

Outside Witness Testimony

House Appropriations Committee
Subcommittee on Homeland Security
April 10, 2014

Comments on the Fiscal Year 2015 Budget Request for the Federal Emergency
Management Agency

Submitted by:
Association of State Floodplain Managers
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The Association of State Floodplain Managers appreciates this opportunity to comment on aspects of the Fiscal Year 2015 FEMA Budget Request. We wish to express the support of our members for the \$150 million request for the Flood Mitigation Assistance program and to urge appropriations above the budget requests for the Pre-Disaster Mitigation grant program and for the RiskMAP program.

The Association of State Floodplain Managers and its 35 State Chapters represent more than 15,000 state and local officials and other professionals who are engaged in all aspects of floodplain management and hazard mitigation, including implementation of aspects of the National Flood Insurance Program, mapping, engineering, planning, permitting, hydrology, forecasting and management of floodplain areas. All ASFPM members are concerned with reducing loss of life and property due to flooding. Our website is: www.floods.org.

ASFPM members wish to thank the Subcommittee for its prior support of mitigation/risk reduction and of risk identification. Disaster related costs to the nation continue to rise. Flooding is the most frequent and most predictably costly type of natural disaster that can affect every part of the country. To reduce the losses and associated costs, hazard mitigation is key. Risk identification (mapping) is essential to guide and direct hazard mitigation activities.

Flood Mitigation Assistance (FMA) is funded by flood insurance policy holders through the National Flood Insurance Fund (NFIF). FMA funds a variety of methods of flood mitigation and a significant component of its funding is directed to mitigation of Severe Repetitive Loss properties. These properties, which make numerous flood insurance claims, sometimes even cumulatively exceeding the value of the property, constitute a significant unnecessary drain on the NFIF. FMA was funded at \$100 million in FY '14 and we are very pleased to see that the budget request for FY '15 is \$150 million. We urge the Subcommittee to approve this request. Much of this money will be wisely spent to very clearly reduce claims on

the NFIF. It is also an important source of grant funds for those seeking to reduce their flood insurance premiums by mitigating their risk.

The Pre-Disaster Mitigation program has had a positive impact on mitigation capacity and reduced losses through its focus on two activities: all hazard mitigation planning and hazard mitigation projects. In the absence of mitigation funds made available after a disaster (Hazard Mitigation Grant Program), this program has been the major support for mitigation planning and for maintenance of the capacity to support mitigation activities. Many states' capacity would be dramatically diminished as well as support for building and maintaining local mitigation planning.

PDM is the primary funding source for hazard mitigation projects for states without a current disaster declaration. Demand has historically been high for PDM – the program usually takes in applications that exceed three times available funding. In 2013, after a shortened application period, FEMA received \$93 million in project applications. A recent driver of mitigation and need for PDM resources is NFIP reform. Both the reform acts in 2012 and 2014 result in flood insurance premium increasing toward full risk rates, which has driven and will drive an unprecedented interest in flood mitigation options to lower those premiums and risk. This is an appropriate reaction to better information about the true risk. However, the availability of PDM funds is key to taking advantage of this interest in mitigation and reducing the flood insurance premiums, particularly in areas where there is not a declared disaster which would make Hazard Mitigation Grant Program funds available.

ASFPM is extremely disappointed that the Administration has, once again, requested no funds for PDM. Ironically, the Administration has also suggested an appropriation of \$400 million for PDM in a related budget proposal for Opportunity, Growth and Security. It is so very important that this Subcommittee has managed to provide \$25 million for PDM over the past several years when the budget request has been \$0. ASFPM strongly urges the Subcommittee to provide at least \$25 million. This amount does fund the per/state allocations. Ideally, we would suggest funding PDM at \$150 million to facilitate a full, nationwide competitive grant program to reduce flood losses.

Floodplain mapping provides not only the regulatory tool necessary for implementation of the National Flood Insurance Program, but also identifies areas of risk to guide mitigation activities as well as community and economic development decisions.

FEMA's mapping program is funded both by appropriated funds and by fees paid by flood insurance policyholders. This dual source of funding is appropriate since the benefits of risk identification accrue to the NFIP and its policyholders as well as to all taxpayers. The nation has invested \$4.3 billion in digitizing most old paper maps and in updating a portion of the maps through new engineering studies since the

effort to modernize flood maps was initiated. Much of that engineering study work remains to be done; many less populated areas of the country have no maps at all and many areas still have outdated maps that do not reflect current conditions.

In response to questions about the mapping needs, ASFPM produced a report entitled “Flood Mapping for the Nation” using the \$400 million per year and additional mapping tasks authorized in the Biggert-Waters legislation as a guide. That report identified criteria as to what constitutes accurate flood mapping for all 22,000 NFIP communities in the nation and estimated the cost to achieve that to be a further investment of from \$4.5 billion to \$7.5 billion. All of these maps could be completed in 10-12 years with the authorized \$400 million/yr. A subsequent steady-state cost to then maintain accurate and up-to-date flood maps ranges from \$116 million to \$275 million annually.

Against this backdrop, it is evident that at current funding levels, it will take a long time to achieve adequate flood mapping for the nation. As this subcommittee is aware, the appropriations for mapping have decreased significantly from a high point of \$220 million in FY '10 to \$95 million in FY '14.

ASFPM members are very appreciative of Congressional understanding of the importance of accurate risk identification. We know that you have added to the Administration’s recently very low budget requests. Approximately an additional \$10 million was added last year to reach that \$95 million level. This year, the budget request is \$84.4 million. We urge the subcommittee to appropriate at least \$100 million, and as much more toward the authorized \$400 million as possible. This investment in flood risk mapping will help to drive down costs and suffering due to flooding and will provide the best tool for managing flood risk and building sustainable communities.

Thank you very much for the opportunity to make these recommendations about FEMA’s budget for FY '15. If you have any questions, please contact ASFPM Executive Director, Chad Berginnis, at (608) 828-3000 or cberginnis@floods.org.