

## Public Policy Process

# Memo

**To:** Mike Johnson (Speaker of the United States House of Representatives)

**From:** Laurent Cortes

**cc:** Lois M. Warner

**Date:** 01/16/2025

**Re:** Policy Failures in Disaster Relief Funding

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In the recent years the United States has faced many issues related to disaster relief funding. One of the major contributors to this lack of resources has been policy failures. In 2024 Hurricanes Helene and Milton brought about and highlighted an ongoing issue to maintain sufficient funds for disaster relief efforts. The beginning of this year is already starting off with the massive wildfires that have affected the state of California. All in all, we can expect the damage this disaster created from these wildfires to be priced in the billions.

There have been warnings from multiple federal agencies including the Biden administration regarding the need to pass disaster relief legislation. Despite these warnings congress has failed to pass critical disaster relief legislation which in the end left essential disaster relief programs extremely underfunded. The result of this failed legislation resulted in the depletion of FEMA's disaster relief fund, exhaustion of small business administrations disaster loan program, and delays in rebuilding of critical infrastructure in all areas affected.

More importantly, these funding issues are not something new for the year 2024 or 2025. These funding issues have been recurring for years and have affected federal disaster response and recovery for many disaster-stricken areas in America. The policy failures in disaster relief funding have not only affected immediate disaster relief, but also affected long term recovery and infrastructure to prevent future disasters. I will be discussing some of the actions around H.R. 1605 better known as the Natural Disaster Recover Program Act of 2023 that led to its failure to pass. In addition, I will also be discussing why I consider disaster relief funding policy in America a failure.

H.R. 1605 or the Natural Disaster Recovery Program Act of 2023 was introduced to the House of Representatives by David Rouzer on 03/14/2023. The goal of the bill was to authorize the President to provide disaster assistance to states and Indian tribes for restoration of infrastructure and housing, mitigation, and economic revitalization after a major disaster is declared. The bill was designed with specific policy decision making and design elements aimed at improving disaster recovery efforts. The program was created in a centralized approach intended to streamline disaster recovery efforts by authorizing the President to provide disaster assistance to States and Indian tribes under one disaster recovery program. One of its major proposals was that it would also place the Federal Emergency Management Agency (FEMA) in charge of creating and managing long term disaster recovery efforts. The overall goal was to simplify and streamline the disaster recovery process by reducing the layers of bureaucracy that usually slowed down the time of aid distribution. The bill would also provide flexibility and an established dedicated funding stream for FEMA.

Because of these simplified and reduced layers of bureaucracy the bill found opposition. In reducing the layers bureaucracy many opponents of the bill feared that there would be little to no oversight for the funding. The bill found opposition from outside sources that would ultimately influence the fate of the bill. One of its major opponents came in the form of influence from the Disaster Housing Recovery Coalition (DHRC) led by the National Low Income Housing Coalition (NLIHC). The DHRC with its more than 900 local, state, and national organizations played a major role in opposing the bill. One of the major issues that the DHRC had with the Natural Disaster Recovery Program Act of 2023 was that they feared that it would create a program that would duplicate the existing Community Development Block Grant Disaster Recovery Program (CDBG-DR) which was administered by the U.S. Department of Housing and Urban Development (HUD). The CDBG-DR was created to provide funding to states, cities, and counties to help recover from major disasters declared by the President. The major focus of the CDBG-DR was rebuilding disaster impacted areas and provide money for long term recovery. While FEMA oversaw immediate assistance following a disaster HUD and the CDBG-DR are focused on what happens following the immediate disaster and long-term recovery. The major difference between CDBG-DR and Natural Disaster Recovery Program Act of 2023 was that CDBG-DR is not a permanent program. Because both programs shared a lot of similarities groups like the DHRC opposed the bill and played a crucial role in its failure. Among the other issues DHRC had with Natural Disaster Recovery Program Act of 2023 was that the bill did not provide protections to prevent the misuse of federal recovery funds and there were no specific requirements to ensure long term recovery assistance for low-income disaster survivors.

DHRC shows how influence for bills to pass or fail can come from outside sources such as interest groups. This is not unique to disaster relief policy as we see interest groups from all walks of life work hard to influence the passing of laws that's in their best interest. In this situation DHRC used multiple tactics to gather influence and ultimately cause the Natural Disaster Recovery Program Act of 2023 to fail. DHRC led efforts by doing things such as letter writing to committee members on behalf of the DHRC explaining why they oppose the bill. The DHRC made their voices heard in numbers and sometimes something as simple as writing a letter to the right person can make your voice heard. The NLIHC was instrumental in coordinating an additional 35 national organizations to a sign-on letter to show their support for the bill.

disapproval of the bill. The DHRC made sure to raise public awareness of the negative sides of the Natural Disaster Recovery Program Act. In showing the public that the Natural Disaster Recovery Program Act lacked protections for low-income disaster survivors and lack of oversight of funding, they were able to sway public opinion. When public opinion comes into play politicians begin to take notice and are more careful with which bills they support. In this case public opinion also played a part in the failure of the bill. In addition, these organizations provided an alternative option in the form of the Reforming Disaster Recovery Act (RDRA).

The Reforming Disaster Recover Act (RDRA) was a piece of legislation created to improve efficiency, transparency, and accountability of disaster recovery efforts funded by the federal government. Its focus was to provide additional funds to state and local governments to recover from major disaster like hurricanes, floods, wildfires, and other emergencies. The main difference to the already established CDBG-RG program is that it would change the way that the CDBG-RG would operate. The CDBG-RG program operates on an ad hoc basis, and it required the HUD to issue specific guidelines for each disaster. The RDRA would establish the program into law, a permanent framework to make the funding more accessible and predictable. The RDRA would also implement stricter reporting requirements, standardized date collection, and the tracking of fund distribution via technology. In short, the goal would be to ensure that disaster recovery funds are spent appropriately. Additionally, the RDRA focuses on making sure that there is better coordination between federal, state, and local agencies to avoid duplicating efforts for better efficiency. In doing so, they would streamline the process and reduce delays in getting funds to communities in need.

While all these bills are discussed, passed and failed I believe that they are ultimately failing at addressing the extremely complex issue of disaster relief funds in the country. These bills and the programs that go along with them do an incredibly important job and have been doing their best in the past few years, but they can only go so far with the current level of funding. Take for example the beginning of the fiscal year 2024. For that beginning of the fiscal year FEMA had approximately \$20 billion in funding allocated for disaster relief. Within 8 days of the fiscal year starting, FEMA had already spent \$9 billion dollars due to Hurricane Helene. Supplemental funding was required and approved by congress on December 20, 2024, that included \$29 billion for the Disaster Relief Fund. While the receiving supplemental funding for dwindling disaster relief funds is always good for everyone involved, it is not a sustainable solution. Getting supplemental funding every time the disaster relief funds are used up is the equivalent of putting a band aid on gaping wound. Yes, it will stop the bleeding for now, but we must think about addressing the bigger issue at hand.

The funding issue for disaster relief affects us all. Natural disasters do not discriminate when it comes to destruction and loss. They affect everyone from west coast to east coast and it does not care whether you vote blue or red. It does not care about your socio-economic status, and it does not care about gender or race. One thing we are currently seeing is that the house is split and already putting out arguments regarding the funds going towards the wildfires in California. One thing we should be better at is trying to minimize the politicization of disaster relief funding. Whenever there's a failure to pass a bill for more disaster relief both parties begin to play the blame game. The bickering back and forth between both parties ultimately ends with massive

delays in providing aid to all the affected communities. It is with this in mind that we should all be able to sit down at the table and come up with a solution that benefits all because these natural disasters are not slowing down anytime soon.

According to the National Oceanic and Atmospheric Administration (NOAA) natural disasters are continuing to grow in numbers and have also began growing in frequency and intensity. The NOAA attributes this growing trend in natural disasters to climate change, increased population density in vulnerable areas, and urbanization. The way the NOAA measured these growing numbers was by focusing on billion-dollar disaster events in other words events that caused at least \$1 billion in damages. The trend goes from 3 events with billion dollars in damages in the 1980's to 12.6 events in 2010's that reached billion dollars in damages.

It doesn't end there the trend continues to grow and in the 2020's so far, the U.S has experienced a total of 20 or more events that caused a billion dollar in damages. The variety of weather-related disasters has also grown. While previously the most damages came from Hurricanes, we are now seeing the growth of floods, heatwaves, severe storms, and wildfires. The scale of these disasters is growing as well and that includes wildfires like the ones we are currently experiencing in California. California Governor Gavin Newsom as already proposed at least \$2.5 billion in additional funding for emergency response efforts, recovery and cleaning. This does not account for the final total of billions that will be needed to help all the victims since the wildfires are still going on today. While California deals with wildfires the Eastern coast of the United States is dealing with frigid conditions that reach well below freezing causing a different kind of life-threatening disasters.

In conclusion the lack of funding for disaster relief in America can be attributed to a series of policy failures, the politicization of disaster aid, and many other issues that have caused those in need to not receive the help they desperately need. You are in a position to bring about change and address this important issue. With current bills and legislation, you can come up with a solution to fix the issue that will continue to plague us well into the future. Because as mentioned before natural disasters are not slowing down any time soon and funding will be needed. Whether it's an amalgamation of all the current bills or legislation available a decision will be having to be made soon. Attached you will find a matrix of the available alternative options. With these you could possibly create a whole new bill or possible jumpstart a new way of thinking about the problem in funding for disaster relief.

| <b>Criteria</b>                         | <b>H.R. 1605</b>                    | <b>Existing CDBG-DR</b> | <b>RDRA</b>                |
|---|-------------------------------------|-------------------------|----------------------------|
| Lead Agency                             | FEMA                                | HUD                     | HUD                        |
| Program Authorization                   | Temporary                           | Temporary               | Permanent                  |
| Funding Mechanism                       | Dedicated stream                    | Ad hoc appropriations   | Permanent authorization    |
| Flexibility in Fund Usage               | High                                | Moderate                | Moderate                   |
| Oversight and Accountability            | Limited                             | Moderate                | Enhanced                   |
| Expertise in Long-Term Housing Recovery | Limited (FEMA)                      | Extensive (HUD)         | Extensive (HUD)            |
| Congressional Oversight                 | Limited (report at 50% expenditure) | Regular                 | Enhanced                   |
| Streamlined Process                     | Intended to be faster               | Often slow              | Aims to improve efficiency |

## References

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