculation, and thus does not appear in the chart. Titles in italics and patterned wedges represent funding covered under adjustments to discretionary spending limits under the Budget Control Act.

## Protection, Preparedness, Response, and Recovery

As noted above, the Protection, Preparedness, Response, and Recovery title (Title III) of the DHS appropriations bill is the second largest of the four titles that carry the bulk of the funding in the bill, and includes most of the grant funding provided by DHS. In FY2016, Title III provided

<sup>5</sup> A detailed analysis of this breakdown between discretionary appropriations and other funding is available in CRS Report R44052, *DHS Budget v. DHS Appropriations: Fact Sheet*, by (name redacted).

<sup>6</sup> Although the House and Senate generally produce symmetrically structured bills, this is not always the case. Additional titles are sometimes added by one of the chambers to address special issues. For example, the FY2012 House full committee markup added a sixth title to carry a \$1 billion emergency appropriation for the Disaster Relief Fund (DRF). The Senate version carried no additional titles beyond the five described above. For FY2016, the House- and Senate-reported versions of the DHS appropriations bill were generally symmetrical.

funds for NPPD, OHA, and FEMA. The Administration requested \$5.69 billion in FY2017 net discretionary budget authority for NPPD and FEMA, and \$6.71 billion in specially designated funding for disaster relief as part of a total budget for these components of \$20.00 billion for FY2017.<sup>7</sup> The appropriations request for the two components funded in this title was \$718 million (11.2%) less than was provided for FY2016 in net discretionary budget authority.

Part of the reason for the reduction in the request for Title III was that, as part of the request, the Administration proposed consolidating OHA (along with several other parts of DHS) into a new Chemical, Biological, Radiological, Nuclear, and Explosives Office, funded in Title IV. OHA had been funded at \$125 million in Title III in FY2016.

Senate Appropriations Committee-reported S. 3001 would have provided the components included in this title \$6.58 billion in net discretionary budget authority. This would have been \$898 million (15.8%) more than requested, and \$180 million (2.8%) more than was provided in FY2016. S. 3001 did not include the proposed reorganization of OHA, but included the requested disaster relief funding.

House Appropriations Committee-reported H.R. 5634 would have provided the components included in this title \$6.44 billion in net discretionary budget authority. This would have been \$753 million (13.2%) more than requested, and \$34 million (0.5%) more than was provided in FY2016. H.R. 5634 included both the reorganization of OHA and the requested disaster relief funding.

These bills were not voted on in either body, and no annual appropriations bill for DHS was enacted prior to the end of FY2016. On September 29, 2016, the President signed into law P.L. 114-223, which contained a continuing resolution that funds the government at the same rate of operations as FY2016, minus 0.496% through December 9, 2017. For details on the continuing resolution and its impact on DHS, see CRS Report R44621, *Department of Homeland Security Appropriations: FY2017*.

**Table 1** lists the enacted funding level for the individual components funded under the Protection, Preparedness, Response, and Recovery title for FY2016, as well as the amounts requested for these accounts for FY2017 by the Administration, and proposed by the Senate and House appropriations committees. The table includes information on funding under Title III as well as other provisions in the bill.

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<sup>7</sup> In addition to the appropriations provided in Title III, under the request, the Disaster Relief Fund would receive \$6,713 million in budget authority that is accommodated by an adjustment to the discretionary spending limits set by the Budget Control Act (P.L. 112-25). \$24 million of that amount is to be transferred to the OIG. Another \$1,443 million is provided through offsetting collections to the Federal Protective Service—neither of these are included in the net discretionary budget total. Other resources that contribute to the budget for these components include mandatory spending, fee revenues, and trust funds, including the National Flood Insurance Fund.

**Table I. Budgetary Resources for Protection, Preparedness, Response and Recovery**  
(budget authority in millions of dollars)

Component	FY2016	FY2017		
	Enacted	Request	Senate Committee Reported S. 3001	House Committee Reported H.R. 5634
<b>National Protection and Programs Directorate</b>				
Title III Appropriation	1,636	1,589	1,818	1,756
Total Appropriation (includes the impact of any General Provisions)	1,636	1,589	1,818	1,756
Fees, Mandatory Spending, and Trust Funds	1,443	1,451	1,451	1,451
Total Budgetary Resources	3,079	3,040	3,269	3,207
<b>Office of Health Affairs</b>				
Title III Appropriation	125	0	108	0
Total Appropriation (includes the impact of any General Provisions)	125	0	108	0
Fees, Mandatory Spending, and Trust Funds	0	0	0	0
Total Budgetary Resources	125	0	108	0
<b>Federal Emergency Management Agency</b>				
Title III Appropriation <sup>a</sup>	4,666	4,121	4,681	4,706
Total Appropriation (includes the impact of any General Provisions)	4,716	4,121	4,681	4,706
Disaster Relief Designation	6,713	6,709	6,709	6,709
Fees, Mandatory Spending, and Trust Funds	5,038	5,973	5,973	5,973
Total Budgetary Resources <sup>a</sup>	16,574	16,961	17,521	17,546

**Source:** CRS analysis of Division F of P.L. 114-113 and its explanatory statement as printed in the *Congressional Record* of December 17, 2015, pp. H10161-H10210; S. 3001 and S.Rept. 114-264; and H.R. 5634 and H.Rept. 114-668.

**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data. Amounts, therefore, may not sum to totals. Fee revenues included in the “Fees, Mandatory Spending, and Trust Funds” lines are projections, and do not include budget authority provided through general provisions.

- a. For consistency across tables, the appropriations line does not include the effect of \$24 million transfer from the Disaster Relief Fund to the Office of Inspector General, and is net of offsetting fees from the National Flood Insurance Fund (\$181 million in FY2016, \$182 million in FY2017)—their impact is reflected in the Total Budgetary Resources line.



- b. The Administration proposed shifting \$306 million for the Office of Biometric Identity Management from the National Protection and Programs Directorate to Customs and Border Protection. Neither House nor Senate Appropriations Committees accepted this proposal. The Administration also proposed shifting the Office of Bombing Protection and its \$14 million budget to the new Chemical, Biological, Radiological, Nuclear, and Explosive Office. While the House Appropriations Committee accepted this proposal, the Senate Appropriations Committee did not.

## National Protection and Programs Directorate (NPPD)<sup>8</sup>

The National Protection and Programs Directorate (NPPD) is the component within the Department of Homeland Security responsible for leading national efforts on information sharing, risk mitigation, and protection efforts for the resilience of national infrastructure, and for cybersecurity.

NPPD is currently organized into five offices: the Office of Biometric Identity Management (OBIM), the Office of Cybersecurity and Communications (CS&C), the Office of Cyber and Infrastructure Analysis (OCIA), the Office of Infrastructure Protection (IP), and the Federal Protective Service (FPS). The majority of the net discretionary budget for NPPD focuses on cybersecurity and critical infrastructure protection, which are reflected in CS&C and IP.<sup>9</sup> Other responsibilities for NPPD include providing biometric identity services to the department, providing all-hazard consequence and interdependency analysis on critical infrastructure, and securing federal facilities. The Administration's FY2017 budget proposed moving two elements of NPPD to other parts of DHS: OBIM was to be transferred to U.S. Customs and Border Protection (funded in Title II), and the Office of Bombing Prevention was to be transferred from IP to the new Chemical, Biological, Radiological, Nuclear, and Explosives (CBRNE) Office funded in Title IV.

### Summary of Appropriations

For FY2016, the Administration requested \$3.04 billion in discretionary budget authority for NPPD. \$1.45 billion of this was for FPS, whose budget is offset by fees. The budget request for the rest of NPPD was \$1.59 billion in net discretionary budget authority, \$47 million (2.9%) less than was provided in FY2016. Note that these figures do not include the \$306 million request for OBIM, which the Administration proposed transferring to CBP in the request, nor the \$14 million request for the Office of Bombing Prevention (OBP), which the Administration proposed transferring to the new Chemical, Biological, Radiological, Nuclear, and Explosives (CBRNE) office. The total FY2017 request for all of the FY2016 elements of NPPD including OBIM and OBP was \$1.91 billion in net discretionary budget authority—\$272 million (16.6%) more than was provided in FY2016.

Senate Appropriations Committee-reported S. 3001 included \$1.82 billion in net discretionary budget authority for NPPD, not including FPS. This was \$230 million (14.5%) more than was requested by the Administration, although the Administration's request for NPPD did not include the \$320 million for OBIM and OBP, which S. 3001 continued to include in NPPD. The net

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<sup>8</sup> Prepared by (name redacted), Analyst in Cybersecurity Policy, [redacted] @crs.loc.gov Government and Finance Division.

<sup>9</sup> The budget for FPS, which represents roughly half of NPPD's total resources, is offset by fees, so it does not register in the net discretionary budget authority calculation.

funding level for NPPD in S. 3001 was \$183 million (11.2%) more than was provided in FY2016. FPS was funded at the requested level in the bill and fully offset.

House Appropriations Committee-reported H.R. 5634 included \$1.76 billion in net discretionary budget authority for NPPD, not including FPS. This is \$167 million (10.5%) more than was requested by the Administration, although the Administration's request did not include the \$306 million for OBIM, which H.R. 5634 continued to include in NPPD.<sup>10</sup> The net funding level for NPPD in H.R. 5634 was \$120 million (7.4%) more than was provided in FY2016. The House committee-reported funding level is \$62 million (3.4%) less than was proposed in the Senate committee-reported bill. FPS would be funded at the requested level in H.R. 5634 and fully offset.

## **Issues in NPPD's Appropriations**

### **NPPD Reorganization**

DHS requested that Congress authorize NPPD to reorganize into the Cyber and Infrastructure Protection Agency (CIPA) to focus its efforts and achieve greater operational efficiencies.<sup>11</sup> DHS requires Congressional approval to reorganize because of provisions added to annual appropriations prohibiting the department from using funds to reorganize pursuant to Section 872 of the Homeland Security Act.<sup>12</sup>

DHS proposed elevating the National Cybersecurity and Communications Integration Center (NCCIC) to a direct reporting element within the agency with responsibilities for all of NPPD's cybersecurity activities, renaming the "Office of Infrastructure Protection" to be "Infrastructure Security," keeping FPS as is. In all, the new structure would contain three primary elements with seven support elements.<sup>13</sup>

Both the House and the Senate committee-reported appropriation bills would fund NPPD within its current structure without authorizing reorganization.

Congress is considering an alternative proposal in H.R. 5390. The Cybersecurity and Infrastructure Protection Agency Act of 2016 would alter the composition of the agency by creating four sub-elements: the Cybersecurity Division; the Infrastructure Protection Division; the Emergency Communications Division; and FPS. General responsibilities for the reorganized agency under both approaches are similar.

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<sup>10</sup> While neither House nor Senate appropriations committee accepted the transfer of OBIM to CBP, the House Appropriations Committee did accept the transfer of OBP to the new CBRNE Office.

<sup>11</sup> Department of Homeland Security, "Written testimony of NPPD Under Secretary Suzanne Spaulding for a House Committee on Homeland Security, Subcommittee on Cybersecurity, Infrastructure Protection, and Security Technologies hearing titled 'Examining the Mission, Structure, and Reorganization Effort of the National Protection and Programs Directorate,'" written testimony, October 7, 2015, at <https://www.dhs.gov/news/2015/10/07/written-testimony-nppd-under-secretary-house-homeland-security-subcommittee>.

<sup>12</sup> The most recent example of this is in Section 520 of Division F (Department of Homeland Security Appropriations Act, 2016) in P.L. 114-113, which states "None of the funds provided or otherwise made available in this Act shall be available to carry out section 872 of the Homeland Security Act of 2002 (6 U.S.C. 452) unless explicitly authorized by Congress."

<sup>13</sup> National Protection and Programs Directorate, *Cyber and Infrastructure Protection Transition Way Ahead*, U.S. Department of Homeland Security, Fiscal Year 2016 Report to Congress, Washington, DC, March 17, 2016, p. 7.

## **Office of Biometric Identity Management (OBIM)**

OBIM is responsible for providing biometric identification services across DHS, and to other federal, state, local, and international government partners. OBIM does this by providing the government and international partners technology they may use to collect and store biometric data to identify individuals, and by ensuring the integrity of that data.

Under the Administration's proposed NPPD reorganization OBIM would be transferred to U.S. Customs and Border Protection. However, neither the House nor the Senate appropriation bills authorize the reorganization, and both committee reports explicitly deny funding for such a move until the reorganization is authorized.

Both committees expressed concern over the governance of the office. The House report withholds \$122 million from obligation until stakeholder input is addressed. The Senate report explicitly states that no less than \$52 million shall be used for the next developmental stage of OBIM's new technology platform, despite similar concerns about stakeholder engagement. The Senate report addressed the engagement concern by requiring periodic briefings on the subject to the committee.

## **Staffing**

Both committees noted that the Department has been unable to recruit and retain staff to its authorized level. As such, both committees recommended lower than requested position authorizations and reduced funding, accordingly, to allow the department to align its hiring and attrition.

The House committee report, noted that "NPPD continues to suffer from an inability to fill key vacancies ... especially in hiring and retaining personnel with the requisite cyber skills." The House Appropriations Committee recommended providing the requested funding for special cyber pay and bonuses, but recommended overall funding that was almost \$6 million and 345 FTE below the request because of the "expected under-execution of funding for new personnel."<sup>14</sup> The Senate committee report also cited "unrealistically optimistic staffing levels" in their explanation for funding less than the requested 2,289 FTEs for non-FPS elements of NPPD.<sup>15</sup>

## **Cybersecurity Programs**

Both committees reported increases for cybersecurity-related activities from the FY2016 level, but at a level that is lower than the FY2017 request. Two major programs—in both budget and scope—related to cybersecurity for NPPD are the National Cybersecurity Protection System (NCPS) and the Continuous Diagnostics and Mitigations program (CDM).

NCPS is a system intended to improve the security of federal agencies at the point where they connect to the public Internet. It includes three tools (network packet traffic capture, intrusion detection, and intrusion prevention services) more commonly known as EINSTEIN, and a separate computer network to analyze signatures and other identifiers for EINSTEIN. The Senate Appropriations Committee did not explicitly detail a funding level for NCPS, which it included in the Network Security Deployment subappropriation. The House Appropriations Committee report recommended funding NCPS at the requested level of \$471 million.

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<sup>14</sup> H.Rept. 114-668, p. 59.

<sup>15</sup> S.Rept. 114-264, p. 95.

CDM is a program under which NPPD procures sensors for other federal agencies to deploy on their networks. These sensors scan the agency's network to understand the state of the information technology on their network. The results of those scans are reported to an agency dashboard, which, combined with data from the NCCIC, helps agencies prioritize which issues to address. The Senate Appropriations Committee recommended \$247 million for CDM, \$18 million below the request. Although it would fully fund the requested operational costs for CDM, the House Appropriations Committee recommended reducing procurement funding for CDM by \$102 million relative to the request.<sup>16</sup>

The National Cybersecurity and Communications Integration Center (NCCIC) is NPPD's most visible cybersecurity program. The NCCIC is a continuously operating watch center that collects, analyzes, and disseminates cybersecurity risk information to critical infrastructure and government partners. While the NCCIC is funded and staffed through multiple accounts, it now submits a consolidated budget request to provide greater transparency into NCCIC activities. The Senate Appropriations Committee recommended an increase for overall NCCIC activities which is reflected when examining funding for all the programs and activities associated with NCCIC funding. However, the increase is less than was requested, which the Senate report attributed to slower than anticipated hiring.<sup>17</sup> The House report noted a reduction in NCCIC funding of \$26 million, citing budget constraints.<sup>18</sup>

## **Office of Health Affairs (OHA)<sup>19</sup>**

The Office of Health Affairs (OHA) coordinates or consults on DHS programs that have a public health or medical component.<sup>20</sup> These include FEMA operations, homeland security grant programs, and medical care provided at Immigration and Customs Enforcement (ICE) detention facilities. OHA also has operational responsibility for several programs, including the BioWatch program, the National Biosurveillance Integration Center (NBIC), the department's occupational health and safety programs, and the department's implementation of Homeland Security Presidential Directive-9 (HSPD-9), "Defense of United States Agriculture and Food."

In its request for FY2017, the Administration proposed reorganizing OHA into a newly proposed Chemical, Biological, Radiological, Nuclear, and Explosives (CBRNE) Office, which would also incorporate the Domestic Nuclear Detection Office (DNDO), as well as a small part of the National Protection and Programs Directorate, and part of the Office of Policy from Title I. More discussion of the reorganization proposal can be found in CRS Report R44658, *DHS Appropriations FY2017: Research and Development, Training, and Services*, coordinated by (name redacted) .

## **Summary of Appropriations**

As noted above, for FY2016, the Administration requested reorganizing OHA into a new CBRNE Office. While funding for OHA programs could be identified in the CBRNE Office request, no explicit OHA request was made.

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<sup>16</sup> H.Rept. 114-668, p. 64.

<sup>17</sup> S.Rept. 114-264, p. 95.

<sup>18</sup> H.Rept. 114-668, p. 61.

<sup>19</sup> Prepared by (name redacted), Specialist in Science and Technology Policy, Resources, Science, and Industry Division.

<sup>20</sup> DHS, Office of Health Affairs, [http://www.dhs.gov/xabout/structure/editorial\\_0880.shtm](http://www.dhs.gov/xabout/structure/editorial_0880.shtm).

S. 3001, as reported by the Senate Appropriations Committee, did not fund the proposed CBRNE Office. Rather, it recommended funding levels for components as organized in the current DHS structure. It included \$348 million in discretionary budget authority for DNDO. This is \$1 million (0.3%) more than was provided in FY2016 and according to the Senate Committee Report, it is \$6 million (1.8%) less than the Administration's request for comparable activities.<sup>21</sup> S. 3001 also included \$108 million in discretionary budget authority for OHA. This is \$17 million (13.6%) less than was provided in FY2016 and, according to the Senate Committee Report, it is \$12 million (10.0%) less than less than the Administration's request for comparable activities.<sup>22</sup>

House Appropriations Committee-reported H.R. 5634 included the reorganization of OHA as requested.

## Issues in OHA Appropriations

### BioWatch

The BioWatch program deploys sensors in more than 30 U.S. cities to detect the possible aerosol release of a bioterrorism pathogen, in order that medications could be distributed before exposed individuals became ill. Operation of BioWatch accounts for most of OHA's budget. The program had sought for several years to deploy more sophisticated autonomous sensors that could detect airborne pathogens in a few hours, rather than the day or more that is currently required. However, after several years of unsuccessful efforts to procure a replacement for the existing system, DHS announced the termination of further procurement activities in April 2014.<sup>23</sup>

The Administration requested \$82 million for BioWatch, approximately the same amount as was provided in FY2016. The Senate committee recommended \$12 million (14.6%) less than the requested amount for BioWatch for FY2017. It recommended redirecting this \$12 million to the S&T Directorate to "speed the development of a new bio-detection technology" rather than funding the "recapitalization, training, and other support activities of the current system."<sup>24</sup>

The House committee recommended providing the requested amounts for BioWatch for FY2017, including \$1 million to support the replacement and recapitalization of current generation BioWatch equipment. However, the committee expressed concern about the effectiveness of the current system and DHS progress towards improving this system. The committee directed DHS to "more clearly articulate future technology requirements for the program to the private sector and innovators who are being called upon to help address those needs."<sup>25</sup>

## Federal Emergency Management Agency (FEMA)

The primary mission of the Federal Emergency Management Agency (FEMA) is to reduce the loss of life and property, and protect the nation from all hazards. It is responsible for leading and supporting the nation's preparedness for manmade and natural disasters through a risk-based and

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<sup>21</sup> S.Rept. 114-264, p. 132.

<sup>22</sup> S.Rept. 114-264, p. 104.

<sup>23</sup> U.S. Government Accountability Office, *Biosurveillance: Observations on the Cancellation of BioWatch Gen-3 and Future Considerations for the Program*, GAO-14-267T, June 10, 2014, <http://www.gao.gov/products/GAO-14-267T>.

<sup>24</sup> S.Rept. 114-264, p. 104.

<sup>25</sup> H.Rept. 114-668, p. 88.

comprehensive emergency management system of preparedness, protection, response, recovery, and mitigation.<sup>26</sup>

FEMA executes its mission through a number of activities. It provides incident response, recovery, and mitigation assistance to state and local governments, primarily appropriated through the Disaster Relief Fund (DRF) and the Pre-Disaster Mitigation Fund. It also supports disaster preparedness through a series of homeland security and emergency management grant programs.

## **Summary of Appropriations**

For FY2017, the Administration requested \$4.12 billion in net discretionary budget authority for FEMA. This is \$546 million (11.7%) less than was provided in FY2016. FEMA's budget includes two large elements that do not count towards the total net discretionary budget authority: funding for major disasters declared by the President under the authority of the Stafford Act, which is accommodated under an adjustment to the discretionary spending limits; and the National Flood Insurance Fund, which is considered mandatory spending. The Administration requested \$6.7 billion for the cost of major disasters as a part of FEMA's overall budget.

Senate-reported S. 3001 included \$4.68 billion in net discretionary budget authority for FEMA. This is \$560 million (13.6%) more than was requested by the Administration, and \$14 million (0.3%) more than was provided in FY2016. The Senate-reported bill also included the requested \$6.7 billion for the cost of major disasters.

House-reported H.R. 5634 included \$4.71 billion in net discretionary budget authority for FEMA. This is \$585 million (14.2%) more than was requested by the Administration, and \$39 million (0.8%) more than was provided in FY2016. The House-reported funding level is \$26 million (0.5%) more than was proposed in the Senate-reported bill. The House-reported bill also included the requested \$6.7 billion for the cost of major disasters.

## **Issues in FEMA Appropriations**

### **Disaster Relief Fund (DRF)<sup>27</sup>**

The Disaster Relief Fund (DRF) is the main account used to fund a wide variety of programs, grants, and other forms of emergency and disaster assistance to states, local governments, certain nonprofit entities, and families and individuals affected by disasters. The DRF expends funds in response to current incidents, as well as to meet recovery needs from previous incidents.<sup>28</sup> As a result, the DRF is a no-year account—unused budget authority from the previous fiscal year is carried over to the next fiscal year.

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<sup>26</sup> For a full description of FEMA's mission and authorities, see 6 U.S.C. §§314-315, which are Sections 503 and 504 of the Homeland Security Act of 2002, as amended. See also the Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L. 93-288, as amended); Title V of the Homeland Security Act of 2002 (P.L. 107-296, 6 U.S.C. §§311-321, as amended); and the Post-Katrina Emergency Management Reform Act of 2006 (P.L. 109-295, 6 U.S.C. §§700-797).

<sup>27</sup> Prepared by (name redacted), Analyst in American National Government, Government and Finance Division.

<sup>28</sup> These previous incidents may be years in the past, depending on the disaster type and magnitude of the incident, and the scope and complexity of the assistance projects. Federal assistance is often rendered as reimbursement to state and local applicants upon completion of recovery projects.

Funding currently provided to the DRF can be broken out into two categories. The first is funding for activities not directly tied to major disasters under the Stafford Act (including activities such as assistance provided to states for emergencies and fires). This category is sometimes referred to as the DRF's "base" funding. The second (and significantly larger) category is for disaster relief costs for major disasters under the Stafford Act. This structure reflects the impact of the Budget Control Act (P.L. 112-25, hereinafter referred to as the BCA), which allows these costs incurred by major disasters to be paid through an "allowable adjustment" to the discretionary spending caps, rather than having them count against the discretionary spending allocation for the bill.

### **The Disaster Relief Fund, Disaster Relief, and the Budget Control Act (BCA)**

It is important to note that "disaster relief" funding under the BCA and the Disaster Relief Fund are not the same. The BCA defines funding for "disaster relief" as funding for activities carried out pursuant to a major disaster declaration under the Stafford Act. This funding comes not only from FEMA, but from accounts across the federal government. While a portion of funding for the DRF is eligible for the allowable adjustment under the BCA, it is not wholly "disaster relief" by the BCA definition. For more detail on the allowable adjustment, see the appendix of CRS Report R44621, *Department of Homeland Security Appropriations: FY2017*, coordinated by (name redacted) ; CRS Report R42352, *An Examination of Federal Disaster Relief Under the Budget Control Act*, by (name redacted), (name redacted), and (name redacted) ; or CRS Report R44415, *Five Years of the Budget Control Act's Disaster Relief Adjustment*, coordinated by (name redacted) .

For FY2017, the Administration requested \$7,348 million in discretionary budget authority for the DRF. The requested amount for the base was \$639 million, while \$6,709 million was requested for the costs of major disasters. In addition, the Administration requested a \$24 million transfer from the DRF to the DHS Office of Inspector General (DHS OIG) for oversight of disaster relief activities. The requested amount is \$26 million less than was provided in FY2016.

The House- and Senate-reported bills included the amount requested by the Administration for the DRF (\$639 million for the base, and \$6,709 million for disaster relief) including the \$24 million transfer to the DHS OIG.

### ***Balances in the DRF***

Prior to the enactment of the BCA, funds in the DRF often ran too low to meet federal disaster assistance needs before being replenished by annual appropriations. When the account neared depletion, Congress usually provided additional funding through supplemental appropriations.<sup>29</sup> In some fiscal years, Congress passed two or three supplemental appropriations to fund the DRF. Since the passage of the BCA, an increase in the annual funding level for the DRF may have decreased the need for supplemental funding.<sup>30</sup> As demonstrated in **Table 1**, annual appropriations for the DRF have been significantly larger since FY2011, the last year appropriations were provided for the DRF without benefit of the mechanisms of the BCA.

<sup>29</sup> For more information on supplemental funding for disaster assistance see CRS Report R43665, *Supplemental Appropriations for Disaster Assistance: Summary Data and Analysis*, by (name redacted) and (name redacted)

<sup>30</sup> Regardless of the DRF balance, Congress may still consider supplemental appropriations bills to augment other federal programs that assist during times of disaster such as disaster-related programs at the Department of Housing and Urban Development, Department of Transportation, the U.S. Army Corps of Engineers, or the U.S. Department of Agriculture.

**Table 2. Annual Appropriations for the Disaster Relief Fund in Annual Appropriations Acts, FY2007-FY2016**

In millions of nominal dollars

Fiscal Year	Annual Appropriation
2007	\$1,487
2008	\$1,324
2009	\$1,278
2010	\$1,600
2011	\$2,645
<b>2012</b>	<b>\$7,100</b>
<b>2013</b>	<b>\$7,007</b>
<b>2014</b>	<b>\$6,220</b>
<b>2015</b>	<b>\$7,033</b>
<b>2016</b>	<b>\$7,374</b>

**Source:** CRS Report R43537, *FEMA's Disaster Relief Fund: Overview and Selected Issues*, by (name redacted).

**Notes:** Table does not include transfers, rescissions, or supplemental appropriations for the DRF, with the exception of \$6.4 billion in supplemental appropriations in FY2012, when supplemental appropriations for the DRF were provided in a process that paralleled the enactment on omnibus appropriations. Bolded text refers to appropriations after the enactment of the BCA.

Only one disaster relief supplemental appropriations bill has passed Congress since the FY2012 appropriations cycle (P.L. 113-2), which provided relief in the wake of Hurricane Sandy. Even then, when Hurricane Sandy made landfall, the existing balance in the DRF helped fund the immediate assistance needs in the wake of the storm without a supplemental appropriation. Arguably, the larger balance provided the Administration and Congress with more time to assess the need for federal assistance and target it rather than requiring immediate legislative action to fund the DRF.

Some may argue a relatively healthy balance is beneficial compared to years prior to the BCA when a large disaster or active hurricane season (or both) could have quickly depleted the remaining unobligated amount, necessitating a supplemental appropriation for additional funds for disaster relief. Others may question the budgetary practices used to appropriate funds for the DRF and argue that large carryovers from previous fiscal years indicate that the account is being funded at too high a level. They may also be concerned that any excess funds not used for an emergency or disaster could be transferred or rescinded for purposes other than disaster assistance.

### Mitigation<sup>31</sup>

The House Appropriations Committee report touched on several areas of FEMA's administration of its mitigation programs. In particular, the House committee questioned whether states are giving "appropriate consideration to disaster mitigation projects proposed by counties when developing state mitigation plans that inform the allocation of post-disaster mitigation grants, or

<sup>31</sup> This section prepared by (name redacted), Analyst, Emergency Management Policy, Government and Finance Division.



when submitting applications for pre-disaster mitigation grants to FEMA.”<sup>32</sup> The post-disaster grants referenced are the funds made available under the Hazard Mitigation Grant Program (HMGP), Section 404 of the Stafford Disaster Relief and Emergency Assistance Act,<sup>33</sup> and the Pre-Disaster Mitigation (PDM) Grant program that is Section 203 of Stafford.<sup>34</sup> To address these concerns FEMA was directed to brief the committee on the guidance it gives to states on the matter, within 90 days of passage. According to the committee report, the briefing should emphasize whether FEMA’s current guidance encourages appropriate consideration of those local mitigation projects that benefit large population centers.

The House committee report also addresses the “safe room” concept—specially designed protective structures developed in tornado-prone areas, often using both FEMA HMGP and PDM funds. The House Appropriations Committee notes that the National Institute of Standards and Technology (NIST) model codes have helped to improve “safe rooms” for new school buildings and other assembly areas. However the House Appropriations Committee expressed a concern that even these improvements may not be sufficient given the severity of recent storms. The House Appropriations Committee recommended that “FEMA consider the adoption of uniform national guidelines for safe room design and construction, as well as a requirement that safe rooms be incorporated into the design and construction of federally-funded structures located in areas prone to severe weather hazards.”<sup>35</sup>

The Senate Appropriations Committee report also addressed multiple areas of mitigation policy. The report noted that while planning still is an eligible mitigation expenditure under PDM, the committee wanted to see more emphasis on actual projects. Toward that end the Senate Appropriations Committee directed FEMA to develop an annual report that will identify “the end users of these grants, how funding is utilized, and the cost-benefit analysis completed demonstrating the larger impact of these grants.”<sup>36</sup> The Senate report also noted that mitigation funding can be maximized by private-public partnerships, especially in “very high risk areas like the Cascadia subduction zone.” FEMA was directed to brief the appropriations committee “prior to making PDM grant applications available on how public-private partnerships will be specifically evaluated when considering projects.”<sup>37</sup>

## **DHS State and Local Preparedness Grants**

State and local governments have primary responsibility for most domestic public safety functions. When facing difficult fiscal conditions, state and local governments may reduce resources allocated to public safety and, consequently, homeland security preparedness, due to increasing pressure to address tight budgetary constraints and fund competing priorities. Since state and local governments fund the largest percentage of public safety expenditures, this may have a significant impact on the national preparedness level.

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<sup>32</sup> H.Rept. 114-668, House of Representatives, 2<sup>nd</sup> Session, July 6, 2016, to accompany H.R. 5634, Department of Homeland Security Appropriations Bill, 2017, pp. 67 and 68.

<sup>33</sup> 42 U.S.C. 5170c.

<sup>34</sup> 42 U.S.C. 5133.

<sup>35</sup> H.Rept. 114-668, House of Representatives, 2<sup>nd</sup> Session, July 6, 2016, to accompany H.R. 5634, Department of Homeland Security Appropriations Bill, 2017, p. 68.

<sup>36</sup> S.Rept. 114-264, U.S. Senate, 2<sup>nd</sup> Session, to accompany S. 3001, Department of Homeland Security Appropriations Bill, 2017, p. 120.

<sup>37</sup> *Ibid.*

Prior to 9/11, three federal grant programs were available to state and local governments to address homeland security: the State Domestic Preparedness Program administered by the Department of Justice; the Emergency Management Performance Grant (EMPG) administered by the Federal Emergency Management Agency (FEMA); and the Metropolitan Medical Response System (MMRS) administered by the Department of Health and Human Services. Since then, several additional homeland security grant programs were added to amplify state and local preparedness, including the State Homeland Security Grant Program (SHSGP), Citizen Corps Program (CCP), Urban Area Security Initiative (UASI), Driver's License Security Grants Program (REAL ID), Operation Stonegarden grant program (Stonegarden), Regional Catastrophic Preparedness Grant Program (RCPG), Public Transportation Security Assistance and Rail Security Assistance grant program (Transit Security Grants), Port Security Grants (Port Security), Over-the-Road Bus Security Assistance (Over-the-Road), Buffer Zone Protection Program (BZPP), Interoperable Emergency Communications Grant Program (IECGP), and Emergency Operations Center Grant Program (EOC). While some of these programs still receive explicit mention in appropriations reports, others have become allowable uses for funding provided under a larger umbrella grant program, without explicit Congressional action.

### ***Summary of Preparedness Grant Funding***

With the implementation of the new Common Appropriations Structure (CAS), these grants would be funded in the Federal Assistance appropriations category. As has been mentioned previously, the Senate Appropriations Committee did not adopt the CAS in its bill, while the House Appropriations Committee did. Despite these differences, it is still possible to compare the funding proposed by the Administration and recommended by the House and Senate appropriations committees.

The Administration requested \$857 million for state and local grant programs for FY2017. This is \$460 million (32.3%) less than was appropriated in FY2016 (\$1,317 million: \$1,267 million in Title III, and \$50 million for grants to address emergent threats in a general provision). The Administration proposed a new regional competitive grant program alongside the established grant programs. However, for the first time since FY2012, the Administration did not propose creating a single block grant for preparedness grants.

Senate-reported S. 3001 included \$1,317 million and House-reported H.R. 5634 included \$1,316 million for state and local preparedness grant programs for FY2017. **Table 2** provides a detailed breakdown of preparedness grant funding by program for FY2016 and FY2017. Lines in italics represent carveouts from the plain text amounts for the umbrella grant programs immediately above them.

**Table 3. FEMA Preparedness Grants, FY2016-FY2017**  
(millions of dollars of discretionary budget authority)

	FY2016	FY2017		
	Enacted	Request	Senate Committee Reported S. 3001	House Committee Reported H.R. 5634
State Homeland Security Grant Program	467	200	467	467
<i>Operation Stonegarden (carveout)</i>	55	0	55	55
Urban Area Security Initiative	600	330	600	600
<i>Nonprofit Security Grants (carveout)</i>	20	0	20	20
Public transportation security assistance and railroad security assistance	100	85	100	100
<i>Amtrak (carveout)</i>	10	10	10	10
<i>Over-the-road bus security assistance (carveout)</i>	3	0	3	0
Port security grants	100	93	100	100
Countering Violent Extremism	[50] <sup>a</sup>	49	50	49
Regional Competitive Grant Program	0	100	0	0
<b>Total State and Local Preparedness Grant Programs</b>	<b>1,317</b>	<b>857</b>	<b>1,317</b>	<b>1,316</b>

**Source:** CRS analysis of Division F of P.L. 114-113 and its explanatory statement as printed in the *Congressional Record* of December 17, 2015, pp. H10161-H10210; S. 3001 and S.Rept. 114-264; and H.R. 5634 and H.Rept. 114-668.

**Notes:** Table displays rounded numbers, but all operations were performed with unrounded data. Amounts, therefore, may not sum to totals.

a. Funded through a general provision in Title V.

### Assistance to Firefighters Grant Program (AFG)<sup>38</sup>

The Administration’s FY2017 budget proposed \$670 million for firefighter assistance, including \$335 million for AFG and \$335 million for Staffing for Adequate Fire and Emergency Response (SAFER) grants, a 2.9% reduction from the FY2016 level. Under the proposed budget, the AFG and SAFER grant accounts would be transferred to the Preparedness and Protection activity under FEMA’s broader Federal Assistance account. According to the budget request, Federal Assistance programs will “assist Federal agencies, States, Local, Tribal, and Territorial jurisdictions to mitigate, prepare for and recover from terrorism and natural disasters.”<sup>39</sup> Fire service groups oppose this transfer, arguing that it could reorient the firefighter assistance program towards responding to terrorism and other major incidents rather than maintaining its current all-hazards focus.

<sup>38</sup> Prepared by (name redacted), Specialist in Science and Technology Policy, Resources, Science, and Industry Division.

<sup>39</sup> Department of Homeland Security, *Federal Emergency Management Agency, Federal Assistance: Fiscal Year 2017 Congressional Justification*, p. 4.

The Senate Appropriations Committee bill would provide \$680 million in firefighter assistance, including \$340 million for AFG and \$340 million for SAFER, a 1.4% reduction from the FY2016 level. The committee would maintain a separate budget account for Firefighter Assistance and would not transfer that budget account to the Federal Assistance account as proposed in the Administration budget request. The committee report directed DHS to continue the present practice of funding applications according to local priorities and those established by the USFA, and to continue direct funding to fire departments and the peer review process. The committee stated its expectation that funding for rural fire departments remain consistent with their previous five-year history, and directed FEMA to brief the committee if there is a fluctuation.<sup>40</sup>

The House Appropriations Committee bill would provide \$690 million in firefighter assistance, including \$345 million for AFG and \$345 million for SAFER. This would match the FY2016 level and would be a 1.5% increase over the Senate Appropriations Committee level. Unlike the Senate, the House committee would transfer the Firefighter Assistance budget account into a broader Federal Assistance account in FEMA. The committee report directed FEMA to continue administering the fire grants programs as directed in prior year committee reports, and encouraged FEMA to ensure that the formulas used for equipment accurately reflect current costs.

### **Budget Authority for the National Flood Insurance Program (NFIP)<sup>41</sup>**

While the majority of funding for the National Flood Insurance Program (NFIP) is mandatory budget authority, the DHS appropriations act provides important direction in the use of those funds, as well as discretionary budget authority for key accounts within the NFIP. Funding for the National Flood Insurance Program (NFIP) is primarily maintained in an authorized account called the National Flood Insurance Fund (NFIF).<sup>42</sup>

As provided for in law, all premiums from the sale of NFIP insurance are transferred to FEMA and deposited in the NFIF.<sup>43</sup> Congress then authorizes FEMA to withdraw funds from the NFIF, and use those funds for specified purposes needed to operate the NFIP. In addition to premiums, Congress has also provided discretionary appropriations to supplement floodplain mapping activities. **Table 4** provides the budget authority authorized by Congress in FY2016, and the requested amounts of budget authority in FY2017. Both Senate and House appropriations committees recommended the requested levels of funding and conditions for NFIP activities.

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<sup>40</sup> S.Rept. 114-264, p. 115.

<sup>41</sup> Prepared by Diane Horn, Analyst in Flood Insurance and Emergency Management, and (name redacted), Analyst in Emergency Management and Homeland Security Policy, Government and Finance Division. For additional information on the NFIP, see CRS Report R44593, *Introduction to FEMA's National Flood Insurance Program (NFIP)*, by (name redacted) and (name redacted)

<sup>42</sup> The NFIF is authorized by 42 U.S.C. §4017.

<sup>43</sup> 42 U.S.C. §4017(b).

**Table 4. Budget Authority for the NFIP, FY2016-FY2017**

(millions of dollars of budget authority, available for the fiscal year unless otherwise indicated)

Form of Budgetary Authority	Activity	FY2016 (P.L. 114-113)	FY2017 (request, S. 3001, H.R. 5634)
Discretionary appropriation	Flood hazard mapping and risk analysis program <sup>a</sup> (available until expended)	\$190.0	\$178
Authorized offsetting receipts, available until end of fiscal year	Salaries and expenses associated with flood management and insurance operations <sup>b</sup>	25	13
	Floodplain management and flood mapping <sup>c</sup>	156	168
Authorized offsetting receipts, no funds in excess of amount stipulated	Operating expenses and salaries and expenses associated with flood insurance operations	133	147
	Commissions and taxes of agents	1,123	1,123
	Interest on Treasury borrowings <sup>d</sup>	Such sums as necessary	Such sums as necessary
	Flood mitigation assistance <sup>e</sup>	175	175
	Flood Insurance Advocate <sup>f</sup>	5	5

**Source:** CRS analysis of P.L. 114-113, FY2017 FEMA budget justifications, S. 3001, and H.R. 5634.

**Notes:**

- a. Generally, for necessary expenses, including administrative costs, related to the Risk Mapping, Assessment, and Planning (Risk MAP) process authorized by 42 U.S.C. §§4101, 4101a, 4101b, 4101c, 4101d, and 4101e.
- b. The FY2017 budget request includes the amount of offsetting collections for *flood insurance operations* within the “operating expenses” activity, instead of the broader “salaries and expenses associated with flood management and flood insurance operations” activity as was done in P.L. 114-113.
- c. Offsetting receipts for “floodplain management and flood mapping” have generally been viewed as supplementing the discretionary appropriation for “flood hazard mapping and risk analysis program.”
- d. The amount of interest paid on borrowed amounts for the U.S. Treasury fluctuates annually based on a number of factors, including the interest rate of the borrowing; the available funds for interest and principal payments after claims payments; the amount borrowed; how the debt is being serviced in loans; and fiscal decisions by FEMA to build the Reserve Fund as opposed to paying off principal and interest on the debt. In October 2015, FEMA reported interest payments of approximately \$159.5 million for FY2015. See FEMA, *Semi-Annual NFIP Debt Repayment Progress Report*, October 2015, p. 16.
- e. Flood Mitigation Assistance is authorized by 42 U.S.C. §4104c.
- f. The Flood Insurance Advocate is authorized by 42 U.S.C. §4033.

In addition to the budget authority indicated in **Table 4**, fluctuating levels of mandatory spending occur annually in the NFIP in order to pay claims on affected NFIP policies.<sup>44</sup> Congress has authorized FEMA to borrow no more than \$30.425 billion from the U.S. Treasury for the purposes of the NFIP, principally to pay insurance claims in excess of available premium revenues. The authorization for this borrowing is reduced to \$1.5 billion after September 30,

<sup>44</sup> As authorized by 42 U.S.C. §4017(d)(1). For example, in calendar year 2015, \$791 million was paid in claims.

2017.<sup>45</sup> The NFIP currently owes \$23 billion in debt to the U.S. Treasury, leaving \$7.425 billion left in borrowing authority.

### **Pre-Disaster Mitigation (PDM) Program<sup>46</sup>**

The PDM program, authorized under Section 203 of the Stafford Act, provides funding for mitigation actions at the state and local level without the need for a preceding disaster event. The program is cost-shared on a 75% federal and 25% state and local basis. PDM funds can be used for both mitigation projects and planning.

The level of funding requested over the years for PDM has varied in a broad range. The program had been zeroed out by the Administration in their base budget request in FY2013 and FY2014. The FY2015 budget request, while not suggesting funding for the program itself, did use the PDM Fund as a potential receptacle for funds as part of its “Opportunity, Growth and Security Initiative.” That initiative, which was not realized, would have provided significant funding for the PDM fund, although not for the PDM program as currently understood. As the budget request noted, the initiative “would provide \$400 million to this fund” for a separate pre-disaster mitigation initiative.<sup>47</sup> In FY2016, the requested level for the PDM program increased substantially to the \$200 million level—\$100 million was ultimately appropriated.

The FY2017 request continued the trend of fluctuation, with the requested funding level for PDM dropping to just over \$54 million.<sup>48</sup> The Senate-reported bill included \$100 million for PDM, while the House-reported bill included the requested level. The House Appropriations Committee report observed that “FEMA projects to have more than \$50 million in carryover funding available in FY2017 from prior year appropriations.”<sup>49</sup>

### **Emergency Food and Shelter Program (EFS)<sup>50</sup>**

The EFS program was established in 1985, and placed at FEMA. The rationale at that time was that the charitable groups that make up the National Board of the program wanted to emphasize that homelessness was a daily emergency. In addition, those same organizations had an established working relationship with FEMA through their disaster response and recovery work.<sup>51</sup> While previous Administrations have suggested moving the EFS program to HUD, the Senate Appropriations Committee’s approval of such a transfer in their committee-reported FY2015 appropriations legislation was the first time the move gained any approval in Congress.

The President’s budget for FY2017 requested \$100 million for the EFS program, a reduction of \$20 million. The Senate Appropriations Committee concurred with the Administration’s funding

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<sup>45</sup> 42 U.S.C. §4016(a)

<sup>46</sup> This section prepared by (name redacted), Analyst in Emergency Management Policy, Government and Finance Division,

<sup>47</sup> Department of Homeland Security, *Federal Emergency Management Agency, National Pre-Disaster Mitigation Fund, Fiscal Year 2015, OMB Submission*, p. 1.

<sup>48</sup> For historical information on funding for this program, see CRS Report RL34537, *FEMA’s Pre-Disaster Mitigation Program: Overview and Issues*, by (name redacted) .

<sup>49</sup> H.Rept. 114-668, House of Representatives, 2<sup>nd</sup> Session, July 6, 2016, to accompany H.R. 5634, Department of Homeland Security Appropriations Bill, 2017, p.72.

<sup>50</sup> This section prepared by (name redacted), Analyst in Emergency Management Policy, Government and Finance Division.

<sup>51</sup> For additional information on the EFS program see CRS Report R42766, *The Emergency Food and Shelter National Board Program and Homeless Assistance*, by (name redacted) .

request while the House Appropriations Committee recommended funding the EFS program at the FY2016 level of \$120 million.

In addition to different funding levels, the House and Senate appropriations committees differed on the Administration's proposal to shift the program from FEMA to the Department of Housing and Urban Development (HUD). While the Senate Appropriations Committee agreed to the plan, as long as an Interagency Agreement was executed within 60 days of the date of enactment and that the FY2018 budget include language "effectuating the transfer," the House Appropriations Committee sent a different message. Language in the House committee report noted that FEMA and HUD had failed to submit a plan as required by the FY2016 DHS Appropriations Act. In the absence of a comprehensive plan "informed by comprehensive stakeholder outreach," the House did not recommend transferring the funds or administrative authority for EFS from FEMA to HUD. The House also noted that if the Administration wanted this change it could propose funding the program directly through HUD.

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