THE MORAL LIBERAL

Why Ending FEMA Will Improve Disaster Response

By <u>Chris Edwards</u> November 20, 2014

Under the U.S. Constitution, the powers delegated to the federal government are "few and defined," as James Madison noted in *Federalist 45*, while the powers of the states "will extend to all the objects which, in the ordinary course of affairs, concern the lives, liberties, and properties of the people."

That decentralized structure of government has served America well, but it has been rapidly eroding as Washington grabs ever more power over domestic policy. One troubling area of federal expansion is the preparation and response for natural disasters, such as hurricanes. The interventions of the Federal Emergency Management Agency (FEMA) and other federal agencies are increasingly displacing the activities of the states and private organizations.

In decades past, individuals, businesses, and charities took the lead on disasters. After the devastating San Francisco Earthquake of 1906, for example, the private response was huge. Aid poured in from across the country, with millionaires such as Andrew Carnegie making major contributions. Southern Pacific Railroad evacuated 200,000 people from the city at no charge. Home-products company Johnson and Johnson rushed in free supplies. Insurance companies paid out the vast majority of claims for the 90 percent of all property owners who had policies. The Red Cross and other charities also provided relief.

In recent decades, these sorts of private responses are being replaced by federal intervention. President Jimmy Carter created FEMA by executive order in 1979, and Congress created the current legal structure for disaster relief in the 1988 Stafford Act. The Act allows for federal intervention only if disasters are of "such severity and magnitude that effective response is beyond the capabilities of the state and the affected local governments." But the government often violates that limit by intervening in emergencies that could be handled locally.

The number of federal disaster declarations — which authorize federal spending — has soared from an average of 29 a year in the 1980s to 139 a year so far in the 2010s. FEMA spending has grown from an average \$0.7 billion a year in the 1980s to \$13 billion a year in the 2010s. The huge and often wasteful federal spending after Hurricane Katrina in 2005 and Superstorm Sandy in 2012 could become the norm as politicians clamor for subsidies and ignore constitutional and statutory limits on federal power.

In a new Cato Institute study, I describe problems caused by growing federal intervention:

• Federal aid reduces incentives for the states to fund their own disaster mitigation and relief. When efforts to increase federal power after Katrina were being considered, Florida governor Jeb Bush warned, "I can say with certainty that federalizing emergency

response to catastrophic events would be a disaster as bad as Hurricane Katrina ... if you federalize, all the innovation, creativity, and knowledge at the local level would subside." Most first responders work for state and local governments, and the more federal tentacles that extend into their affairs, the less effective they will become.

- Federal intervention generates red tape. The Government Accountability Office study
 found that the share of federal disaster aid dollars going toward paperwork has soared to
 18 percent. Federal disaster rules and regulations have become so complicated that they
 can overwhelm officials during disasters, such as during Katrina when leaders were
 frozen by confusion and indecision.
- Federal spending is often wasteful. The massive waste in post-Katrina spending was described by the *New York Times* as "one of the most extraordinary displays of scams, schemes and stupefying bureaucratic bungles in modern history." The rush to push money out the door for aid and contracts led to billions of dollars in waste. FEMA spent \$900 million, for example, on mobile homes that were mainly not used.
- Federal officials can obstruct private relief efforts. During Katrina, FEMA either blocked
 or sidelined the relief efforts of private companies donating supplies, doctors
 volunteering their services, and transportation companies offering evacuation help.
 Federal officials tend to become power hungry, and their impulse is to control everything,
 rather than to allow diverse efforts to flourish.

These problems suggest that we would be better off without FEMA. The federal role in disasters should be limited to activities where it has unique capabilities. For example, the Coast Guard performs crucial search and rescue services, and the National Guard under state command provides law enforcement support during disasters. Other federal agencies are experts in pandemics and terrorism.

FEMA's main activity is handing out cash after disasters, but states and private organizations can fill that role. The states can build up emergency reserve funds, and they can rely on help from other states during crises under existing multistate agreements.

When the federal government tries to do too much, it crowds out other efforts and usually bungles the job. That is true of FEMA, which does little, if anything, that the states could not do for themselves. Let's heed Madison's wisdom, and eliminate FEMA.

Chris Edwards is editor of Cato Institute's www.DownsizingGovernment.org