




FEMA

June 23, 2020

MEMORANDUM FOR: W. Nim Kidd
Chairman, National Advisory Council

FROM: Pete Gaynor 
Administrator

SUBJECT: Response to November 2019 National Advisory Council
Recommendations

This memo outlines the Agency response to the November 22, 2019 recommendations from the National Advisory Council (NAC). Your recommendations are a valuable input to Agency strategy, and the time and effort you invested reflects in the final product. Thank you.

This response is the product of thorough discussions at every level of the Agency, beginning with my senior leadership team followed by discussions with relevant programmatic experts. We have taken your input seriously and, to the degree possible, worked to address it immediately or, when not possible, created a plan for implementing selected recommendations over time. You will see this reflected below where each response lays out specific actions FEMA is taking and the challenges anticipated in implementation.

I want to highlight a couple recommendations and responses in particular. One issue that the NAC has highlighted before, and that you are looking at now, is equity in FEMA programs. Specifically, based on your recommendations, the Grants Programs Directorate has increased the eligibility criteria for the Tribal Homeland Security Grant Program, increasing the distance that tribes may be from an international border from 50 miles to 100 miles. The NAC also provided significant input into the Building Resilient Infrastructure in Communities (BRIC) program, which has been very helpful in shaping the program and associated policies. The program is still under development, however, so FEMA will publish a second response to your recommendations later in 2020 to provide more detail on specific programmatic decisions.

Your insights into our programs are vital to continued improvement in emergency management. I look forward to the May 2020 NAC meeting and our continued work together.

cc: Carlos Castillo, Deputy Administrator (A), Resilience
David Bibo, Associate Administrator (A), Office of Response and Recovery
James Joseph, Director (A), Office of External Affairs
Cynthia Spishak, Associate Administrator, Office of Policy and Program Analysis

Attachment: Programmatic Updates Related to November 2019 NAC Recommendations

Programmatic Updates to the November 2019 NAC Recommendations

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Financial Preparedness Recommendations

RECOMMENDATION – FOCUS ON PUBLIC EDUCATION

Recommendation 2019a-01: In general, the FEMA Administrator should improve on the integration of financial preparedness into appropriate areas of their public education messaging. Financial preparedness public education should work to integrate the use of graphics for message retention as well as incorporating additional simple and direct messaging such as the FEMA “Scary Simple” campaign. Additionally, research shows that the following four criteria for motivating change where preparedness is concerned:

1. Perceived Susceptibility – this *can* happen to *me*
2. Perceived Severity – this is serious
3. Self-efficacy – I can actually do something to help myself
4. Response efficacy – the recommended action would make a difference.¹

Additionally, it is important to emphasize that individuals should take an active role in preparing themselves and their communities.

Response – FEMA Will Continue to Study This Issue and Base Its Preparedness Activities on This Research

Our goal is to identify the gaps, barriers, or challenges that we, as an emergency management community, can address to help promote individual and community progression through the stages of change to reach the desired end state...a culture of preparedness. A longitudinal analysis of the FEMA National Household Survey (NHS) data suggests a general shift in the Nation’s preparedness posture.

- We see that those who are not prepared and have no intention to prepare have significantly decreased while those who are starting to prepare have significantly increased.
- The estimates from 2013 and 2018 suggest that about half of the adult population feels they are at least somewhat prepared for a potential disaster.
- Overall, this trend suggests the start of a shift toward the goal described above – a culture of preparedness.

More specifically, FEMA uses the Stages of Change model, which overlaps some with the four stages described in the NAC recommendation above. The model has been widely adopted across many disciplines. The model presents stages through which individuals progress to adopt desired end state behavior.

¹ Ann Gordon, “The Chapman Survey of American Fears: Preventing Terrorism, Preparing for Disasters,” Earl Babbie Research Center, 2016, p. 18, accessed October 13, 2019, <https://www.chapman.edu/wilkinson/research-centers/babbie-center/index.aspx>

- In the **pre-contemplation** stage, people are not ready, they may not be aware of disaster risks, they may not be aware that a behavior change may be necessary, or they have absolutely no intention to take any preparedness actions in the next year.
- In the **contemplation** stage, individuals are beginning to recognize that their behavior may be problematic, start weighing the relative pros and cons, and may intend to start preparing in the next year.
- In the **preparation** stage, individuals intend to take action in the immediate future (defined as the next six months), and some have even begun taking small steps to change their behavior.
- In the **action** stage, people are taking preparedness actions and would consider themselves prepared for the year.
- Finally, in the **maintenance** stage, individuals consider themselves well-prepared and have been able to sustain preparedness behaviors for a substantial period of time (defined as at least a year).

Given this, what actually makes a person prepare? Disaster research suggests that certain key influencers have an impact on taking preparedness actions. These influencers include hazard information awareness, disaster experience, preparedness efficacy, and risk perception.

- Awareness of Preparedness Information (43%):
 - The NHS reveals that 43% of respondents have read, seen or heard information about how to prepare. For most actions, the percentage of respondents who have taken an action was significantly higher if they had awareness in that they had *read, seen, or heard preparedness information*.
- Prior experience with a hazard (44%):
 - The NHS also revealed that 44% of those surveyed had either experienced a disaster or had someone in their family who was impacted by a disaster. For most actions, the percentage of respondents who have taken the action was significantly higher if they *had experienced a hazard in the past* than those who had not experienced a hazard.
 - For example, if you experienced a flood in the past but didn't have flood insurance, you would be more likely to ensure you have the proper coverage moving forward.
- Preparedness efficacy (47%):

- For most actions, the percentage of respondents who have taken the action was significantly higher if they *believed preparedness helps* and *had confidence in their ability* to prepare.
- The fourth influencer, Risk Perception is important to track for all population groups because it provides insight on the percentage of individuals who feel that at least one type of hazard could impact where they live.
 - The survey suggests 98% of the nation perceives they could be impacted by a disaster.
- It is important to note that not all individuals affected by an influencer described above consider themselves “prepared” for a disaster.
 - For example, roughly one-third of individuals with high preparedness *efficacy* consider themselves not yet prepared and only two-thirds of individuals claiming *awareness* consider themselves prepared.

On financial preparedness, the FEMA Individual and Community Preparedness Division (ICPD) added specific financial preparedness questions within the NHS starting in 2018. According to the 2018 National Household Survey:

- 23.3% of the public either didn't have or didn't know if they had homeowners or renter's insurance.
- 80.1% of the public either didn't have or didn't know if they had flood insurance.
- More than 30% of individuals do not have any money set aside for an emergency.
- Most people do not have enough money set aside to afford an unexpected \$500 emergency.

Action

Based on these findings, ICPD is working to implement the following strategies throughout all programs and initiatives:

- **Awareness:** Increase information about local risk and how to prepare for local hazards, including household evacuation and shelter plans coordinated with community emergency management plans.
- **Efficacy:** Include specific information about how actions are effective to improve safe response and better recovery.
- **Confidence:** Provide opportunities and support for planning and practicing actions through drills and exercises to build confidence and best response.
- **Experience:** Provide reminders of risks and effective actions through methods such as sharing survivor experiences.

- **Hazard Factors:** Provide differentiated messaging for hazards that impact only specific areas within a jurisdiction, and for infrequent hazards. This will improve individual and community risk perception and reinforce attitudes that can increase motivation to act.
- **Social-Demographic Factors:** Design messaging and preparedness support to reach diverse populations through multiple networks and planning support to address different preparedness needs and resources such as those related to age, education, homeownership, income, and race and ethnicity.
- **Behavioral economics:** One of the more innovative approaches to addressing segment-specific barriers is behavioral science. Applying behavioral insights has proven up to 100 times more cost effective than traditional policy interventions (e.g. tax credits) across domains of retirement savings, college enrollment, energy conservation and public health.² By scaling initiatives that promote new ways for FEMA to deliver tailored preparedness interventions, and developing continuous improvement capabilities to refine delivery over time (e.g. through pilots to test and learn), FEMA can more effectively reach people by evolving the tools and touchpoints it has.

Resources, costs, and time

No additional resources are necessary at this time.

RECOMMENDATION – PARTNER WITH INDUSTRY GROUPS TO MAXIMIZE IMPACT

Recommendation 2019a-02: The Administrator should find ways for FEMA to partner with other organizations to work toward the implementation of goals associated with building a more financially prepared community. FEMA should work with:

- The Federal Deposit Insurance Corporation to continue/expand training on disaster planning as covered in its Money Smart program.
 - MODULE 14: Disasters–Financial Preparation and Recovery, September 2018
- The Consumer Financial Protection Bureau (CFPB) Start Small, Save Up Initiative, Consumer Federation of America: America Saves, Split to Save Program, and other organizations with strong financial institution education programs to help people achieve financial preparedness.

² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5549818/>

- Financial institutions that will provide financial incentives for people working toward financial preparedness, such as lower interest rates on debt, higher interest rates on savings, and microloans for financially underprepared or low-income groups.
- The American Red Cross and other providers of disaster preparedness information to integrate financial preparedness broadly into educational programs as done with FEMA's Youth Advisory Council's Pedro: Disaster Preparedness Activity Book.
- The Department of Education to ensure that financial preparedness and literacy are incorporated into national education programs.
- Operation Hope to evaluate current disaster programs and growth areas for expansion.
- Government agencies that serve historically underserved communities or core groups that are disproportionately impacted by disaster to ensure that individuals and families are not removed from services for increasing their financial wellness through saving. Criteria and general recommendations should be suggested to states and considered as part of the resiliency measure for mitigating disasters with state preparedness. Government agencies that may be consulted are the Department of Health and Human Services, Department of Education, Center for Medicaid Services, and other support system services to make the programs more accessible during disasters and prevent ineligibility for aid programs such as Medicaid or others, simply because they have a modest disaster savings. For example, in some states people with more than \$2,000 in countable resources are not eligible.
 - By establishing clear guidance on what types of savings and/or investment accounts will not prevent access to aid programs, FEMA will ensure that their financial education programs will do no harm and instead truly benefit community members in the most need.³ Some states have implemented a provision ABLE (Achieving a Better Life Experience) accounts, which can be used by eligible people with disabilities who wish to save for issues related to disability. Because disasters often have a large economic effect on people with disabilities this fund could be used to support the person after a disaster. This is not considered a countable resource according to Medicaid.

³ "Medicaid's Community Spouse Resource Allowance (CSRA): Calculations & Limits," American Council on Aging, January 22, 2019, accessed October 16, 2019, <https://www.medicaidplanningassistance.org/community-spouse-resource-allowance/#countable>

- The Internal Revenue Service (IRS) to encourage those receiving a tax refund to save it, or a portion thereof, in an effort to establish financial preparedness. This could potentially also include a tax advantaged savings account for low income people to save funds for unanticipated events. Additionally, FEMA should work with the IRS to provide tax advantaged savings for individuals so that they are not penalized for savings.
- NeighborWorks, United Way, and other critical partners with a network of local nonprofits to help build financial well-being, disaster preparedness, and to increase the resources and capability available to promote financial preparedness.
- The National Association of Counties, the National League of Cities, and others in the Big Seven to:
 - Encourage adopting commercial insurance incentives
 - Discourage maximum limits for local rainy-day funds
 - Model efforts to incentivize local reserve fund programs, after the Expedited Debris Removal Pilot Program.

Response – FEMA Will Continue to Strengthen and Broaden its Partnership Network

ICPD is successfully leveraging new and existing partnerships, including 26 partnerships with organizations and federal agencies in 2019. These range from formal agreements such as Memoranda of Agreement (MOAs) to sharing financial preparedness messaging with the communities that our partners serve. The specific partnerships and activities are described below.

Partners	Activities
Financial Literacy and Education Commission (FLEC)	<ul style="list-style-type: none"> • FEMA has been a member of FLEC since 2015/2016. • ICPD participates and contributes to the FLEC working group on Financial Capability and has been instrumental in drafting the work plan for FY20. • July 2019, FLEC developed the Federal Financial Literacy Reform Report which focuses on coordinating and improving financial literacy efforts and designated the CFPB as the Federal agency to lead financial preparedness.

Partners	Activities
United States Department of Defense Office of Financial Readiness (DoD FINRED)	<ul style="list-style-type: none"> • (DoD FINRED) carried out significant social media messaging on their platforms during 2019 National Financial Capability Month (NFCM), as well as a Facebook Live Video event. • In May 2019, ICPD led a discussion on financial preparedness with financial counselors who provide support to service members and their families during the Department of Defense (DoD) Financial Readiness Training Symposium in Dallas, Texas. • DOD FINRED was featured in the 2019 ICPD Newsletter which highlights their new financial readiness website. • ICPD plans to leverage this partnership to support 2020 NFCM.
Consumer Financial Protection Bureau (CFPB)	<ul style="list-style-type: none"> • CFPB serves as the lead on government financial preparedness activities. • ICPD and CFPB (the FLEC chair) work alongside each other to develop a workplan for the FLEC working group, refine messaging, and develop products including co-branding the Your Disaster Checklist. • ICPD featured CFPB in the September 2019 Newsletter. • In April 2019 CFPB participated in sharing financial preparedness messaging and content during NFCM. • In June 2019 ICPD presented on CFPB's <i>Disaster Preparedness and Liquid Savings</i> webinar. • ICPD plans to leverage this partnership to support 2020 NFCM and the Resilience Financial Preparedness Lunch and Learn Series.
United States Department of Navy	<ul style="list-style-type: none"> • ICPD presented on the Navy's <i>Preparing for Disaster: How PFMs can Shape the Conversation</i> webinar. The webinar audience included financial counselors who served Navy Service members. • ICPD plans to leverage this partnership to support 2020 NFCM.

Partners	Activities
<p>Society for Financial Education & Professional Development, Inc.</p>	<ul style="list-style-type: none"> • ICPD will serve as a featured panelist on SFE&PD 12th Annual Financial Literacy Leadership Conference. The session is titled “Strategies for Managing Financial Matters During a Natural Disaster. • SFE&PD has agreed to share FEMA financial preparedness resources on their website. • ICPD plans to leverage this partnership to support 2020 NFCM.
<p>Jump\$start Coalition for Personal Financial Literacy</p>	<ul style="list-style-type: none"> • FEMA will be recognized as a national partner of Jump\$start. • Jump\$start Coalition for Personal Financial Literacy is a 501(c)(3) tax-exempt organization based in Washington, D.C. The coalition consists of more than 100 national organizations and raises the importance of financial literacy and the importance of effective financial education. • Jump\$start participated in a youth financial preparedness webinar along with Young America Saves and YPC members (financial preparedness team). • ICPD participated in their 2019 Hill Day. • ICPD plans to leverage this partnership to support 2020 NFCM.
<p>Federal Deposit Insurance Corporation (FDIC)</p>	<ul style="list-style-type: none"> • FDIC reviews ICPD financial preparedness content, including products like the Financial Emergency Hazard Sheet. • FDIC shares content and social and digital media events during 2019 NFCM. • ICPD provided extensive review of the Money Smart game. • FDIC participated in a National Preparedness Month webinar that provided financial preparedness strategies and tools for the public. • ICPD is currently pursuing an MOA and using the Smart Money curriculum to develop CERT financial preparedness curriculum. • ICPD plans to leverage this partnership to support 2020 NFCM and the Resilience Financial Preparedness Lunch and Learn Series.

Partners	Activities
Operation HOPE	<ul style="list-style-type: none"> • FEMA has had an MOA since 2004. • Operation Hope partnered with ICPD to develop the Emergency Financial First Aid Kit (EFFAK) in 2004, updated 2018. • April 2019 participated in sharing financial preparedness messaging and content during NFCM. • ICPD plans to leverage this partnership to support 2020 NFCM.
Association of Financial Counseling and Planning Education® (AFCPE®)	<ul style="list-style-type: none"> • Signed MOA with ICPD in November 2018. • FEMA presented at the AFCPE 2018 Symposium on financial counselors' role in preparing individuals financially for emergencies and disasters. • APCPE was featured in a blog facilitated by Region V on the role of financial counselors in the disaster financial preparedness space. • AFCPE, in partnership with ICPD and FIMA, developed a 2019 National Preparedness Month blog for financial counselors to highlight the FEMA AFCPE partnership and the importance of preparing financially for disaster. • ICPD plans to leverage this partnership to support 2020 NFCM.
Consumer Federation of America (America Saves, Military Saves, and Young America Saves)	<ul style="list-style-type: none"> • ICPD facilitates activities during America Saves Week. • Young America Saves participated in a youth financial preparedness webinar along with Jump\$start and Youth Preparedness Council members. • In April 2019 the CFA participated in sharing financial preparedness messaging and content during NFCM. • ICPD plans to leverage this partnership to support 2020 NFCM.
Neighborhood Works Organization (NWO)	<ul style="list-style-type: none"> • In April 2019, NWO participated in sharing financial preparedness messaging and content during NFCM. • In August 2019, ICPD presented on financial counselors discussing with their clients the importance of preparing financially for disaster. • ICPD plans to leverage this partnership to support 2020 NFCM and the Resilience Financial Preparedness Lunch and Learn Series.

Partners	Activities
Junior Achievement of Greater Washington (JA)	<ul style="list-style-type: none"> • In April 2019, JA participated in sharing financial preparedness messaging and content during NFCM including hosting and a Facebook Live event. • ICPD plans to leverage this partnership to support 2020 NFCM
Insurance Institute for Business and Home Safety (IBHS)	<ul style="list-style-type: none"> • In April 2019, IBHS participated in sharing financial preparedness messaging and content during NFCM. Additionally, they participated in a Twitter Chat that highlighted the importance of individuals securing insurance. • ICPD plans to leverage this partnership to support 2020 NFCM.
National Association of Insurance Commissioners (NAIC)	<ul style="list-style-type: none"> • In April 2019, NAIC participated in sharing financial preparedness messaging and content during NFCM. Additionally, they participated in a Twitter Chat that highlighted the importance of individuals securing insurance. • ICPD plans to leverage this partnership to support 2020 NFCM.
General Services Association (GSA)	<ul style="list-style-type: none"> • In April 2019, GSA developed a usa.gov webpage to promote NFCM events and track metrics. • GSA participated in sharing financial preparedness messaging and content during NFCM. • ICPD plans to leverage this partnership to support 2020 NFCM.
Ramsey Solutions	<ul style="list-style-type: none"> • In April 2019, Ramsey Solutions participated in sharing financial preparedness messaging and content during NFCM with staff. • DHS and Ramsey Solutions are currently discussing potentially adopting SmartDollar, a financial wellness program that aims to lead individuals toward behavior change. • ICPD plans to leverage this partnership to support 2020 NFCM.
Money Management International, Project Porchlight	<ul style="list-style-type: none"> • Project Porchlight participated in an ICPD National Preparedness Month webinar that provided financial preparedness strategies and tools for the public. • ICPD plans to leverage this partnership to support 2020 NFCM and the Resilience Financial Preparedness Lunch and Learn Series.

Partners	Activities
National Credit Union Administration (NCUA)	<ul style="list-style-type: none"> • In April 2019 NCUA participated in sharing financial preparedness messaging and content during NFCM. • ICPD plans to leverage this partnership to support 2020 NFCM.
Department of Homeland Security (DHS), Center for Faith and Opportunity Initiatives	<ul style="list-style-type: none"> • In April 2019, the DHS Center participated in sharing financial preparedness messaging and content during NFCM. • ICPD plans to leverage this partnership to support 2020 NFCM.
DINE Brands	<ul style="list-style-type: none"> • In April 2019, DINE Brands participated in sharing financial preparedness messaging and content during NFCM. • ICPD plans to leverage this partnership to support 2020 NFCM.
National Affordable Housing Management Association (NAHMA)	<ul style="list-style-type: none"> • In April 2019, NAHMA participated in sharing financial preparedness messaging and content during NFCM. • ICPD plans to leverage this partnership to support 2020 NFCM.
Compass Rose Benefits Group (CRBG)	<ul style="list-style-type: none"> • In April 2019, CRBG participated in sharing financial preparedness messaging and content during NFCM. • ICPD plans to leverage this partnership to support 2020 NFCM.
National Association of Certified Credit Counselors (NACCC)	<ul style="list-style-type: none"> • In April 2019, NACCC participated in sharing financial preparedness messaging and content during NFCM. Additionally, they participated in a Twitter Chat that highlighted the importance of individuals securing insurance. • ICPD plans to leverage this partnership to support 2020 NFCM.
United States Department of Health and Human Services (HHS)	<ul style="list-style-type: none"> • In April 2019, HHS participated in sharing financial preparedness messaging and content during NFCM. • ICPD plans to leverage this partnership to support 2020 NFCM.
United States Department of Labor (DoL)	<ul style="list-style-type: none"> • In April 2019, DoL participated in sharing financial preparedness messaging and content during NFCM. • ICPD plans to leverage this partnership to support 2020 NFCM.

Partners	Activities
Nextdoor	<ul style="list-style-type: none">• In April 2019, Nextdoor participated in sharing financial preparedness messaging and content during NFCM• Nextdoor shared general financial preparedness content with their stakeholders.• ICPD plans to leverage this partnership to support 2020 NFCM.

Action

Based on this recommendation, FEMA will:

- Expand partnerships with financial preparedness organizations and partner with financial organizations such as the Association for Financial Counseling and Planning Education (AFCPE) and Operation Hope to reach members with tools, resources, and information.
- Launch a government-wide campaign through Financial Literacy and Education Commission (FLEC). ICPD will support FLEC in leading a multifaceted messaging, policy, and programming campaign to ensure that individuals who receive government funding also receive financial preparedness interventions.
- Expand and scale large enterprise partnerships. ICPD will develop partnerships with the business community around financial preparedness during non-disaster activities.
- Direct messaging through FEMA-owned channels such as FEMA websites or social media. ICPD will create direct financial preparedness messages in a consistent manner through all FEMA channels at optimal times.
- Deepen FEMA's expertise in financial preparedness. FEMA will conduct research to create core knowledge assets to support executing high-impact financial preparedness strategies.
- Evaluate Behavioral Sciences, including implementing a learning strategy that includes robust data collection, programmatic assessment, and a clear understanding of the return on investment.

Resources, costs, and time

The FEMA Fiscal Year 2021 budget request includes an increase of six positions and \$3.3M within the National Preparedness Directorate (NPD) to improve individual financial preparedness. Specifically, our goal is to increase the percentage of Americans who have set aside money for emergencies by 16% by FY 2022 over the

2018 baseline. This aligns with FEMA's Strategic Plan 2018-2022, Goal 1 (Build a Culture of Preparedness), Objective 1.3 (Help Americans Prepare for Disasters).

Closing the Insurance Gap Recommendations

RECOMMENDATION – CONDUCT PUBLIC OUTREACH CAMPAIGNS

Recommendation 2019a-03: FEMA should conduct widespread public outreach campaigns (e.g. media, mailings), to include targeting renters and landlords within areas recently impacted by disasters (e.g. flood, fire, and other hazards) to highlight the following information:

- Affordability and benefits of flood renter's insurance and other coverage lines,
- Availability to all individuals regardless of designated floodplains,
- Disclosure of "hidden hazards" in real estate, rental properties, and communities.

FEMA should also partner with landlord associations and conduct outreach (e.g. brochures, messaging, and sample language) to encourage landlords to make renters insurance a requirement within their lease agreements.

Response – FEMA Has and Will Continue to Implement Flood Insurance Marketing Campaigns

FIMA continues to conduct national marketing for flood insurance utilizing resources like floodsmart.gov, our marketing contracts, and regional opportunities (e.g., NY Transit messages and Region 3 billboards on flooding). We created an initial flood insurance campaign for renters in Puerto Rico that highlighted affordability and can build upon that campaign for other geographic areas across the US. We also continue to support the administration's flood insurance affordability proposal and states and localities interested in implementing their own flood insurance affordability programs. Additionally, we continue to engage external partners to promote flood insurance through coordinated outreach and messaging.

Action

FEMA can use current partnerships with insurance companies and associations to engage the rental public, and in 2020 we will engage landlord associations and major rental management companies to identify opportunities to include flood insurance in lease agreements. Further, we continue to partner with organizations representing real estate professionals to find messaging opportunities.

Resources, costs, and time

No additional resources are needed to respond to this recommendation.

RECOMMENDATION – INCREASE OFFERINGS OF PARAMETRIC INSURANCE

Recommendation 2019a-04: The Administrator should convene cross-sector industry partners to develop parametric insurance for individuals.

Parametric insurance pays out immediately when a certain threshold, such as water depth or wind speed, is reached; thus, expediting funding and reducing overall administrative costs.

Response – FEMA Will Continue to Work with External Partners to Address This Recommendation

Action

FIMA will continue dialogue with industry leaders to consider options for parametric insurance. We recognize the benefits of parametric in speed of delivery and funding and need to assess how this type of insurance interacts with current disaster aid programs and standard Property and Casualty insurance products, including the standard flood insurance policies. Further, the applications of parametric insurance are not be limited to flood and should be discussed as it relates to other perils. Our current relationships with insurance industry partners, such as the American Property Casualty Insurance Association and the FEMA Memorandum of Agreement with the Insurance Information Institute, can support these discussions.

Note, current statues, regulations, and program policies will limit implementation and may require additional authorities.

Resources, costs, and time

Initial conversations could be conducted with existing staff; however, further detailed research would require additional funding.

RECOMMENDATION – STRESS TEST STATE INSURANCE GUARANTY FUNDS

Recommendation 2019a-05: The Administrator should financially stress test state insurance guaranty funds to determine their financial readiness for large-scale disasters and insurance company solvency.

This type of study would underscore the scale of the protection gap and clarify our national “shock absorption,” while ideally changing political will to fund FEMA’s work more strategically, as opposed to the current ad hoc approach.

Response – FEMA Does Not Have the Authority to Implement This Recommendation

Action

Oversight of this is a state function. States administer state guaranty funds to protect policyholders if an insurance company defaults on benefit payments or becomes insolvent. State laws require that all licensed property and casualty insurance companies belong to the guaranty funds in every state where the companies are licensed to do business.

FEMA does not have specific regulatory authority over state guaranty funds, and so this is outside our scope and authority.

Resources, costs, and time

Not applicable.

RECOMMENDATION – USE EMERGING TECHNOLOGIES TO SPEED PAYOUTS

Recommendation 2019a-06: The Administrator should partner with insurance industry leaders/groups to study, develop, and pilot a FEMA program utilizing emerging technologies in order to allow for insurance or disaster assistance claims to be quickly assessed and submitted through secure electronic systems. This should also support more rapid payments after claims are submitted.

Response – FEMA is Working to Build a Research and Development Discipline to Explore and Test New Solutions

Action

FIMA has had discussions with industry leaders to learn more about applications of blockchain and other emerging technologies. Blockchain is an innovative idea and relatively new in the federal government but may have benefits in the delivery/management of insurance policies and claims. Our current relationships with insurance industry partners, such as Reinsurance Association of America, American Property Casualty Insurance Association, and the FEMA Memorandum of Agreement with the Insurance Information Institute can support these discussions.

Further, FIMA is working to build a research and development discipline to explore, test, and eventually implement technologies, policies, and business processes that will enable us to meet customers where they are. Through this process, we aim to identify

and test promising emerging technologies that will allow claims to be quickly and securely adjusted.

Note, current laws, regulations, and program policies will limit implementation and may require additional authorities.

Resources, costs, and time

Initial conversations could be conducted with existing staff; however, further detailed research would require additional funding and amount unknown at this time.

RECOMMENDATION – REDUCE SELF-INSURANCE FOR PUBLIC INFRASTRUCTURE

Recommendation 2019a-07: To create and expand more insurance offerings to asset classes that are currently uninsurable, the Administrator should convene industry partners to create more public infrastructure insurance offerings for SLTT governments to help reduce the rate of “self-insurance.”

Response – FEMA is Working with DHS S&T to Study Self-Insurance for Public Buildings and Provide Next Steps

Action

The Office of Policy and Program Analysis (OPPA), supported by the DHS Office of Science and Technology, is working with the Homeland Security Operational Analysis Center (HSOAC), a federally funded research and development center operated by RAND, to conduct an insurance study. This study specifically relates to Public Assistance Category E (Public Buildings and Equipment) and is examining whether FEMA is inadvertently disincentivizing state, local, tribal, and territorial governments, as well as eligible private non-profits, from insuring public buildings. Through the research and analysis being conducted, the team aims to identify whether there are insurance products in the market that states can use to cover those items, and what impact, if any, an adjustment to Category E policy would have on risk management practices. FEMA is discussing “self-insurance” as a part of this analysis insofar as it is a form of risk management. OPPA expects to complete the research and analysis by the end of June 2020 and will provide a briefing of the results to the NAC in July 2020.

Resources, costs, and time

No additional resources are necessary.

Improving Code Adoption and Compliance Recommendations

RECOMMENDATION – RAISE AWARENESS OF THE CONSEQUENCES OF WEAK CODES

Recommendation 2019a-08: The Administrator should communicate the economic consequences of weak building codes and poor building code compliance to SLTT policymakers. The Administrator should also highlight in these communications that strong building codes and effective enforcement are a health and life safety issue and are broadly supported by the public. In messaging on building codes, the Administrator should also replace “enforcement” with “compliance” to minimize pushback and negative connotations that enforcement could bring.

Response – FEMA Has Created an Internal Working Group to Plan and Lead an Agency-Wide Effort to Improve Outcomes Related to Building Codes

FEMA agrees with recommendation 2019a-08 and has consistently delivered on a number of existing initiatives aligned with this recommendation. FEMA proposes to continue existing efforts with improvements and initiate several new initiatives in response to this recommendation. The term “enforcement” is so widely used (also in the DRRA) and recognized amongst the building code community, introducing another term “compliance” would be confusing.

Action

FEMA has created an agency-wide Building Codes Executive Steering Group (BCESG) that will coordinate building codes and standards related issues within FEMA. Through the BCESG and its supporting working group, FEMA will develop an agency-wide strategy for the adoption and enforcement of building codes and support the development of similar federal and national strategies. FEMA will also:

- Conduct and publicize studies to understand the consequences of weak codes and lack of code compliance through Mitigation Assessment Team (MAT) efforts and Loss Avoidance Studies,
- Publish compilations of disaster-resistant provisions of the latest editions of the International Codes model code series,
- Equip SLTT leaders with the data they need to understand where they stand with building code adoption and compliance and what they can do to improve, and
- Train building code professionals in the latest hazard-resistant provisions of codes through FEMA Emergency Management Institute (EMI) courses, U.S. Fire

Administration (USFA) education and training programs, and post-disaster training on building code provisions critical to recovery.

Resources, costs, time

FEMA is currently in the process of hiring more staff to support building code adoption and compliance efforts. The BCESG is formed and doing an initial landscape analysis to begin work on the agency-wide strategy.

RECOMMENDATION – CREATE STRONG EXTERNAL PARTNERSHIPS TO COMMUNICATE THE IMPORTANCE OF CODES

Recommendation 2019a-09: The Administrator should partner with the International Code Council, the Federal Alliance for Safe Homes (FLASH), and others to build and strengthen the code specific marketing campaigns such as “No Code, No Confidence.” Campaigns should, in part, be targeted to specific geographic areas after an incident to highlight code-related issues that could be improved, within that area, before the next disaster or emergency event.

FEMA should outreach to other associations such as National Association of Counties, National League of Cities, Association of State Floodplain Managers, the American Planning Association, banking and insurance associations, the International Coded Council, FLASH, and others to broaden the adoptions of codes and code compliance using economic data to support their efforts.

Response – FEMA Partners with a Broad Range of Groups to Promote Effective Building Codes

FEMA is striving to meet the spirit of the recommendation by finding innovative avenues to reach new stakeholders and advance building code adoption. FEMA promotes building code adoption in partnerships with standards groups, the design industry, research institutions, private sector partners, through cooperative agreements, contracts and the four Regional earthquake consortia. Partnerships with other organizations identified that we are either currently working with or plan to reach out to include: the International Code Council, American Society of Civil Engineers, Association of State Floodplain Managers, National Institute of Building Sciences, American Planning Association, National League of Cities, National Council of Structural Engineers Associations, American Institute of Architects, International Organization for Standardization, Chartered Property Casualty Underwriter, Insurance Institute for Business & Home Safety, Florida Insurance Council, Insurance Information Institute, American Property Casualty Insurance Association, Insurance Thought Leadership, and National Association of Mutual Insurance Companies as well as the wider federal government. FEMA’s Building Science Branch also works with other FEMA programs

such as the Community Engagement and Risk Communication Services, the National Flood Insurance Program, and Preparedness.

Action

FEMA is working to establish an agency-wide strategy for the advancement and application of building codes and standards led by the Building Codes Executive Steering Group. The group includes partners such as the Federal Alliance for Safe Homes (FLASH), which launched the research-informed initiative, “No Code. No Confidence. – Inspect To Protect.”

The National Earthquake Hazard Reduction Program also partners with organizations such as the Earthquake Engineering Research Institute (EERI), FLASH, the Southern California Earthquake Center (SCEC), and the Regional earthquake consortia: CUSEC, the Cascadia Regional Earthquake Workgroup (CREW), the Northeast States Emergency Consortium (NESEC), and the Western States Seismic Policy Council (WSSPC). These partners play an invaluable role in coordinating multi-state response and recovery planning and in public awareness and education of the importance of building codes.

Resources, costs, and time

FEMA is highly leveraging the “No Code No Confidence” campaign and our many partners that help us message the importance of building codes. FEMA can carry on the steady state efforts with current resources. Expanding the marketing campaigns and growing additional partnerships as described above can be accomplished with additional resources in FY20. If funded, the expansion described above can be developed and implemented within one year.

RECOMMENDATION – CONSIDER REQUIRING BUILDING CODES AND BUILDING CODE COMPLIANCE FOR FEMA GRANT PROGRAMS, AND MODERNIZE NFIP BUILDING STANDARDS

Recommendation 2019a-10: The Administrator should consider the phasing in of eligibility criteria for current and future grant programs, such as Pre-Disaster Mitigation (PDM)/BRIC, that includes the adoption of an up-to-date model building code (current or most recent previous edition) and evidence of effective enforcement capability. The Administrator should advocate for adoption of strong codes (including fire, electrical, and plumbing, etc.) along with evidence of enforcement capability as a part of grant programs such as PDM/BRIC with priority scoring data. Smaller jurisdictions, or those without upfront funding to get into compliance, could apply indicating funding would support the implementation of codes and code compliance.

The Administrator should take steps necessary to modernize the minimum building standards of the NFIP to at least be equivalent to and consistent with the minimum flood design and construction provisions to the latest consensus model codes and standards. The Administrator should encourage other federal partners, such as HUD, to also require building codes and code compliance, potentially working through the Recovery Support Function Leadership Group.

Response – FEMA Is Working to Incentivize Building Codes Through a Range of Programs Including Grant Programs; FEMA Is Exploring Updating NFIP Standards

The Administrator should consider the phasing in of eligibility criteria for current and future grant programs, such as Pre-Disaster Mitigation (PDM)/BRIC, that includes the adoption of an up-to-date model building code (current or most recent previous edition) and evidence of effective enforcement capability:

In accordance with legislative language in Section 203 of the Stafford Act, as amended by DRRRA Section 1234, the BRIC Program Team intends to support building codes adoption by making funding available for building code activities and providing relevant technical assistance. Moreover, the BRIC Program Team is exploring various options for incentivizing strong building codes and ensuring all projects submitted for grant funding adhere to one of the latest two editions of consensus-based codes.

Action

This will be addressed through the BRIC Policy and the Notice of Funding Opportunity (NOFO), which will come out later in 2020. Additionally, in coordination with federal partners, FIMA will continue to support requests for assistance related to building codes. As an example, FIMA has coordinated with HUD over the past two years on the concept, drafting, and review of HUD's Community Development Block Grant (CDBG) – Mitigation (MIT) appropriation NOFO. This includes technical assistance related to mitigation, planning and building codes. FEMA continues to support HUD with the implementation of the announced CDBG-MIT block grants with technical assistance and staff support.

Resources, costs, and time

FEMA is currently in the process of hiring more staff to support program design efforts. The draft BRIC policy is currently under interdepartmental review and will ultimately be published for public comment. The BRIC NOFO is currently under development and is planned for release in the late Summer of 2020.

FIMA staff continue to support HUD in the implementation of the CDBG-MIT program. This effort will be on-going through 2020; and FEMA is detailing an SME to HUD to support this effort.

The Administrator should take steps necessary to modernize the minimum building standards of the NFIP to at least be equivalent to and consistent with the minimum flood design and construction provisions to the latest consensus model codes and standards:

Action

FEMA will explore options for updating the NFIP minimum building standards to reflect our increased understanding of flood hazards and their associated risks and work to align with nationally applicable flood-resistant design standards. These efforts will promote more effective floodplain management, reduce flood damage, and lessen the overall impacts of floods.

Any update to the standards should consider future and forward-looking risks, seek to include new floodplain management practices and higher standards that will be most relevant to the new risk-rating methodology, promote natural and beneficial functions of the floodplain, and address issues raised by audit agencies and other key stakeholders.

Resources, costs, and time

No additional resources needed at this time.

RECOMMENDATION – PROVIDE A SELF-ASSESSMENT TOOL TO HIGHLIGHT THE BENEFITS OF CODES

Recommendation 2019a-11: The Administrator should provide an intuitive, computerized, self-assessment loss estimation tool to SLTT elected officials to help them understand the vulnerability of their existing building stock to disasters, and to facilitate understanding of the positive benefits of improved codes and land use policies. This tool would, for example, show the reason codes are valuable and common challenges jurisdictions face in code compliance. The tool should include an analytic component to evaluate and clearly communicate the economic and casualty impacts of various building code levels.

Response – FEMA Is Continually Working to Highlight the Benefits of Codes

FEMA agrees with providing elected officials tools to estimate reduced losses and understand the benefits of improved codes and land use policies. In fact, FEMA is currently executing a Building Codes Save Study that represents the culmination of over a decade's worth of research and development by FEMA Building Science Branch to create a methodology to model structure-specific losses avoided, on a local to national scale, resulting from adopting the International Codes (I-Codes). The study, which should be released in the fall of 2020, estimates the losses avoided from flooding, hurricanes, and earthquake events and will help illustrate the economic impact of modernizing building codes and standards. Hazard mitigation contributes to a higher

initial building cost but is offset by the future savings gained by avoiding building damage from these hazards.

Action

FEMA is currently collaborating with HUD on an update to the National Institute of Building Sciences (NIBS) Mitigation Saves Report to quantify the savings of adopting model codes to help make communities more resilient and help jurisdictions make decisions on the codes they adopt and enforce. Recently, FEMA partnered with the ICC to publish the fifth edition of Reducing Flood Losses Through the International Codes, which highlights the benefits that today's consensus codes provide for flood risk reduction, beyond minimum NFIP standards, and guidance on implementing these codes as part of floodplain development ordinances. FEMA is also partnering with the insurance industry and building code adoption and enforcement officials to help better quantify the impact of proper code enforcement.

While adopting improved codes and land use policies is important, FEMA expects this research will illustrate that having the resources in place to properly enforce them is just as critical. FEMA currently provides a variety of tools to SLTTs to help them understand the vulnerability of their existing building stock to disasters. These include HAZUS, a GIS-based software tool, which can be used to estimate potential damage, economic loss, and social impacts from earthquake, flood, tsunami and hurricane wind hazards. The risk assessments carried out in developing hazard mitigation plans are an important resource for elected officials to reference in evaluating codes and land use policies.

Objective 1.1 in our agency's strategic plan calls for advocating for the adoption and enforcement of modern building and property codes. While the efforts outlined above do not necessarily provide a self-assessment tool, FEMA is confident these resources will help elected officials make an informed and quantified decision on improved codes and land use policies. In addition, it is possible that FEMA could expand the national loss avoidance methodologies, and other tools outlined above, to develop a self-assessment tool based on the availability of resources.

Resources, costs, and time

The agency currently has sufficient resources allocated to complete the Building Codes Save Study in 2020.

Marginalized, Tribal, Rural, and Small Communities Recommendations

RECOMMENDATION – SIMPLIFY THE THSGP APPLICATION CRITERIA

Recommendation 2019a-12: The Administrator should immediately change the 50-mile criteria in the THSGP Notice of Funding Opportunity (NOFO) to, at the very minimum, match the 100-air mile reasonable distance used for over seven decades in border enforcement activities.

Response – FEMA Has Incorporated the 100-Mile Border Standard in the FY20 THSGP NOFO

FEMA Grants Programs Directorate concurs with this recommendation. GPD routinely evaluates the results of the annual THSGP to identify ways to improve the program for the benefit of tribal community stakeholders, and we share the concerns about the relatively small number of tribes (approximately 50 on average) that apply for THSGP funding in any given year. As noted in the FEMA NAC 2019 Report, GPD evaluated the THSGP eligibility criteria and the effect of increasing the border proximity component from 50 miles to 100 miles to increase the number of potentially eligible tribes.

As prescribed by the Homeland Security Act of 2002, 6 U.S.C. § 601(4), only “directly eligible tribes” may apply for THSGP funding. The statutory definition of “directly eligible tribe” includes, among other criteria, a determination of whether the tribe *“is located on or near an international border or a coastline bordering an ocean (including the Gulf of Mexico) or international waters”*. Since inception of the THSGP, GPD has applied a 50-mile standard when analyzing this component of the THSGP eligibility rules. By increasing this measure to 100 miles, the number of tribes that would meet the border proximity criterion increases from 421 to 473.

Action

GPD has incorporated the 100-mile border proximity standard in the FY 2020 THSGP Notice of Funding Opportunity.

Resources, costs, and time

No additional resources are needed to implement this recommendation.

RECOMMENDATION – FUND TRIBAL NATIONS IN THE SAME WAY STATES ARE FUNDED

Recommendation 2019a-13: The Administrator should evaluate the full complement of Agency programs to provide greater access and equitable baseline funding to Tribal Nations across those Agency programs.

Response – FEMA Is Continually Working to Ensure Tribal Nations Are Funded Equitably

GPD partially concurs with this recommendation. GPD must comply with the applicable statute when administering the preparedness grant programs. Funding for the risk and formula-based preparedness grant programs, which include the Emergency Management Performance Grant (EMPG) program, State Homeland Security Program (SHSP), and Urban Area Security Initiative (UASI), is awarded to states and territories based on statutorily prescribed allocation methodologies or formulas. As the direct grant recipient, a state or territory has the discretion to pass through their EMPG, SHSP, and UASI funding to tribes within their jurisdiction, as grant subrecipients, subject to the rules of each program as outlined in the annual NOFO. Among those rules, the states and territories must apply a risk-based methodology – the Threat and Hazard Identification and Risk Assessment (THIRA) and Stakeholder Preparedness Review (SPR) – to determine and justify all grant-funded investments, including those investments proposed by sub-recipients. Therefore, FEMA encourages Tribal Nations to coordinate with state homeland security advisors and other state emergency management officials to communicate their preparedness-related risks and funding needs. GPD can support this process by assisting individual tribes with identifying the appropriate state/territory points-of-contact and by reminding the states and territories, through the annual NOFO, that they must consider the needs of tribal nations when conducting the THIRA/SPR process and deciding how the grant funding will be invested.

Based on the context of this recommendation, as explained in the FEMA NAC 2019 Report, GPD interprets the recommendation as being confined to the preparedness grant programs. GPD notes that tribal nations are eligible to apply for funding under other preparedness grant programs, subject to the specific eligibility rules of each program as outlined in the applicable annual NOFO. In addition to the Tribal Homeland Security Grant Program (THSGP), tribes may be eligible to apply for funding from a State under Operation Stonegarden (OPSG), which is a competitive border security grant program and a component of the Homeland Security Grant Program (HSGP). In addition, tribes may be eligible to apply directly for funding under other competitive grant programs, including the Assistance to Firefighters Grant (AFG) Program, the Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program, the Port Security Grant Program (PSGP), and the Intercity Bus Security Grant Program (IBSGP).

Action

GPD will examine the grant guidance included in the annual NOFOs for each of the preparedness grant programs to ensure that the needs of Tribal Nations, along with marginalized, small, and rural communities, are adequately addressed within the limits of the applicable statutory requirements. GPD will also refine the EMPG and HSGP NOFO guidance as appropriate to reinforce the requirement that states and territories consider the needs of Tribal Nations when conducting the THIRA/SPR process and making allocation decisions. Since the FY 2020 NOFOs have already been finalized, these actions will be addressed in the FY 2021 NOFOs.

Resources, costs, and time

The time and resource requirements for these actions are negligible, and they are already accounted for as part of GPD's annual program development process.

RECOMMENDATION – REDUCE ENROLLEMENT CRITERIA FOR LOCAL DELIVERY OF EMERGENCY MANAGEMENT INSTITUTE COURSES IN RURAL AREAS

Recommendation 2019a-14: The Administrator should provide a waiver request process for courses in rural areas that do not meet the enrollment criteria.

Response – FEMA Will Work with Community Partners to Meet Training Needs

FEMA recognizes the need for emergency management classroom courses to reach underserved communities. Classroom courses in the field have fixed costs for travel, instructors, and materials regardless of course size; the agency attempts to schedule training to make best use of finite financial resources. Recommended course sizes vary between FEMA's training organization but may be as small as 10 in some cases. Recommended course sizes also consider course activities that require a minimum number of participants to be effective.

FEMA's National Training and Education Division (NTED) works to provide flexible training deliveries through the Center for Domestic Preparedness (CDP), Emergency Management Institute (EMI), and National Domestic Preparedness Consortium (NDPC) partner institutions. In addition, state emergency management agencies may also deliver select training courses using materials developed by EMI.

FEMA regional offices, FEMA Integration Teams, and state emergency management agencies have subject matter experts who could assist with training delivery and expand the agency's reach. NTED is also working to expand the use of technology to

deliver courses to dispersed student groups, such as the Virtual Tabletop Exercise (VTTX) program and on-line, instructor-led Homeland Security Exercise and Evaluation Program (HSEEP) training.

Action

NTED will continue to work with FEMA Regions and states to identify communities with specific training needs that can partner to host a course and fill it with participants. NTED will continue its existing efforts to make more instructor-led courses available through technology and blended learning solutions.

Resources, costs, and time

Video teleconference (VTC) and webinar technology is currently available and in use by FEMA training organizations. EMI is currently configuring and pilot-testing Moodle software, a learning management system in wide use by higher education institutions, with a goal of initial operating capability in FY2021.

Building Resilient Infrastructure in Communities Recommendations

The Policy governing the Building Resilient Infrastructure and Communities (BRIC) is currently under development, including inter-departmental review. Publishing any information at this time would circumvent that process. FEMA intends to respond to the NAC's BRIC program recommendations in greater detail when the Agency publishes the final policy, which is estimated to be Summer 2020. As a general update, FEMA conducted significant public outreach and engagement to assist in framing the draft BRIC program policy. FEMA intends to publish a proposed policy in the Federal Register for public comment in the Spring of 2020.

RECOMMENDATION – SIMPLIFY THE BRIC SCORING CRITERIA

Recommendation 2019a-15: The Administrator should simplify the award criteria for the competitive funding portion so that projects that reduce the most risk receive significant funding criteria points.

Response – FEMA is Exploring This Recommendation

FEMA is actively developing components of program design, including scoring criteria to be used in project evaluation, for inclusion in the NOFO. FEMA will work to provide clarity in the competition criteria. Benefit-cost analysis will still be used as an eligibility criterion for most mitigation projects, and the Program Team is exploring the options for – and feasibility of – other risk metrics moving forward.

Action

FEMA will address this through the BRIC Policy and the Notice of Funding Opportunity.

Resources, costs, and time

The Notice of Funding Opportunity is currently under development and is planned for release in the late Summer of 2020.

RECOMMENDATION – EXPAND THE DEFINITION OF ELIGIBLE PROJECTS AND ALSO INCLUDE CERTAIN SMALL PROJECTS THAT CANNOT BE APPROVED WITH A BCA

Recommendation 2019a-16: The Administrator should clarify that a broad range of mitigation projects will be considered for BRIC funding, not only hazard mitigation plans, advance assistance, and mitigation construction projects. This could include early warning systems, loss avoidance studies, severe repetitive loss maps, risk assessments, and other planning and capacity building activities, among others.

Recommendation 2019a-17: The Administrator should set aside a portion of PDM/BRIC funding for projects that do not require a BCA. These projects would be evaluated based on a narrative explanation of their cost effectiveness, in lieu of a BCA. The proposed projects would be required to meet all other PDM/BRIC requirements. For example, BRIC could follow the FEMA HMGP management method of a 5% set-aside for projects that do not require a BCA.

Response – FEMA Is Creating a Resource Guide for Applicants; FEMA Is Required to Use BCA to Demonstrate Cost-Effectiveness

In alignment with legislative language (Sections 203 and 404(f), (g) of the Stafford Act), the BRIC Program is intended to fund a broad range of projects, including activities to foster community resilience such as planning and building codes (which do not require a BCA). BRIC will emphasize infrastructure projects and projects that preserve lifelines such as access to energy, food and safety resources. To that end, the program team is creating a resource guide for applicants and sub-applicants with examples of projects that would be strong candidates for BRIC. Moreover, the program team intends to support low-capacity communities by making funding available for capability- and capacity-building activities and providing technical assistance. Details for these efforts will be provided in the BRIC Policy and subsequent NOFO.

For mitigation projects submitted to BRIC, FEMA is required to show that projects are cost-effective, which is demonstrated through benefit-cost analysis (BCA). The cost-effectiveness requirement remains as Congress did not remove this requirement in

Section 203 of the Stafford Act. FEMA continues to improve the cost-effectiveness experience for applicants and sub-applicants by developing new methodologies, updating economic values, refining tools, and exploring ways to incorporate hazard data into benefit cost analysis and streamline the cost-effectiveness process.

Action

This will be addressed through the BRIC Policy and the Notice of Funding Opportunity.

Resources, costs, and time

FEMA is currently in the process of hiring more staff to support program design efforts. The draft BRIC policy is currently under interdepartmental review and will ultimately be published for public comment. The Notice of Funding Opportunity is currently under development and is planned for release in the late Summer of 2020.

RECOMMENDATION – DEVELOP A TOOLBOX TO SUPPORT STAKEHOLDER MITIGATION PROJECTS

Recommendation 2019a-18: FEMA should develop a toolbox to assist SLTT agencies in outreach to private sector entities to educate them on the benefits of contribution, both financial and in kind, for mitigation BRIC projects. This recommendation helps SLTTs to benefit from the contributions of private sector entities and helps SLTTs to better communicate these benefits to the private sector thereby building more public-private partnerships.

Response – FEMA Is Addressing This Recommendation and Will Continue to Focus on This Area

This can be addressed with program design and support materials/tools. The Hazard Mitigation Assistance (HMA) team is currently working to hire BRIC staff to implement the program and offer technical support. Partnership is a focus of the BRIC program.

The HMA team is actively working to highlight the partnership opportunities with private sector and this is in-line with the National Mitigation Investment Strategy (NMIS) and FEMA Strategic Plan. Additionally, HMA can explore policy and program design avenues to better assist stakeholders in creating these partnerships and best practices. The HMA focused on communications, engagement and outreach during the BRIC program development and design and is collaborating with a variety of other federal agencies to engage entities that generally don't participate in FEMA mitigation grant programs.

Action

FEMA will continue to produce and promote the BRIC program via multiple outreach mediums to provide awareness, build and offer technical assistance to communities, and promote public private partnership opportunities and methodologies.

Resources, costs, and time

The HMA team will require staff resources to implement this recommendation. It is anticipated the effort will require 6-12 months to build and put forth specific recommendations. These recommendations will be built into program design or best practices and will require continual effort after one year based on new/additional information.

RECOMMENDATION – ALLOW REGULAR USE OF INDIVIDUAL ECONOMIC IMPACT IN ALL FEMA BCA CALCULATIONS

Recommendation 2019a-19: The Administrator should allow applicants to use the economic impact of resilience projects as a central benefit in the FEMA BCA calculation. Currently, the FEMA BCA methodology can allow economic and social benefits to be considered only in certain limited circumstances. Economic impact, however, is central to community resilience. For example, in urban environments, there may be a lower probability of disaster but very high adverse impact on the economy (concentrated population, wealth, and built environment).

As a result, the BCA should always consider economic disruption as a feature of cost-effectiveness. Also, if a large size mitigation project is structured using the public-private partnership (P3) model, as the current PDM NOFO calls for, it would potentially include revenue-generating elements that would benefit the local economy. A P3 project, for example, could include coastal development with recreational facilities (e.g., theme park, stadium, etc.) which yield positive economic benefits. Due to the high cost of such projects, without incorporating economic impact into the BCA, it will be difficult for certain P3 projects to demonstrate cost-effectiveness.

Response – FEMA Currently Uses Social Impact and is Not Authorized to Use Economic Impact

FEMA is required to show projects are cost-effective under the PDM program, which is demonstrated through benefit cost analysis (BCA). BRIC will retain this requirement as Congress did not remove cost-effectiveness as a requirement in Section 203 of the Stafford Act. FEMA's BCA methodology already allows counting social benefits (avoided mental stress and anxiety and wage loss) for certain projects. Current guidance allows counting these benefits only for projects that (1) protect residential structures and (2) have a Benefit-Cost Ratio (BCR) of at least 0.75.

However, OMB Circular A-94 states that employment or output multipliers “that purport to measure the secondary effects of government expenditures” should not be included in BCAs.

Action

HMA would need to update any memo(s), guidance documents, training materials, and BCA Toolkit code, and socialize the changes with Region BCA SMEs.

Resources, costs, and time

Updating memo(s), guidance documents, training materials, and BCA Toolkit code would take FEMA 6-12 months. Socializing the changes with staff in FEMA regions could be done concurrently to the updates but would take 3-6 months.

Consulting with OMB on additional economic benefits would likely take 3-4 months. If OMB is open to including additional economic benefits, coordinating with them to obtain more specific guidance would take 6-9 months.

RECOMMENDATION – ENCOURAGE CROSS-JURISDICTION COLLABORATION AND SEEK APPROVAL BY CONGRESS OF LEGISLATION TO ENCOURAGE CROSS-STATE COLLABORATION ON MITIGATION PROJECTS

Recommendation 2019a-20: The Administrator should publish guidance making clear that multiple jurisdictions are allowed to collaborate on individual PDM/BRIC projects by allowing for joint applications, allowing grant awards to be shared among multiple jurisdictions, and even weighing collaborative projects favorably in the award process.

Recommendation 2019a-21: The Administrator should work through the legislative change process to establish authorities that allow funding of cross-jurisdictional agreements on mitigation projects. One model for this authority could be the Interstate River Compacts that have governed rights and protections, of states along the length of river drainage basins related to water diversion. This model may serve as an example of how a multi-jurisdictional problem, such as multi-state resilience projects, can be addressed.

Response – FEMA Is Addressing This Recommendation and Will Continue to Focus on This Area

FEMA does not require legislative revisions to accomplish the objectives in recommendations 20 and 21. FEMA HMA is supportive of cross-jurisdictional project applications and has included such language in the 2018 and 2019 Pre-Disaster

Mitigation (PDM) Notice of Funding Opportunity (NOFO). However, from the 2018 application period, no applications leveraged the cross-jurisdictional availability.

Action

The HMA team is committed to work with stakeholders and promote opportunities, examples, and best practices for the HMA stakeholders to encourage future cross-jurisdictional application submission.

Resources, costs, and time

The effort to produce additional guidance documents such as best practices, examples, and other tools, will require FEMA staff to implement. However, it can be included in current staff support.

RECOMMENDATION – ELIMINATE THE PROJECT FUNDING CAP

Recommendation 2019a-22: The Administrator should eliminate the funding cap on individual competitive funding PDM/BRIC grants. FEMA could then use its discretion to fund a mix of larger and smaller projects that best advance resilience goals, including more expensive projects.

Response – FEMA is Exploring This Recommendation

The BRIC Program Team intends to make funding available for a wide range of project sizes and ensure a geographic diversity. The BRIC Program Team is examining different funding cap levels as part of the program design process.

Action

FEMA will address this through the BRIC Policy and the Notice of Funding Opportunity.

Resources, costs, and time

FEMA is currently in the process of hiring more staff to support program design efforts. The draft BRIC policy is under interdepartmental review and will ultimately be published for public comment. The Notice of Funding Opportunity is currently under development and is planned for release in the late Summer of 2020.

RECOMMENDATION – COORDINATE FUNDING STREAMS ACROSS FEDERAL STAKEHOLDERS

Recommendation 2019a-23: The Administrator should work with federal partners to further streamline the process for combining mitigation and recovery funds from multiple federal programs on one project. This could involve allowing one BCA for one project with multiple federal funding agencies, ensuring that the new Unified Federal Review process, for expedited environmental and historical preservation reviews, is actually implemented on projects with FEMA funding, and otherwise streamlining the compliance and oversight of projects funded by multiple federal agencies.

Response – FEMA is Exploring This Recommendation

In alignment with the National Mitigation Investment Strategy and in coordination with the Mitigation and Recovery Framework Leadership Groups, the BRIC Program Team is pursuing collaboration opportunities with other federal agencies to better support mitigation efforts. Given the existing constraints on federal funding, the BRIC Program Team can explore options for streamlining processes and highlighting best practices while ensuring no duplication of programs or benefits.

Action

The BRIC Program Team will continue to explore opportunities in BRIC to partner with other federal agencies to create efficiencies.

Resources, costs, and time

FEMA is currently in the process of hiring more staff to support program design efforts.

RECOMMENDATION – ENCOURAGE PRIVATE SECTOR INVESTMENT

Recommendation 2019a-24: The Administrator should review the existing range of successful public private partnerships delivering resilience projects, share best practices with SLTTs, and provide technical assistance to help SLTTs pursue appropriate public private partnerships to address mitigation needs in their communities. Options for appropriately leveraging private funds that have been successful in the past include but are not limited to: a surcharge on certain regulated insurance lines; voluntary contributions to a trust fund by local property owners, resulting in an insurance premium discount; creation of a Resilience Improvement District and implementing an assessment fee; issuance of environmental impact bonds; and P3 Cost/Risk Sharing Models. The existence of these successful and varied approaches is not widely known within the mitigation teams at SLTT jurisdictions across the Nation.

Response – FEMA is Addressing This Recommendation and Will Continue to Focus on This Area

FEMA is actively working to highlight the partnership and funding opportunities with the private sector, and this is consistent with the NMIS and FEMA Strategic Plan. Additionally, the Hazard Mitigation Assistance (HMA) team can explore policy and program design avenues to better assist stakeholders in creating these partnerships. HMA is focusing on communications, engagement and outreach during the BRIC program development and is collaborating with a variety of other federal agencies to inform and encourage public and private sector entities that generally don't engage in the FEMA mitigation grant programs.

Action

FEMA will continue exploring how to provide awareness, build and offer technical assistance to communities related to public private partnership opportunities and methodologies.

Resources, costs, and time

HMA will require staff resources to implement this recommendation. We anticipate the effort will require 6-12 months to explore, build and put forth specific recommendations. We will either build these into program design, and they will then require continual updating based on new/additional information.

RECOMMENDATION – ENSURE ADEQUATE FUNDING IS SET ASIDE FOR BRIC

Recommendation 2019a-25: The Administrator should estimate the aggregate amount of the grants from each major disaster no later than 180 days from the disaster declaration utilizing a factor capturing the typical increase in the value of grants that occurs between 180 days after the declaration and the closeout of the disaster, in order to more accurately capture, in the 180 day estimate, the final true cost of the disaster.⁴

⁴ Robert T. Stafford Disaster Relief and Emergency Assistance Act, Section 203 (i), <https://legcounsel.house.gov/Comps/Robert%20T.%20Stafford%20Disaster%20Relief%20And%20Emergency%20Assistance%20Act.pdf>

Response – FEMA Does Not Have the Authority to Implement This Recommendation

Action

FEMA does not have the authority to implement this recommendation. The statutory language states “The President may set aside from the Disaster Relief Fund, with respect to each major disaster, an amount equal to 6 percent of the estimated aggregate amount of the grants to be made pursuant to sections 403, 406, 407, 408, 410, 416, and 428...” The statute further defines the estimated aggregate amount shall be determined not later than 180 days after each major disaster declaration, and not be “reduced, increased, or changed due to variations in estimates.”

Resources, Costs, and Time

Not applicable.

RECOMMENDATION – ELIMINATE THE PROJECT FUNDING CAP AND TIE AA TO PROJECT FUNDING

Recommendation 2019a-26: The Administrator should eliminate or significantly raise the cap on AA for mitigation projects and provide a preference for AA-funded projects to receive project funding in subsequent years.

Response – FEMA is Exploring This Recommendation

The BRIC Program Team is exploring options for supporting Advance Assistance or Project Scoping activities, to include funding amounts and incentives.

Action

This will be addressed through the BRIC Policy and the Notice of Funding Opportunity.

Resources, costs, and time

FEMA is currently in the process of hiring more staff to support program design efforts. The draft BRIC policy is currently under interdepartmental review and will ultimately be published for public comment. The Notice of Funding Opportunity is currently under development and is planned for release in the late Summer of 2020.

RECOMMENDATION – REQUIRE USE OF ANNUALLY UPDATED DISCOUNT RATES IN FEMA BCA CALCULATIONS

Recommendation 2019a-27: The Administrator should require the use of annually updated discount rates in BCA calculations, as published in Appendix C of Office of Management and Budget (OMB) Circular A-94. This recommendation may require coordination with OMB to determine the proper application of updates to Circular A-94.

Response – FEMA Does Not Have the Authority to Implement This Recommendation

FEMA does not have the authority to implement this recommendation. The annually updated discount rates do not apply to regulatory analysis or benefit-cost analysis of public investment (see <https://www.whitehouse.gov/wp-content/uploads/2019/12/M-20-07.pdf>). As noted in the cover letter to Appendix C and OMB Circular A-94, they apply only to lease-purchase and cost-effectiveness analysis and do not apply to regulatory analysis or benefit-cost analysis of public investment.

Action

No action is possible.

Resources, costs, and time

Not applicable.

Immediate Needs Recommendations

RECOMMENDATION – AMEND LEGAL AUTHORITIES TO ALLOW A STEP VERSION 2 PROGRAM IN JURISDICTIONS WITH MASS SHELTERING NEEDS

Recommendation 2019a-28: The Administrator should work through the legislative change process to develop amendments, or changes, to authorities in Section 403 of the Stafford Act related to emergency sheltering, and other authorities, which would enable the authorization of a STEP Version 2 Program for selective deployment by FEMA in disasters and regions where it was deemed the best available solution to mass sheltering needs. This recommendation should also include appropriate considerations for people with disabilities and access and functional needs so that they are not unintentionally penalized.

Response – FEMA is Exploring This Recommendation

FEMA has decided to discontinue the Shelter and Temporary Essential Power (STEP) Pilot Program in its current form because an extensive study FEMA concluded that STEP did not effectively or efficiently achieve its main objectives under the general authority provided by Section 403 of the Stafford Act. Simultaneously, FEMA understands the importance of maintaining a wide range of sheltering strategies to ensure that disasters survivors have access to safe, sanitary, and secure environments during the recovery process. Therefore, FEMA will continue to explore all opportunities that improve the efficiency and effectiveness of current shelter assistance programs including the potential for future legislative solutions.

Action

FEMA continues to look all possibilities to develop and improve strategies that will improve shelter assistance for disaster survivors.

Resources, costs, and time

Not applicable.

RECOMMENDATION – ESTABLISH A CONSISTENT FIP DESIGNATION FOR NFIP COMMUNITIES

Recommendation 2019a-29: The Administrator should ensure there are clear administrative rules in place which would ensure FEMA determines an official FIP designation and end date determination, so the specific date is consistent for all policies in the impacted NFIP Community. The policy is a federally backed flood insurance and, therefore, there should be a consistent FIP date established, as well as an end date determination used by all companies working within that impacted NFIP Community.

Response – FEMA is Exploring This Recommendation

The Standard Flood Insurance Policy (SFIP) “flood-in-progress” exclusion (Section V.B.) states, “we do not insure a loss directly or indirectly caused by a flood that is already in progress at the time and date the policy term begins, or coverage is added at your request.” In other words, when a flood occurs prior to the date a National Flood Insurance Program (NFIP) policy or requested additional coverage becomes effective, the loss may be subject to this exclusion. FEMA published the NFIP Claims Manual for adjusters and flood insurance companies, which helps to explain flood-in-progress at Section 2.14, page 240-241.

FEMA is aware that when a flood claim is made it may be difficult to determine whether a flood was in progress prior to a NFIP policy’s effective date. Once FEMA is aware of a

possible 'flood-in-progress', we work with our regions, NFIP insurers, and the NFIP's support contractors to assist in determining the cause and beginning date(s) of the flood. This information along with the determined dates of loss are communicated to our NFIP flood insurers, to assist with handling a claim that may be subject to the 'flood-in-progress' exclusion.

Action

Individual losses are evaluated on an individual basis. The NFIP will continue our coordination with policyholders when reviewing each individual flood claim. FIMA is looking at ways to be more customer-centric and will further explore this recommendation.

Resources, costs, and time

No additional resources are necessary.

RECOMMENDATION – REVIEW AND REVISE CURRENT FLOOD INSURANCE POLICY CORRESPONDENCE AND PRACTICES

Recommendation 2019a-30: The Administrator should review and revise flood insurance policy owner correspondence to ensure these clearly explain a FIP designation and advise the policy owner where to find a FIP designation. Letters should also be sent to policy owners when a FIP designation is put in place within an NFIP Community. Copies of this correspondence or a separate letter advising the State NFIP coordinator should also be sent; as the State coordinator can ensure local floodplain administrators are aware of the FIP. Correspondence should also be sent to individuals when a FIP designation is lifted for a community.

Response – FEMA is Developing a Fact Sheet for Policyholders

FEMA is aware that when a flood claim is made it may be difficult to determine whether a flood was in progress prior to a NFIP policy's effective date. Once FEMA is aware of a possible 'flood-in-progress', we work with our regions, NFIP insurers, and the NFIP's support contractors to assist in determining the cause and beginning date(s) of the flood. This information along with the determined dates of loss are communicated to our NFIP flood insurers to assist with handling a claim that may be subject to the 'flood-in-progress' exclusion. Individual losses are evaluated on an individual basis.

Action

FEMA is reviewing processes and procedures related to the ‘flood-in-progress’ designation and is developing a public-facing fact sheet for policyholders to provide more information.

Resources, costs, and time

No additional resources are necessary at this time.

RECOMMENDATION – DEVELOP A PUBLIC FACING MECHANISM FOR FIP DETERMINATIONS

Recommendation 2019a-31: The Administrator should develop a public facing website to advise citizens of FIP communities. Perhaps the newly developed NFIP data system with Pivot could include this public information feature.

Response – FEMA is Exploring This Recommendation

Once FEMA is aware of a possible ‘flood-in-progress’, we work with our regions, NFIP insurers, and the NFIP’s support contractors to assist in determining the cause and beginning date(s) of the flood. This information along with the determined dates of loss are communicated to our NFIP flood insurers to assist with handling a claim that may be subject to the ‘flood-in-progress’ exclusion. Individual losses are evaluated on an individual basis.

Action

The Pivot system may not be appropriate for this idea. However, FEMA is looking at ways to be more customer-centric and will further explore this recommendation.

Resources, costs, and time

No additional resources are necessary.