

# Will Disaster-Stricken Communities Receive FEMA Aid? Proposed Changes to FEMA Public Assistance

June 27, 2025

Reports suggest the Trump Administration [recently considered changes](#) to procedures that the Federal Emergency Management Agency (FEMA) uses to assess requests for Public Assistance (PA) for major disaster declarations under the Robert T. Stafford Disaster Relief and Emergency Assistance Act ([Stafford Act](#), P.L. 93-288, as amended). The proposed [changes](#) would increase the thresholds FEMA uses to determine whether PA is warranted, which would likely reduce the number and cost of presidential disaster declarations borne by the federal government. On average, PA provides the most disaster relief funding authorized under the Stafford Act and is the most common form of assistance delivered through Stafford Act declarations.

## Current Procedures: Authorizing Public Assistance (PA)

PA provides [financial and direct assistance](#) (e.g., personnel) to state, local, tribal, and territorial governments (SLTTs), and eligible [nonprofits](#) pursuant to a presidential Stafford Act declaration of emergency or major disaster (see **Figure 1**).

Following an incident, a governor or tribal chief executive may submit a request to the President for a major disaster declaration providing PA. Under current regulations, FEMA assesses the need for PA, and makes a recommendation to the President. The President then may issue a declaration authorizing PA for [debris removal](#), [emergency protective measures](#), and/or [reconstruction](#) of eligible [facilities](#).

FEMA uses [multiple factors](#)—primarily the “cost of assistance”—to assess requests for PA. After assessing the damage, FEMA estimates the cost of PA across the affected jurisdictions (particularly eligible uninsured costs of reconstruction). Generally, FEMA recommends that the President provide PA when

1. Damage estimates exceed [\\$1 million](#) across a state or territory, or [\\$100,000](#) across a tribe; and

Congressional Research Service

<https://crsreports.congress.gov>

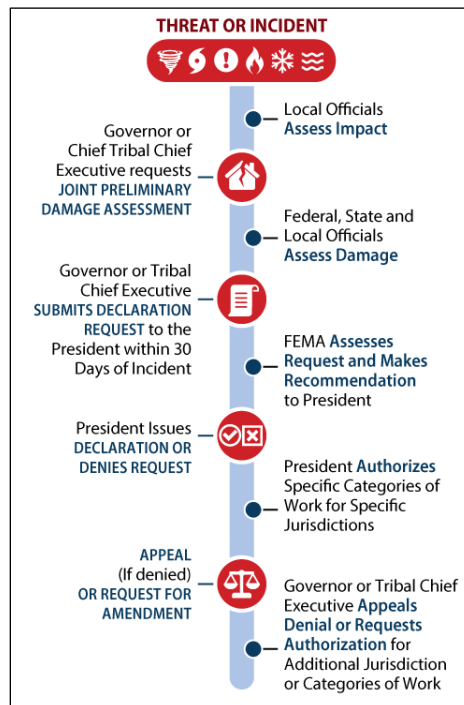
IN12574

2. Costs for states and territories exceed “per-capita indicators” (or thresholds) annually adjusted for inflation. For FY2025, state indicators are [\\$1.89](#), and county indicators are [\\$4.72](#).

FEMA also considers [recent disasters](#), severe [local impacts](#), and [mitigation investments](#), and may recommend the provision of PA even when cost thresholds are not met.

While no single factor determines FEMA’s recommendation, per-capita indicators have proved crucial. FEMA [found](#) that [80%](#) of declarations between 2005 and 2014 reflected disasters where indicators were met or exceeded. The President may issue a declaration or not, regardless of FEMA’s recommendation.

**Figure 1. Stafford Act Declaration Request Process**



**Source:** Developed by CRS based on 44 C.F.R. §§206.31-206.48.

## Background: Efforts to Reform PA Authorization

How FEMA evaluates the need for PA has long been subject to debate. In 2012, the Government Accountability Office (GAO) [found](#) that FEMA’s PA indicators had lagged behind inflation and income gains and [recommended](#) that FEMA increase the indicators or use another metric (e.g., [total taxable resources or TTR](#)) to assess the need for federal aid.

In 2016 and 2017, in response to GAO, FEMA proposed using a “disaster deductible” to require state investment before providing PA. FEMA would require each state and territory to meet a minimum disaster-related deductible before providing PA for permanent rebuilding—though jurisdictions could reduce their deductible [by investing](#) in mitigation, insurance, and related work. Despite receiving some [support, following pushback, FEMA withdrew](#) the proposal. [Legislation introduced](#) in the 118<sup>th</sup> Congress proposed a disaster deductible, but did not advance.

Later, the [Disaster Recovery Reform Act of 2018](#) (DRRA, P.L. 115-254) required FEMA to change how it evaluated the need for PA by giving greater weight to severe local impacts and recent disasters and

updating the indicators. FEMA subsequently [proposed rulemaking](#) increasing state per-capita indicators based on inflation and TTR—resulting in estimated increases of [2% to 149%](#). [FEMA models](#) determined that the policy, if implemented between 2008 and 2017, would have resulted in 27% fewer major disaster declarations providing PA.

Critics argued that the proposal [disadvantaged some communities](#) and that states already managed [most incidents](#) without federal assistance. Further action on the proposal is [undetermined](#).

## 2025 FEMA Proposal to Increase PA Indicators: Goals and Potential Outcomes

[Then-Senior Official Performing the Duties of FEMA Administrator Cameron Hamilton](#) drafted a pre-decisional memo in April 2025 that [proposed](#) increasing the state per-capita indicator for PA by 400% in the short term. Mr. Hamilton later [testified](#) that current PA indicators disincentivize nonfederal preparedness and insurance purchases.

### Potential Outcomes

#### Reduced or Eliminated FEMA Assistance for Smaller-Scale Incidents

Many major disaster declarations exclusively authorize PA for response and recovery (in 2024, 75 of 100 new major disaster declarations in 2024 exclusively authorized PA). Many of these incidents would not qualify for PA under the proposed increased state per-capita indicators. [FEMA has posted damage estimate reports](#) for 76 of the disasters declared in 2024 that included a request for PA; 53 (70%) of these disasters would not have met or exceeded PA indicators under the proposal to raise them by 400%.

Eliminating declarations for smaller-scale incidents would shift the costs of related response and recovery work to nonfederal governments, survivors, and private entities. According to FEMA, eliminating declarations for less costly incidents could enable the agency to [increase its operational focus on the most severe incidents](#).

Eliminating or reducing assistance for smaller-scale incidents may also reduce overall federal disaster spending, though savings are likely to be modest. Historically, most relief supports a small number of catastrophic disasters that would likely still qualify for assistance. For example, FEMA reported obligating approximately [\\$5 billion for non-catastrophic disasters](#) and [\\$33 billion for catastrophic disasters](#) in FY2024. For more information, see CRS Report R45484, *The Disaster Relief Fund: Overview and Issues*, by William L. Painter.

#### Potential Increase in Nonfederal Investments in Disaster Mitigation and Relief

[GAO](#), [FEMA](#), and [others](#) have argued the overgenerous provision of PA [discourages](#) nonfederal investments in resilience. By this logic, reducing PA outlays could incentivize nonfederal entities to invest in disaster-resilient building and/or secure alternative disaster relief, including through private insurance. Others have argued that reduced federal relief could jeopardize recovery operations, and [propose alternatives](#) (e.g., financial incentives) for nonfederal investments in private insurance and state-level disaster relief and mitigation programs.

## Author Information

Erica A. Lee  
Specialist in Emergency Management and Disaster  
Recovery

---

## Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.