



THE
PEW
CHARITABLE TRUSTS

Budgeting for Natural Disasters Roundtable

NCSL Legislative Fiscal Directors Pre-Conference

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The state role in disaster assistance



- Federal, state, and local governments all play a role in paying for disasters
 - Locals are typically first responders and source of funding, state and federal resources come in as the scale of a disaster and its costs increase.
 - Disaster assistance isn't just immediate response to an event – it also includes long term recovery activities as well as efforts to prepare for future disasters and even reduce risk of future disasters through mitigation
- States take on multiple roles in this system:
 - Paying for small-to-medium disasters within their fiscal and logistical capacity to manage
 - In larger disasters, leveraging funds in order to receive federal assistance, typically in the form of cost-sharing grants where the federal government partially or fully reimburses spending
 - Recently, some states are spearheading statewide resilience efforts to unify disaster risk-reduction activities under a single office

Getting a handle on disaster costs



Research by the Pew Charitable Trusts has uncovered three actions state policy makers can take to improve their understanding of how natural disasters impact state budgets and how they could better allocate resources with an eye towards long term disaster risk:

- Comprehensive tracking. States should track their spending on disasters across all agencies and disaster phases—response, recovery, mitigation, and preparedness.
- Budgeting mechanism assessments. States should examine the budgeting methods they use to pay for disasters to determine if those approaches are meeting their needs.
- Mitigation integration. States should consider how their spending and budgeting practices incorporate investments in disaster mitigation—efforts undertaken to reduce harm from future disasters; every mitigation dollar spent can save an average of \$6 in post-disaster recovery costs.

Funding Natural Disasters

Discussion Questions – Part 1



1. What are the biggest challenges with tracking natural disaster spending? Have any states taken steps to improve your data about how much you are spending on natural disasters?
2. What budgeting challenges are created by unexpected major disasters? Does anyone have an example of a process or mechanism you've implemented to address the uncertainty around disaster costs?
3. What are the biggest barriers to investing in disaster mitigation? Do states have success stories for how they've been able to invest in mitigation or resiliency efforts?

Funding Natural Disasters

Discussion Questions – Part 2



1. How does the impact of disaster risk on local government budgets play a role in your disaster spending discussions?
2. Where has your state been able to leverage federal funds effectively? Does anyone have success stories about navigating and using federal funds for disaster recovery or mitigation?
3. Has anyone created partnerships with the private sector for disaster funding?

Disaster budgeting resources



Pew publications

Research overview: <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2020/09/how-states-can-manage-the-challenges-of-paying-for-natural-disasters>

Report: State Disaster Spending: <https://www.pewtrusts.org/en/research-and-analysis/reports/2018/06/19/what-we-dont-know-about-state-spending-on-natural-disasters-could-cost-us>

50-state Report: State Disaster Budgeting Practices :
<https://www.pewtrusts.org/en/research-and-analysis/reports/2020/05/how-states-pay-for-natural-disasters-in-an-era-of-rising-costs>

Coming 2022: Wildfire budgeting research

NCSL Disaster and Mitigation PPP final recommendations:

https://www.ncsl.org/documents/statefed/Public-Private-Partnership-on-Disaster-Mitigation-and-Recovery_R3.pdf



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