

STATEMENT

OF

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BEFORE THE

COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE WASHINGTON, D.C.

“Disaster Response and Recovery: Disaster Relief Fund”

Submitted
By
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500 C Street SW
Washington, D.C. 20472

November 20, 2024

Chairwoman Murray, Ranking Member Collins, and Members of the Committee, thank you for the opportunity to testify before you today to discuss FEMA's Disaster Relief Fund (DRF) and our supplemental funding request. At the outset, I would like to thank other leaders joining me here today for their partnership in helping people before, during, and after disasters. Collaboration is the lifeblood of emergency management, and your role is vital in the work the FEMA workforce does each and every day to respond to communities across this nation who are recovering after a major disaster strikes. In response to Hurricanes Helene and Milton, FEMA deployed more than 10,000 FEMA personnel across the impacted states and used its authorities to mission assign more than 30 federal agencies to execute various response and recovery operations, including search and rescue; commodity distribution, including water, meals, and generators; and power, water, and communications restoration.

For example, in order to facilitate the delivery of food and water to isolated homes and communities, the Department of Defense quickly mobilized, and more than 1,500 active-duty troops delivered over 10.5 million pounds of commodities, 3.4 million liters of water, and over 30,000 meals. Getting these life sustaining supplies into the hands of survivors in isolated communities became known as the Points of Distribution (PODs). The National Guard, along with other Department of Defense vehicles, delivered commodities to isolated communities identified by the state, including right to the doorsteps of many survivors. The delivery of these critical resources supplied by FEMA, the state, voluntary partners, and other federal agencies to the individuals who needed them most in a timely manner is one example of how the federal family worked together to support survivors after these devastating storms. FEMA fully leveraged its authorities and funding to coordinate a truly whole of community effort by partnering with both our federal partners as well as non-profits and private organizations.

The Biden Administration requested \$22.4 billion for FEMA's DRF in its budget request for Fiscal Year (FY) 2025, which was the maximum allowable under the Disaster Cap Adjustment. FEMA carried forward \$1.9 billion for the DRF into FY 2025, and the Continuing Resolution (CR) provided another \$20.3 billion, bringing the available balance of the DRF to \$22.2 billion on October 1, 2024. As of November 14, 2024, the DRF balance is \$5.4 billion, which falls short of providing sufficient funding resources the agency needs in FY 2025 to provide the continued lifesaving, life-sustaining resources our citizens deserve. I fully support the Administration's supplemental request of \$39 billion for the DRF as well as the funding requested for our federal partners who are critical to the long-term recovery from Hurricanes Helene and Milton.

FEMA continues to support over 100 open major disasters, many of which were declared in 2024. The agency's capacity to assist communities recovering from disasters like Hurricanes Helene and Milton, and other future emergencies, hinges on securing sufficient, flexible funding to meet the escalating challenges of emergency management. For FEMA to continue aiding communities across the nation who are either recovering most recently from Hurricanes Helene and Milton, the Maui wildfire that devastated most of the small town of Lahaina, or another disaster, FEMA's DRF requires supplemental funds.

Whether it is a flood, hurricane, or wildfire, the DRF is integral to FEMA's ability to meet its mission. Despite \$16 billion in supplemental appropriations, early in FY 2024 the agency recognized the DRF would likely not have sufficient funding to support current ongoing disaster response and recovery operations in addition to new disasters, and we quickly began advocating for additional supplemental funds. While we wait for those funds, we continue to closely manage the daily DRF balance and work to recover excess funding where there were opportunities to do so to ensure funding is available to handle the most urgent disaster operations.

In early August, for the 10th time in its history and due to the increasing need to manage the impacts of an unprecedented hurricane season, FEMA implemented Immediate Needs Funding (INF) for the DRF to ensure the agency could prioritize life-saving and life-sustaining needs of disaster survivors and respond to any potential new catastrophic event. Under INF, all DRF-funded programs not essential for lifesaving and life-sustaining activities were paused. Those activities included new obligations for permanent repair and replacement work, as well as the DRF-funded Hazard Mitigation Grant Program projects and Building Resilient Infrastructure and Communities projects.

By the end of FY 2024, FEMA had paused obligation of over \$8.8 billion for approximately 3,000 projects across the country due to INF. FEMA having to pause billions of dollars in funding is felt across many communities, both large and small. From money to repair roads in Kentucky following a devastating severe storm in 2022, to more than 170 projects in Louisiana including an energy substation damaged during Hurricane Laura in 2021, and over \$20 million in funding for projects in Vermont damaged by compounding and increasing flooding events across the state, INF interrupts recovery and can have profound, long-term effects on our communities as they rebuild. With receipt of \$20.3 billion on October 1st from the FY 2025 CR, FEMA immediately lifted INF and obligated over \$8.8 billion previously paused. At the same time and through October, FEMA obligated over \$7.6 billion for Hurricanes Helene and Milton, and nearly \$2 billion for other disasters, dropping the DRF balance to \$4.8 billion as of November 18, 2024.

Communities affected by Hurricanes Helene and Milton require FEMA's ongoing, uninterrupted support during their recovery phase. As charged by law, FEMA is committed to standing by these communities as well as those impacted by other disasters throughout their recovery process. In meeting that charge, however, FEMA is once again rapidly exhausting the DRF.

Within the first 30 days, the needs for Hurricane Helene alone have outpaced all catastrophic storms over the last 20 years except for Hurricanes Katrina (2005) and Maria (2017). Over 2.2 million people registered for Individual Assistance in the month of October, surpassing the previous record from 2017 after Hurricanes Harvey, Irma, and Maria. Within the first 30 days, FEMA approved over \$1.4 billion, which includes \$883 million in assistance for individuals and families affected and over \$524 million for debris removal and activities to save lives, protect public health and safety, and prevent damage to public and private property.

FEMA continues to closely monitor the balances in the DRF to determine whether it will be necessary to institute INF again before the end of this calendar year to ensure the agency is ready

and prepared to address lifesaving and life-sustaining needs and the possibility of another future catastrophic event. Congress must act and appropriate additional funding for the DRF through a supplemental so FEMA can continue providing technical and financial assistance to repair housing, rebuild public infrastructure like schools, utilities, roads and bridges; and for hazard mitigation projects that will assist communities in the Southeast and across the nation to build back better and more resilient to sustain the impacts of future disasters.

Other federal agencies also heavily rely on mission assignment funding from FEMA to execute their missions under the Stafford Act, and most of them do not have dedicated funding mechanisms in place for Stafford Act missions and would need to shift funding to meet these response and recovery requirements. During the most recent INF, FEMA was still able to issue all necessary mission assignments to meet operational requirements and requests from impacted states. Any further reduction in DRF funding may impact certain federal agencies' abilities to meet necessary Stafford Act requirements if their only option is to pay out of their own appropriation.

In addition to the DRF, there are other FEMA accounts and programs that are facing critical funding levels, such as the National Flood Insurance Fund (NFIF). I am requesting Congress to take legislative action to sustain the National Flood Insurance Program (NFIP) because of the high number of claims filed due to catastrophic flooding caused by Hurricanes Helene and Milton and the need for the program to support claims from previous disasters. As of November 6, 2024, NFIP policyholders impacted by Hurricanes Helene and Milton have filed over 74,000 claims, and FEMA has paid approximately \$843 million in claims due to losses from these two hurricanes alone. The NFIP is already \$20.50 billion in debt. If Congress doesn't respond to cover these costs, which could be as high as \$10.5 billion, the NFIP would be forced to incur additional debt, causing the NFIP annual interest obligation to grow 70 percent from the current level of \$619 million to \$1.3 billion. FEMA encourages Congress to cancel some or all of the NFIP's debt to cover the costs of Helene and Milton, and to ensure a viable program moving forward.

Federal interagency coordination is essential to support whole community recovery post-disaster. FEMA accomplishes long-term community-based recovery by funding and coordinating recovery activities that are carried out by federal partner agencies that have the appropriate subject matter expertise or relevant disaster recovery programs. As such, FEMA's mission to support disaster response and recovery can be severely affected by budget shortfalls faced by other federal agencies.

For instance, cuts to HUD's housing assistance programs can leave survivors without access to housing and increasing demands on FEMA sheltering and housing programs. FEMA and HUD often struggle to assist families who lived in HUD housing before a disaster by transitioning them from FEMA temporary housing programs back to HUD housing in a disaster's wake. In addition, FEMA's Direct Housing program has come to routinely rely on HUD's CDBG-DR grant program as a mechanism to secure permanent housing solutions for disaster-affected communities. As HUD lacks the operational funding to properly support CDBG-DR grantees as

they implement CDBG-DR grants, many families wind up residing in FEMA direct housing for far longer than intended.

Budget shortfalls to federal partner Recovery programs like SBA disaster loan funds may also result in survivors staying in FEMA Direct Housing longer as they may not have resources needed to return to a permanent housing solution. Reduced funding for SBA disaster loans limits businesses' ability to rebuild, resulting in gaps and inefficiencies in disaster recovery efforts.

It is clear from recent events that our communities and citizens continue to rely more on FEMA than ever before. FEMA's DRF supplemental request will provide the necessary resources for us to meet our mission.

Thank you for the opportunity to testify, and I look forward to your questions.