

H.R. 3702, Reforming Disaster Recovery Act of 2019

As ordered reported by the House Committee on Financial Services on July 16, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	7	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 3702 would codify several practices currently used by the Department of Housing and Urban Development (HUD) to administer the Community Development Block Grant Disaster Recovery program (CDBG-DR), which provides grants to help cities, counties, and states recover from presidentially declared disasters. The bill also would establish new requirements that aim to make the allocation of appropriated disaster relief funds more efficient and program information more accessible to the public.

The new requirements under H.R. 3702 would:

- Direct HUD, the Federal Emergency Management Agency, and the Small Business Administration to coordinate benefits to disaster victims and reduce duplication of benefits by sharing information on disaster recovery needs,
- Direct HUD to allocate at least 30 percent of the amount of each grant for activities that are aimed at reducing damages from future disasters,
- Require HUD to make data on assistance provided to recipients available to the public and ensure that any personally identifiable information is removed,
- Require HUD to distribute guidance on best practices to manage the use of grants and to ensure that structures in floodplains that receive assistance are sufficiently elevated, and
- Create a process for localities to pre-certify as eligible grantees for CDBG-DR assistance if they demonstrate the ability to administer funds effectively.



Using information from HUD, CBO estimates that implementing the bill would cost about \$7 million over the 2020-2024 period to hire seven additional employees (at an annual cost of around \$150,000 per employee), to enhance information systems, and to cover other contractor costs. Most of those costs would be for collecting data from grantees, removing personally identifiable information, and making data available to the public. That spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Jon Sperl. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.