

## **TESTIMONY**

### **PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY (PEMA)**

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**Veterans Affairs and Emergency Preparedness Committee  
HB 1989 -- Pennsylvania Flood Grant and Assistance Program  
Scranton City Hall, Scranton, PA  
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Chairman Melio, Chairman Fairchild, Representative Wansacz, and members of the Committee, on behalf of Governor Rendell, Director French, and Pennsylvania's emergency management disaster preparedness community, we welcome this opportunity to share our thoughts on House Bill 1989, the Pennsylvania Flood Grant and Assistance Program.

Permit me to preface our remarks by thanking you for your continued interest in and support of our statewide disaster preparedness and response program. Pennsylvania is one of the most flood prone states in the nation. We have the unique distinction of having more miles of running water than any in the lower 48 states. Approximately 80,000 miles of rivers and streams flow through commonwealth communities. Usually they are placid and calming, providing award winning fishing, recreational boating, and scenic walkways. But the potential always exists for these quiet streams to transform into raging walls of water, capable of untold destruction and threatening the very lives of those living nearby.

Pennsylvania averages a major flood every 14 months. This is in part due to our natural topography, the tremendous miles of running water and the fact that over the past 300 years, we have as a society developed the flood plains. Homes and businesses were built on land at risk of flooding. The scientific term for this is the flood plains...low land located proximate to the waterways which flood when river, stream and creek volume exceeds the bank capacity. The main difference between localized basement flooding and deadly wall of water is the amount of rainfall and -- often times -- just plain luck. The flood of record in Pennsylvania is the 1972 Tropical Storm Agnes flooding which ravaged the state's Capital and the Wyoming Valley in northeast Pennsylvania. It also caused widespread destruction and claimed lives in many other areas of the state. In all, the storm claimed 48 Pennsylvania lives and caused more than \$2 billion in damage.

Every Pennsylvania county and most communities has land at risk of serious flooding. The challenge we face and the focus of this Bill is finding reasonable and realistic ways to reduce the risk as well as creating a way to help rebuild when flooding does occur.

Interestingly, the national disaster recovery program grew out of the lessons learned following the 1972 Tropical Storm Agnes event. The Federal Disaster Relief Act of 1974 (P.L. 93-288) has been amended several times since then. The most significant was in 1988 when the Robert T. Stafford Act resulted in a substantial rewrite of this national program....again as a result of a disaster response event in Pennsylvania. This time the event was killer tornadoes that struck northwestern and central Pennsylvania in 1986.

The important issue here is that, while there is a national program in place to help recovery following a catastrophic disaster, it is by federal law supplemental in nature. A similar formal disaster recovery program does not exist at the state level. The impact of these two statements is that federal aid, when authorized, is not intended to cover all costs. In addition, state government is very limited in the assistance we can provide whenever federal aid is not authorized.

The primary protection for real and personal property damage is insurance. Most of us have fire insurance to help rebuild and replace property lost in a fire. The National Flood Insurance Program provides the same type of coverage for those living at risk of flood loss. It is essential to understand that a homeowners' insurance policy does not provide coverage for rising water damage. Rising water damage occurs when water enters from outside the home as opposed to a broken pipe in the basement. Flood insurance is available through your homeowner insurance agent and is essential to insure adequate protection of the home, business and personal possessions.

House Bill 1989 is intended to provide state-based help for residents, businesses and local governments when flooding occurs and federal aid is not authorized. Without going into the complex federal eligibility thresholds, suffice it to say that federal aid only is available following a major flood with losses over \$15.2 million and several hundred homes with major damage. This Bill would create a program to provide state help with flooding that falls below that mark.

HB 1989 would create a program that has two goals. First the program -- through the Department of Environmental Protection -- will provide flood prevention grants to stabilize streams and to construct or improve dams and levees. Second, the program -- through the Department of Economic Development -- will provide grants to help repair flood damaged homes, businesses, and public property such as roads and bridges. The funding source would be based on a \$1.00 per policy annual surcharge on all homeowner and business insurance policies in the state. We have not been able to identify exactly what amount of funding this fee would generate but estimate it would be between \$5 million and \$8 million annually.

We cannot speak to the waterway project costs that would be performed by DEP. We can address the non-federal flood recovery costs for local governments, homeowners and businesses. The very unpredictability of Mother Nature makes fiscal predictions impossible. The number and intensity of flooding events are impossible to predict. The Bill tasks the agencies with the development of implementing regulations that define the type and level of assistance that would be provided. I would suggest that the success and viability of this program will be determined by the regulatory process. An expectation of a 100% state funded cost recovery program to cover all municipal, business and homeowner losses is unrealistic. Like the existing federal program, a reasonable cost share may be the only way to avoid depleting the fund with every local flooding event. There is no doubt that localized flooding that does not qualify for federal aid represents a major challenge for municipal governments, residents and businesses. A major portion of

that challenge could be off-set with proper insurance coverage. It is available and the first goal (and challenge) is to ensure that all at-risk properties are insured.

Mr. Chairman, once again, thank you for the opportunity to share our thoughts about HB 1989. Representative Wansacz, thank you for your role introducing this legislation to try and find a solution to these important flood matters. All of us in the emergency management business know that when Mother Nature's hits, her wrath is unpredictable. But all of us here today share the common goals of making flood prevention a priority and making recovery from floods easier on those it has devastated. In this year's budget proposal, Governor Rendell has made flood prevention a priority so that we can make flood prone communities as safe as possible. With Governor Rendell's leadership on flood prevention and with your leadership on the issues addressed in HB 1989, Pennsylvanians can know that their elected officials are working very hard to minimize future flood damage and its effects on the citizens of this great Commonwealth.

Thank you for the opportunity to speak before you today. We will be glad to answer any questions you may have.