Testimony of Stephen Jordan, CEO of the Institute for Sustainable Development in support of Maryland State Senate Bill 901: An ACT concerning Public Safety – Emergency Management – Resilient Maryland Revolving Loan
Submitted March 4, 2021

Chairman Pinsky, Vice-chair Kagan, and Members of the Education Health and Environmental Affairs Committee:

Thank you Mr. Chairman and distinguished Senators for this opportunity to testify on behalf of SB 901. This legislation is very important for multiple reasons. It will facilitate Maryland's ability to attract and deploy federal government funds – particularly FEMA's Building Resilient Infrastructure and Communities fund. It will assist Maryland local governments to invest in cost-effective resilience measures that will save $6 dollars in future disaster costs, and it will enable resilience measures to be more equitably identified, planned and implemented across the state.

The Institute for Sustainable Development (ISD) has been focused on gaining a better understanding of how communities can become more resilient for many years. In fact, our mission is to catalyze resilience so that communities can realize their full potential.

In 2020, FEMA opened a grant application process for $660 million via the Building Resilient Infrastructure and Communities (BRIC) program – ($500 million) and the Flood Mitigation program ($160 million – with $70 million set aside for community flood mitigation projects). The BRIC program could receive significantly more funds in years to come. Section 1234 of the Disaster Recovery Reform Act of 2018 authorizes the National Public Infrastructure Pre-Disaster Mitigation Fund (NPIPDM), which allows the President to set aside 6% from the Disaster Relief Fund (DRF) with respect to each major disaster and expands the criteria considered in awarding mitigation funds. FEMA's BRIC program is a prime recipient and disburser of these funds, however they often have matching requirements – currently 25% for the state's 2020 program submission. As envisioned, with $5 million, Maryland might be able to access up to $15 million more.

Secondly, the need is overwhelming. According to NOAA[1], Maryland has had 60 billion-dollar extreme natural events between 1980 and 2020, 16 (25%) of which have occurred in the last five years. If the average of the last five years ($2 billion) is maintained, natural disasters will cost the state of Maryland $60 billion more by 2050. If the trend line continues to accelerate, this number could be much higher. According to the UN[2], $1 invested in resilient infrastructure can save up to $6 in post disaster costs – reducing initial impacts and shortening the duration of community recovery periods.

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[1] NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters (2021). https://www.ncdc.noaa.gov/billions/, DOI: 10.25921/stkw-7w73
[2] https://www.un.org/press/en/2019/sgsm19807.doc.htm

Third, the revolving loan fund will promote equitable access to resilient support. After Hurricane Harvey made landfall and dumped as much as 50 inches of rain on some parts of southeast Texas, ISD conducted a post-disaster study[3] that found that many small towns and rural communities lacked the financial wherewithal to access federal funds and/or take on additional debt. In some cases, they were already indebted. In other cases, with evacuations and severe flooding, they were concerned with significant out-migration. Furthermore, many of these communities had significant shares of highly vulnerable populations, higher percentages of seniors over the age of 65, unemployed, and with substance abuse problems. Without a Revolving Loan Fund such as proposed in this legislation, we witnessed small towns decide not to "build back better", but instead choose to lay-off essential personnel, conduct patchwork repairs, and "hunker down." The proposed Revolving Loan Fund legislation will enable MEMA to work with environmentally and economically vulnerable communities to help them leverage outside resources to make their communities more resilient, sustainable, and attractive.

Finally, Maryland can enhance its national profile and commitment to resilience by embedding the revolving loan fund in a suite of legislation that emphasizes resilience. Currently, most state disaster management strategies privilege emergency response over either resilience or long-term recovery. This means that they tend to be reactive instead of proactive, and their approach tends to be situational and lead to escalating costs over time. Maryland's new approach should reduce costs, protect lives, livelihoods, and living environments, and enhance the sustainability, not just of larger metro areas, but also of more environmentally and economically vulnerable communities.

Thank you for your consideration.

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[3]Lessons Learned about Long-Term Recovery Challenges Facing Small Towns and Under-Served Communities from Hurricane Harvey, Institute for Sustainable Development https://38bc2569-edf1-44c3-ab67-bd84274d57c9.filesusr.com/ugd/294838_de939113e9bf4512bf8af6439d94e861.pdf