

# CRS Report for Congress

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## Emergency Supplemental Appropriations for Hurricane Katrina Relief

Jennifer E. Lake  
Domestic Social Policy Division

Ralph M. Chite  
Resources, Science, and Industry Division

### Summary

In response to the widespread destruction brought to the Gulf Coast by Hurricane Katrina, the 109<sup>th</sup> Congress has completed action on two separate emergency supplemental bills (P.L. 109-61/H.R. 3645 and P.L. 109-62/H.R. 3673), which together provide \$62.3 billion for the immediate emergency response and recovery needs of the affected region. Both measures contain all funding requested by the Administration, including \$10.5 billion in P.L. 109-61 and \$51.8 billion in P.L. 109-62. Of the combined amount provided in the two measures, \$60 billion is for the ongoing efforts of the Federal Emergency Management Agency (FEMA) to provide emergency food, shelter, and medical care to flooded regions; \$1.9 billion is for the Department of Defense to defray the cost of deploying military personnel to the region for rescue and relief, and for other response costs; and \$400 million is for the Army Corps of Engineers to restore navigation waterways and repair damaged flood control projects in affected Gulf states. The Administration has stated that additional requests for supplemental funding will be made in the weeks and months ahead, as loss and recovery estimates become available. This report will be updated as events warrant.

### Overview of Congressional Action<sup>1</sup>

Hurricane Katrina struck the Gulf Coast of the United States on August 29, 2005, causing widespread flooding and significant property and infrastructure damage to Louisiana, Mississippi, and Alabama. In response, the 109<sup>th</sup> Congress has completed action on two emergency supplemental measures (P.L. 109-61/H.R. 3645 and P.L. 109-62/H.R. 3673), which together have provided \$62.3 billion in emergency supplemental funding for immediate relief and response needs. (See Table 1.) Both measures contain funding levels as requested by the Administration in its two separate requests, and both

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<sup>1</sup> Other CRS analysts contributing to this report were Keith Bea (FEMA), Amy Belasco (Defense), and Nicole T. Carter (Army Corps of Engineers).

were enacted within one day after the requests were submitted — P.L. 109-61 on September 2 and P.L. 109-62 on September 8.

The first supplemental (P.L. 109-61) provided \$10 billion in FY2005 funding for the Department of Homeland Security's Federal Emergency Management Agency (FEMA), and \$0.5 billion for the Department of Defense (DOD) to support the costs of evacuation, emergency repairs, and deployment of personnel, and other costs resulting from the immediate relief efforts. The second supplemental (P.L. 109-62) added \$50 billion to the FEMA funding and \$1.4 billion to the DOD funding, and also provided \$400 million to the Army Corps of Engineers for restoring the Gulf state waterways and repairing their flood control projects.

P.L. 109-61 and P.L. 109-62 are expected to be followed by other emergency supplemental measures in the weeks and months ahead. The President has indicated that he will make additional requests for emergency funding as soon as reliable estimates of hurricane damage can be completed and a more comprehensive assessment of required resources is available.

**Table 1. FY2005 Supplemental Appropriations in Response to Hurricane Katrina**  
(\$ in millions)

Federal agency/account	P.L. 109-61	P.L. 109-62	Total
<i>Department of Defense (DoD) - Military Operations and Maintenance, Defense-Wide</i>	500	1,400	1,900
<i>Department of Defense (DoD) - Civil Department of the Army - Army Corps of Engineers</i>	—	400	400
<i>Department of Homeland Security (DHS) Emergency Preparedness and Response (EPR) Disaster Relief Fund</i>	10,000	50,000	60,000
<b>Total:</b>	<b>10,500</b>	<b>51,800</b>	<b>62,300</b>

## Breakdown of Enacted Supplemental Spending

**FEMA.** The two enacted emergency supplemental appropriations measures have directed a total of \$60 billion to FEMA to administer relief to the areas affected by Hurricane Katrina – including \$10 billion in P.L. 109-61 and \$50 billion in P.L. 109-62.

These relief and assistance funds are derived from the Disaster Relief Fund (DRF), administered by FEMA. DHS uses DRF funds to provide assistance to individuals, families, state and local governments, and certain nonprofit organizations, as authorized by the Stafford Act. Stafford Act aid is available after the President issues a declaration that federal assistance is needed to supplement the resources of states and localities that

are overwhelmed by particularly significant catastrophes.<sup>2</sup> Federal assistance supported by DRF money is used by states, localities, and certain nonprofit organizations to provide mass care, restore damaged or destroyed facilities, clear debris, and aid individuals and families with uninsured needs, among other activities. In response to Hurricane Katrina the President has issued major disaster declarations for Louisiana, Mississippi, Alabama, and Florida.<sup>3</sup>

Of the \$50 billion provided to FEMA in P.L. 109-62, up to \$100 million may be transferred to the National Disaster Medical System (NDMS) for medical and related relief teams.<sup>4</sup> P.L. 109-62 also contains a provision allocating \$15 million for the Department of Homeland Security's Inspector General to carry out audits and investigations related to Hurricane Katrina response and recovery activities. Beyond these two allocations, neither of the two supplementals contains specifics on how the FEMA funding is to be used. The second supplemental (P.L. 109-62) does require the Secretary of DHS to submit a weekly report to the Appropriations Committees detailing the obligation and allocation of the \$50 billion contained in the act, with the first report due to Congress no later than September 15, 2005. A comparable provision was not included in the first enacted supplemental.

A House Appropriations Committee press release indicates that the \$50 billion provided by P.L. 109-62 is expected to be spent for the following:

- \$23.2 billion for Individual Housing Assistance;
- \$11 billion for Mission Assignments (tasks issued by FEMA to agencies that are reimbursable from the Disaster Relief Fund (DRF), including \$3.0 billion for the Army Corps of Engineers; \$2.5 billion for Department of Defense; and \$5.5 billion for other agencies);
- \$7.65 billion for Public Assistance;
- \$1.6 billion for an additional 100,000 trailers for temporary housing;
- \$4.6 billion for FEMA Operations;
- \$1.3 billion for other needs (Disaster Unemployment Assistance, damage inspections, counseling, legal and other expenses);
- \$0.65 billion for mitigation activities.<sup>5</sup>

Funding also has been appropriated to the DRF during the annual appropriations process to provide an available source of funding for disaster relief expenditures. For FY2005, Congress appropriated \$8.5 billion to the DRF. This amount included \$6.5

<sup>2</sup> For more information on the Stafford Act and the DRF, see CRS Report RL33053, *Federal Stafford Act Disaster Assistance: Presidential Declarations, Eligible Activities, and Funding*, by Keith Bea.

<sup>3</sup> For information on Hurricane Katrina, including the disaster declarations, see U.S. Federal Emergency Management Agency (FEMA), "Hurricane Katrina Information," at [[http://www.fema.gov/press/2005/resources\\_katrina.shtml](http://www.fema.gov/press/2005/resources_katrina.shtml)], visited Sept. 2, 2005.

<sup>4</sup> For more information on the NDMS, see CRS Report RL31719 *An Overview of the U.S. Public Health System in the Context of Emergency Preparedness*, by Sara A. Lister.

<sup>5</sup> U.S. Congress, House Committee on Appropriations, "Chairman Lewis Introduces Katrina Relief Package," Press release dated Sept. 8, 2005, accessed at [[http://appropriations.house.gov/index.cfm?FuseAction=PressReleases.Detail&PressRelease\\_id=513](http://appropriations.house.gov/index.cfm?FuseAction=PressReleases.Detail&PressRelease_id=513)].

billion in supplemental disaster relief funding (P.L. 108-324) after Hurricanes Charley, Frances, Ivan, and Jeanne struck Florida and other states in the U.S. in the summer of 2004.<sup>6</sup> For the FY2006 Department of Homeland Security appropriation, the President requested and both the House and Senate recommended, comparable funding of approximately \$2 billion for the DRF.<sup>7</sup> (Final action on the regular FY2006 DHS appropriations bill (H.R. 2360) is pending.)

**Defense.** Between the two enacted supplementals, the Department of Defense (DOD) has received \$1.9 billion – \$500 million in P.L.109-61, and an additional \$1.4 billion in P.L. 109-62. As projected by DOD, \$1.3 billion of the total will be used for emergency evacuation of military and civilian personnel, debris removal, and emergency repairs at over 20 defense installations affected by the hurricane, and \$570 million will pay the cost of mobilizing and supporting some 44,000 National Guard personnel. These funds do not include FEMA’s reimbursement of DOD – some \$2.5 billion thus far – for its rescue operations.<sup>8</sup>

Damage at defense installations ranges from minor damage to fences and roofs to wholesale damage to facilities in New Orleans and Mississippi. Three of the damaged facilities — the Naval Support Activity in New Orleans, the Mississippi Army Ammunition Plant, and the Naval Station in Pascagoula, Mississippi — were recommended for closure by the Department of Defense in the ongoing Base Realignment and Closure round.<sup>9</sup>

The second supplemental (P.L. 109-62) also permits DOD to transfer up to \$6 million to cover the costs for residents who were evacuated from the U.S. Naval Home in Mississippi, a retirement home for certain retired military personnel, to the U.S. Soldiers’ and Airmen’s Home in Washington, D.C.

All supplemental DOD funds are appropriated to Operation and Maintenance, Defense-wide, and are set up as a transfer account whereby DOD can move monies to other accounts depending on the type of expense (e.g., to pay military personnel costs, operating costs, procurement, family housing, and Defense health). Unneeded funds in any account may be returned to the transfer account, and then transferred elsewhere.

Both supplementals contained the amount requested by the Administration. However, language was added by appropriators to both measures requiring DOD to notify the congressional defense committees (Armed Services and Appropriations) of any transfer of funds within five days of a transfer. This reporting requirement will allow

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<sup>6</sup> For more information, see CRS Report RL32581, *Supplemental Appropriations for the 2004 Hurricanes and Other Disasters*, by Keith Bea and Ralph M. Chite.

<sup>7</sup> For more information, see CRS Report RL32863, *Homeland Security Department: FY2006 Appropriations*, coordinated by Jennifer E. Lake, and Blas Nuñez-Neto, pp. 49-53.

<sup>8</sup> Hurricane Katrina DOD fact sheet, September, 2005 and Congress Daily, “Appropriations: Bush Submits \$52B Supplemental Request,” September 8, 2005.

<sup>9</sup> The Base Closure Commission’s final report was submitted to the President on September 8, 2005, which included a recommendation to realign (rather than close) Naval Support Activity, New Orleans, and to close the other two facilities.

Congress to distinguish between funds used for hurricane-related expenses from those used for military operations and regular peacetime activities.

**Army Corps of Engineers (Civil Works).** The second supplemental (P.L. 109-62) contained \$400 million for the civil works program of the U.S. Army Corps of Engineers, as requested by the President.<sup>10</sup> The funds are divided into two accounts — \$200 million to the agency's Operation and Maintenance account to repair storm damage at Corps projects in affected Gulf states, and \$200 million to the Flood Control and Coastal Emergencies account to continue repairs of damaged flood control and hurricane shore protection projects in affected Gulf states.<sup>11</sup> The President requested a similar division of funds between the two accounts. Although the language in the request and the enacted measure differ in how they describe the activities to be funded, the scope of activities in the bill appears similar to the scope requested. The Corps is required to report weekly to the Committees on Appropriation on the allocation and obligation of these funds, beginning September 15, 2005.

Although emergency supplemental appropriations for the Corps have not been the subject of controversy, the funding history of Corps levee and floodwall projects for New Orleans is receiving attention. For a discussion of the appropriations history for New Orleans Corps projects, see CRS Report RS22238, *New Orleans Levees and Floodwalls: Hurricane Damage Protection*.

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<sup>10</sup> The U.S. Army Corps of Engineers (Department of Defense) has military and civilian responsibilities. Under its civil works program at the direction of Congress, the Corps plans, constructs, and operates, and maintains a wide range of water resources facilities.

<sup>11</sup> The Corps also is performing emergency work under the National Response Plan. The Stafford Act (42 U.S.C. 5170b) authorizes FEMA to direct DOD to use its resources to provide assistance in the event of a major disaster or emergency declaration by the President. Under the National Response Plan, DOD is responsible for emergency support for public works and engineering. The Corps is the designated operating agent for DOD in executing these activities. The Corps' funding for these activities is provided through mission assignments made by FEMA and paid for from the Disaster Relief Fund. For additional information, see [<http://www.usace.army.mil/inet/functions/cw/cecwo/readness.htm>], visited Sept, 8, 2005.