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July 26, 2017

The Honorable Crapo
Chairman, Senate Banking Committee
U.S. Senate
Washington, DC 20510

The Honorable Sherrod Brown
Ranking Member, Senate Banking Committee
U.S. Senate
Washington, DC 20510

Dear Chairman Crapo and Ranking Member Brown:

On behalf of the National Emergency Management Association (NEMA), I write to you concerning S. 1571, *the National Flood Insurance Program Reauthorization Act of 2017*. We applaud efforts to reauthorize the National Flood Insurance Program and believe a strong NFIP serves to increase insurable risk and protects critical investments across the country. We have serious concerns, however, about Section 102 which will undermine the basic premise of federal disaster assistance in this country and will have a severe impact on FEMA's resources available to support state and local disaster response and recovery.

As you know, the Disaster Relief Fund (DRF) is FEMA's primary source of funding for disaster assistance to state, local, and tribal governments, and certain private nonprofits. The purpose of this funding is to assist states, localities, and tribes after a disaster, and it has proven crucial to help them effectively respond to events and quickly begin the recovery process.

The Budget Control Act (BCA) fundamentally changed the Federal Government's approach to disaster funding from a reactive posture to a proactive one but that stability is now at risk. The BCA created a sequestration-exempt Disaster Relief Allowable Adjustment ('Disaster Cap') to provide funding for Major Disasters declared under the Stafford Act. FEMA now receives sufficient funding through its annual appropriation to support disaster needs in all but the most extreme years.

Section 102 of S. 1571 will significantly change the structure and purpose of the Stafford Act by creating a new "subaccount" under the Disaster Relief Fund for a Wildfire Suppression Operations Disaster Account. Funds from this account can be transferred to the Departments of Interior and Agriculture for wildfire suppression activities on federal lands. Unfortunately, this approach puts the pressure on the Appropriations Committee to find funding elsewhere in the budget, likely within the Department of Homeland Security. In the current atmosphere, in a zero sum game, this could force the Committee to take funding from the DRF or other critical operations related to disaster response and recovery.



This would mark a dramatic change and expansion to this funding, as until now major disaster funding has been directed at assistance for state, local and tribal response and recovery. Moreover, this change would set a troubling precedent, as additional agencies could similarly seek to use this approach to fund other federal activities. This will put further stress and create additional demands on the DRF.

NEMA recognizes the importance of providing appropriate funding for fighting wildland fires on federal lands. These fires have consequences for the whole community, and our federal partners should receive the support and assistance they need. However, we believe that funding for this need should be provided directly to agencies with responsibility for this issue—rather than by creating complicated changes to the Disaster Relief Fund or the Disaster Cap that change and expand the purpose of these funds. We would like to work with you to craft alternative solutions to this problem without jeopardizing reauthorization of the NFIP.

If you need any additional information or have any questions please do not hesitate to contact Alexa Noruk, NEMA Director of Government Relations at (202) 624-5459. Thank you.

Sincerely,



Wendy Smith Reeve
President, National Emergency Management Association
Director, Arizona Division of Emergency Management

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