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Disaster Relief Funding Issues in the United States

Collaborative Governance

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Disaster relief in America has many challenges that make it hard to provide quick and fair help to people in need. From hurricanes and wildfires to floods and pandemics, disasters are happening more often and with greater intensity, showing the need for better ways to respond. However, problems like poor coordination between federal, state, and local agencies, unfair distribution of aid, and lack of community preparedness often slow down relief efforts. Among all these issues, one of the root causes for all these are the lack of funding at the federal, state, and local level for disaster relief.

We will look at this key funding problem with disaster relief in America, how it affects recovery. By reviewing recent examples, this paper aims to find ongoing problems and suggest ways to improve disaster relief so that all communities get the help they need. Understanding these issues is important to reduce the harm disasters cause and make recovery efforts better for everyone. We will look at the key players at all levels from federal, state, and local governments that are involved with disaster relief.

The Federal Emergency Management Agency (FEMA) plays a crucial role in disaster response and recovery in the United States. Today FEMA is grappling with unprecedented funding challenges as it confronts an escalating frequency and severity of natural disasters. In this year alone back-to-back hurricanes Helene and Milton have pushed the agency's resources to their limits. Not only have these hurricanes ravaged the southeastern coast of the United States but it has exposed critical vulnerabilities in the financial structure of FEMA. Key to understanding the funding issues FEMA faces is understanding how the agency operates and the challenges it faces in fulfilling its mission. I will be examining the current funding issues facing FEMA, their

causes, and suggest potential solutions to ensure the agency's continued effectiveness in disaster response and recovery.

As FEMA stands today their funding structure revolves primarily around receiving federal appropriations. These appropriations are determined on a yearly basis through the US federal budgeting process and congress determines amounts of funding provided based on the needs of FEMA's programs and daily operations. For the 2024 fiscal year, Congress provided FEMA with \$20.26 billion in funding through its Disaster Relief Fund (DRF). The DRF is primarily how FEMA covers disaster response, recovery, and preparedness activities. Additionally, Congress provided \$1.008 billion through the Homeland Security Grant Program (HSGP) which funds the State Homeland Security Program (SHSP) and the Urban Area Security Initiative (UASI).

On paper the funding that FEMA received for 2024 seems to be substantial, but considering the number of disasters that have been faced so far FEMA has started to show signs of lack in funding. As recent as this October we saw the devastating effects of Hurricane Milton on Florida's Gulf Coast. Two weeks prior to hurricane Milton we saw Hurricane Helene devastate Southern Appalachia and Florida's panhandle. Earlier this year we saw wildfires affect the west coast and not to mention numerous other disasters this year including states hit with tornados, flooding, and other hurricanes like Hurricane Beryl which affected the state of Texas. More importantly, the number natural disasters have been growing on yearly basis and they are not expected to lessen in the coming years. While funding is the main issue FEMA is facing this year, it is expected to be the main issue for the foreseeable future.

Safe to say that FEMA is looking at a major problem in the coming years, but it must first put out the immediate fire that is its lack of funding in 2024. One way FEMA goes about addressing its funding issue is by requesting supplemental appropriations from congress. Without these supplemental appropriations from congress FEMA would of ran out of funds long before the start of Summer 2024. Relying on supplemental appropriations gets the job done, but ultimately does not address the funding issue and is basically putting a band aid on a large wound.

While the issue of funding is an extremely complex issue, I will try to provide some recommendations that could assist the situation. Going forward mitigation will play a key role in addressing any funding issues. By focusing on prevention and reduction of the impact of disasters FEMA can lower costs of recovery and response. They can do this by working with local governments to reduce vulnerability to natural disasters and strengthen local infrastructure. By investing in local governments FEMA could better help high risk areas and use their funds more effectively. The only drawback to working directly with local governments is that anytime there's collaboration between organizations there is always the risk of red tape. It's never as simple as two organizations working together, there is always some type of permission needed by upper management for organizations to collaborate in any endeavor. This red tape could slow down any collaboration and even out right make the collaboration impossible.

An even more important way FEMA can address its funding issues is by collaborating with the private sector. By exploring public-private partnerships (PPPs) FEMA could significantly reduce their expenses and inject large private sector resources to their funds. Aside from the financial assistance, the private sector could also provide manpower and improve FEMA's overall efficiency. They can reach out to private parties that are already involved in

reconstruction process such as construction firms and insurance companies. By collaborating with insurance companies FEMA could encourage widespread use of disaster insurance by people in high-risk areas that could ultimately reduce the financial burden of FEMA.

Additionally, by working with private industry, FEMA would have more access to technology that could lead to better forecast of disaster costs and more efficient use of their budget. The major risk with collaborating with the private sector is the lack of oversight. With government at the helm and private industry working alongside there is the risk that private industry will do what is in the best interest of the private organization and not what the government entity needs. More importantly allowing an outside party to have access to government information might be a risk the federal government is not willing to take.

Another way FEMA can address its funding issue in the future is by focusing on climate change and climate change policies. FEMA must acknowledge that climate is becoming increasingly severe, and this will continue to lead to funding issues. FEMA must focus on getting congress to advocate for policies that can help reduce the impact of disasters especially in high-risk areas. Policies that can provide protections and reduce our vulnerability to hurricanes, floods, and fires. The key will continue to be mitigation efforts and policies that can assist will play a big role. The issue with relying on congress to focus on climate change policies is that the issue of climate change is very divisive. Whether you're on the left or right the issue of climate change is extremely complex and while it has its supporters there's plenty of critics. Getting both sides to support climate change policies can seem like an impossible task with the current state of politics in the United States.

Implementing these techniques could help FEMA address its financial issues more effectively, ensuring its ability to respond to catastrophes while also investing in long-term resilience.

However, many of these reforms would necessitate congressional action and a transformation in how the country approaches catastrophe management. As climate change increases the frequency and severity of natural disasters, FEMA's funding system must evolve to meet these new challenges.

As previously discussed, there is a massive financial issue when it comes to disaster relief funding. New Jersey is not immune to the issue at the state level. Much like other states in the country New Jersey has funding established by way of federal and local funding for disaster relief. As we look deeper into this funding, we begin to see that even with these established funding mechanisms, New Jersey faces and will continue to face lack of funding of disaster relief. In a sense New Jersey reflects the issue we see at the federal level. With the federal level struggling to fund its disaster relief funds, it ultimately trickles down to each state. New Jersey, while not the particularly most vulnerable state regarding disasters still deals with a large and varied number of natural disasters. Due to its geographical location and proximity to Atlantic coast New Jersey is exposed to extreme weather from hurricanes, coastal flooding, and severe storms. Additionally, New Jersey has a 4 seasons and deals with winter storms, nor'easters, wildfires and the occasional and less frequent earthquake. With all the weather possibilities and potential issues that could arise from global warming, New Jersey is looking at a future with many natural disasters. What I will try to do in this memo is review some of the challenges that New Jersey currently faces when it comes to its disaster relief funding and what potential solutions we can find for that funding issue.

New Jersey currently receives its funding for disaster relief through federal and state resources. Majority of that funding comes by way of FEMA grants. Through FEMA's public assistance program New Jersey receives funds to support emergency response, infrastructure repair and any other recovery efforts following a disaster declaration by the president. New Jersey receives additional FEMA funding by way of hazard mitigation assistance programs like the Pre-Disaster Mitigation Program (PDM) and Hazard Mitigation Grant Program (HMGP). Other federal funding comes through the US Department of Housing and Urban Development (HUD). The HUD provides funding through special allocations following disasters called Community Development Block Grants (CDBG-DR).

These funds received are overseen by the New Jersey Office of Emergency Management (NJOEM) and the Governor's Disaster Recovery Office (GDRO). While on paper both these state organizations play an important role in managing disaster relief funds they go about it in very different ways. The NJOEM focuses mostly on emergency management and mitigation efforts and plays a more direct role in disaster relief, while the GDRO plays the broader role of managing and distributing federal disaster relief funds. In simple terms the GDRO distributes funds received from FEMA to state offices like the NJOEM who manage the funds to deal with disasters.

One of the major issues New Jersey is dealing with is being able to receive enough funding for disaster relief. The main issue comes from the state's heavy reliance on federal funding. As previously discussed, FEMA is having to deal with a lack of funding now and in the foreseeable future. New Jersey's disaster relief funds rely almost entirely on funding from FEMA, which ultimately creates a major vulnerability for the state. Not only is the funding provided by FEMA

slowing diminishing, but also the states access to funds is getting slower every year. There are significant delays in funding when disasters happen due to slow disaster declarations. On top of that there is competition for that federal funding. If a natural disaster hits multiple states around New Jersey, they must all compete for limited resources.

Another issue New Jersey faces is a budget that stretched thin. It must balance its budget to fund public services and among other things it must fund disaster relief. When the state's major focus is education and healthcare it leaves little room for disaster relief planning. This limits the amount of funds they can allocate for disaster relief. This lack of allocation of funds for disaster relief makes it difficult for the state to plan and be proactive in communities that are vulnerable to natural disasters. These local funds play a crucial role in immediate disaster relief since it would require less red tape than that of federal funds.

New Jersey will also have to deal with a future that involves rising costs in disaster recovery. New Jersey faces a similar issue that FEMA does when it comes to climate change. Climate change has started playing a major role in growing costs of disaster recovery. Much like FEMA, New Jersey must deal with climate change contributing to more frequent and more intense disasters. With these escalating disasters comes the rising financial burdens for both the state and its residents.

There are many ways New Jersey can combat these issues, and I will attempt to introduce some solutions that could help. To combat the issue of obtaining funding for disaster relief New Jersey must be more proactive with its planning for funding. New Jersey can create a disaster relief fund that is not dependent on federal funds. The state can create a dedicated state disaster

relief fund where it can allocate funds separate from federal funds. The funding for this new state disaster relief fund can be funded by allocating a percentage of the state budget strictly for disaster relief and preparedness. This more localized funding can help in providing immediate funding for disaster relief and not have to rely on a declaration of natural disaster.

To deal with a tight state budget New Jersey can also work with their communities to lessen the burden of the state. One way New Jersey can do this is by encouraging its residents to participate in the National Flood Insurance Program (NFIP) in greater numbers. Since New Jersey deals with many floods throughout the year having a large portion of their population participating in the NFIP will significantly lower the states financial burden and help with its tight budget. The state can make its residents participate in higher numbers by providing incentives such as property tax deductions for those who live in high-risk areas and sign up for NFIP. The amount of savings the state gets can fund planning and proactive initiatives that lessen the financial burden in future disasters. This proactiveness will play a pivotal role in the future of disaster relief and preparedness because of climate change. As the quantity and severity of these storms grow, New Jersey will need all the funding it can get. These savings the state gets can ultimately fund infrastructure projects such as elevated structures, fortified shorelines and improved stormwater management systems. This investment in infrastructure can potentially reduce the damages incurred and reduce the amount of money needed for disaster relief.

There are many other avenues New Jersey can take to prepare for a future where they will be able to provide disaster relief in a more efficient and convenient way. Addressing the issues that New Jersey faces require collaboration from the state and its residents. In recruiting their

residents into the solution New Jersey can reduce the long-term financial impact of disasters. The solution will be found in collaboration and will provide New Jersey with the needed resources to respond more efficiently to future disasters. In being prepared New Jersey will be able to protect its communities, infrastructure, and economy from the growing risks of climate and disasters.

Previously we discussed some of the funding issues that are being faced by the federal and state level. In the following I will discuss some samples of municipalities that are dealing with similar funding issues when it comes to disaster relief. Disaster relief financing is an essential component of emergency management for towns around the United States. Natural catastrophes such as hurricanes, wildfires, floods, and tornadoes are becoming more frequent and severe, putting tremendous pressure on towns to find money to recover, rebuild, and minimize future risks. While disaster relief financing is necessary, it comes with major hurdles that towns must overcome. In this memo I will discuss the funding difficulties confronting towns, including an examination of the benefits and drawbacks of present disaster relief funding arrangements.

To begin to understand some of the issues that municipalities deal with, we must first understand how these municipalities receive funding in the first place. For the most part these municipalities receiving disaster relief funding from federal programs like the Federal Emergency Management Agency (FEMA). While FEMA presents most of the funding that these municipalities receive there is a significant portion that comes from state government grants and local budgets. Municipalities also receive funding from private donations and non-governmental organizations who are slowly starting to play a bigger role in disaster relief funding.

In the summer of 2023 Lahaina, Maui, Hawaii was struck by some of the most devastating wildfires in recent history. Dry conditions followed by winds from Hurricane Dora resulted in fires that overwhelmed emergency response in Lahaina. This resulted in the death of over 100 people and the destruction of thousands of homes and properties. What followed the wildfires was funding delays that led to delays in recovery efforts and hundreds of displaced residents of Lahaina. Among the main factors that caused issues were insufficient local and state resources. Much like the rest of the country Lahaina was dealing with a lack of funding for disaster relief. For Lahaina and Maui County where Lahaina is located, faced a serious shortage of funds in their disaster responses budgets. Because of this lack of funds at the local and state level, Lahaina had to heavily rely on funds received from the federal government. Relying on federal government for disaster relief was not as easy as it seems. FEMA already dealing with a shortage of funds must make sure funds provided are being used effectively and efficiently. Part of that process is having states and local municipalities having to apply for these funds following a natural disaster. It is in this application process that issues arose for Lahaina. Local officials of Lahaina were quick to accuse FEMA of having complex application processes that led to bottlenecks and causing the municipality to receive funds much later than expected following a disaster. Lahaina itself was not prepared for disasters at this level. There was no pre-disaster funding or disaster preparedness in place for Lahaina which led to major issues following the wildfires. The recommendations for change would be for both the federal government and Lahaina itself. First the federal government must make the application process easier and more streamlined. Simplifying the process to apply will lead to disbursement of desperately needed funds. Second, Lahaina must be proactive in preparing for any future disasters. Pre disaster investments in wildfire prevention would be a good start. Investing in wildfire prevention and

infrastructure resilience would play an important role in reducing the severity of such disasters. Lahaina has tried to address these issues via policy changes as well. In October 21, 2024 the county of Maui developed a long term recovery plan for Lahaina. The plan includes 29 projects aimed at community planning, economic recovery, housing and other issues related to the wildfires.

In 2017 the city of Houston was hit by Hurricane Harvey which caused catastrophic flooding and damage. Hurricane Harvey led to over \$125 billion dollars in losses and displaced thousands of the city's residents. Following the disaster the city of Houston was allocated \$1 billion dollars for recovery efforts through the US Department of Urban Development (HUD). Today in 2024 the city of Houston continues to deal with the aftermath of Hurricane Harvey. The main issues that Houston has dealt with was allocation of funds. Houston relies on the Texas General Land Office (GLO) which oversees the distribution of federal funds in Texas. Following Hurricane Harvey GLO oversaw distributing federal funds which the city of Houston claims it has not had access to. Currently GLO claims that there is \$200 million dollars in unallocated federal relief funds available to the city of Houston. On the other hand, city officials of Houston say that they only have \$11.8 million available to them due to incomplete reimbursement requests submitted to HUD. A lot of these application issues can be traced back to staffing issues that the city of Houston has been dealing with. Houston has been dealing with staffing shortages withing Houston's Housing and Community Development Department. This lack of staffing has led to the city struggling to manage the influx of federal funds effectively because there is not enough staff to process applications and disburse funds. All these issues also led to Houston not receiving funding from the initial round of federal relief funding following the immediate

aftermath of Hurricane Harvey. This was primarily due to how GLO goes about distributing federal funds. GLO relies on criteria's that favor less populated areas with higher property values which are often less populated. Following Hurricane Harvey this caused controversy and criticism for GLO which led to them eventually providing \$750 million directly to Harris County where Houston is located. This also made it very clear that the city of Houston and GLO maintained a strained relationship. To make things worse this year Hurricane Beryl and Derecho caused further damage to the city of Houston. So that would make an additional \$50 million dollars on top of the \$200 million dollar deficit the city already faces. Mayor Whitmire is currently in the process of addressing these issues and has committed to ensuring that the remaining undistributed funds will be distributed by February 2025.

The recommendations for changes for the city of Houston would include both ways to address the inter-agency issues and staffing issues. It is evident that a lot of the disaster relief funding issues Houston is having is due to its strained relationship with the Texas General Land Office (GLO). The city of Houston must foster a stronger partnership with GLO to make communication easier and ensure that federal funds are allocated effectively. The way they can go about this is by scheduling regular meetings to discuss funding status and address any discrepancies found in fund reporting. Another of the issues that the city of Houston has faced is the staffing issues. I believe this to be the most crucial of all the issues that need to be addressed by the city of Houston. Houston needs to focus on hiring additional personnel especially those with expertise in disaster recovery. Hiring not only will make the city more efficient in applying for funds but also enhance the city's capacity to manage and distribute funds effectively. Another way they can address this issue is by creating city wide training programs for existing

staff. This training can be focused on federal funding requirements and best practices in disaster recovery management which in turn would improve compliance and efficiency.

It is clear when it comes to dealing with the issues of Lahaina and Houston that even at the local level addressing issues require a multifaced approach. In smaller communities like cities and municipalities it's important that this approach is one where it emphasizes collaboration, community engagement, and transparency. If these cities can use some of the suggested changes, they can drastically improve their disaster recovery efforts. In doing so they would be able to ensure that the resources can reach those that need them the most. As an added benefit they would be building a resilience against future disasters by building their preparedness.

In conclusion, the challenges of funding disaster relief in America underscore the need for a more equitable, sustainable, and proactive approach to disaster management. While federal, state, and local governments have made strides in improving funding mechanisms, significant gaps persist in ensuring adequate resources reach the communities most in need. By prioritizing preparedness, investing in resilient infrastructure, and fostering public-private partnerships, policymakers can mitigate the long-term financial and social costs of disasters. As climate change intensifies the frequency and severity of disasters, addressing these funding challenges is not merely an issue of financial necessity but a need to safeguard lives, livelihoods, and the nation's future.