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FEMA's Pre-Disaster Mitigation Program: Overview and Issues

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Summary

Pre-Disaster Mitigation (PDM), as federal law and a program activity, began in 1997. Congress established a pilot program, within the Appropriations Act, which FEMA named Project Impact, to test the concept of investing prior to disasters to reduce the vulnerability of communities to future disasters. Several years later, P.L. 106-390, the Disaster Mitigation Act of 2000, authorized the PDM program in law as Section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. However, unlike the rest of the Stafford Act which has a freestanding authorization, the PDM program had a sunset provision and has required reauthorization in the ensuing years.

For most of its history, the PDM program had grown in appropriated resources as well as the scope of participation nationwide. But that growth ceased in 2011 when funding was cut in half. The Administration has recommended no PDM funding for the past three budgets (including FY2015). However, Congress has chosen to maintain funding, albeit at a reduced amount. For FY2014 the appropriated level was $25 million. All of this has contributed uncertainty to the program at all levels and to the concept of disaster mitigation outside of Presidential declarations or the National Flood Insurance Program (NFIP).

An interesting interregnum in the PDM program's history is its involvement in the debate over congressionally directed funding. Many projects, and a large portion of the program's funding, were earmarked for several years. These actions created questions of eligibility for some projects named but also meant that the lower level of remaining funds in the program could not justify the regimen of a competitive grant process.

The FY2015 budget has offered a mixed message for pre-disaster mitigation efforts. Despite again zeroing out the PDM budget, the Administration also has sought to establish the "Opportunity, Growth, and Security Initiative" (OGSI) and pledged that $400 million derived from the OGSI would be placed in the PDM account for a renewed, competitive grant program.

The PDM program's authorization (P.L. 111-351) expired at the end of FY2013. Legislation has been introduced, H.R. 3282, to reauthorize the program through 2018.

In addition to the waning of funding and congressional retractions of earmarks, the current Administration has consistently suggested elimination of the program. Taken together these actions leave the program with a clouded future that may be confusing to current recipients as well as discouraging to potential applicants.

In its rationale for eliminating PDM funding the Administration has pointed to remaining mitigation programs such as the Hazard Mitigation Grant Program (Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act) and the Flood Mitigation Assistance Program within the NFIP. While both of those are mitigation programs, the former is only available after major disaster declarations and the latter can only be used to address flood hazards on NFIP insured structures.

In considering the PDM program's future, the recent decision by the Administration to place a new Disaster Resilience Competition Grant within the Department of Housing and Urban Development (HUD) further complicates the program's future. The new program was arguably placed at HUD since the funds are coming from the last $1 billion in the Hurricane Sandy Community Development Block Grant (CDBG) appropriation. But given FEMA's previous role in establishing mitigation plans at the state and local level, as well as its other mitigation programs, placing a new competitive program tied to climate change at a different department may cause some to question FEMA's role in future mitigation efforts.

Combined, the actions noted at HUD and the new OGSI initiative, may hold out the promise of the highest funding levels in the history of pre-disaster mitigation. In light of these initiatives, Congress may wish to examine where the program's future course lies.

This report will be updated as warranted by events.

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Overview of Pre-Disaster Mitigation

Program Purposes

The purpose of the original pre-disaster hazard mitigation pilot program, known as Project Impact, as well as the successor Pre-Disaster Mitigation (PDM) program, has been to implement hazard reduction measures *prior* to a disaster event. Those measures are similar to those actions taken *following* a disaster under the authority of the Section 404 Hazard Mitigation Grant Program (HMGP).[1] The range of eligible projects might include retrofitting public buildings against hurricane-force winds or seismic damage, acquiring and relocating properties out of a flood plain, elevating structures in a flood plain, flood-proofing public buildings, managing vegetation to mitigate against wildfires, or constructing or converting public spaces into "safe rooms" in tornado-prone areas.

While there would appear to be general agreement among analysts and practitioners on successful mitigation measures, there is debate on where the line is drawn between preparing to respond to the next disaster and mitigation measures to lessen its impact. A common distinction frequently drawn is between structural and non-structural mitigation. Structural mitigation is the building of levees to protect communities from flooding, such as those constructed by the U.S. Army Corps of Engineers. A non-structural mitigation project would be establishing new land use patterns, and possibly removing structures from a flood plain that has repeatedly experienced flood damage. The essential difference is that the structural projects tend to construct barriers to protect communities, while non-structural projects tend to remove structures and citizens from harm's way.

Context and Trends

When Congress first appropriated funds in FY1997 for mitigation activities before disasters occur, FEMA established the pilot program and called it Project Impact.[2]The communities participating in the initial pilot program were selected by FEMA based on factors such as their experience with natural disasters, the ongoing risk the community faced, and the degree of collaboration among local, county and state officials. Project Impact placed most of its emphasis on community efforts to mitigate those hazards that made the community vulnerable to future damage.

This emphasis on community-based efforts included the required commitment of the local governments, nongovernmental organizations, the local business community, as well as the development of an educational component for community awareness. This approach grew out of experience which demonstrated the necessity of community "buy-in" and active involvement with mitigation activities.

> The study of elite attitudes and opinions with respect to disaster mitigation policies demonstrates the relatively low priority placed on natural hazards as political issues in local communities and even at the state level. It further demonstrates the relative unpopularity

[1] 42 U.S.C. 5170(c). For additional information on HMGP, see CRS Report R40471, *FEMA's Hazard Mitigation Grant Program: Overview and Issues*, by Natalie Keegan.

[2] H.Rept. 104-812, conference report to accompany H.R. 3366, Department of Veterans Affairs and Housing and Urban Development and Independent Agencies, 1997 *Congressional Record*, p. H10753, September 20, 1996.

> of nonstructural mitigation measures as compared to structural solutions to disaster problems or to traditional relief and rehabilitation policies.[3]

While noting the reported reticence toward nonstructural mitigation, some in the field were also turning a critical eye toward structural mitigation as a panacea for the risks posed by natural hazards. One observer spoke to the gaps in the policy area as follows:

> Structural mitigations, for example, encourage people to move into hazardous areas. Post-disaster relief tends to socialize risks, lets people be insensitive to hazard risk when they build structures, and so forth. The current emphasis on nonstructural or land use approaches reflects a concern that previous policy emphases may well have increased, rather than decreased, the level of population at risk from hazards.[4]

The concept of disaster mitigation had been favorably discussed for several decades among some in the emergency management field. But absent serious disaster damage during most of the 1980s, it was difficult to advance the concept. As one observer explained:

> With the comparative absence of major disasters during the Reagan years, priorities shifted and commitment to proactive measures requiring time and money waned. But in the early 1990's, that attitude dramatically changed. Massive losses between 1989 and 1993 from five major hurricanes, earthquakes, and river floods resulted in mitigation making more sense to more people than at any time previously.[5]

As noted above, the relative quiescence of the Reagan years from an emergency management perspective was followed by years with disasters of great scale in both human costs and financial losses. The disasters included Hurricane Hugo (1989); the Loma Prieta earthquake (1989); Hurricane Andrew (1992); the 1993 Midwest floods; the Northridge, California earthquake (1994); and Hurricanes Fran and Floyd (1996 and 1999) along the eastern coast of the nation. The confluence of these events helped to support those in favor of proactive work to lessen the impact of disasters, but little organized research had been done up to that point to demonstrate the benefits of pre-disaster mitigation. Without such studies (later mandated by the Disaster Mitigation Act of 2000 - DMA2K[6]), Congress approached the PDM concept cautiously and provided funding at lower levels until the benefits of such spending were proven.

The two most recent catastrophic events have produced mixed results in mitigation due to differing circumstances. However, they both generated large amounts of HMGP funds which can have an impact on Congress' considerations for PDM funding. Hurricane Katrina and its aftermath presented many possible mitigation opportunities. But the mitigation program, particularly in Louisiana, got off to a slow start due to disputes between FEMA and the state regarding the use of mitigation funds for the state's "Road Home" housing repair program.[7]

The mitigation efforts for Hurricane Sandy have not been subject to disputes, but have moved slowly. In the spring of 2014, FEMA had obligated over $3 billion in assistance to New York for both public infrastructure repair and aid to families and individuals. Of that total, only $15.7 million was obligated by the HMGP program.[8] Mitigation is not a rapid response program, but the

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[3] James D. Wright and Peter H. Rossi, ed. *Social Science and Natural Hazards,* (Cambridge: Abt Books, 1981), p. 78.

[4] Ibid. p. 82.

[5] Robert E. Hinshaw, *Living with Nature's Extremes: The Life of Gilbert Fowler White* (Boulder: Johnson Books, 2006), p. 181.

[6] P.L. 106-390, Sec. 209, 114 Stat. 1571.

[7] For additional information see CRS Report RL34410, *The Louisiana Road Home Program: Federal Aid for State Disaster Housing Assistance Programs*, by Natalie Keegan, pp. 9 and 10.

[8] DHS/FEMA, "Federal Assistance to New York Tops $8.7 Billion for Sandy Recovery," April 24, 2014, http://www.fema.gov/news-release/2014/04/24/federal-assistance-new-york-tops-8.7.

small amounts obligated would appear to indicate that federal and state governments could improve their approach to accelerating the administration of the program. While these examples are for post rather than pre-disaster mitigation, such problems arguably tend to undercut arguments for mitigation planning and projects that make up the PDM program.

PDM Legislative and Appropriations History

Pre-disaster hazard mitigation activities were initially funded through a pilot program first provided for in the conference report that accompanied the 1997 appropriations legislation. The pertinent report language follows:

> The conferees agree to up to $2,000,000 for FEMA's participation in appropriate pre-disaster mitigation efforts. The conferees agree with FEMA's Director that mitigation activities can ultimately save significant sums from post-disaster clean-up and response actions and that the Agency should be taking an increasingly active role in developing and participating in pre-disaster mitigation programs. Such programs range in scope from the development and/or funding of mitigation plans for communities to participation with industries, insurers, building code officials, government agencies, engineers, researchers and others in developing systems and facilities to test structures in disaster-like circumstances. The conferees understand that these activities will require an infusion of considerable up-front financial support as well as the possible movement over time of disaster relief funds to pre-disaster programs, and the Agency is expected to use up to the $2,000,000 provided herein in an appropriate manner to begin the process of movement toward a meaningful pre-disaster mitigation program. Expenditure of these funds may not, however, be made until submission to the Committees on Appropriations of an appropriate pre-disaster mitigation spending plan.[9]

Subsequent appropriations measures for fiscal years 1998, 1999, 2000, and 2001 provided $30 million for 1998 and $25 million per year for the next three years.[10] Following four years of funding through appropriations statutes, Congress authorized the program from 2000 to 2003 in the Disaster Mitigation Act of 2000 (DMA2K) which placed the PDM program in the Robert T. Stafford Disaster Relief and Emergency Assistance Act as Section 203.[11]

The original Project Impact, the first PDM program, was closely identified with then-FEMA Director James Lee Witt. Witt was appointed by President Clinton in 1993 and gained a high profile in the course of leading FEMA's disaster response and recovery efforts. Witt described Project Impact as "a program designed to break the damage-repair, damage-repair cycle and instead help communities become disaster resistant."[12]

While the initial funding amounts were relatively small for a national program, Project Impact was generally considered a success. One author observed, for example, that "the money was said to have worked wonders."[13] In part, this reflected FEMA's intent to concentrate on outstanding

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[9] U.S. Congress, Conference Committee, *Making Appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for Sundry Independent Agencies, Boards, Commissions, Corporations, and Offices for the Fiscal Year Ending September 30, 1997, and for Other Purposes*, conference report to accompany H.R. 3666 (P.L. 104-204), 104th Cong. 2nd Sess., H.Rept. 104-812 (Washington; GPO, 1996).

[10] P.L. 105-65, 111 Stat. 1376; P.L. 106-390, 112 Stat. 501; P.L. 106-74, 113 Stat. 1086; and P.L. 106-377, 114 Stat. 1441A-46.

[11] 42 U.S.C. 5133.

[12] James Lee Witt and James Morgan, *Stronger in the Broken Places* (New York: Times Books-Henry Hot and Company, 2002), p. 42.

[13] Robert Block and Christopher Cooper, *Disaster: Hurricane Katrina and the Failure of Homeland Security* (New

communities, from the mitigation initiative perspective, that could then serve as mentors to others. However, some observers maintained that if funding were provided through a competitive process the criteria could recognize areas with the greatest risk and where mitigation measures could produce the most beneficial results, rather than areas that may have experienced random disasters but, despite the strength of community involvement, did not necessarily face as grave an ongoing threat.

Early in the George W. Bush Administration, Project Impact was eliminated from the FY2002 budget on the same day that the Mayor of Seattle was praising the program for preventing further damage due to the Nisqually earthquake.[14]

In 2002, in light of Congressional action FEMA chose to rebrand Project Impact as the Pre-Disaster Mitigation (PDM) program. While this title conformed to the legislative language it also was intended to send another message as then-FEMA Director Joe M. Allbaugh explained:

> I want to take the "concept" of Project Impact and fold it in to the program of mitigation. Project Impact is not mitigation. It is an initiative to get "consumer buy-in." In many communities it became the catch-phrase to get local leaders together to look at ways to do mitigation.[15]

For FY2003 and FY2004, Congress increased funding for pre-disaster mitigation to $150 million from the previous $25 million level. Also, Congress had inserted legislative language in the FY2003 Appropriations Act, which became law on February 20, 2003, stating that PDM funds "shall be awarded on a competitive basis."[16] FEMA adhered to the direction from Congress and made part of PDM a competitive grant program thereafter.[17]

In its FY2003 and FY2004 budget requests, the Bush Administration proposed consolidating all mitigation funds in the PDM program. "Adoption of this proposal would have terminated funding provided through the Hazard Mitigation Grant Program (HMGP) after a major disaster is declared."[18] This referenced Section 404, the HMGP program of the Stafford Act that generally provides 15% of all disaster costs in the form of a cost-shared mitigation program.[19] Congress did not wish to entirely eliminate the post-disaster mitigation help but did devote more resources to the pre-disaster mitigation program. In order to shift the resource balance between post-disaster mitigation and pre-disaster mitigation, Congress reduced the HMGP amount in the Stafford Act for post-disaster work from 15% of the total amount spent on the disaster (less administrative

York: Times Books-Henry Holt and Company, 2006), p.68.

[14] Ibid.

[15] U.S. Department of Homeland Security, Federal Emergency Management Agency, Testimony of Joe M. Allbaugh before the Senate Appropriations Committee, Subcommittee on VA, HUD and Independent Agencies, at http://www.fema.gov/about/director/allbaugh/testimony/051601.shtm.

[16] P.L. 108-7, 117 Stat. 515.

[17] U.S. Department of Homeland Security, Federal Emergency Management Agency, Fiscal Year 2003 Pre-Disaster Mitigation Program, at http://www.fema.gov/government/grant/pdm/fy2003.shtm.

[18] For additional information, see archived CRS Report RL32242, *Emergency Management Funding for the Department of Homeland Security: Information and Issues for FY2005*, by Keith Bea, Shawn Reese, Wayne Morrissey, Frank Gottron, and C. Stephen Redhead, p. 30. (RL32242 is out of print but available to congressional clients from CRS upon request.)

[19] For more information on the HMGP program, see CRS Report R40471, *FEMA's Hazard Mitigation Grant Program: Overview and Issues*, by Natalie Keegan.

costs) to 7.5%.[20] While the post-disaster mitigation pot would shrink, the PDM program would grow. However, this shifting of resources would be short lived.

Over its history, the funding levels for PDM have varied at times and are now falling again. During the early years the program was given its own separate line item account within the DHS/FEMA budget but outside of the Disaster Relief Fund.[21] The changes in the funding levels represented differing approaches not only to PDM but to the mitigation concept as a whole. The 111th Congress passed legislation which became P.L. 111-351 that sought to increase funding by authorizing the appropriation of $180 million for 2011, and $200 million for fiscal years 2012 and 2013.[22]

Table 1. History of Pre-Disaster Mitigation (PDM) Appropriations, FY1997 to FY2013

Fiscal Year	Program	Amount Requested (in millions)	Appropriations (in millions)
1997	Project Impact	N/A	$2 - EMPA account[a]
1998	Project Impact	$50	$30 - EMPA account
1999	Project Impact	$50	$25 - EMPA account
2000	Project Impact	$30	$25 - EMPA account
2001	Project Impact	$30	$25 - EMPA account
2002	Project Impact	$0	$25 - EMPA account
2003	PDM	$300	$150 - PDM Fund established[b]
2004	PDM	$300	$150 - PDM Fund
2005	PDM	$150	$100 - PDM Fund[c]
2006	PDM	$150	$50 - PDM Fund
2007	PDM	$100	$100 - PDM Fund
2008	PDM	$75	$114 - PDM Fund
2009	PDM	$75	$90 - PDM Fund
2010	PDM	$150	$100 - PDM Fund
2011	PDM	$100	$49.9 - PDM Fund
2012	PDM	$0	$35.5 - PDM Fund
2013	PDM	$0	$25 - PDM Fund
2014	PDM	$0	$25 - PDM Fund[d]

Source: CRS analysis of data provided by FEMA, Mitigation Directorate, July 2013.

a. EMPA is the Emergency Management and Planning Assistance (EMPA) account, which is FEMA's general administrative account.

b. The separate PDM account creates a separate line item for PDM for the first time in the FEMA budget.

[20] P.L. 108-7, Sec. 417, 117 Stat. 525.

[21] For additional information, see CRS Report R43537, *FEMA's Disaster Relief Fund: Overview and Selected Issues*, by Bruce R. Lindsay.

[22] H.R. 1746, P.L. 111-351.

c. For the first time in legislative language P.L. 108-334 directed that the PDM funds "shall be awarded on a competitive basis."

d. The FY2014 Appropriations provided an initial amount of $25 million was amended on the House floor to add an additional $7.5 million to the PDM program. The final enacted amount remained at $25 million.[23]

When the PDM authorizing legislation (DMA2K) was passed, Congress addressed some of the same themes used in Project Impact but placed the responsibility on the Governor of each state to suggest up to five communities to be considered for pre-disaster mitigation assistance.[24] While the Governor nominated potential grantees, FEMA made the final selections. In addition, under the statute, FEMA had the discretion under "extraordinary circumstances" to award a grant to a local government that had not been recommended by a Governor.[25]

While the authorization of PDM in FY2000 had recognized, at a minimum, the potential benefit of mitigation prior to disaster events, the substantial funding increase beginning in FY2003 was one component of a different overall approach. This new approach was targeted not only to pre-disaster mitigation but to mitigation in general. It represented a shift in thinking regarding the most appropriate time to devote resources to mitigation in disaster-prone communities.

Some had suggested that the Hazard Mitigation Grant Program (HMGP) in the Stafford Act (Section 404), which provides funding to a state following a major disaster to mitigate future disaster damage, was taking the wrong approach, or, more precisely, was in the wrong sequence. Since the funds arrive after the disaster event, and are only available to states that have suffered the impact of a disaster, they cannot be targeted at areas that might have a greater risk of a more costly disaster that has not yet occurred. Pre-disaster mitigation, they argued, would be more effective.

However, others contended that only communities that have had recent disaster experience have the immediate incentive, in the form of a community commitment borne of experience, to take the steps necessary to reduce the risk of future disasters. As one writer in the field has noted, it is imperative to garner community support around a specific action:

> This is especially true when those mitigation measures involve cranking up the machinery of government, which, some contend, is especially prone to inertia.... Mitigation measures are also most effective when they have the broad support from the greatest number of people across a broad section of the community.[26]

Mitigation Funding and Studies

Following Hurricane Katrina, Congress chose to reinstate the HMGP to its previous level of 15% for the majority of disasters and established a new graduated scale for larger events.[27] With that change, smaller amounts were requested and appropriated on an annual basis for the PDM program. In FY2006, the appropriated amount was $50 million. However, Congress then

[23] The House DHS Appropriations Bill, H.R. 2217, increased PDM funding through an amendment by Colorado Representatives Tipton and Polis.

[24] 42 U.S.C. 5133(d).

[25] 42 U.S.C. 5133(d)(2)(B).

[26] R.W. Greene, *Confronting Catastrophe* (ESRI Press: Redlands, California, 2002), p.15.

[27] Stafford Act, Section 404, as amended, 120 Stat. 1447. If Stafford Act funding does not reach $2 billion, the HMGP program will receive 15% of that amount. For disasters between $2 billion and $10 billion, the HMGP award is 10% of the total. If the disaster total is between $10 billion and $35.3 billion, the HMGP award is 7.5% of that amount.

appropriated larger sums for the PDM program, equal to or above requested levels from F2008 up to FY2010.

These increases coincided with studies released in 2005 and 2007, each of which pointed to savings of $3 to $4 in disaster relief spending for each $1 spent on mitigation.[28] The findings of these studies were thought to be important to the PDM program since the studies:

> provide independent evidence to support what nearly every member of the hazards community knows anecdotally—generally, FEMA mitigation grants are highly cost-effective.[29]

One study, *Natural Hazard Mitigation Saves: An Independent Study to Assess the Future Savings from Mitigation Activities*, in accordance with the directive from P.L. 106-390, was completed by the Multi-Hazard Mitigation Council (MHMC). The MHMC study defined a broad number of benefits that reached into not only direct FEMA disaster costs but also assessed corollary and indirect savings from mitigation at the local level and within the business sector with an impact, or "ripple effect" on the surrounding communities. The study weighed damages that were not always previously considered when calculating savings, such as business interruption and environmental costs. The study, released in 2005 before the hurricane season, provided a foundation for mitigation that was previously based on anecdote and conjecture. The MHMC study listed areas of savings within communities from mitigation and also focused on the long-term beneficial effects that mitigation activities would have on the federal treasury on an annual basis.[30]

Building on the MHMC study, in 2007 the Congressional Budget Office (CBO) issued its report on pre-disaster mitigation cost savings. While using slightly different assumptions and cognizant of federal spending time lines, that report also noted a proportional savings derived from the PDM program. The CBO study explained that PDM savings would likely benefit two FEMA programs.

> Any federal savings from PDM-funded mitigation projects would occur largely in FEMA's disaster relief programs (which are funded from discretionary appropriations) and in its National Flood Insurance Program (which ordinarily is not funded through the appropriation process).[31]

These findings provided a justification for increased PDM funding, which followed in FY2007 and continued through FY2010.[32]

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[28] Multi Hazard Mitigation Council of the National Institute of Building Sciences, *Natural Hazard Mitigation Saves: An Independent Study to Assess the Future Savings from Mitigation Activities,* December 2005, at http://www.nibs.org/MMC/mmchome.html, and *CBO Potential Cost Savings from the Pre-Disaster Mitigation Program,* Congressional Budget Office, September 2007, at http://www.cbo.gov/ftpdocs/86xx/doc8653/09-28-Disaster.pdf.

[29] "Mitigation Generates Savings of Four to One and Enhances Community Resilience," *Natural Hazards Observer,* vol. xxx, no. 4 (March 2006), p. 1, at http://www.colorado.edu/hazards/o/archives/2006/mar06/mar06a.html.

[30] Multi-Hazard Mitigation Council, National Institute of Building Sciences, *Natural Hazard Mitigation Saves: An Independent Study to Assess the Future Savings from Mitigation Activities, Volume 1—Findings, Conclusions, and Recommendations,* 2005, pp. 2-6.

[31] U.S. Congressional Budget Office, *Potential Cost Savings from the Pre-Disaster Mitigation Program,* September 2007, p. 4.

[32] Amy Sherman, "PolitiFact Florida," *Tampa Bay Times, The Miami Herald,* June 2, 2011.While the MHMC study has not been updated, this news account reviewed the study with its authors and other experts and determined it to be valid, particularly as applied to FEMA mitigation projects.

Post-Katrina Funding—Competitive and Formula Grants

For FY2007 Congress increased PDM funding to $100 million, raised that amount to $114 million for FY2008, and for FY2009 reduced that amount to $90 million (but still above the requested level). In recognition of the larger appropriated levels, Congress directed FEMA to implement the state minimum of $500,000 specified in the Stafford Act[33] for eligible projects.[34] With the passage of P.L. 111-351, the state minimum amount has been raised to $575,000 or no less than 1% of the amount appropriated for PDM. This formula, in effect, made PDM both a competitive and a formula-driven program. The implementation of the state minimum also serves to retain interest in mitigation for states that may not have been competitive, nor experienced recent disasters.

The overall change in the formula created a new kind of hybrid program, in which grants would continue to be awarded through a competitive process and also through guaranteed formula amounts for each state with eligible projects or plans.

The congressionally directed spending for FY2008 PDM grants, the first earmarks for the PDM program, accounted for over $50 million or 44% of the funding. After factoring in state minimums, the available amount for open competitive grants was reduced from three quarters to just over a third of the total funds. The directed grants for FY2009 total $25 million, or just over 27% of the appropriation. Taken together, the earmarks combined with the state minimums total $50 million or 55% of the total appropriated program funds.

In reaction to this trend of directed funding, amendments were offered in each chamber, during consideration of the FY2010 appropriations bill, to curtail the earmarks. The Senate amendment would have eliminated the earmarks from the FY2010 appropriations.[35] The provision eliminating congressionally directed spending was added to the legislation that became P.L. 111-351.

In addition to congressionally directed spending, Congress established in the Stafford Act the limits of the size of respective, individual grants and for total amounts to individual states.

> States and territories that submitted less than $500,000 in applications received the amount requested, provided those applications are determined to be eligible. The maximum PDM award for any one State shall not exceed $17 million. There is a $1 million cap on the federal share available for plans and a single federal share cap of $3 million for projects.[36]

The Bush Administration requested $75 million for FY2009. Congress funded the program at the $90 million level. The budget justification submitted to Congress for the FY2009 budget noted the $39 million reduction from the FY2008 level did not offer any comment or explanation for the change. Some have suggested that the carryover amount within the program between FY2007 and FY2008 of more than $65 million may have contributed to the conclusion that additional funding was not needed. FEMA has noted that since PDM funds are no-year funds with a great amount of state and local participation in the process, the lag time on the expenditure of funds is a practical and inevitable part of program administration. FEMA has also emphasized that funds

[33] 42 U.S.C. 5133(f).

[34] U.S. Department of Homeland Security—Federal Emergency Management Agency, *FY2007 Pre-Disaster Mitigation Program Guidance*, p. 1, at http://www.fema.gov/library/viewRecord.do?id=2095.

[35] Sen. Feingold's amendment #1402 to H.R. 2892 would have removed earmarked projects in both the PDM program and the Emergency Operations Center (EOC) program. The amendment failed on a vote of 60 to 38 on July 8, 2009. http://www.senate.gov/galleries/pdcl/index.htm

[36] P.L. 93-288, Section 203(f)(2).

being carried over are funds dedicated to projects that have been selected and are only awaiting final clearance.

It can also be noted that the proportionality of planning grants vs. project grants tends to reflect the amount of funding available and has changed as the amount has fluctuated (see **Table 4**). As funding levels grew more projects were selected but as the funding was reduced in FY2011 and FY2012 the funds then went back to "basics," the planning grants that assist states and localities and tribes to have an updated mitigation plan in place. Having a plan in place prior to the next disaster event is important for an effective recovery but also, having a plan in place that does not have to be updated for five years means the jurisdiction can then consider possible mitigation projects as well.

Funding levels proposed for the PDM program during the Obama Administration have swung greatly. While the FY2010 request of $150 million matched the second highest previous request in program history, the FY2011 request dropped down to $100 million.[37] (See **Table 1**.) This was a precursor for the subsequent years (FY2012 through FY2015) which have requested no funds for the program. The explanations offered for this reversal in policy included the existing balance of funds in the program but also that the PDM program duplicated other mitigation programs such as the HMGP program and the FMA program. However, the HMGP program cannot be used in advance of any events but only after the disaster has occurred. The FMA (as part of NFIP) can be used at any time but can only be used for flood mitigation projects that involve NFIP-insured structures. Those programs may arguably overlap with or address similar projects eligible under PDM, but those programs also appear to be distinct from the PDM program in their structure and intent.

Grant Applications and Categories

Given the authorizing language that requested that each Governor submit "not fewer than five local governments to receive assistance under this section"[38] it is not surprising that the program would have a large number of grant awards (a total of 149 grants were awarded for FY2008 and 443 applications were received for FY2009). The total number of grant awards is amplified by the significant number of planning grants. In FY2008, planning grants accounted for 79 percent of the awarded grants. These are usually awards for much smaller amounts than project applications, and planning grant awards are distributed to many more communities. The interest in planning may derive from the fact that a mitigation plan is a prerequisite for receiving both PDM and HMGP funding.

Although changes have impacted the program, such as the earmarks and the reduced funding levels of recent years, the number of awards has been relatively consistent. While 149 grants were made in FY2009, three years later 131 grants were awarded for FY2013.

Grants have been awarded for a variety of hazards being addressed by states and communities. The Government Accountability Office (GAO) reviewed the FY2003 projects and found that more than half of the projects identified flooding as the primary hazard being mitigated by the grants. That same review found that 12% of the grants were based on hurricane projects, just

[37] In response to these requests, the 110th Congress increased PDM funds in FY2010 from the previous year's $90 million up to $100 million. When the Administration reduced its request to $100 million for FY2011, the 111th Congress reduced the PDM appropriation to $49.5 million. See **Table 1**.

[38] 42 U.S.C. 5133.

under 7% sought to mitigate the effects of an earthquake, and 4% listed tornadoes as the primary hazards to be addressed.[39]

The PDM projects funded at the direction of Congress for FY2008 also sought to accomplish a variety of purposes. Some appear to be traditional PDM projects such as the acquisition and relocation of properties and wildfire mitigation activities. However, other projects listed among the earmarks appear to be for purposes listed as ineligible in the PDM program guidance materials. Examples of those projects include funding for equipment, fire suppression activities, dams, and emergency alert and notification systems. These projects reflect the preparedness vs. mitigation debate that, as the "Program Purposes" and "Funding Criteria" sections of this report explain, has been with the PDM program since its inception.

While the direction of funding, that is the hazards addressed by grants, have been relatively consistent, there has been recent attention directed at the program's relative paucity of wildfire mitigation grants. According to FEMA's Mitigation Division as of 2012:

> In the last 10 years roughly 0.5% of all projects funded by the FEMA Hazard Mitigation Assistance (HMA) programs are wildfire projects, those projects make up roughly 0.5% of overall HMA dollars obligated. In 2008 a new wildfire policy was developed which refined eligible activities included in a wildfire project. That policy is currently being updated to fit the changes in the HMA programs since its conception. More than 50% of the wildfire projects funded have come from California and Colorado.[40]

Issues for Congressional Consideration

As Congress considers reauthorization of the PDM program, there are several issues that have emerged as points of discussion. These issues include the pace at which grant awards are made, the best methods for funding awards, the priority uses for PDM funds, the amount of resources devoted to the program, the length of authorization for the program, and, most importantly, the direction of pre-disaster mitigation and where it may be best realized given recent Presidential action. Also, new initiatives emerged from the 2010 budget and authorizing legislation that suggested new directions for the PDM program.[41]

Funding Criteria

The authorizing legislation for PDM sets forth an array of funding criteria. The criteria focus on elements such as the nature of the hazard, the degree of commitment of and coordination by the state and local governments (including consistency with appropriate mitigation plan), and the "extent to which prioritized, cost-effective mitigation activities" can produce clear results.[42]

Along with the statutory funding criteria, FEMA, in its PDM program guidance, lists ineligible activities for PDM planning and project activities. FEMA staff noted that they have derived many of the suggested changes from the eligibility listings from the peer review panels, composed of local practitioners in the mitigation/emergency management field, that review applications. It is

[39] See Government Accountability Office, *Hurricanes Katrina and Rita: Unprecedented Challenges Exposed the Individuals and Households Program*, Washington, September 2006, http://www.gao.gov/new.items/d04727r.pdf.

[40] Information provided by FEMA Office of Legislative Affairs, October 15, 2012.

[41] While the Administration's budget for FY2010 requested that the competitive process be dropped in favor of a risk-based assessment by FEMA, the Administration's budget for FY2011 did not contain any reference to a risk-based assessment by FEMA.

[42] 42 U.S.C. 5133(g).

the intent of the program staff to provide more clarity on eligible activities for applicants by providing such a list.[43] Due to the small amounts appropriated for the program in recent years, FEMA has not consistently assembled those peer review panels so such insights are not as available to the program management as in previous years.

The ineligible activities list for FY2008 contained eight items related to PDM planning and 23 ineligible activities for the PDM project grants. (For the latter category, this was an increase; for FY2007, the number of ineligible activities was 16.)[44] The list broadly supports compliance with practices such as environmental and historic preservation and the Coastal Barrier Resources Act (CBRA). But other excluded items (such as the construction of levees or flood mapping) are arguably seeking to ensure that PDM planning or project funds do not duplicate similar efforts funded by other programs. In 2010 FEMA released unified guidance for all mitigation programs, including PDM. This guidance was updated in 2013. While the format and presentation differed slightly, the same general categories were covered with seemingly fewer restrictions specifically directed toward planning guidance.[45]

However, some observers argue that the FEMA interpretation of eligible PDM projects has grown overly restrictive, particularly with regard to equipment purchases to address different hazards. For example, some observers believe that the purchase of warning or alert notification systems should be an eligible expense for PDM. (It should be noted that warning systems and other "gray areas" can be funded through the HMGP program's "5% initiative" that was put in place over a dozen years ago. This was established to allow some flexibility for actions that may or may not meet cost-effectiveness criteria.)[46] Others suggest that the purchase of generators under the PDM program should be eligible beyond the standards for such purpose in the program guidance.[47] The arguments over individual categories and projects are symbolic of the overarching effort to differentiate the concepts of preparedness and mitigation.

Project Eligibility

There are a number of project activities that are ineligible under FEMA's program guidance for the PDM program. This is the unified guidance first established in 2010 and still in use.[48] Some of the ineligible activities include costs of maintenance to structures (e.g., levees and dams); the purchase of generators for facilities that are not a part of a larger mitigation project; and the broadest category—projects for which benefits "are available from another source for the same purpose."[49]

A particular example at the crux of this debate concerns warning systems. Many communities have sought to use PDM funds to purchase warning systems such as sirens to protect their citizens against sudden disasters. FEMA considers such alert notification systems as eligible under

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[43] Interview with Mike Grimm, Deputy Director, Risk Reduction Division, Mitigation Directorate, U.S. Department of Homeland Security, Federal Emergency Management Agency, May 20, 2008.

[44] U.S. Department of Homeland Security, Federal Emergency Management Agency, *Pre-Disaster Mitigation Program Guidance*, pp. 27-28 and pp. 39-40.

[45] DHS/FEMA Hazard Mitigation Assistance Unified Guidance, June 1, 2010, pp. 16-19.

[46] U.S. Department of Homeland Security, Federal Emergency Management Agency, *Hazard Mitigation Grant Program Desk Reference*.

[47] Ibid.

[48] DHS/FEMA, *FY2011 Hazard Mitigation Assistance (HMA) Unified Guidance*, http:www.fema.gov/media-library/assets/documents/19022. Pages 16 through 18 of this document list examples of ineligible projects.

[49] U.S. Department of Homeland Security, Federal Emergency Management Agency, "PDM Program Guidance, 4.3 Ineligible Program Activities and Costs," p. 40, at http://www.fema.gov/library/viewRecord.do?id=3029.

disaster preparedness grants but not under the PDM program. Similarly, FEMA has previously determined that the purchase of stand-alone generators is a preparedness effort to address the likely results of a disaster rather than mitigating its effect. One exception is the purchase of generators that will power a mitigation effort. For example, a generator providing power to activate hurricane storm shutters would be eligible. Generators that provide power for critical public facilities may also be eligible.

For FY2008, some of the congressionally earmarked projects for PDM included some of the activities listed as ineligible in FEMA's program guidance such as fire suppression activities and the purchase or enhancement of emergency alert and notification systems. Such designations do not involve differences over the location of grants but their purposes. (The FY2009 and the FY2010 listings of earmarks did not list the type of project or purpose.) Congress may wish to express its disagreement with FEMA's guidance or it may direct FEMA to adhere to the PDM program's current eligibility criteria when making PDM grant awards. However, the FEMA mitigation division (both in the regions and at headquarters) have tried to work with communities when ineligible projects were directed. Rather than remove funding the goal has been to find other eligible mitigation projects in the community.

The Pace and Breadth of PDM Funding Distribution

As previously noted, in FY2008 the PDM program was earmarked for the first time.[50] The PDM program was earmarked again in the FY2009 and FY2010 appropriations.[51] The only previous earmarks of mitigation projects in general appeared in the FY1999 Appropriations bill that earmarked unspent and prospective HMGP funds for several projects.[52] Due to congressional actions, earmarks are no longer a part of the program. Although exact amounts of funding and the rate at which such grant funds are disbursed can be difficult to discern, the broad geographic distribution of recipients has been a constant in the PDM program.

Table 2. Recent Distribution of PDM Funds, FY2009 to FY2012

Agency	FY2009 Recipients	FY2010 Recipients	FY2011 Recipients	FY2012 Recipients
DHS/FEMA	137 grants in 43 states, 1 territory	191 grants in 39 states, 1 territory	126 grants in 32 states, 1 territory	131 grants in 36 states, 2 territories
DHS/FEMA	1 grant to 1 Indian Tribal Government	3 grants to 3 Indian Tribal Governments	None	4 grants to 4 Indian Tribal Governments
Congressional Direction	N/A	N/A	N/A	N/A

Source: All information for years FY2009, FY2010, 2011, and FY2012 are from FEMA, Mitigation Directorate, July 22, 2013. Information for FY2013 was not available for this update.

[50] P.L. 110-161, Consolidated Appropriations Act, 2008, Division E—Department of Homeland Security Appropriations Act, 2008 (House Appropriations Committee Print), pp. 1112-1115.

[51] P.L. 110-329, Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (House Appropriations Committee Print), pp. 685-687. For FY2010: H.Rept. 111-298, Department of Homeland Security Appropriations Act, 2010, Disclosure of Earmarks and Congressionally Directed Spending Items.

[52] P.L. 106-74, 113 Stat. 1086. This act contained earmarks of mitigation funds for California, Florida, and North Carolina.

The funds have been distributed widely, but not always rapidly. While the earmarks were relatively new to the program, some have pointed to the lags in PDM spending, such as the carryover of funds previously from FY2007 to FY2008, as an explanation for the earmarks. Others have suggested that the same lag in funding, interpreted as a lack of interest in or need for the program, may have resulted in a reduced request by the Administration for FY2009 PDM funding.

One consideration in the pace of the program is that mitigation projects can be complicated to put together since their impact may be spread across various sectors of communities and can also require local consensus and a contribution of resources. The state and local cost share is 25%.[53]

Another possible factor in the arguably slow pace is that PDM funds are available until expended. Since, under the PDM program's guidance, the funds can be used for up to three years from the date of the award some may contend there is less urgency to get funds out immediately and more time for communities to develop effective projects and plans and more time for FEMA, through a peer review process, to carefully review the submitted projects and plans.

The perception of slow distribution of PDM funds has continued in later years as evidenced in the pace of awards made. However, this is also a problem that can be traced to the congressionally directed funding which took up greater shares of total funding while lengthening the process as communities receiving awards sought to justify their expenditures. This stood in contrast to communities that sought competitive awards which would already have had such justifications in place as part of the application process.

Also, when assessing funds not allocated to awarded grants it is helpful to understand how the unallocated program dollars are used. Some of those funds are devoted to ongoing expenses for each program year including FEMA administrative costs, technical assistance contracts to assist applicants and sub-applicants, management costs awarded to states, and other costs associated with the award amounts. FEMA also holds back a small amount of funding for "reconsideration" which allows for the review of projects and the correction of possible errors in program administration, grant selection, and the calculation of funding amounts.[54] All of these factors, from FEMA's perspective, are reasonable uses for unexpended funds. FEMA has recently issued a chart that identifies the broad uses of program funds.

Table 3. PDM Funds

(in millions)

Program	Total Appropriations[a]	Admin. Program Support/Technical Assistance[b]	Total Obligated[c]	Applicant Management Costs	Remaining Funds for Grants
PDM	$989,400,000	$98,940,000	$711,619,927	$31,720,373	$138,000,000

Source: FEMA Mitigation Directorate, July 20, 2013.

Notes:

a. Totals from program inception through FY2012.

b. PDM—3% admin. 7% program support and technical assistance.

c. Total obligated does not include administrative, management and technical costs. With congressional concurrence, $12 million rescission in earmarks for FY2013.

[53] 44 C.F.R. 206.432(c).

[54] Interview with Franki Coons, Mitigation Directorate, May 14, 2013.

d. FEMA FY2015 PDM Budget briefing projected $132 million in unobligated balances at the start of FY2014 and up to $75 million in grants awards for FY2014.

The reserved funds and other costs can be problematic, however, when they are not identified in program lists of award amounts and are estimated as a percentage of annual program costs. Similarly, FEMA's approach to batching together several years of project funding may be a reasonable approach to multi-year projects, but is not explained in the fiscal year totals currently available to the public. These kinds of issues, in terms of how funding awards and other spending are reported, can be problematic as Congress assesses the program as a whole.

Given the remaining grant funds that may be available to the program, DHS/FEMA, in the FY2015 budget, requested legislative authority to award those funds, particularly those from previously congressionally-directed funding. The proposed language included in the budget appears below.

> The FEMA Administrator may make grant awards at his discretion pursuant to Section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133) with funds otherwise designated as congressionally directed spending and appropriated in any fiscal year under FEMA National Pre-disaster Mitigation Fund", if either: (a) the intended applicant for such earmarked funding informs FEMA in writing that no application will be submitted to use the funding; or (b) no application for such earmarked funding is submitted to FEMA within two years of the date of the respective appropriation for such funds; Provided, that amounts appropriated under "National Pre-disaster Mitigation Fund" in any fiscal year shall be available for necessary and reasonable costs to administer and to close out Pre-disaster Mitigation grants.[55]

Terrorism and Pre-Disaster Mitigation

Some have questioned whether the PDM funding should be available to mitigate the effects of terrorist events. The response of some PDM advocates is one that applies not only to purpose but particularly to the overall balance of resources between mitigation and preparedness programs. Some participants in this debate have noted that while some projects may arguably be considered preparedness or mitigation, there is little similarity between funding amounts available for those two purposes, nor for the programs addressing terrorism.

While funding for the PDM program previously exceeded $100 million, the amounts for preparedness efforts for all-hazards, including terrorism, under DHS/FEMA grants has totaled in the billions at DHS/FEMA in previous years. Among those preparedness programs at FEMA, several of the grant programs permit the purchase of equipment such as warning systems and other preparedness projects sometimes requested, but not eligible, under the PDM program.[56] Perhaps most importantly, the authorizing language for the PDM program specifically makes clear that the state and local governments interested in participating in the program are expected to identify "natural disaster hazards" in areas under their jurisdiction for mitigation work.[57] So, while some DHS/FEMA preparedness grants funding may be spent on all-hazard efforts (including some of those that overlap with PDM), PDM dollars are statutorily restricted to natural hazards. (See also discussion under "Funding Criteria" earlier in this report.)

[55] Congressional Justification, DHS/FEMA National Pre-Disaster Mitigation Fund, B. FY2014 to FY2015, Budget Changes, p. 5.

[56] For details on listed programs, see CRS Report R40246, *Department of Homeland Security Assistance to States and Localities: A Summary and Issues for the 111th Congress*, by Shawn Reese.

[57] 42 U.S.C. 5133(c).

Projects and Plans

As noted earlier, grants for protecting or alleviating the natural hazard threats to public buildings or private residences are the awards most closely associated with PDM. Projects tend to be costly and relatively large in scale when allocated for the purposes of relocating neighborhoods, building large safe rooms, or undertaking similar expensive, structural work. However, another significant category of eligible work under the PDM program is the creation or improvement of hazard mitigation plans for a community or state.

With the passage of P.L. 106-390, the Disaster Mitigation Act of 2000 (DMA2K), planning took on much greater significance. In addition to authorizing PDM, DMA2K also required local mitigation plans as a condition of eligibility for FEMA hazard mitigation grants. DMA2K also authorized increasing the share of HMGP grants from 15% to 20% of total disaster spending for states with an "enhanced mitigation plan."[58] The complementary nature of the Stafford Act hazard mitigation authorities is arguably evident when states use PDM funds to develop the "enhanced plans" that, when approved, result in higher levels of HMGP funding. The mitigation plans are a prerequisite for other FEMA grants and have to be updated on a five-year cycle:

> Local mitigation plans must be updated at least once every five years in order to continue to be eligible for FEMA hazard mitigation project grant funding. Specifically, the regulation at 44 CFR 201.6(d)(3) reads:
>
> A local jurisdiction must review and revise its plans to reflect changes in development, progress in local mitigation efforts, and changes in priorities, and resubmit it for approval with five (5) years in order to continue to be eligible for mitigation project grant funding.[59]

Such planning grants are a major component of the PDM program. In FY2006 the planning grants comprised 47% of total grants selected for further review; in FY2007 59% of such grants selected for further review were for planning efforts; and, in FY2008, of the 149 proposed projects, 117 were identified as planning grants.[60] It can be argued that in the use of PDM funds, states have concentrated on ensuring that their own plans are updated over selecting new projects for funding. These updated plans also offer the potential of more efficient use of HMGP funds following a disaster declaration within that state. However, the actual funding amounts for planning grants are relatively low. During FY2006, projects selected for further review projected grant spending of $42.8 million while planning grants selected for further review totaled $3.9 million out of a total of $50 million.

Similarly, in FY2007, the large majority of planning grants (135 of the grants selected for further review) totaled only $16.5 million while project grants selected for further review (75 grants) were awarded $67.1 million out of $100 million available for awards.[61] Given the nature of project grants and the large undertakings they represent (such as property acquisitions and similar commitments), they are far more expensive than planning grants.

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[58] 42 U.S.C. 5165(e). Currently, 10 states qualify with enhanced plans: California, Florida, Georgia, Iowa, Kentucky, Missouri, Nevada, Ohio, Washington, and Wisconsin.

[59] DHS/FEMA, *Local Mitigation Plan Review Guide,* October 1, 2011, p. 3.

[60] U.S. Department of Homeland Security-Federal Emergency Management Agency, *Fiscal Year 2006 and 2007, Pre-Disaster Mitigation Programs,* at http://www.fema.gov/government/grant/pdm/fy2006.shtm, *Fiscal Year 2007 Pre-Disaster Mitigation Program,* at http://www.fema.gov/government/grant/pdm/fy2007.shtm, and *Fiscal Year 2008 Pre-Disaster Mitigation Program,* at http://www.fema.gov/government/grant/pdm/fy2008.shtm . Note: Grants "selected for further review" refers to projects that have passed the first stage of review and await review for the National Environmental Policy Act (NEPA) and Environmental and Historic Preservation review. (Interview with Michael Grimm, FEMA Mitigation Directorate, May 13, 2008.)

[61] Ibid.

Table 4. Planning Grants and Project Grants

Fiscal Year	Planning Grants Selected	Project Grants Selected	PDM Program Funding (millions)	Planning Grants in Dollars (millions)	Project Grants in Dollars (millions)
FY2006	47%	53%	$50	$3.9	$42.8
FY2007	59%	41%	$100	$16.5	$67.1
FY2008	79%	21%	$114	$12.3	$27.7
FY2009	72%	28%	$90	$7.8	$43.2
FY2010	31%	69%	$100	$7.0	$59.1
FY2011	56%	44%	$49.9	$6.9	$70.2
FY2012	79%	21%	$35.5	$10.8	$42.4
FY2013	68%	32%	$23.7	$8.0	$13.8

Source: FEMA Mitigation Directorate.

The remaining $20 million for the FY2007 awards includes awards still being made, administrative costs, technical assistance for applicants, state management costs, and funds held back for reconsideration.[62] The totals in recent years (particularly FY2010) show the impact of congressionally directed spending which was generally aimed at projects rather than state or local planning grants. But the most recent record (FY2012) again shows planning grants at the highest percentage (79% represents 104 of 131) of PDM selected applications. The emphasis on planning is partly due to the requirement that plans be updated every five years. Also, given the smaller amount of funding that has been available in recent years, planning grants may be considered more practicable by local governments.

These grants have had a nationwide impact in communities' readiness to implement mitigation strategies at the local level. As one researcher pointed out:

> Using its financial incentives and a requirement that mitigation plans to be updated every five years, DMA 2000 has triggered an unprecedented local hazard mitigation capacity building initiative. By July 2008, over 17,000 jurisdictions had such plans.[63]

Resources vs. Requests

The importance of the actual amount of funds appropriated to the program is apparent when reviewing the amounts available for PDM grants alongside the amounts requested by applicants. In FY2006 and FY2007, for example, the funding requested was nearly triple the amounts available. In FY2006, $50 million was available and FEMA received initial requests totaling $134 million. In FY2007, FEMA had $100 million available for grants and received requests for $292 million.[64] Given the limit of five applications per state, it is reasonable to suggest that the

[62] FEMA updated the FY2007 amounts to $131 million expended for FY2007. This amount was $31 million over the appropriated amount for FY2007 and represents carry-over funding for projects that were selected in previous years but which had not received final approval. (Interview with Mike Grimm, FEMA Mitigation Directorate, May 22, 2008.)

[63] Kenneth C. Topping, "Toward a National Disaster Recovery Act of 2009," *Natural Hazards Observer*, Vol. XXXIII, Number 3, January 2009, p. 6.

[64] U.S. Department of Homeland Security—Federal Emergency Management Agency, *Fiscal Year 2006 Pre-Disaster Mitigation Program*, at http://www.fema.gov/government/grant/pdm/fy2006.shtm, and *Fiscal Year 2007 Pre-Disaster Mitigation Program*, at http://www.fema.gov/government/grant/pdm/fy2007.shtm.

amounts requested could have been even higher absent that limitation. In FY2012 when FEMA's appropriation was just over $35 million it had requests for more than $270 million in federal mitigation funding.[65] The recent budgetary communications for the last three fiscal years (FY2013, FY2014, and FY2015) that have suggested the phaseout of the program may have diminished the overall interest in the program and likely has raised questions on its availability for local communities. While reducing overall expenditures, these budget proposals can also unintentionally diminish the capacity of state and local governments to perform mitigation actions, whether planning or projects.

Length of Authorization

The PDM program has been reauthorized previously in six different pieces of legislation, initially for three years, then two one-year reauthorizations through appropriations bills, and then another three-year authorization from 2005 to 2008 followed by a one-year authorization for FY2009 and a one-year authorization through an appropriations bill for FY2010.[66] P.L. 111-351 provided a three-year authorization through FY2013.[67] This authorization has now expired. Legislation has been introduced in the 113th Congress to reauthorize the program. H.R. 3282 would reauthorize the program through FY2018 with an authorized level of $200 million per year.[68] Though not reauthorized currently, on March 28, 2014, a bipartisan group of 56 House Members sent a letter to the Appropriations Committee's Subcommittee on Homeland Security supporting continuing funding for the PDM program.

The original sunset date of P.L. 106-390 (December 31, 2003) when the program was first authorized was intended to provide time for more information to be gathered on the efficacy of pre-disaster mitigation. Some of that information has been presented in both the Multi Hazard Mitigation Council Report as well as the report by the Congressional Budget Office. The recurrent sunset date, however, has set the PDM program apart from the rest of the Stafford Act which is a free-standing, no-year authorization. If the initial questions concerning the efficacy of the program are resolved, Congress might authorize the PDM program, like the rest of the Stafford Act, without a sunset date.

It can be argued that some of the Stafford Act provisions are so vital to emergency situations (e.g., debris removal, temporary sheltering and lodging) that not having to seek reauthorization on a regular basis is a practical and effective approach to the disaster response and recovery aspects of the statute. Conversely, since the PDM program is a grant program not funded from the Disaster Relief Fund (DRF), some might contend, having a three to four year reauthorization cycle provides incentives to all participants to refine and improve the program in anticipation of Congressional oversight. Congress can also actively evaluate the PDM program accomplishments and expenditures through the annual appropriations process.

Another factor to be considered is that, absent reauthorization, it can be argued that FEMA does not have the authority to grant programmatic extensions to recipients. Such extensions are often necessary for the completion of projects and the assembling of local and state funding to meet the cost-share. That consideration may argue for more consistent reauthorizations of the program.

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[65] Recent communication from FEMA Office of Legislative Affairs, March 20, 2014.

[66] P.L. 106-390, 114 Stat. 1557; P.L. 108-199, 118 Stat. 441; P.L. 108-447, 118 Stat. 3343; and P.L. 109-139, 119 Stat. 2649; P.L. 110-329, 122 Stat. 3690; and P.L. 111-83, 123 Stat. 2176.

[67] H.R. 1746.

[68] This legislation was introduced by Rep. Carson (IN-7th District) in October of 2013.

Methods of Awarding PDM Funds

When the pilot program, Project Impact, was initiated in 1997 an emphasis was placed on the communities' disaster history, the involvement of community-based organizations in mitigation work, the participation of the local business community and the commitment of the state and local governments. There was some concern at the time on the part of state emergency management officials that they were not sufficiently involved during the project selection process. The switch to a competitive process in PDM reflected some of those factors that Project Impact employed, but also placed greater emphasis, through statutory language, on cost-benefit ratios. Also, since funding for planning was made eligible, the program opened up to many communities that desired an improved mitigation plan.[69]

For the overall awards process, Congress generally has come to direct the PDM program in annual appropriations law rather than through Congressional hearings specifically on the PDM program and resulting authorizing legislation.

State emergency managers have stated their position that a competitive process may tend to limit smaller states' ability to access a program like PDM. Echoing the tenets of federalism, they would like funds made available to each state and decisions made at the state and local level concerning the hazards that pose the most significant threats and the areas that could benefit most from PDM funding. As one state emergency management director, speaking on behalf of the National Emergency Management Association (NEMA), testified:

> Attempting to prioritize limited predisaster mitigation funding on the national level is counterproductive to the establishment of state and local planning, therefore NEMA supports the distribution of predisaster mitigation funds by a base plus population formula rather than by competitive grants. The competitive system as it is presently funded creates more losers than winners: in an enterprise that seeks to encourage communities to engage to protect themselves, it seems counterproductive to pit good programs against good programs when the objective is that predisaster mitigation programs be undertaken.[70]

Since 2007, in addition to the competitive process, PDM administrators have implemented a $500,000 minimum per state for eligible projects or plans.[71] Given the amount of recent appropriations, this minimum amount means that there will only be funds to implement the competitive process sporadically, if that.

Congress may consider examining the PDM program to return to its initial form of award selection by Governors and the President, or establish a strictly competitive grant process. A third option is the present configuration of a hybrid program that is competitive but with some flexibility for awards for every state.

Allocations vs. Competition

Given the state minimum awards of $575,000 each and the Congressional earmarks, the remaining total funds to be distributed on a competitive basis have diminished to a much smaller

[69] The trend continued in FY2012 with 104 of the 131 grant projects described as mitigation planning projects.

[70] Testimony of James Mullen, Mitigation Chair, National Emergency Management Association, in U.S. Congress, House Committee on Transportation and Infrastructure, Subcommittee on Economic Development, Public Buildings, and Emergency Management, *Saving Lives and Money Through the Pre-Disaster Mitigation Program*, hearing, 110th Cong. 2nd sess., April 30, 2008.

[71] Under H.R. 1746, passed by the House on April 22, 2009, the minimum would be increased to $575,000. H.R. 3377, passed by the House Transportation and Infrastructure Committee on November 5, 2009, also sets the minimum at that figure.

amount. In reaction to this trend, the administration suggested, in its FY2010 budget submission, jettisoning the competitive formula (which requires a large peer group panel and a lengthy judging process) in favor of a risk-based allocation formula that would simply continue the distribution to states based on FEMA's assessment of the risk. This approach would have left discretion in the hands of the states to determine their priorities for individual projects. FEMA has done work in risk assessment, particularly its HAZUS program that estimates damage based on assorted disaster scenarios. FEMA defines HAZUS as

> a powerful risk assessment methodology for analyzing potential losses from floods, hurricane winds and earthquakes. In HAZUS-MH, current scientific and engineering knowledge is coupled with the latest geographic information systems (GIS) technology to produce estimates of hazard-related damage before, or after, a disaster occurs.[72]

FEMA suggested it would use other inputs as well to determine its risk-based allocations. While that budget suggested a new approach to the distribution of funds, the reauthorization legislation, P.L. 111-351, wrote the competitive process into the law. Also, the reauthorization legislation increased the minimum amount per state to $575,000, further reducing the pool for a competitive process. In its subsequent budget submissions (from FY2011 through FY2015), the Administration has made no mention of the risk-based proposal to supplant the competitive process.

Previously, the directives for a competitive process had been promoted in annual appropriations measures. This presented a question for Congress: whether to accept the Administration's initiative, which was only broached once, or continue with the competitive approach. One early indication that the new approach to risk-based allocations would not be adopted was the commentary in the House Homeland Security Appropriations Report:

> As part of the budget, FEMA requested to drastically change the distribution methodology used for awarding PDM grants. However, the agency was unable to adequately articulate to the committee the ramifications or benefits of their new approach and signaled that the proposal was still being developed.[73]

The House Appropriations Subcommittee for Homeland Security said it would not approve of the change. The argument may be moot since the Administration's subsequent budgets did not contain any reference to a risk-based funding approach. Perhaps more importantly, if the annual funding level for the PDM program remains at its lowest ebb, coupled with state minimums, it may not be practical to carry out a competitive grant program.

However, since there is a substantial carryover balance in the fund from previous years, the competitive process could be used again to more efficiently distribute parts of that balance in combination with new appropriations. In FY2014 FEMA is using carryover funds to increase the amount of funds available. For FY2014, FEMA "increased the PDM funding from $23 million to $63 million" and announced that the award application period would be open until late July of 2014.[74] FEMA has noted that while not using the panel process of outside practitioners, FEMA will review applications based on the Agency's priorities.[75]

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[72] U.S. Department of Homeland Security, Federal Emergency Management Agency, *HAZUS, FEMA's Methodology for Estimating Potential Losses from Disasters*, June 11, 2009, at http://www.fema.gov/plan/prevent/hazus/index.shtm.

[73] Report accompanying H.R. 2892, "Department of Homeland Security Appropriations Bill, 2010," H.Rept. 111-157, 111th Cong. 1st sess., p. 125.

[74] DHS/FEMA, "New Updates for the PDM program," May 30, 2014, http://www.fema.gov/pre-disaster-mitigation-grant-program.

[75] Practitioner panels have been used successfully in the past. But such panels do have administrative costs involved in

A Different Approach to Mitigation

An entirely different approach to mitigation administration would be to make a structural change in program delivery. Under this proposal, the PDM program and the HMGP program would move from FEMA either to a newly created Federal Mitigation and Recovery Authority or to a different Department, such as HUD.

In the aftermath of Hurricane Katrina there had been criticism of FEMA's uncertain role in long-term recovery as opposed to its initial role in delivering emergency response programs such as temporary housing. (The latter also drew criticism, but FEMA's authority and responsibility for the housing mission was not in question.) Recently, in late 2012, the east coast was struck by Hurricane Sandy, which left a residue of damages and rebuilding challenges in it wake. The development of a separate Recovery Strategy for Hurricane Sandy, chaired by HUD, continued to raise questions regarding FEMA's role in long-term recovery work and in the mitigation required to reduce future damage.[76]

It is in this context that some have suggested that a separate authority/organization with expertise in the rebuilding cycle could be partnered with mitigation programs. In this way, two important phases—building back safer while also making communities more resilient to weather subsequent events—could receive separate but complementary attention. PDM requires planning and community-wide participation, as does recovery. The roles FEMA is expected to assume are diverse and require very different skills. Some experts have noted the differing roles may not be complementary.

> However, it is not clear to us that institutional arrangements that are appropriate for implementing emergency measures after a disaster has occurred (crisis response) are also the appropriate institutional arrangements for long-term forward planning of mitigation measures before a disaster has occurred (given the three levels of government with jurisdictional mandates in this context), which in turn may not be appropriate for planning the long-term recovery of devastated regions.[77]

This discussion has only been exacerbated in the response to Hurricane Sandy. Despite a long inter-governmental planning process led by FEMA that resulted in the National Disaster Recovery Framework (NDRF), when a large catastrophic event hit, the NDRF was not the organizing principal for the federal government toward the long-term recovery of the affected area.[78] Instead, the Administration set up an ad hoc Recovery Strategy with the leadership tasked to the HUD Secretary.[79] Similarly, the Disaster Resilience Competition, as with the post-Sandy competitions, being run by HUD, accentuates questions as to leadership in this area. It may be that any proposed separate authority for emphasis on mitigation and long-term recovery work may follow a similar path. Perhaps the recent unveiling of a new "Disaster Resilience

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assembling the panels as well as the cost of travel, lodging, and related expenses. Given those considerations, the panels tend to be used when there is a significant appropriated amount to be awarded on a competitive basis.

[76] For additional discussion of this issue see CRS Report R43396, *The Hurricane Sandy Rebuilding Strategy: In Brief*, by Jared T. Brown.

[77] Michael J. Trebilcock and Ronald J. Daniels, "Rationales and Instruments for Government Intervention," in Ronald J. Daniels, Donald F. Kettl, and Howard Kunreuther, eds. *On Risk and Disaster: Lessons from Hurricane Katrina* (Philadelphia: University of Pennsylvania Press), p. 105.

[78] DHS/FEMA, *National Disaster Recovery Framework—Strengthening Disaster Recovery for the Nation*, FEMA B-800, September, 2011, http://www.fema.gov/pdf/recocveryframework/ndrf_brochure.pdf

[79] *Hurricane Sandy Rebuilding Strategy—Stronger Communities—A Resilient Region*, August 2013.

Competition" provides some hint at the future direction of pre-disaster mitigation or mitigation overall.

The competitive program, announced by the President in June of 2014, has $1 billion in funding; the last $1 billion of the initial $16 billion provided to HUD's CDBG program in the Hurricane Sandy supplemental.[80] From the $1 billion total, $180 million is set aside for projects in Sandy-affected states. The remaining $820 million is available for other states that managed disasters during 2011, 2012, and 2013. One analyst summarized the program as a competition that will:

> support innovative resilience projects at the local level while encouraging communities to adopt policy changes and activities that plan for the impacts of extreme weather and climate change and rebuild affected areas to be better prepared for the future.[81]

Upgraded Codes and Zoning

In a hearing on the reauthorization of the PDM program, then Subcommittee Chair Eleanor Holmes Norton queried panelists on evaluating the status and quality of local codes and zoning as part of the assessment of PDM grant proposals.[82] It could be argued that appropriate codes would best reflect the "degree of commitment by a state or local government" that the Stafford Act lists as a consideration.[83] While Representative Norton did not endorse that approach, she was interested in hearing from panelists representing state and local officials. Panelist Jim Mullen of Washington State noted the difficult and lengthy process in changing a code but also noted the need for local commitment to accomplish such changes.[84] Other experts have pointed out the opposition that such proposed changes can generate within a community.

> Developers, builders, and other economic interests, including individual property owners, often oppose the adoption of strict land-use regulations and building standards and too often successfully prevent their adoptions. They argue that such regulations will increase the cost of building, reduce the value of property, limit the prerogatives of property owners in terms of what they can and cannot do with their property, and make it more difficult to sell the property to others. In large measure, their arguments are valid. The question, however, is whether those concerns outweigh the potential costs of not mitigating disasters.[85]

Local codes and zoning can arguably be considered the strongest commitment to mitigation that can be made by a governmental entity. That approach, the insistence on strong local codes, has been a part of the National Flood Insurance Program (NFIP) since its inception. NFIP regulations stipulate a criterion for participation in the flood insurance program.

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[80] P.L. 113-2, 127 Stat. 36.

[81] David Thorpe, "Obama Announces $1bn National Disaster Resilience Competition for Communities," *Sustainable Cities Collective*, June 16, 2014, http://sustainablecitiescollective.com/david-thorpe/258551/obama-announces-1bn-national-disaster-resilience-competition-communities.

[82] House Committee on Transportation and Infrastructure, Subcommittee on Economic Development, Public Buildings, and Emergency Management, "Saving Lives and Money Through Pre-Disaster Mitigation," April 30, 2008.

[83] 42 U.S.C. 5133(g)(2).

[84] Testimony of James Mullen, Hearing before the Subcommittee on Economic Development, Public Buildings, and Emergency Management, of the Committee on Transportation and Infrastructure, U.S. House of Representatives, "*A Review of Building Codes and Mitigation Efforts to Help Minimize the Costs Associated with Natural Disasters*," 112th Congress, 2nd Session, July 24,2012, p.35.

[85] William L. Waugh, Jr., *Living With Disasters, Dealing With Disasters* (New York: M.E. Sharpe, 2000), p. 155.

> the adequacy of a community's flood plain management regulations. These local regulations must be legally enforceable, applied uniformly throughout the community to all privately and publicly owned land within flood-prone, mudslide (i.e. mud flow) or flood-related erosion areas, and the community must provide that regulations take precedence over any less restrictive conflicting local laws, ordinances, or codes.[86]

Shifting more of the PDM program to a code or zoning threshold could challenge communities to a greater mitigation commitment than required under current program criteria. As one observer has noted, a dominant federal role may appear logical in the context of overall disaster spending and in its purpose to save lives and protect property. However, the perceived federal leadership and funding also may come at a price beyond the budgetary implications.

> The perception of federal benevolence discourages responsible hazard mitigation among nonfederal interests, thus contributing to the potential for greater losses in future disasters. Shirking responsibility for hazard mitigation among states and local governments may take two forms: (1) unwillingness to expend their own funds for disaster planning and hazard mitigation and (2) avoidance of the political and fiscal burdens of regulating land use in areas subject to natural hazards.[87]

While strong and effective codes may reduce the impact of hazards, local officials, it may be argued, are weighing other considerations regarding economic growth for the community, which in turn contribute to the support of many other local governmental obligations. Additionally, the PDM program is voluntary. Communities participating in the program are taking the initiative to protect their citizens and their property. In most cases, these communities are also paying the 25% cost share for the project or plan. Another consideration is that for a program that has been criticized for its pace of expenditures, linking such spending to the development of codes or changes in zoning laws would likely create a far more lengthy application and award process.

The 113th Congress' continuing interest in this area can be noted in legislation that seeks to link mitigation concepts with zoning. The proposed legislation seeks to "enhance existing programs providing mitigation assistance by encouraging states to adopt and actively enforce state building codes."[88] The bill links support for codes to both the Hazard Mitigation Grant Program (Section 404 of Stafford) and the PDM program.

Multiple Mitigation Programs

Another issue for Congress is consideration of the PDM program within the context of federal hazard mitigation policy as a whole. However, that whole is divided among varying approaches involving timing, targeted funding for particular hazards (notably flooding), and separate funding accounts within FEMA.

Earlier in this report the relationship was noted between the PDM program and the post-disaster HMGP program. In addition to those two programs, FEMA also administers the Flood Mitigation Assistance (FMA) program, which is part of the flood insurance program. With the passage of Biggert-Waters 2012, two FEMA programs, the Repetitive Flood Claims Program (RFC) and the Severe Repetitive Loss Program (SRL), were collapsed as separate programs but their intended

[86] 44 C.F.R. Subpart A, 60.1(b).

[87] Rutherford H. Platt, *Disasters and Democracy: The Politics of Extreme Natural Events* (Washington, DC: Island Press, 1999), p. 102.

[88] H.R. 2592, "Safe Building Code Incentive Act of 2013," H.R. 1878 and S. 924, 113th Congress, 1st sess. May 9, 2013.

targets are now eligible under FMA as a whole.[89] These mitigation grant programs have some differences, but generally can fund similar projects. The history behind the programs indicates Congressional intent to address specific problems and also provide discretion to state and local governments in the manner they choose to address specific hazards.

In discussing the overall impact of its programs, FEMA's Mitigation Directorate reported that the existing mitigation grant programs awarded more than $827 million to 1,924 projects and plans nationwide in 2012.[90] The majority of that funding came from the HMGP program, which receives its funding on a formula basis from the Disaster Relief Fund (DRF).[91] The other programs, such as PDM, FMA, and the repetitive loss programs, are individual accounts funded through the annual appropriations process.

The Mitigation Directorate at FEMA has taken steps to, if not totally blend the programs, make sure that the programs are complementary. A good example of this approach is that the guidance provided for grant applications stresses early on that it "does seek to integrate programs by allowing applications to be considered by other mitigation programs."[92] For the FY2009 grant award period, FEMA issued a Unified Hazard Mitigation Assistance (UHMA) guidance.[93] The 111th Congress had expressed its interest in this issue. In a report accompanying the House Appropriations bill, the Committee included the following directive.

> The Committee notes that this program is one of several mitigation programs run by FEMA, including the Repetitive Flood Claims grant program, the Flood Mitigation Assistance program, the Hazard Mitigation Grant Program, and the Severe Repetitive Loss grant program. Each program has a different authorization, but all aim to mitigate losses from future disasters. The Committee directs FEMA to report to the Committee within six months of enactment of this Act on a mitigation strategy showing how each program contributes to mitigation goals.[94]

Similarly, the Committee report accompanying H.R. 1746 (which became P.L. 111-351) noted:

> FEMA's goal is to unify the administrative requirements of hazard mitigation assistance programs by using common systems and tools, and by simplifying and streamlining the application and eligibility determination process. FEMA expects this will improve program implementation, management and close-out. The focus is on simplifying the process for both FEMA and the communities they serve. The Committee supports these efforts.[95]

An issue for Congressional consideration is whether the programs should be combined for greater and more consistent impact, or whether mitigation is best accomplished through a mosaic of mitigation programs.

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[89] P.L. 112-141, 126 Stat. 938-942.

[90] U.S. Department of Homeland Security, Federal Emergency Management Agency, Mitigation Directorate, Memo from FEMA Office of Legislative Affairs, March 20, 2014.

[91] The DRF is the no-year fund that funds disaster response and recovery programs. Congress provides funding both through annual appropriations and, most prominently, through supplemental appropriations to the DRF.

[92] U.S. Department of Homeland Security, Federal Emergency Management Agency, Mitigation Directorate, Grant Applications Guidance.

[93] U.S. Department of Homeland Security, Federal Emergency Management Agency, FY2009 Unified Hazard Mitigation Assistance (UHMA) Guidance, June 2008.

[94] U.S. Congress, House Committee on Appropriations, Department of Homeland Security Appropriations Bill 2009, 110th Cong., 2nd sess., H.Rept. 110-862, to accompany H.R. 6947, p. 109. After further negotiation, FEMA responded to this request with a briefing for Congressional staff. The briefing slides and information provided for that briefing has helped to inform this report.

[95] U.S. Congress, House Committee on Transportation and Infrastructure, "Pre-Disaster Mitigation Act of 2009," 111th Cong. 1st sess., H.Rept. 111-83 to accompany H.R. 1746.

In addition, another subject for consideration is that the damage reductions accomplished by these mitigation programs are reflected in smaller payments from the DRF for future disaster events. Given that fact, an argument can be made that funding for a combined mitigation program could come from the DRF through an annual allocation rather than for separate events and separate accounts. A combined program could address all hazards as is the case with the PDM and HMGP programs.

An additional argument can be made that eventual savings from mitigation activities would accrue to not only the National Flood Insurance Program (NFIP) but also the private insurance industry as losses are reduced. For that reason, it might be argued, payments for at least one program, the FMA, should continue to come from the NFIP. This view of mitigation may also be an argument for the federal government and states to consider encouraging mitigation approaches through private insurers by insisting on the adoption and implementation of mitigation measures similar to the process the NFIP employs.

The Biggert-Waters Act did address the mitigation programs under the NFIP. It made permanent some pilot programs and sought to combine the multiple mitigation programs in flood insurance into the FMA. Under FMA there is now a greater federal share available for severe and repetitive loss structures.[96]

Concluding Observations

Over the last decade, the Pre-Disaster Mitigation program has developed and grown as mitigation itself has become accepted federal policy. Adoption and expansion of mitigation as a beneficial approach for government has been bolstered by studies that demonstrated cost reductions following disasters due to earlier mitigation investments.

Appraisal of the PDM program is open to different interpretations and conclusions. While program staff at FEMA point to a program with flexibility and an appreciation of the regulatory challenges faced by communities carrying out mitigation projects, other observers see what appears to be the contrary, citing unspent funds and a perceived rigidity in program guidance that hinders the flexibility of local governments in accessing the PDM funding and in using it in a manner they choose. While the greatest portion of the program funds are spent on mitigation projects, an even greater number of selected proposals are those associated with the development and improvement of state and local mitigation plans. As funds have decreased, planning has become a more realistic use of funds for many jurisdictions rather than projects that may require more resources. The remainder of funds are spent for technical and administrative assistance or held back for "reconsideration" for some awards.

In FY2008 and FY2009 Congress directed the funding of some PDM projects. The earmarks were broadly distributed as previous PDM funding has been. The congressional earmarks represented 44% and 27% of funds available for the competitive and set-aside PDM grants for 2008 and 2009, respectively. The congressionally directed grants also funded some projects that did not appear to be in accord with FEMA's program guidance. The earmarks have now ended but the lower appropriated levels leave the program with the same issues regarding its visibility and how best to distribute the funding that remains. The 111th Congress last reauthorized the PDM program for three years and codified some program practices. That reauthorization has now lapsed.

[96] P.L. 112-141, 126 Stat. 938.

However, it is also worth noting that Congress's interest in mitigation remains. As previously noted, legislation has been introduced to reauthorize PDM. Recent legislation has been introduced in the 113th Congress in both chambers to add a mitigation component to FEMA's Fire Management Assistance Grants (FMAGs) which are authorized under the Stafford Act in Section 420.[97]

Within this discussion it should also be noted that while mitigation found its footing over the last 10 years as evidence supported its cost-benefits, the terminology of "resilience" became fashionable and, it could be argued, confusing. This "rebranding" may have sought to broaden the concept, or simply to provide a new identity to this work to reinvigorate it. But changing the vocabulary also can sow confusion among potential recipients, causing them to ask: "Does mitigation contribute to resilience? Or is resilience a broader concept than addressing natural hazards?"

Some have conjectured that resilience is a broader term than mitigation that reaches beyond engineered projects to human habits and desires. Considered in this fashion, mitigation would appear to contribute to overall resilience. One observer notes the way that resilience and mitigation can co-exist and be complementary:

> The National Preparedness Goal defines resilience as, "The ability to adapt to changing conditions and withstand and rapidly recover from disruption due to emergencies."
>
> The use of steel reinforcement to allow buildings to sway with an earthquake is an example of both mitigation and resilience. The ability of the Internet to allow information-packets to find multiple open channels and opportunistically use whatever is available is another example of resilient design that can mitigate the impact of a threat.[98]

To either further the confusion or bring some clarity to the argument, the President's most recent budget (FY2015) contained an Opportunity, Growth, and Security Initiative. That initiative suggested directing $400 million into the PDM program to promote resilience and mitigation measures.[99] This was within the same budget that recommended zeroing out the PDM program.

Recent budget submissions by the Administration, including the recent FY2015 budget, have staked out varying positions on PDM. Those positions, along with the issues discussed in this report, are some of the broader considerations the Congress may choose to take up regarding federal mitigation policy in the future and the PDM program's role in that policy.

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[97] In the 113th Congress: S. 1396, S. 1428, "The PREPARE Act of 2013," and H.R. 3333, "The Wildfire Prevention Act of 2013."

[98] Philip J. Palin, "Mitigation Is to Resilience as Storm Cellars Are to Root Cellars," *Homeland Security Watch,* October 19, 2011, http://www.hlswatch.com2011/10.19.

[99] DHS/FEMA, "FY2015 President's Budget, Congressional Committee Roll-Out, Pre-Disaster Mitigation Fund," Slide #18, March 2014.

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