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From: Masser, Michelle
Sent: Tuesday, January 26, 2016 9:55 AM
To: Harris, Laura; Detoro, Fred; Weigle, Trevor J.
Cc: Gouveia, Susan
Subject: FW: FEMA IGA Advisory
Attachments: Fact Sheet - ANPRM Deductible - Jan 6 2016 (3).pdf

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From: Goetz, Arthur [<mailto:arthur.goetz@fema.dhs.gov>]
Sent: Monday, January 25, 2016 1:10 PM
To: Goetz, Arthur <arthur.goetz@fema.dhs.gov>
Subject: FEMA IGA Advisory

In response to calls over the last several years from Members of Congress, the Government Accountability Office, and the Inspector General for FEMA to reform how the federal government supports states following disasters, FEMA is exploring the concept of a disaster deductible. The Agency believes that such an approach has the potential to incentivize mitigation strategies and promote risk-informed decision-making to build resilience, including for catastrophic events; reduce the costs of future events for both states and the federal government; and facilitate state and local government planning and budgeting for enhanced disaster response and recovery capability through greater transparency.

This new concept would involve asking states to meet a predetermined level of state disaster funding or investment in resilience prior to initiating additional federal assistance through the Public Assistance program following a disaster declaration. This approach would be a significant change and FEMA is committed to a transparent stakeholder engagement effort to explore how and if it should be adopted. FEMA is therefore seeking public

comments on all aspects of this concept. Comments must be received by March 21, 2016, and may be submitted through www.Regulations.gov under docket ID FEMA-2016-0003, or through the following link: <https://federalregister.gov/a/2016-00997>

FEMA is seeking comments on all aspects of the deductible concept including how to calculate the deductible, the scope of the deductible, how to determine the structure of credits to satisfy the deductible, how this concept could influence change, implementation considerations – including applicability to tribes and territories – and an estimated impact.

If you have any questions, please contact FEMA's Intergovernmental Affairs Division at (202) 646-3444 or at FEMA-IGA@fema.dhs.gov.

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FEMA

Fact Sheet

DISASTER DEDUCTIBLE – ADVANCE NOTICE OF PROPOSED RULEMAKING

The Federal Emergency Management Agency (FEMA) is considering a new approach to mitigation that would include states making a predetermined financial commitment, similar to meeting an insurance deductible, prior to receiving post-disaster financial assistance under the Public Assistance Program. This deductible could be offset with credits based on investments in resilience such as adopting standardized and enhanced building codes or investing in mitigation projects.

Known as the disaster deductible, FEMA anticipates that the concept, if implemented, would:

- Incentivize mitigation strategies and promote risk-informed decision-making to build resilience, including to catastrophic events;
- Reduce the costs of future events for both states and the federal government; and
- Facilitate state and local government planning and budgeting for enhanced disaster response and recovery capability through greater transparency

FEMA is currently consulting with federally recognized tribal nations on a separate process for tribes to request and receive presidential disaster declarations under the Stafford Act. That process does not incorporate a disaster deductible.

This approach would be a significant change and FEMA is committed to a transparent stakeholder engagement effort to explore how and if it should be adopted. Through the Advance Notice of Proposed Rulemaking (ANPRM), FEMA is seeking ideas, comments, and questions from the public on the concept of a disaster deductible. FEMA is **not** currently proposing to implement this concept.

Specifically, FEMA is soliciting comments on all aspects of the deductible concept, including how to calculate a state's financial commitment, the scope of the financial commitment, how states can satisfy the commitment, how this concept could influence change, implementation considerations – including applicability to states, tribes and territories – and estimated impact. FEMA will evaluate all comments received. If it chooses to pursue this credit for investing in resilience, FEMA will formulate a model based on the comments received and will seek public comment on the proposed model through a Notice of Proposed Rulemaking.

This ANPRM for a disaster deductible is an opportunity to work with our partners in considering and potentially crafting disaster policy that increases our nation's resiliency.

"FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards."

Last update: January 2016