Disaster Relief Fund State of Play: In Brief

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Introduction

The Disaster Relief Fund (DRF) is one of the most-tracked single accounts funded by Congress each year. It is the primary source of funding for the federal government's domestic general disaster relief programs.

The DRF frequently receives appropriations in excess of the annually requested level through annual and supplemental appropriations due to changing disaster needs. Even so, at the beginning of each fiscal year since 2023, the Federal Emergency Management Agency (FEMA) has projected that their available resources would be inadequate to pay the year's major disaster costs.[1]

This report summarizes

- what the DRF is used for, and how its structure reflects its use;
- how the DRF is funded through annual and supplemental appropriations;
- the DRF's recent funding history; and
- why the DRF remains reliant on supplemental appropriations even when its budget request is met or exceeded, as has occurred each year since FY2023.

More detailed history of and policy discussion on the DRF can be found in CRS Report R45484, *The Disaster Relief Fund: Overview and Issues*.

What Is the DRF Used For?

The DRF funds disaster activity pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (Stafford Act; 42 U.S.C. §§5121 et seq.). It pays for several key disaster response, recovery, and mitigation programs that provide assistance to communities impacted by presidentially-declared emergencies and major disasters.[2]

The DRF does not fund all federal disaster assistance. Many federal agencies other than FEMA have specific authorities and resources to support certain disaster response and recovery efforts (such as the U.S. Department of Agriculture and the Small Business Administration). However, the DRF does provide *most* of the federal government's support for immediate disaster response. This is done through FEMA's own capabilities, and through the mission assignment process, whereby FEMA reimburses agencies it calls into action that do not have independent authority or funding for disaster recovery operations.[3]

DRF Structure

Since 2012, the DRF essentially has been split into two categories of funds: "major disasters," and the DRF "base."

[1] Since FY2014, the only other fiscal year for which FEMA's first monthly report on the balance in the DRF showed inadequate balances to cover the costs of major disasters for the coming year was FY2017.

[2] For more details on disaster declarations, see CRS Report R41981, *Congressional Primer on Responding to and Recovering from Major Disasters and Emergencies*, by Elizabeth M. Webster and Bruce R. Lindsay.

[3] For details on how this process, known as "mission assignments," works, see https://www.fema.gov/partnerships/mission-assignments.

Major Disasters Category

The DRF "major disasters" category is for costs pursuant to individual presidentially-declared major disasters.

This category funds several different Stafford Act programs identified by FEMA as "Direct Disaster Programs":

- Individual Assistance (IA);[4]
- Public Assistance (PA);[5] and
- Hazard Mitigation Grant Program (HMGP).[6]

Through the Disaster Recovery Reform Act of 2018,[7] Congress also created a set-aside within the major disasters category for pre-disaster mitigation grants. FEMA used this set-aside funding for a new program, which they called the Building Resilient Infrastructure and Communities (BRIC) grant program.[8] On April 4, 2025, FEMA announced that it was "ending" the BRIC program.[9]

In recent years, the major disasters category has represented more than 95% of DRF obligations (see **Figure 1**).

DRF Base Category

The smaller category, known as the DRF "base," covers most other Stafford Act-related costs including

- pre-disaster surge activities;
- activity pursuant to federal emergency declarations;
- Fire Management Assistance Grants; and
- Disaster Readiness and Support Activities.

Base funding for the DRF cannot be used for the costs of major disasters. Under appropriations law, providing a specific amount for an activity in statute means other resources not specifically designated for that activity cannot be applied to it without specific statutory direction.[10]

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[4] For more detail, see CRS In Focus IF11298, *A Brief Overview of FEMA's Individual Assistance Program*, by Elizabeth M. Webster.

[5] For more detail, see CRS In Focus IF11529, *A Brief Overview of FEMA's Public Assistance Program*, by Erica A. Lee.

[6] For more detail, see CRS Insight IN11187, *Federal Emergency Management Agency (FEMA) Hazard Mitigation Assistance*, by Diane P. Horn.

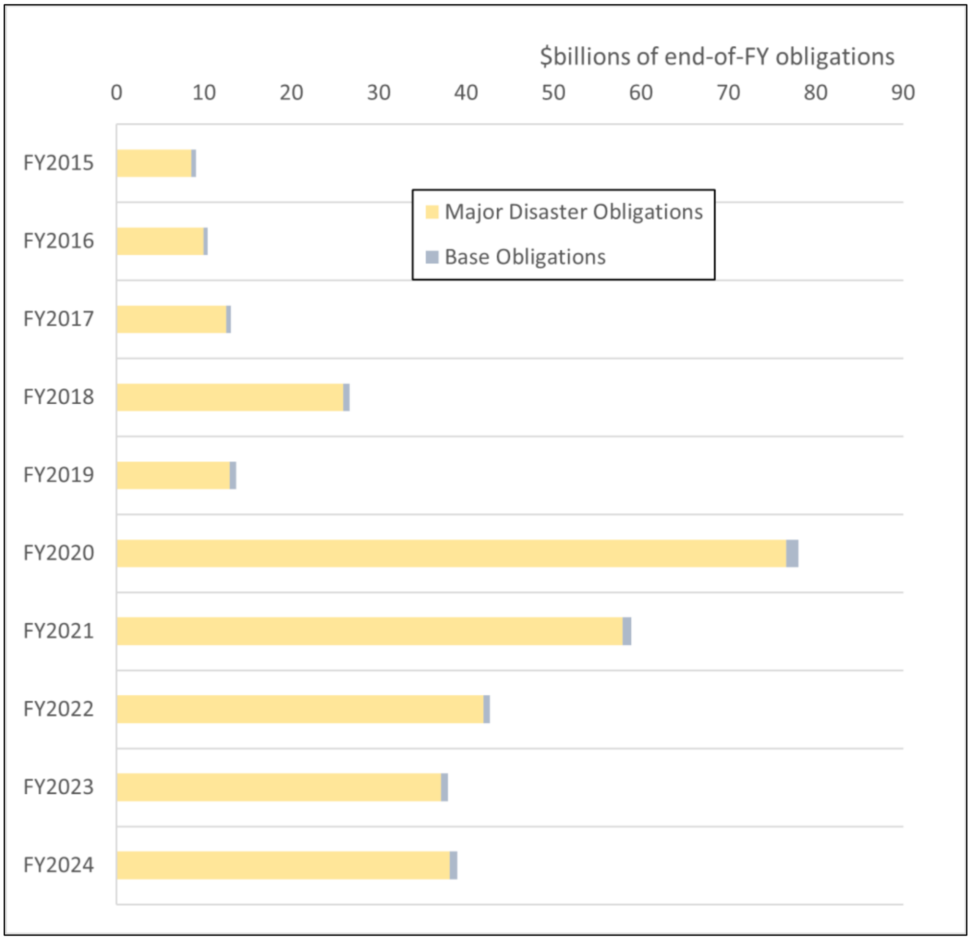
[7] Section 1234 of the Disaster Recovery Reform Act of 2018 (P.L. 115-254, Division D).

[8] While the funding is "set aside" for the Building Resilient Infrastructure and Communities (BRIC) grant program, it remains available for broader use for other activities within the major disasters category in the event the DRF runs low on budget authority. For more information on the BRIC program, see CRS Insight IN11515, *FEMA Pre-Disaster Mitigation: The Building Resilient Infrastructure and Communities (BRIC) Program*, by Diane P. Horn.

[9] FEMA, "FEMA Ends Wasteful, Politicized Grant Program, Returning Agency to Core Mission of Helping Americans Recovering from Natural Disasters," press release HQ-25-40, April 4, 2025. While the program is authorized in law, the language of the set-aside that funds it appears to be permissive, indicating the President "*may* set aside" funds for it (emphasis added).

[10] See "Augmentation of Appropriations," in Government Accountability Office, *Principles of Appropriations Law* (aka the "Red Book"), Third Edition, Volume II, pp. 6-162 et seq., https://www.gao.gov/legal/appropriations-law/red-book.

Figure 1. DRF Obligations FY2015-FY2024



Source: CRS analysis of DRF monthly reports.

DRF Appropriations

The DRF receives an annual appropriation under FEMA within the Department of Homeland Security Appropriations Act. The DRF appropriation is atypical in that its appropriations do not expire at the end of a given fiscal year, but are available for obligation until expended. Historically, Administrations and Congresses have generally operated on a nonpartisan basis to provide supplemental appropriations to ensure adequate DRF resources are available.

Until 2012, the DRF appropriation was generally a single undifferentiated account. Although there were periodically transfers out for disaster loan programs and oversight, FEMA could exercise a great deal of flexibility in how the appropriation was put to use within the scope of Stafford Act programs. Under the Budget Control Act of 2011 (BCA),[11] Congress made a special accommodation specifically for costs incurred pursuant to Stafford Act major disaster declarations, allowing a limited amount of such congressionally-designated appropriations to not

[11] P.L. 112-25.

count against discretionary spending limits.[12] Therefore, that spending had to be specifically identified, and the distinction between "major disasters" and the DRF "base" emerged.[13]

The FY2019 DRF appropriation illustrates how the split has been typically implemented:

> For necessary expenses in carrying out the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $12,558,000,000, to remain available until expended…
>
> Provided, That of the amount provided under this heading, $12,000,000,000 shall be for major disasters declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) and is designated by the Congress as being for disaster relief pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985:…

For FY2019, of the $12.558 billion appropriation, $12 billion was specifically designated for the costs of major disasters. No language in the bill affirmatively defined $558 million as funding for the DRF base. Instead, the base is defined by the lack of that specific purpose: it is for necessary expenses under the Stafford Act except for those created by presidentially-declared major disasters.

Most public discussion about "the DRF running out of money" is not about the whole DRF: it is discussion about depletion of the unobligated balance of the major disasters category of funding in the DRF—not including the BRIC set-aside. While it is possible for the DRF base to be depleted as well, this tends to draw less public attention.

Another Kind of Mitigation

In recent years, FEMA has indicated in its monthly reporting on DRF balances that funding set aside for the Building Resilient Infrastructure and Communities (BRIC) program could be redirected to help cover the costs of immediate response and recovery needs for major disasters if the DRF major disasters subaccount is otherwise depleted—though such a redirection has yet to occur.

Historical Appropriations Levels

Often, the annual appropriations request for the DRF covers only a portion of what is actually needed. The DRF budget justification notes, and has noted for many years, that in the event of a disaster resulting in more than $500 million in spending from the DRF (termed by FEMA as a "catastrophic disaster"), supplemental appropriations would be needed to fund response and recovery. The costs of new events of that scale are not otherwise included in FEMA's formula for developing the annual budget request.[14]

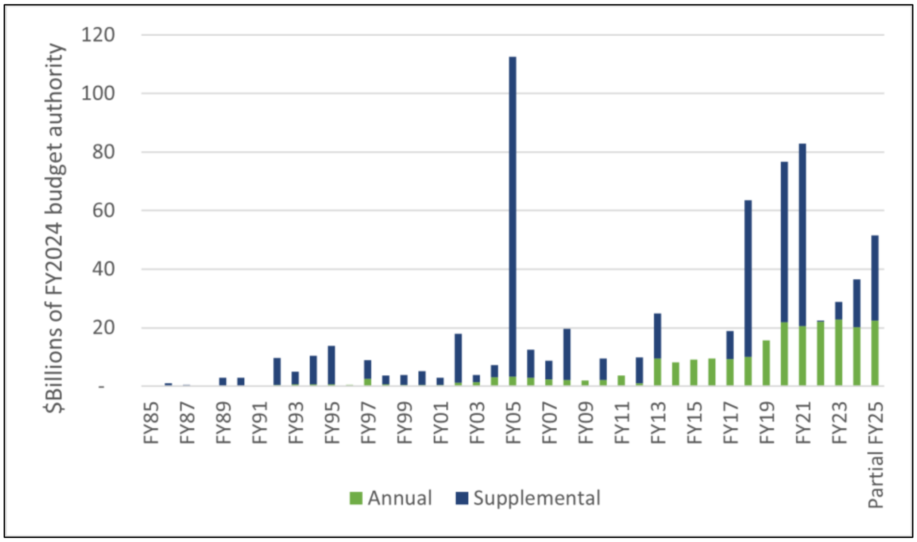
As **Figure 2** indicates, while the DRF may be consistently funded through annual appropriations, the majority of its resources have flowed through the supplemental appropriations process.

[12] For more detail, see CRS Report R45778, *Exceptions to the Budget Control Act's Discretionary Spending Limits*, by Megan S. Lynch; and CRS In Focus IF10720, *Calculation and Use of the Disaster Relief Allowable Adjustment*, by William L. Painter.

[13] Previously, disaster appropriations were exempted from spending limits by a broader exception for emergency needs. This was usually applied to supplemental appropriations.

[14] See, for example, FEMA, "Disaster Relief Fund: Fiscal Year 2019 Funding Requirements," Fiscal Year 2018 Report to Congress, p. 4, https://www.fema.gov/sites/default/files/2020-07/disaster-relief-funding-requirements_fy-2019.pdf.

Figure 2. DRF Appropriations, FY1985-FY2025 (part year)



Source: CRS analysis of appropriations legislation. Does not show the impacts of rescissions, transfers, or reprogrammings.

Note: FY2025 values not adjusted to FY2024 dollars.

As noted above, the BCA created a limited adjustment to discretionary spending limits specifically to accommodate the costs of major disasters. This "allowable adjustment" for disaster relief was first used for FY2012 supplemental appropriations, and first was implemented in the annual appropriations process for FY2013. That implementation allowed annual appropriations to cover a much larger proportion of actual DRF spending than before.[15] While a handful of other disaster-related appropriations have periodically used the disaster-related flexibility, the DRF has exercised more than 95% of the available disaster relief adjustment since its inception.[16]

Continuing Resolutions

If annual appropriations for the coming fiscal year are not enacted prior to the end of the current fiscal year, Congress typically passes an interim continuing resolution (CR) to provide temporary budget authority so that federal government agencies can continue to operate until annual appropriations are finalized. This temporary funding is provided at a rate for operations, which is usually based on the prior year annual appropriation (with some adjustments or exceptions), and is usually provided for a limited period of time. In most cases, when an interim CR is in place for an agency, budget authority is gradually apportioned to it, as the final level of annual appropriations has not yet been set. Spending too large a proportion of an as-yet determined annual budget early on may create challenges later in the fiscal year. This is because the temporary budget authority of the interim CR will ultimately be replaced by the budget authority provided through the completion of the annual appropriations process, and sometimes supplemental appropriations.[17]

[15] For the underlying analysis, see CRS Report R45484, *The Disaster Relief Fund: Overview and Issues*, by William L. Painter.

[16] See CRS In Focus IF10720, *Calculation and Use of the Disaster Relief Allowable Adjustment*, by William L. Painter.

[17] Such completion may take the form of an enacted annual appropriations bill, or a continuing resolution stretching through the end of the fiscal year.

If obligations already made for the fiscal year exceed the funded amount, budget authority to meet those obligations has to be found elsewhere in the funded budget to make up the difference. Since FY2018, every interim continuing resolution that has funded the Department of Homeland Security has included a provision that allows the temporary budget authority for the DRF to "be apportioned at a rate for operations necessary to carry out response and recovery activities under the Stafford Act."[18] This anomaly ensures that budget authority would be available as needed in the event the DRF's existing carryover balances are spent down while the CR is in effect—rather than being slowly apportioned like typical interim continuing appropriations. The anomaly essentially allows the temporary budget authority of the CR to act as a temporary supplemental appropriation.

P.L. 119-4, Division A—the current CR—is what is known as a "full-year continuing resolution," which means that the budget authority it provides extends through the end of the fiscal year. The law allows the budget authority provided to have the same period of availability as the FY2024 appropriation—in the case of the DRF, the same no-year designation—so the funding behaves more like an annual appropriation than the funding provided under an interim CR. Congress provided $22.5 billion through the year-ending continuing resolution, and had already provided $29 billion ($28 billion of which was for the costs of major disasters) through a supplemental appropriation attached to P.L. 118-158.

Obligations and Balances

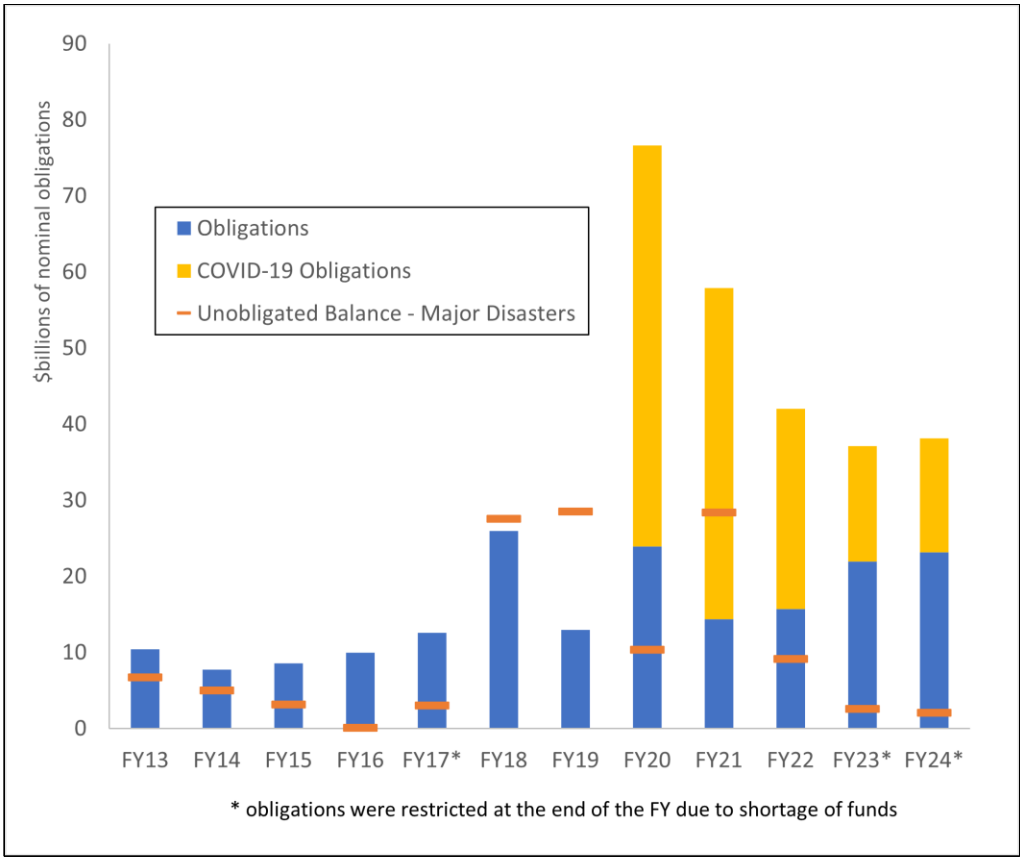
Figure 3 shows the year-ending level of obligations and unobligated balance in the major disasters portion of the DRF. Yellow bars indicate obligations for COVID-19 disaster declarations, blue bars indicate obligations for all other disasters. The orange line is the unobligated balance in the major disasters portion of the DRF. All data is based on the end of the fiscal year.

Starting in FY2020, the high levels of total obligations relative to unobligated balances in four of five years suggest that DRF appropriations may be struggling to keep pace with the costs incurred by current disaster activity. These costs include disaster response, long-term recovery, and mitigation programs. The unobligated balances remaining at the end of FY2017, FY2023, and FY2024 are the result of FEMA restricting obligations for long-term recovery and mitigation projects to preserve resources for immediate response needs. Maintaining regular operations of existing programs while ensuring adequate resources are available for responses to unexpected events would have required a higher level of appropriations in those years.

[18] Most recently, P.L. 118-15, Division A, Section 128.

Figure 3. DRF (Major Disasters) Unobligated Balances and Obligations, Showing COVID-19 Obligations, FY2013-FY2024

(nominal budget authority, as recorded at the end of the fiscal year)



Source: CRS analysis of FEMA monthly DRF reports. Data available in **Table A-1**.

Notes: As "obligated" is not an end-state for budget authority, obligated funding levels rise and fall for a variety of reasons. This figure depicts snapshots in time of how things stood after closeout of the financial records for each fiscal year, as reflected in Appendix A of FEMA's monthly reports on DRF activity. FY20 includes roughly $42 billion in obligations from the DRF for the Lost Wages Initiative, which provided grants to states from the DRF to support additional unemployment assistance during the COVID-19 pandemic.

When the DRF Runs Low

In previous years, Stafford Act programs have been somewhat protected from the effects of a lapse in appropriations because carryover balances in the DRF have been available to fund continued operations. However, this is not always the case, and at several points in recent years the unobligated balance in the DRF has fallen to levels that risked impacting disaster response operations. When this occurs, FEMA implements "Immediate Needs Funding" (INF) restrictions, which allow FEMA to limit obligation of funds from the DRF to "life-safety and life sustaining efforts," prioritizing them over long-term recovery and mitigation efforts.

In 2023 and 2024, FEMA indicated that under INF, it would pause new Public Assistance and Hazard Mitigation obligations that are not essential for lifesaving and life-sustaining activities. It further indicated that it would continue

Individual Assistance payments directly to survivors for critical needs and housing;

Public Assistance for states, tribes and territories essential for lifesaving and life-sustaining activities;

State management costs;

Mission assignments of federal partners for critical response activities;

Fire Management Assistance grants; and

Essential ongoing disaster operations, including salaries of FEMA field staff (Stafford Act employees).[19]

In the first decade of the 21st century, implementations of INF restrictions were frequent: INF restrictions were put in place each year from 2003 through 2006, as well as each year from 2009 through 2011.[20] After FY2011, when the DRF came close to depletion, FEMA changed the internal processes of DRF obligations in order to maintain unobligated balances longer over the course of regular operations.[21]

FY2017

Immediate Needs Funding restrictions were put in place again in August 2017, when Hurricane Harvey hit Texas, and Hurricane Irma was anticipated to strike U.S. interests. FEMA initiated these restrictions on August 28, 2017, as the unobligated balance in the DRF fell below $2.8 billion in the middle of responses to multiple major disasters. FEMA later lifted the INF restrictions on October 2, 2017, when the DRF was replenished by the release of additional temporary budget authority pursuant to a continuing resolution[22] and a $7.4 billion supplemental appropriation[23] enacted in a consolidated measure on September 8, 2017.

FY2023-FY2024

On August 29, 2023, FEMA announced the implementation of INF restrictions, noting that while FEMA "had intended to provide ten full days [sic] notice, the current disaster environment with a major fire and multiple hurricanes make it necessary to implement INF immediately."[24] The unobligated balance in the DRF was $3.4 billion that morning.

On October 2, 2023, after enactment of a continuing resolution[25] that provided up to $19.95 billion in temporary budget authority for the DRF through November 17, 2023, and a $16 billion supplemental appropriation ($15.50 billion for the costs of major disasters, and $500 million for

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[19] FEMA, "Immediate Needs Funding Fact Sheet," Office of External Affairs email attachment, August 29, 2023. According to FEMA, "The implementation of INF does not impact or change the delivery of IA [Individual Assistance] programs authorized by the Stafford Act. Assistance authorized under the Individuals and Households Program, Disaster Case Management Program, Crisis Counseling Assistance and Training Program, Disaster Unemployment Assistance, and Disaster Legal Services will remain available" (email from FEMA Congressional Affairs Division to CRS, September 1, 2023).

[20] FEMA, "Immediate Needs Funding Fact Sheet," Office of External Affairs email attachment, August 29, 2023.

[21] This reformed approach, known as Strategic Funds Management, obligates certain recovery projects costing more than $1 million on a rolling basis. For details, see FEMA, "Recovery Standard Operating Procedure 9570.24: Strategic Funds Management—Implementation Procedures for the Public Assistance Program," December 21, 2012, https://www.fema.gov/sites/default/files/2020-07/fema_9570.24_startegic-funds-mgmt_SOP_12-21-2012.pdf.

[22] P.L. 115-56, Division D, §129.

[23] P.L. 115-56, Division B.

[24] FEMA, "FEMA Advisory: FEMA Announces Implementation of Immediate Needs Funding," Office of External Affairs email, August 29, 2003.

[25] P.L. 118-15.

the DRF base),[26] FEMA announced the lifting of the INF restriction.[27] The INF restrictions pushed roughly $8 billion in obligations for long-term recovery and mitigation projects from FY2023 into FY2024.[28]

Three weeks later, the Biden Administration requested a $9 billion in supplemental appropriation for the DRF. This was intended, in part, to cover higher-than-expected reimbursements to states for COVID-19 costs and new catastrophic disasters. The supplemental appropriation would have also restored a $2 billion reserve intended to pay immediate response costs from an otherwise unanticipated large incident. However, it was also required in order to cover the delayed FY2023 obligations noted above. Congress did not address this request for supplemental funding in FY2024.

Once the annual level of FY2024 DRF appropriations was set in March 2024, FEMA reported a projected shortfall of nearly $7.4 billion for the DRF major disasters subaccount, with the subaccount being depleted in August 2024.[29] On August 7, 2024, FEMA again announced the implementation of INF restrictions.[30] With the enactment of a continuing resolution (CR) on September 26, 2024, $20.261 billion in temporary budget authority became available on October 1, and the restrictions were lifted.[31] Implementation of INF restrictions for that 55-day period had delayed roughly $9.5 billion in obligations, allowing FEMA to meet the immediate needs stemming from major disasters through the end of the fiscal year, and carry over $2.03 billion into FY2025.[32]

The Projected DRF Shortfall in FY2025

As a result, on October 1, 2024, the major disaster portion of the DRF had $22.25 billion in unobligated balances available for the costs of major disasters. However, these resources dwindled to $3.61 billion by the end of November 2025.[33] When the August INF restrictions were lifted, the delayed recovery and mitigation projects proceeded with their obligations. Hurricanes Helene (which had struck in late September) and Milton (early October) were also drawing on the DRF for response and recovery resources. FEMA projected in early November that unless additional resources were provided, or INF restrictions reimplemented, the major disasters

[26] P.L. 118-15, §129.

[27] FEMA, "Continuing Resolution Allows FEMA to Lift Restrictions on Disaster Relief Funding," October 3, 2023, press release (FEMA Release Number HQ-23-205), https://www.fema.gov/press-release/20231003/continuing-resolution-allows-fema-lift-restrictions-disaster-relief-funding.

[28] CRS analysis of FEMA, *Disaster Relief Fund: Monthly Report as of September 30, 2023*, October 10, 2023, Appendix F.

[29] FEMA, *Disaster Relief Fund: Monthly Report as of March 31, 2024*, April 9, 2024, p. 4.

[30] FEMA, "FEMA Announces Implementation of Immediate Needs Funding," FEMA Advisory, August 7, 2024, https://content.govdelivery.com/attachments/USDHSFEMA/2023/08/29/file_attachments/2597953/FEMA%20Advisory%20FEMA%20Announces%20Implementation%20of%20Immediate%20Needs%20Funding%2020230829.pdf.

[31] The Continuing Appropriations and Extensions Act, 2025 (CR; P.L. 118-83) and the associated temporary budget authority would have expired on December 20, 2024. For more details on the CR and its provisions, see CRS Report R48214, *Overview of Continuing Appropriations for FY2025 (Division A of P.L. 118-83)*, by Drew C. Aherne.

[32] CRS analysis of DRF monthly reports, and FEMA, *Disaster Relief Fund Monthly Report as of November 30, 2024*, p. 4.

[33] FEMA, *Disaster Relief Fund: Monthly Report as of October 31, 2024*, November 15, 2024, p. 4; FEMA, *Disaster Relief Fund: Monthly Report as of November 30, 2024*, December 9, 2024, p. 4.

portion of the DRF would be exhausted in January.[34] This potential shortfall anticipated more than $57 billion in obligations over the course of the fiscal year.

On November 18, 2024, the Biden Administration requested $40 billion in supplemental appropriations for the DRF, as part of a nearly $100 billion supplemental appropriations request for a variety of unmet needs.[35] As a part of a consolidated appropriations measure responding to this request and an extension of the existing CR through March 14, 2025 (The American Relief Act, 2025; P.L. 118-158), a supplemental appropriation of $29 billion was provided for the DRF, with $28 billion being specifically for the costs of major disasters.[36]

As a result of this additional funding, FEMA projected in January 2025 that the exhaustion of the major disasters portion of the DRF would be delayed until early July 2025.[37]

P.L. 119-4, the year-long CR that resolved the annual discretionary appropriations for the federal government for FY2025, contained $22.51 billion for the DRF, $118 million more than had been requested in annual appropriations by the Biden Administration. This replaced the $20.6 billion in interim budget authority provided by the CR in P.L. 118-83, and was a $2.25 billion increase from the original CR baseline. FEMA had released its latest projections for DRF spend down the week the bill was under consideration by Congress: even with the additional resources added to FEMA's projections, the major disasters portion of the DRF was expected to be depleted in June 2025, unless INF restrictions are again put in place.[38]

Why Does the DRF Run Low?

In recent history, three structural factors have contributed to the need for frequent supplemental appropriations for the DRF:

1. **The formula for calculating the requirement for the DRF does not include "new" catastrophic disasters:** FEMA uses a combination of cost estimates from past catastrophic disasters where recovery is ongoing, and a 10-year rolling average of non-catastrophic disaster obligations to develop the annual budget request for the "major disasters" element of the DRF. The formula does not include funding for any "new" catastrophic incidents—neither those occurring in the year the request is made, nor those potentially occurring in the year the request covers. FEMA tracked three new catastrophic incidents over the four-year period covering FY2013 to FY2016. For the four-year period from FY2021 to FY2024, FEMA tracked twelve such new catastrophic incidents. With more new catastrophic incidents, there is greater demand that has not been accounted for in the assessment of annual DRF requirements. Since the FY2012 request, the DRF has included a reserve for initial response to a "significant event," but still notes

[34] FEMA, *Disaster Relief Fund: Monthly Report as of October 31, 2024*, November 15, 2024, p. 15.

[35] Letter from President Joseph R. Biden, Jr. to The Honorable Michael Johnson, Speaker of the House, November 18, 2024, https://www.whitehouse.gov/wp-content/uploads/2024/11/Letter-regarding-critical-disaster-funding-needs.pdf.

[36] P.L. 118-158, Division B, Title IV. $4 million of that amount is to be transferred to the DHS Office of Inspector General for oversight.

[37] FEMA, *Disaster Relief Fund: Monthly Report as of December 31, 2024*, January 10, 2025, p. 15.

[38] FEMA, *Disaster Relief Fund: Monthly Report as of February 28, 2025*, March 12, 2025, p. 15. The additional funds provided in the new CR did not exceed the $3.69 billion shortfall anticipated for June 2025.

that the budget assumes supplemental appropriations would be provided to cover the costs of additional catastrophic events.[39]

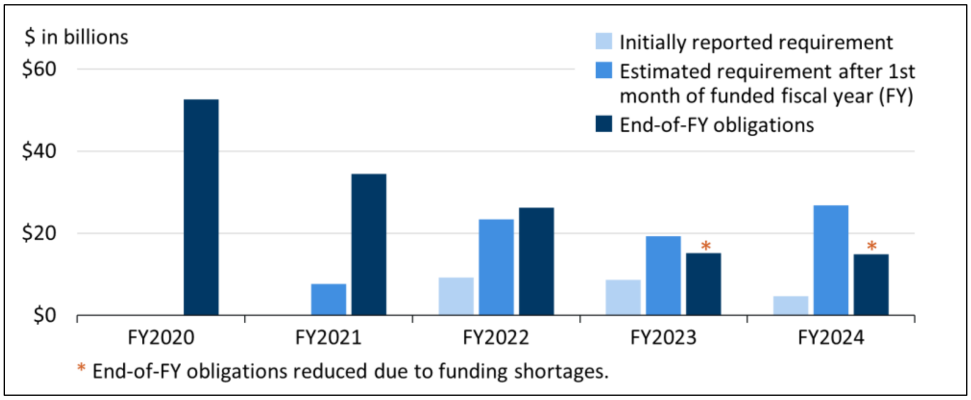
2. **The volatility of post-disaster needs:** The request for the major disasters portion of the DRF relies heavily on bottom-up cost estimates developed at the state level to project the need for a given fiscal year. The estimates used to develop the request are not necessarily congruent with the spending plans in place at the beginning of the funded fiscal year, and the timing of actual obligations is subject to clearance and approval processes on both the federal side and recipient side. For instance, projecting obligations for the COVID-19 pandemic response, with its unprecedented scope and application of the Stafford Act, has proven difficult for FEMA and its state-level partners.
3. **The timing of the budget process:** The request for annual appropriations for the DRF (usually made in February) is based on data finalized in December, roughly nine months before that fiscal year starts. During these intervening months lie most of the wildfire and hurricane seasons. This gap impairs the ability of the request to be fully responsive to the existing disaster landscape when the fiscal year begins. In each of the last eight fiscal years, the first public reporting on projections for DRF major disaster obligations, released just after the start of the fiscal year, has shown a significant increase from the original estimate of what funding would be required.

Two factors have exacerbated this situation in recent years:

1. **Delayed obligations:** In both FY2023 and FY2024, FEMA implemented INF restrictions on the DRF, pausing obligations for long-term recovery and mitigation projects to preserve its resources for needs of immediate response and recovery efforts in the immediate aftermath of an incident. When INF restrictions are implemented, those paused obligations do not go away—they are usually pushed into the next fiscal year. In FY2024 and FY2025, roughly $8 billion and $9 billion in delayed obligations from previous years, respectively, contributed to projected shortfalls in DRF major disaster funding.
2. **COVID-19 reimbursements:** COVID-19 response obligations represented 45% of total DRF major disaster obligations for FY2022-FY2024. Projecting these obligations has been a challenge. **Figure 4** compares FEMA's projected COVID-19 obligations at the time of the budget request, at the beginning of the budgeted fiscal year, and the obligations recorded at the end of the fiscal year.

[39] In the FY2025 request, there was a $2 billion reserve for catastrophic incidents, and $1 billion for BRIC mitigation funding. FEMA, *Disaster Relief Fund Annual Report: Fiscal Year 2025 Funding Requirements*, May 6, 2024, pp. 4, 7. https://www.fema.gov/sites/default/files/documents/fema_disaster-relief-fund-funding-requirements_fy25.pdf.

Figure 4. COVID-19 DRF Obligations: Projected, Estimated, and Actual



Source: CRS analysis of FEMA monthly report data.

A new factor arose in the Biden Administration's FY2025 request for the DRF. Rather than basing its request for major disasters on the formula it has relied on in recent years, the Administration chose to limit its official FY2025 request for DRF major disaster funding to the size of the allowable adjustment to budget limits to cover the costs associated with major disasters. According to FEMA's annual statement of the requirements for the DRF for FY2025, this reduced the request by more than $5.2 billion.[40]

These factors contribute to an increased likelihood of the DRF being underfunded by the annual appropriations measure. However, given the unpredictability of catastrophic incidents, Congress may find itself weighing which of these options is preferable:

- providing larger annual appropriations for the DRF in anticipation of events which may not occur,
- continuing to rely on a limited reserve and faster-moving supplemental appropriations, or
- making significant changes to the disaster relief programs under the Stafford Act that drive these costs.

For further discussion, see CRS In Focus IF12822, *The Disaster Relief Fund: Requests Versus Reality*, and CRS Report R45484, *The Disaster Relief Fund: Overview and Issues*, by William L. Painter.

[40] FEMA, *Disaster Relief Fund Annual Report: Fiscal Year 2025 Funding Requirements*, May 6, 2024, p. 7. https://www.fema.gov/sites/default/files/documents/fema_disaster-relief-fund-funding-requirements_fy25.pdf.

Appendix. Data Tables

This table provides the data behind **Figure 3**.

Table A-1. Unobligated Balances In and Obligations from the DRF, FY2013-FY2024

($millions of nominal budget authority)

		Obligations		
Fiscal Year	Unobligated Balances—Major Disasters	Total—Major Disasters	Non-COVID-19	COVID-19
2013	6,682	10,435	10,435	
2014	4,968	7,754	7,754	
2015	3,133	8,545	8,545	
2016	85	9,954	9,954	
2017*	2,966	12,562	12,562	
2018	27,500	25,932	25,932	
2019	28,470	12,943	12,943	
2020	10,347	76,598	23,917	52,681
2021	28,327	57,870	14,345	43,525
2022	9,110	41,987	15,706	26,281
2023*	2,547	37,126	21,975	15,151
2024*	2,033	38,136	23,171	14,965

Source: CRS analysis of FEMA monthly DRF reports.

Note: Information provided reflects data as shown in FEMA's monthly reports, and do not reflect reprogrammings, transfers, or rescissions. As "obligated" is not an end-state for budget authority, obligated funding levels rise and fall for a variety of reasons. This table depicts snapshots in time of how things stood after closeout of the financial records for that fiscal year, as reflected in Appendix A of the monthly reports.

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