

At a Glance

S. 5067, Disaster Survivors Fairness Act of 2024

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on September 25, 2024

| By Fiscal Year, Millions of Dollars | 2025 | 2025-2029 | 2025-2034 |
|---|------|-----------|-----------|
| Direct Spending (Outlays) | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 |
| Increase or Decrease (-) in the Deficit | 0 | 0 | 0 |

| | | | |
|---|---|----|---------------|
| Spending Subject to Appropriation (Outlays) | 5 | 24 | not estimated |
|---|---|----|---------------|

| | | | |
|--|------------------------|---|----|
| Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035? | No | Statutory pay-as-you-go procedures apply? | No |
| | Mandate Effects | | |
| Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035? | No | Contains intergovernmental mandate? | No |
| | | Contains private-sector mandate? | No |

The bill would

- Increase the maximum amount that the Federal Emergency Management Authority (FEMA) can pay state governments for administering the other needs assistance program
- Expand assistance for mitigation projects for households that receive assistance to repair or replace damaged housing
- Authorize FEMA to directly repair damaged homes in some cases
- Authorize state and tribal governments to administer certain benefits under the Individuals and Households Program
- Require FEMA and the Government Accountability Office to study and report on federal disaster assistance programs

Estimated budgetary effects would mainly stem from

- Providing additional assistance to households and to state and tribal governments
- Requiring federal agencies to conduct studies, produce reports, and make grants

Areas of significant uncertainty include

- Anticipating the costs of federal assistance in response to disasters
- Anticipating how many households would qualify for new assistance under the bill and how much assistance they would receive

Detailed estimate begins on the next page.

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



Bill Summary

S. 5067 would modify the Individuals and Households Program (IHP) of the Federal Emergency Management Agency (FEMA), which assists households following a disaster. Specifically, the bill would increase the maximum amount that FEMA can pay state governments for administering the other needs assistance program and would expand assistance for households' mitigation projects, which protect against future damage. In addition, S. 5067 would newly authorize FEMA to directly repair damaged homes in some cases and would allow state and tribal governments to administer direct housing assistance in place of FEMA under a pilot program.

Finally, the bill would require FEMA and the Government Accountability Office (GAO) to report on disaster assistance programs, and it would authorize FEMA to provide grants to states for creating online guides about disaster recovery funding and other resources for affected people and communities.

Estimated Federal Cost

The estimated budgetary effect of S. 5067 is shown in Table 1. The costs of the legislation fall within budget function 450 (community and regional development).

Basis of Estimate

For this estimate, CBO assumes that the bill will be enacted by the end of calendar year 2024 and that the estimated amounts will be provided beginning in fiscal year 2025. CBO's estimates of outlays are based on historical spending patterns for the affected programs and on information provided by FEMA.

Spending Subject to Appropriation

CBO estimates that implementing S. 5067 would cost \$24 million over the 2025-2029 period. Any related spending would be subject to appropriation of the estimated amounts.



Table 1.
Estimated Increases in Spending Subject to Appropriation Under S. 5067

| | By Fiscal Year, Millions of Dollars | | | | | 2025-2029 |
|---|-------------------------------------|------|------|------|------|-----------|
| | 2025 | 2026 | 2027 | 2028 | 2029 | |
| Management Costs | | | | | | |
| Estimated Authorization | 3 | 3 | 3 | 3 | 3 | 15 |
| Estimated Outlays | 3 | 3 | 3 | 3 | 3 | 15 |
| Mitigation Assistance for Households | | | | | | |
| Estimated Authorization | * | 1 | 1 | 1 | 1 | 4 |
| Estimated Outlays | * | 1 | 1 | 1 | 1 | 4 |
| Reports and Online Guides | | | | | | |
| Estimated Authorization | 2 | 1 | * | 1 | 1 | 5 |
| Estimated Outlays | 2 | 1 | * | 1 | 1 | 5 |
| Total Increases | | | | | | |
| Estimated Authorization | 5 | 5 | 4 | 5 | 5 | 24 |
| Estimated Outlays | 5 | 5 | 4 | 5 | 5 | 24 |

* = between zero and \$500,000.

Management Costs. S. 5067 would increase the maximum amount that FEMA can pay for certain administrative expenses. For states that administer the Other Needs Assistance program (ONA), which provides benefits for replacement of personal property, transportation, and medical expenses following a disaster, the bill would authorize FEMA to cover administrative costs up to 12 percent of the cost of assistance provided, an increase from a maximum of 5 percent under current law.

Two states—Texas and Washington—jointly administer the ONA program with the federal government. Based on spending patterns in recent years, CBO estimates those states will spend roughly \$125 million per year on program benefits over the 2025-2029 period. Based on data from other disaster relief programs, CBO estimates that the federal government would increase its reimbursement to these states by 3 percentage points, amounting to \$15 million in additional federal costs over that period.

Mitigation Assistance for Households. The bill would exempt mitigation assistance—that is, repairs made to protect property from damage caused by future disasters—from the IHP’s current cap on assistance of \$42,500 per household. In addition, the bill would allow households to use mitigation funds for projects that are designed to protect human life, such as building a tornado shelter. Current law requires the use of mitigation funds only for projects that reduce the likelihood of future damage to homes, utilities, and infrastructure. CBO expects that under the bill, more households would qualify for assistance and that additional types of projects would be funded.

In fiscal years 2021 and 2022, FEMA awarded mitigation assistance to an average of 84,000 households annually, or roughly 60 percent of the households that received assistance



to repair their homes. Using information provided by the agency about the number of applications for mitigation assistance that were denied because the total amount would have exceeded the assistance cap, CBO expects that enacting S. 5067 would increase the number of households that qualify for mitigation assistance by roughly 1 to 2 percent—or about 700 additional households per year on average. CBO estimates those households would receive about \$1,200, on average, and that providing the additional assistance would cost \$4 million over the 2025-2029 period, assuming appropriation of the estimated amounts.

Reports and Online Guides. S. 5067 would require FEMA and GAO to publish several reports related to the effectiveness and costs of federal disaster relief programs. Based on the cost of similar efforts, CBO estimates that implementing those requirements would cost \$3 million over the 2025-2029 period.

In addition, the bill would authorize FEMA to make grants to state agencies to create online guides that provide information about disaster assistance and other resources. Using information from the agency, CBO expects that by 2029 roughly 15 states would participate and that the cost to create the websites would be about \$100,000 each, for a total cost of \$2 million over the 2025-2029 period.

Direct Assistance for Home Repairs. The bill would authorize FEMA to contract directly to repair damaged homes instead of providing financial assistance to households, if the agency determines that a household cannot make effective use of financial assistance.

There is significant uncertainty surrounding the extent to which FEMA would decide to directly repair damaged housing units, the willingness of households to accept such assistance, and how the costs would differ from current practice. Based on conversations with FEMA officials, CBO expects that the agency would generally exercise the new authority in a small number of cases. In some cases, the costs of direct repair could be lower than under current law because the agency would complete repairs more quickly, reducing the costs of providing temporary housing or rental assistance. In other cases, the costs of direct repair could be the same or greater than assistance provided under current law. Because of the limited information available for comparing the costs of competing options, CBO does not estimate a net change in costs due to the new authority.

State-Managed Housing Pilot Authority. The bill would establish a pilot program authorizing state and tribal governments to administer direct assistance for home repair (discussed in the previous section) and housing construction in place of the federal government. Under these types of assistance, the government directly contracts for the repair of damaged homes and for the procurement or construction of temporary or permanent housing. (In contrast, other assistance provided under the IHP is financial, where FEMA provides monetary benefits to households to use for temporary lodging and repair or replacement of damaged homes.)



Under the bill, FEMA would need to cover at least 75 percent of the costs of direct housing assistance but would be allowed to require that states cover the remaining portion. Based on conversations with agency officials, CBO expects that FEMA would cover 90 percent of the costs of direct housing assistance for states and tribal governments that participate in the pilot—10 percent less than the federal government currently spends for those activities; state and tribal governments would be responsible for the remaining costs. The bill would allow FEMA to cover state and tribal governments' administrative costs up to 12 percent of the total amount of assistance delivered to households.

CBO expects that for states who chose to participate in the pilot, the reduction in federal spending due to the 90 percent cost-share would be roughly offset by the additional reimbursement of state administrative expenses. Therefore, CBO estimates that the pilot would have negligible effects on total program spending.

Pay-As-You-Go Considerations

Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

Increase in Long-Term Net Direct Spending and Deficits

CBO estimates that enacting S. 5067 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2035.

Mandates

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

Previous CBO Estimate

On September 22, 2023, CBO transmitted a [cost estimate for H.R. 1796](#), the Disaster Survivors Fairness Act of 2023, as ordered reported by the House Committee on Transportation and Infrastructure on May 23, 2023. Because H.R. 1796 includes several provisions that are not in S. 5067, CBO's estimate of the costs of implementing S. 5067 is smaller than H.R. 1796. For example, H.R. 1796 also would change the damage threshold for receiving housing assistance, fund management costs for crisis counseling and case management services, and require improvements to the website DisasterAssistance.gov.



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A handwritten signature in black ink, appearing to read "Phillip L. Swagel". The signature is fluid and cursive, with a long, sweeping underline.

Phillip L. Swagel

Director, Congressional Budget Office