

National Flood Determination Association

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Meredith R. Inderfurth
NFDA Washington Liaison

After a Slow Start, Moving into a Gallop

It's full speed ahead now, but January and early February were primarily consumed with organizing for the new Congress, adopting new rules, making committee assignments, settling committee, subcommittee and full House and Senate leadership roles, setting agendas and grappling with budget issues for the remainder of Fiscal Year 2011.

By now, however, the President's budget proposal for Fiscal Year 2012 has been released; the Congress is somewhat tied up in knots over how to proceed with the budget for the rest of FY 2011 and appropriations hearings are set to begin on the FY 2012 budget proposals. The House Financial Services Committee has focused on reauthorization and reform of the National Flood Insurance Program (NFIP) and has scheduled a hearing to be followed soon thereafter by mark-up of draft legislation. So, despite the long organizational process, they are off and running.

Rules and Organizational Changes

The House adopted rules changes designed to promote transparency and to facilitate communication with constituents at home. A new kind of schedule for the House advocated by new Speaker John Boehner will essentially involve three weeks of work in Washington followed by a week of work in the home districts. The Senate schedule of planned recesses will, therefore, not always coincide with House recesses during this Congress.

The Senate became tied up in its effort to make changes in Senate procedures to more streamline legislative work. This resulted in a long recess in January while a compromise was worked out. Eventually the Senate adopted rules that eliminate the *secret* "holds" that Senators can place on legislation, while retaining the ability of just one Senator to place a "hold" on a bill. New rules also streamlined arrangements for moving some Presidential appointees into their jobs without going through the full, often lengthy and politically complicated Senate confirmation process.

The House returned for business on February 8th and the Senate on February 1st. The change in majority party in the House and in numbers from each party in the Senate required changes in ratios of Democrats to Republicans on committees and new leadership in the House. The House had also to adjust to a 5% cutback in administrative expenses affecting both individual Member offices, but committee offices as well. This has all led to considerable shuffling and dislocation of staff and loss of many knowledgeable staff with long-term perspective and awareness of legislative history on particular issues.

Following are the new committee and/or subcommittee chairs and ranking minority members dealing with issues of importance to the flood zone determination industry.

Chair (Republican)

Ranking Member (Democrat)

House Appropriations Committee

Chairman Harold Rogers (R-KY)

Rep. Norman Dicks (D-WA)

Subcommittee on Commerce, Justice, Science (NOAA)

Chairman Frank Wolf (R-VA)

Rep. Chaka Fattah (D-PA)

Subcommittee on Homeland Security (FEMA)

Chairman Robert Aderholt (R-AL)

Rep. David Price (D-NC)

Subcommittee on Interior (USGS)

Chairman Mike Simpson (R-ID)

Rep. Jim Moran (D-VA)

House Committee on Financial Services

Chairman Spencer Bachus (R-AL)

Rep. Barney Frank (D-MA)

Subcommittee on Insurance, Housing and Community Opportunity

Chairman Judy Biggert (R-IL)

Rep. Luis Gutierrez (D-IL)

House Committee on Natural Resources

Chairman Doc Hastings (R-WA)

Rep. Edward Markey (D-MA)

Subcommittee on Fisheries, Wildlife, Oceans and Insular Affairs

Chairman Doug Lamborn (R-CO)

Rep. Rush Holt (D-NJ)

There is less change on Senate Committees because there was no change in the majority party. Former Chairman Chris Dodd (D-CT) of the Senate Banking Committee, which has jurisdiction of the National Flood Insurance Program, did not run for re-election.

Senate Appropriations Committee

Chairman Daniel Inouye (D-HI)

Sen. Thad Cochran (R-MS)

Subcommittee on Commerce, Justice, Science

Chairman Barbara Mikulski (D-MD)

Sen. Kay Bailey Hutchison (R-TX)

Subcommittee on Homeland Security

Chairman Mary Landrieu (D-LA)

Sen. Dan Coats (R-IN)

Subcommittee on Interior

Chairman Jack Reed (D-RI)

Sen. Lisa Murkowski (R-AK)

Senate Banking Committee

Chairman Tim Johnson (D-SD)

Sen. Richard Shelby (R-AL)

Senate Energy and Natural Resources Committee

Chairman Jeff Bingaman (D-NM)

Sen. Lisa Murkowski (R-AK)

Budget for Rest of FY 2011

Since the previous Congress did not pass any of the regular appropriations bills for FY 2011, the federal government is functioning under a Continuing Resolution (CR) which is funding most programs at FY 2010 levels until March 4, 2011. House Republicans, now in the majority, have vowed not to pass further appropriations for FY 2011 that do not involve significant budget cuts. There are differences among Republicans as to how deep the cuts should be as well as differences between the House and Senate. Since there is only one week left before March 4th and it is increasingly unlikely that the issues can be resolved in that amount of time, initial versions have been drafted of a short, two week CR involving cuts at a level largely proposed by the Administration. The expectation is that this CR through March 18th could be successfully adopted to avert a government shut-down on March 5th.

At this point, it does not appear that proposed cuts for the two week CR would affect fundings levels for FEMA's mapping or hazard mitigation programs or for the water resources science programs at the U.S. Geological Survey (USGS).

Budget and Appropriations for FY 2012

The President's budget request for FY 2012 was released on February 14th. Because the Appropriations Committees were absorbed with the FY 2011 budget, hearings have not yet started on the various departments and agencies' requests for FY '12. Those hearings are scheduled to begin during the week of February 28th in

the House. House leadership would like to move the process along so that the House could pass its versions of appropriations bills by early summer.

FEMA

FEMA's overall budget request for FY '12 is \$10.063 billion which is down \$284 million from FY '11, assuming the FY '10 level will continue for the remainder of the fiscal year. Reduction in Management and Administration funds assume reductions in travel, equipment and professional service contracts. Travel reductions will be seen in participation of fewer FEMA personnel in fewer conferences and regional meetings.

Mapping (RiskMAP)

Flood mapping appropriations would be reduced by \$117.3 million from the FY '11 (assumed) level of \$220 million. Requested appropriations are \$102.7 million which would be supplemented by \$117.7 million in fees associated with flood insurance policies. FEMA states that this will slow down the timeframe for designating 80% of stream miles in FEMA's inventory as New, Valid or Updated. Planned completion by 2014 would not be accomplished until 2020. Budget materials state that there would be minimal impact on RiskMAP products initiated in 2011 or before.

The FY '12 program would include:

- reviewing, updating flood hazard data and maps for accuracy
- addressing data gaps
- addressing data update needs for coastal and riverine flood hazard areas
- expanding and improving utility and accessibility of flood hazard and risk data
- monitoring validity of published flood hazard information
- implementing Watershed Validation Evaluation Strategy for reviewing engineering data and map update needs

Funding would be used to produce improved flood hazard mapping by:

- increasing the percentage of flood hazard data that meets new, valid or updated engineering standards to 55% (involving elevation data, innovative modeling and coastal mapping)
- maintaining local officials' flood risk awareness at 70%
- initiating additional RiskMAP projects to increase the population in watersheds where RiskMAP has begun to 44% of the population.

The National Flood Insurance Fund is expected to receive an additional \$37.2 million based on estimated premium collections from policy rate increases and increases in numbers of policies in force. \$10 million would be allocated from the NFIF for the Repetitive Flood Claims program, \$40 million for Flood Mitigation Assistance and \$0 for the Severe Repetitive Loss Program due to "program undersubscription". An increase in operating costs is provided to cover the costs of

transitioning 810,000 policies from State Farm to the Direct Servicing Agent Program.

Requested appropriation for the Pre-Disaster Mitigation (PDM) grant program is \$84.9 million, down \$15 million from the FY '11 CR level. Requested appropriation for the Disaster Relief Fund (DRF) is \$1.8 billion which is an increase of \$321.6 million over the FY '11 CR level.

USGS

The overall budget request for FY '12 is \$1.1 billion which is an increase of \$6.1 million from the FY '11 CR level. Many program areas were reduced in order to fund several areas that were increased as well as to preserve staff. It was explained by Director Marcia McNutt at a budget briefing that the USGS budget is large staff salaries, yet it actually costs more to terminate staff than to keep them, which necessitates program cuts. Areas of reduction include: regional assessments of groundwater quantity and quality, grant supporting resilience to natural hazards, the Water Resources Research Act program, the National Geological and Geophysical Data Preservation program, the Geological Mapping program and the climate effects network. Cooperative stream gage funding is reduced in order to maintain funding for the National Streamflow Information Program (NSIP), the fully federally funded network of stream gages.

Areas of increase are:

- National Land Imaging (Landsat missions) is increased by \$48 million
- Ecosystem Restoration involves a new Presidential conservation initiative, America's Great Outdoors, the various elements of which include increased funding of \$12 million.
- Department of Interior Climate Science Centers are increased by \$11 million.
- Coastal and Marine Spatial Planning is increased by \$4.5 million.

National Flood Insurance Program: Reauthorization and Reform

On Capitol Hill

The NFIP will once again expire on September 30, 2011 unless the Congress acts to reauthorize the program. The House Financial Services Committee is planning to develop a draft reauthorization and reform bill very soon with the hope of moving a bill through subcommittee and full committee and to the House floor by late spring or early summer. Kicking off this process, the Insurance, Housing and Community Opportunity Subcommittee has scheduled a hearing on reauthorization and reform for March 9th at 2:00.

It is unclear at this point how extensive the reform aspects will be as well as what the suggested period of reauthorization will be. The hearing will include testimony

from FEMA (Administrator Fugate), the Government Accountability Office (GAO), the Association of State Floodplain Managers (ASFPM) and a representative of Write Your Own (WYO) companies. Indications are that the Senate Banking Committee is also planning to take action on reauthorization and reform, but that will likely not occur until later in the spring.

A number of bills have already been introduced dealing with the NFIP, flood maps and the treatment of levees on flood maps. H.R. 435, introduced by Rep. Candice Miller (R-MI) would, according to her press release “end the NFIP by December 31, 2013, allow states to form regional insurance compacts to spread risk, and continue to allow the Federal Emergency Management Agency (FEMA) to assist their efforts by producing high quality flood maps to allow states and the private sector to insure against flood loss.” H.R. 700, introduced by Rep. Tim Walberg (R-MI) would provide for a moratorium on the issuance of flood insurance rate maps to “assist property owners in adapting to flood insurance rate map changes”. H.R. 764, introduced by Rep. Rodney Alexander (R-LA) would “ensure fair treatment of existing levees and flood control structures under the national flood insurance program”. All of these bills have been referred to the House Committee on Financial Services for consideration.

Issues associated with accuracy of flood maps, treatment of levees and non-levee features on flood maps and affordability of flood insurance continue to capture the attention of many Members of Congress and Senators. Twenty seven Senators signed a letter to FEMA Administrator Craig Fugate asking that FEMA discontinue its practice of showing no levee on a flood map if it cannot be accredited as providing 100 year flood protection. Two additional Senators sent related letters. Forty nine Members of the House have sent the same letter to Administrator Fugate. FEMA officials are actively working to develop a way to address the concerns of so many Congressmen and Senators.

At FEMA

Meanwhile, at FEMA, the major “Re-Thinking the NFIP” project launched by Administrator Craig Fugate at a Listening Session in November, 2009 is progressing rapidly toward delivery of analysis and recommendations to Capitol Hill by early summer. The process is being deliberately accelerated to allow for Congressional consideration of FEMA’s analysis and recommendations during the process of again reauthorizing the program.

Phase I involved capturing stakeholder concerns and recommendations. That included the Listening Session in Washington D.C. and an open comment period from November to January, 2010. Analysis of the comments were published in a final report entitled “NFIP Stakeholder Listening Session: Findings and Next Steps”.

Phase II involved development of a policy analysis framework, evaluation criteria and guiding principles. It also involved analysis of stakeholder input.

Phase III involves identification of several policy options, collection of stakeholder comments, analysis of comments and development of more refined policy options and recommendations. The 4 policy options identified thus far are:

1. Improvements to the existing NFIP (Program Upgrade or Program Optimization)
2. Privatization (consideration of degrees and types of increased private sector role)
3. Community Policies (community-wide policies to better link land use and construction decisions with the cost of flood insurance)
4. Federal Assistance Options (creating a relationship between community mitigation measures and disaster assistance and other federal programs using either a Community Rating Model or a Total Federal Responsibility Model)

Coalitions

The NFDA continues to participate in the following coalitions:

Congressional Hazards Caucus Alliance

(Organizational meeting to discuss Hill briefings to schedule this session has been held.)

Flood Map Coalition

(Group will meet soon to discuss status of map issues and the budget for FY 2012.)

USGS Coalition

(Group will meet soon to discuss budget issues and meet with Congressional staff.)

Stream Gage Coalition

(Attempts to schedule Congressional meetings were not successful due to staff preoccupation with the funding for the current fiscal year. March meetings are anticipated.)

SmarterSafer Coalition

(This group met frequently at the end of 2010 and in early 2011 to develop legislative proposals for Congressional consideration dealing with reform of the NFIP and its mapping functions and with support for hazard mitigation.

Referenced legislation can be viewed by going to: <http://thomas.loc.gov> and typing in the bill number. Information about the “Re-Thinking the NFIP” project at FEMA can be found through the FEMA website: www.FEMA.gov. Type “Re-Thinking the NFIP” in the search box.