Calendar No. 385

117TH CONGRESS
2d Session

SENATE

REPORT
117–117

DISASTER RESILIENCY PLANNING ACT

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 3510

TO REQUIRE THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET TO ISSUE GUIDANCE WITH RESPECT TO NATURAL DISASTER RESILIENCE, AND FOR OTHER PURPOSES

MAY 24, 2022.—Ordered to be printed

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MAY 24, 2022.—Ordered to be printed

Mr. PETERS, from the Committee on Homeland Security and Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 3510]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 3510), to require the Director of the Office of Management and Budget to issue guidance with respect to natural disaster resilience, and for other purposes, having considered the same, reports favorably thereon with an amendment (in the nature of a substitute) and recommends that the bill, as amended, do pass.

CONTENTS

I. PURPOSE AND SUMMARY

S. 3510, the Disaster Resiliency Planning Act, requires the Office of Management and Budget (OMB) to issue guidance to federal agencies on how to incorporate natural disaster resilience into investment and asset management decisions.

The legislation is in response to a 2021 report issued by the Government Accountability Office (GAO), which found that while the federal government has issued guidance to address risks such as climate change, there were no specific directives for incorporating natural disaster resilience into asset-management decisions.

II. BACKGROUND AND THE NEED FOR LEGISLATION

Natural disasters, such as hurricanes and wildfires, can expose federal real property assets to substantial and costly damage. Over the past five years, the government spent billions of dollars to repair federal property damage resulting from natural disasters.[1] Moreover, 2020 set a record number of 22 natural disaster events in the U.S. costing more than $1 billion in damages, surpassing the previous record of 16 such events that occurred in 2011 and 2017.[2] As extreme weather and climate-related events become more frequent and severe and costs continue to mount, it has become increasingly clear that federal agencies should enhance the resilience of their real property to natural disasters through use of appropriate asset management principles.

In September 2021, GAO released a report, titled *Federal Real Property Asset Management: Additional Direction in Government-Wide Guidance Could Enhance Natural Disaster Resilience* (GAO–21–596), which evaluated how agencies prevent or reduce damage to real property caused by natural disasters. GAO found that some agencies (including the Fish and Wildlife Service) have begun to take steps to incorporate resilience to natural disasters into their assets. They also noted that the Administration issued guidance asking agencies to develop a climate action plan detailing relevant threats.

However, government-wide directives have failed to go the extra step of requiring agencies to use the information collected to guide investment decisions. As agencies face mounting exposure to future natural disasters, many may not proactively incorporate resilience into investment and management decisions across their portfolios. If agencies are required to integrate assessments of natural disaster risk information, including vulnerability assessments, into decision-making, they can more readily choose resilient investments that will provide the greatest long-term value to taxpayers and agencies in meeting their missions.

The Disaster Resiliency Planning Act would provide a legislative solution to the open GAO recommendation. Developed with GAO input, this bill would require the OMB Director to establish guidance directing the head of each agency to incorporate natural disaster resilience into real property asset management and investment decisions made by the agency. Agencies must incorporate assessments of natural disaster risk information resulting from vulnerability and other risk assessments.

OMB may periodically update the guidance as necessary to further enhance natural disaster resilience. The OMB Director may consult with appropriate entities as desired in developing guidance, including GAO and the Federal Emergency Management Agency (FEMA). The OMB Director must also submit a report to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Reform detailing the required guidance. Within two years, the Director must brief these committees on the implementation of guidance across agencies.

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[1] Government Accountability Office, *Federal Real Property Asset Management: Additional Direction in Government-Wide Guidance Could Enhance Natural Disaster Resilience* (GAO–21–596) (Sept. 2021).

[2] National Oceanic and Atmospheric Administration, *Billion-Dollar Weather and Climate Disasters*, (https://www.ncdc.noaa.gov/billions/) (accessed May 25, 2021).

III. LEGISLATIVE HISTORY

Chairman Gary Peters (D–MI) introduced S. 3510, the Disaster Resiliency Planning Act, on January 13, 2022, with Senator Rick Scott (R–FL). The bill was referred to the Committee on Homeland Security and Governmental Affairs.

The Committee considered S. 3510 at a business meeting on February 2, 2022. Senators Peters and Scott offered an amendment in the nature of a substitute to specify that, for purposes of the bill, the term "asset management" applies specifically to real property. The substitute amendment was adopted by voice vote *en bloc*. The bill, as amended, was ordered reported favorably by voice vote *en bloc*. The Senators present were Senators Peters, Carper, Hassan, Sinema, Rosen, Padilla, Ossoff, Portman, Lankford, Scott, and Hawley.

IV. SECTION-BY-SECTION ANALYSIS OF THE BILL, AS REPORTED

Section 1. Short title

This section cites the short title of the bill as the "Disaster Resiliency Planning Act."

Section 2. Definitions

This section defines key terms of "Agency," "Director," and "Real Property" and outlines relevant congressional committees.

Section 3. Guidance

Subsection (a) requires the OMB Director to establish, within 180 days, guidance requiring the head of each agency to incorporate natural disaster resilience into real property asset management and investment decisions made by the agency.

Subsection (b) specifies that the contents of the guidance must incorporate assessments of natural disaster risk information conducted by the agency, such as from vulnerability and other risk assessments.

Subsection (c) notes that the OMB Director may periodically update the required guidance as necessary.

Subsection (d) notes that the OMB Director may consult with appropriate entities in developing guidance, including GAO and FEMA.

Subsection (e) outlines reporting requirements. A year after the legislation's enactment, the OMB Director must submit to the appropriate congressional committees a report that describes the guidance required under subsection (a). No later than two years after the date of enactment, the OMB Director must brief the appropriate congressional committees on the implementation of the guidance across agencies.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill and determined that the bill will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office's statement that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act

(UMRA) and would impose no costs on state, local, or tribal governments.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 20, 2022.

Hon. GARY PETERS,
Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 3510, the Disaster Resiliency Planning Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

PHILLIP L. SWAGEL,
Director.

Enclosure.

S. 3510, Disaster Resiliency Planning Act
As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on February 2, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	*	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated

Statutory pay-as-you-go procedures apply?	Yes	**Mandate Effects**	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = between zero and $500,000.

S. 3510 would require the Office of Management and Budget (OMB) to provide guidance to federal agencies on how to incorporate natural disaster resilience into their asset management and investment decisions. OMB would be required to collaborate with the Government Accountability Office and the Federal Emergency Management Agency in that effort and to report to the Congress on the bill's implementation.

Under current law, the Administration has issued orders and memorandums concerning natural disaster resilience in federal agencies' management of property. As a result, CBO expects that the net budgetary effects of the required guidance would not be significant. Those effects include increased costs for OMB to develop the guidance and for federal agencies to comply, reduced costs for property repairs, and the cost of the required reports. Spending would be subject to the availability of appropriated funds.

Enacting S. 3510 could affect direct spending by some agencies that are allowed to use fees, receipts from the sale of goods, and other collections to cover operating costs. CBO estimates that any net changes in direct spending by those agencies would be negligible because most of them can adjust amounts collected to reflect changes in operating costs.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation would make no changes in existing law, within the meaning of clauses (a) and (b) of paragraph 12 of rule XXVI of the Standing Rules of the Senate, because this legislation would not repeal or amend any provision of current law.