

Good morning, Chairman Hill and members. Thank you for having me here today. I am Heather Lagrone and I work at the Texas General Land Office as the Senior Deputy Director over our disaster recovery programs. The Texas General Land Office is the Texas agency tasked by Governor Abbott to administer disaster recovery on behalf of the State of Texas and I have personally been with the program for over 20 years. As you all know the State of Texas is a frequent user of the HUD CDBG-DR programs and we have a strong reputation for being very good at what we do. Today the Land Office is responding via 10 open grants supporting over a dozen disaster events. With those 10 separate grants the GLO must follow over 30 different sets of regulations because CDBG-DR has never been codified into a standalone program. For over 20 years CDBG-DR has benefited the State of Texas one grant and one event at a time where every event comes with its own set of program rules, regulations, and requirements leaving Texans not knowing how recovery will look from event to event.

Even though the program has been ever changing, Texas has used CDBG-DR funds to repair and replace housing, build public facilities, restore roads and bridges, create flood and drainage systems, update communications and warning systems, plan for future events, and strengthen Texas for our next disasters. Despite constantly changing rules and program requirements Texas has expended over \$10 billion replacing over 40,000 housing units and supported communities with thousands of infrastructure projects benefiting millions of Texans.

Disaster Recovery should most definitely be codified into its own program at HUD, but the new program should not simply direct what is happening today with more time-consuming regulations as has been proposed. A new program should consider lessons learned and acknowledge disaster recovery is not one size fits all with a great need toward flexibility. Disaster recovery must remain wholly focused on disaster recovery and mitigation needs with an emphasis toward needs as they apply per capita as well as in total damage numbers. We should look for ways to make disaster recovery better, not codify a program that has come together over the past 20 years in starts and stops that simply does not work well. Any program created should allow for every flexibility and local control for use of what is always limited funding while ensuring needs unrelated to disaster recovery remain outside program design.

### **Disaster Recovery Must be as Flexible as Possible**

States in need of disaster recovery funds should be granted every flexibility for the use of funds possible with disaster recovery the top priority unlike annually appropriated programs that start from a sunny skies perspective where grantees have the time necessary to jump through bureaucratic hoops.

Programs should be defined without the need to retell the impacts and needs from an event in hundreds of pages of Action Plan language. The Action Plan should simply define the programs being offered and how beneficiaries can access them. The current process has grantees developing action plans to great detail of events that are certified by the disaster declaration they have been granted from other federal programs. The grantee must then put the action plan out for a months long public comment period that often yields little to no input followed by another months long HUD review and approval again yielding almost no input. Easily adding 6-8 months to the initiation of recovery activities simply for the sake of bureaucracy and regulations that mirror a non-disaster recovery intent.

## **A HUD Supplemental Disaster Recovery Program Should Not Pick Winners and Losers**

Disaster recovery eligibility should have one definition across all federal programs. HUD currently calculates a secondarily defined HUD Most Impacted and Distressed subset of eligible counties for CDBG-DR programs. This calculation looks at unmet need in total dollars which skews 80% of disaster recovery funding toward areas of greater populations and disadvantages rural areas.

The current allocation approach by HUD does not adequately account for the unique circumstances faced in every disaster type nor those of rural communities. The allocation methodology prioritizes total dollars of losses favoring larger urban jurisdictions while underestimating the relative impact on smaller communities with fewer local resources, smaller tax bases, and limited capacity to absorb recovery costs. Considering per capita impacts or similar measures as a part of the allocation formula criteria would give a more complete picture of needs in both rural and urban counties. HUD should not do a secondary calculation that defines counties as less impacted based on a population driven formula. HUD simply relying on presidential declarations established under the Stafford Act would be timelier and more efficient and fairer without further narrowing eligibility based on HUD's calculation that is primarily based on total losses in dollars.

### **Closing**

The State of Texas has been a successful participant in supplemental disaster recovery funded under the CDBG-DR program for a long time and we are grateful for the benefits we have received from the program. And it is past time for the program to be codified into something that is directly responsive to disaster recovery needs while not adding more regulatory burdens. Disaster recovery is most effective when local flexibility is preserved to support a full range of event impacts and needs where all federally declared counties are defined the same.

I appreciate the opportunity to share these perspectives and would be glad to provide any additional information or answer any questions you may have.