

PUBLICATION

FEMA Review Council's Final Report Fuels Legislative Momentum for the FEMA Act of 2025: A Roadmap for Bipartisan Reform

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The Federal Emergency Management Agency (FEMA) Review Council finally held its long-awaited final public meeting and formally released its Final Report. This Report is a set of recommendations that, if implemented, would result in the most significant restructuring of federal disaster assistance since the creation of FEMA in 1979. Critically, the Council itself expressed a preference for legislative action, stating that "the Council advocates for legislative action to ensure a systemic and sustained transformation of the current approach to disaster management." That statement lands at a moment of unique legislative opportunity: the bipartisan Fixing Emergency Management for Americans Act of 2025 (H.R. 4669), known as the "FEMA Act," already cleared the House Transportation and Infrastructure Committee (T&I Committee) in September 2025 and provides the natural legislative vehicle to carry many of the Council's recommendations into law. This Alert examines where the FEMA Act and the Council's Final Report already converge, where targeted amendments could close remaining gaps, and why the current political moment favors decisive legislative action as we quickly approach the 2026 hurricane season.

Learn More:

The authors of this article will be hosting a webinar to share additional insights and updates on the current landscape, what needs to happen to capitalize on ongoing momentum, and how impacted entities can position themselves for what's ahead.

More details including registration information coming soon.

Background

On January 24, 2025, President Trump established the FEMA Review Council through Executive Order 14180 to advise on FEMA's ability to "capably and impartially address disasters occurring within the United States" and to recommend structural changes to "best serve the national interest."

Separately, on July 22, 2025, Republican and Democratic leaders of the House Transportation and Infrastructure Committee introduced H.R. 4669, the FEMA Act, arguably the most comprehensive proposed rewrite of the Robert T. Stafford Disaster Relief and Emergency Assistance Act since 1988. The bill cleared the T&I Committee on September 3, 2025, and awaits House floor action.

Areas of Alignment Between the FEMA Act and the Council's Final Report

Despite some structural differences, the two documents converge on a surprising number of issues in spirit and purpose:

- **Expedited Public Assistance Funding:** Both the Council Report and the FEMA Act prioritize getting disaster recovery funds to communities faster. The Council's RAPID Program proposes direct funding to state treasuries within 30 days of a major disaster declaration using a parametric model. The FEMA Act creates an expedited process under new Section 409 of the Stafford Act, requiring cost estimate approval within 90 days and grant fund availability within 30 days of approval, and a new small disaster block grant program also intended to speed the delivery of funding.
- **Abandoning the Disaster Reimbursement Model:** The FEMA Act creates both a new Public Assistance program (new Section 409) using an applicant-led expedited cost-estimation process and a Small Disaster Block Grant Program allowing governors to request lump-sum payments at 80 percent of the estimated federal share in lieu of traditional Public Assistance. This mirrors the Council's recommendation to move away from the multiphase reimbursement model toward direct funding with state management and accountability, and both share the goal of granting states greater flexibility in how recovery dollars are spent.
- **Performance-Based Cost Share:** The Council recommends a 50 – 75 percent federal cost share tied to state performance metrics. The FEMA Act introduces a structurally similar sliding-scale mechanism under Section 409(c): a minimum 75 percent federal share that can be reduced to 65 percent for states that fail to implement mitigation measures or increased to 85 percent for states that invest in resilience. Both approaches incentivize pre-disaster investment and penalize inaction.
- **Streamlined Mitigation Delivery:** The Council's two-phase Refined Risk Reduction Program (R3P) emphasizes rapid mitigation advances and state-managed allocation. The FEMA Act advances similar objectives through its preapproved project mitigation list (Section 301), formula-based distribution replacing competitive grants (Section 302), and advance assistance for hazard mitigation (Section 304). Both seek to front-load mitigation funding and reduce bureaucratic delays.
- **Disaster Backlog Closeout:** The Council Report calls for expediting closeout of more than 600 open historical disasters. The FEMA Act creates a dedicated Declared Disasters Task Force (Section 102) to develop processes and mechanisms to eliminate the current backlog.
- **State-Managed Environmental Review:** Both the Council Report and the FEMA Act emphasize reducing duplicative federal review processes. The Council Report recommends removing review duplications; the FEMA Act creates a comprehensive state-managed review process (Section 104), allowing states to assume responsibilities currently reserved for the federal government.

Potential Future Amendments to the FEMA Act

While the convergence is significant, several areas of the Council's Final Report identify further opportunity for improvement to pending or future reform legislation:

- **Transforming FEMA:** The Council Report calls for a transformed agency without duplications of effort such as environmental and historical reviews, audits, and inspections that should be conducted by states. The Council Report also speaks about changes to ethics rules and other ways to reduce administrative costs.
- **National Flood Insurance Program (NFIP) Reform:** NFIP reform presents the single most significant gap. The Council Report recommends sweeping NFIP reform by way of a private market transition through a "take-out" program, continuation of Risk Rating 2.0, revised flood maps, reduced Write Your Own compensation, a centralized marketplace, additional mitigation planning and accountability measures addressing repetitive loss properties, and a new statutory exemption from

the Endangered Species Act (ESA). The FEMA Act, however, is currently silent on NFIP structural reform – this is likely as a result of the lack of jurisdiction of the House Transportation and Infrastructure Committee. NFIP reform will likely be addressed by the House Committee on Financial Services in legislation separate from the FEMA Act.

- **Disaster Declaration Threshold Recalibration:** The Council Report recommends resetting the per capita indicator from \$1.94 to \$2.99 using CPI and establishing annual minimum state expenditure thresholds. The FEMA Act's Section 103 takes a different approach by requiring the Administrator to consider rural and economically distressed community status, but it does not adopt substantive threshold recalibration. Of note, neither the Council nor the FEMA Act propose limiting the President's discretion with regard to declaring disasters.
- **Parametric Funding Triggers:** The Council's most innovative proposal, the automatic funding release based on objective event criteria such as wind speed, flood depth, or earthquake magnitude, has no direct statutory counterpart in the FEMA Act.
- **Consolidation of Individual Assistance:** The Council Report proposes replacing all 15 categories of individual assistance with a single direct payment (the FAIR Program) capped at either 15 percent of home value (for homeowners) or three months of fair market rent (for renters), while the FEMA Act retains the multiprogram framework with incremental improvements – a universal application portal, expanded repair assistance, state-managed housing authority, and new total-loss replacement assistance.
- **EMPG and Preparedness Grant Funding:** The Council calls for retaining and temporarily increasing the Emergency Management Performance Grant (EMPG) to build state, local, territorial, and tribal government capacity. The FEMA Act does not currently address EMPG funding levels.

What to Watch: The Path Forward

Council Termination and Presidential Action: Under the Council's amended charter, the Report must be delivered to the President before May 29, 2026, after which the Council terminates within 10 days. While members of the public may continue to submit comments [through June 8](#), it is possible that executive orders implementing select administrative recommendations, particularly on disaster declaration thresholds, staffing realignment, and ethics rules, could come quickly, establishing political momentum for the broader legislative effort.

House Floor Action on H.R. 4669: The FEMA Act cleared the T&I Committee in September 2025 but has not yet received a floor vote. The Council's Final Report with its explicit call for legislative action and its detailed implementation table identifying which reforms require statute provides new justification for House leadership and for the Senate Homeland Security and Governmental Affairs Committee to finally advance a companion measure.

Hurricane Season Pressure: With the Atlantic hurricane season already underway, both Congress and the Administration face practical pressure to demonstrate reform progress before the next major disaster tests the system. This creates political urgency that favors action on the FEMA Act.

FY 2027 Budget Alignment: FEMA's FY 2027 budget request already references the Council's recommendations on NFIP reform, signaling the Administration's intent to advance select changes through the appropriations process even as authorizing legislation remains pending. Clients should monitor appropriations riders that could advance or constrain reform implementation.

Recommendations

Entities with exposure to federal disaster programs should take immediate steps to position themselves for the coming legislative and regulatory changes. **First**, conduct a comparative analysis of the FEMA Act's provisions and the Council's recommendations against current operations to identify exposure points and strategic opportunities. **Second**, engage in the legislative process now by providing technical proficiency and stakeholder perspectives to members of the T&I Committee and Senate U.S. Senate Committee on Homeland Security and Governmental Affairs (HSGAC) on amendment priorities. **Third**, state and local governments should begin building the institutional capacity (i.e., staffing, procurement systems, fiscal reserves, and audit capabilities) that both the Act and the Council's report contemplate as prerequisites for expanded state responsibility. **Fourth**, insurers and private-sector partners should monitor NFIP reform developments closely, as this remains the area most likely to see rapid regulatory action independent of the broader legislative timeline.

The convergence of a bipartisan congressional vehicle with an Administration-endorsed reform blueprint creates an unusual alignment of political will. The question is no longer whether FEMA reform will happen, but how quickly FEMA policy can be changed to implement certain improvements and how quickly Congress can translate this momentum into law to implement the remainder. We are actively monitoring these developments and stand ready to assist clients in navigating the legislative process and preparing for implementation.

For questions about how these recommendations may affect your organization, please contact [Ernie Abbott](#), [Danielle Aymond](#), [Wendy Ellard](#), [Erin Greten](#), or any member of our [Government Solutions and Public Funding Group](#).