



Legislative Bulletin.....January 4, 2013

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H.R. ____ — To temporarily increase the borrowing authority of the Federal Emergency Management Agency for carrying out the National Flood Insurance Program.

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Order of Business: The legislation is scheduled to be considered under a rule on Friday, January 4, 2012. As of receipt of this bulletin, the House Rules Committee has not met on the rule.

Summary: The legislation would amend Section 1309 (a) of the National Insurance Act of 1968 by increasing the borrowing authority for the Federal Emergency Management Agency (FEMA) from \$20,725,000,000 to \$30,425,000,000. This provision allows for an increase in the borrowing authority of the National Flood Insurance Program of \$9.7 billion, a 47% increase. The Flood Insurance Program has still not repaid the U.S. Treasury \$18 billion in bailout funds used to cover Hurricane Katrina damages. This increase in borrowing authority would be designated emergency spending and therefore not subject to any discretionary or disaster relief spending caps established by the Budget Control Act.

Background: [The Budget Control Act of 2011](#) established annual caps on discretionary spending for Fiscal Years 2012 – 2021 (\$1.047 billion in FY 2013). It also provided for two types of spending that may exceed that cap: emergency spending and disaster relief spending. Emergency spending is defined as “sudden, urgent, unforeseen, and temporary and is for the prevention or mitigation of, or response to, loss of life or property.” Disaster relief spending is funding provided pursuant to a major disaster declaration by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act). Spending designated by the President and Congress in statute as emergency spending is not subject to the caps provided for in the Budget Control Act (BCA). Spending on disaster relief is also not subject to those caps, but is subject to a separate annual cap set by formula established in the BCA.

The annual disaster relief cap is the average of the previous ten years spending on disaster relief, excluding the highest and lowest spending years. In FY 2012, the cap was \$11.3 billion, and for

FY 2013, the cap is \$11.8 billion. To-date, \$5.4 billion of the FY 2013 cap remains un-appropriated, as \$6.4 billion of the disaster relief spending cap was previously appropriated under the Continuing Appropriation Resolution of 2013. The President's request for funding for the National Flood Insurance Program designated that spending as emergency, and this Act would repeat that designation. The Obama Administration has argued that such emergency spending "can and should be provided without offset."

Committee Action: The legislation was introduced on January 3, 2013 by Rep. Garrett.

Administration Position: No Statement of Administration Policy (SAP) was issued at press time.

Cost to Taxpayers: A CBO report is unavailable.

Does the Bill Expand the Size and Scope of the Federal Government?: The legislation increases borrowing authority for FEMA.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee report citing compliance with rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available.

Constitutional Authority: A statement on constitutional authority was not available at press time.

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