

FEDERAL EMERGENCY MANAGEMENT AGENCY

The Federal Emergency Management Agency (FEMA) was established by the President in Reorganization Plan No. 3 of 1978. FEMA's mission is to reduce the loss of life and property and protect our institutions from all hazards by leading and supporting the Nation in a comprehensive, risk-based emergency management program of mitigation, preparedness, response, and recovery.

Under the authority of the Robert T. Stafford Act, FEMA is responsible for providing assistance to maintain and enhance the nation's all-hazards emergency management capability and coordinates Federal emergency recovery and response operations. FEMA also administers the National Flood Insurance Program, which is the primary source of flood insurance in the nation, and provides essential training for State and local fire and emergency medical services personnel through the National Fire Academy. In 2001, FEMA provided \$2.7 billion in direct assistance to States, local governments, and individuals stricken by natural disasters and incidents of terrorism, furnished over \$589 billion in flood insurance coverage to over 4 million policy holders, and awarded \$177 million in grants to support emergency management preparedness and mitigation capabilities.

The President's 2003 Budget includes \$6.6 billion in discretionary budget authority to:

Provide \$3.5 billion for new State and local terrorism preparedness priorities associated with the September 11th attacks;

Improve Federal assistance for credible and cost-effective disaster prevention strategies by replacing the formula-based Hazard Mitigation Grant Program with a new competitive grant program, and modernizing flood maps to better guide future development and flood prevention efforts;

Provide FEMA with over \$1.8 billion in base resources to pay for disaster relief efforts;

Reform the National Flood Insurance Program; and

Transfer the agency's Emergency Food and Shelter program to the Department of Housing and Urban Development to improve services to the homeless.

FEMA is required to provide periodic reports to the President, and the President is required to report to the Congress on FEMA's donations of "educationally useful equipment," under Section 7, paragraph (b)(2) of P.L. 105-108. The following information is reported, here, in fulfillment of this requirement. FEMA has made the following donations of "educationally useful equipment" during 2000 and 2001:

2 Computer Units:

Total—\$4,498.00 (acquisition cost)	Recipient: Children's Village of Washington County, 1546 Mt. Aetna Rd., Hagerstown, MD 21742.
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20 Computer Units:

Total—\$52,663.00 (acquisition cost)	Recipient: St. John's Catholic School, 45 Monroe Street, Westminster, MD 21157.
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Federal Funds

General and special funds:

DISASTER RELIEF

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in carrying out the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.),

【\$664,000,000】 \$1,846,029,000, and, notwithstanding 42 U.S.C. 5203, to remain available until expended, of which not to exceed \$2,900,000 may be transferred to "Emergency management planning and assistance" for the consolidated emergency management performance grant program; 【\$25,000,000 shall be transferred to the Flood Map Modernization Fund; \$25,000,000 shall be transferred to "Emergency management planning and assistance", for pre-disaster mitigation activities;】 and *not to exceed* \$21,577,000 may be 【used by】 transferred to the Office of Inspector General for audits and investigations: *Provided, that no funds are available to carry out section 404 of the Act (42 U.S.C. 5170c).*

【In addition, for the purposes under this heading, \$1,500,000,000, to remain available until expended: *Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That such amount shall be available only to the extent that an official budget request, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.*】 (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

【For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for "Disaster relief", \$4,356,871,000, to remain available until expended, to be obligated from amounts made available in Public Law 107-38.】 (*Emergency Supplemental Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 58-0104-0-1-453	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 September 11th Response	292	4,851	1,214
00.02 Other Disaster Relief	3,169	3,849	1,901
10.00 Total new obligations	3,464	8,702	3,118
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,909	2,429	697
22.00 New budget authority (gross)	3,597	6,470	1,821
22.10 Resources available from recoveries of prior year obligations	387	500	600
23.90 Total budgetary resources available for obligation	5,893	9,399	3,118
23.95 Total new obligations	-3,464	-8,702	-3,118
24.40 Unobligated balance carried forward, end of year	2,429	697	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,603	2,166	1,846
40.15 Appropriation (emergency) .....	.....	4,357	.....
40.35 Appropriation rescinded	-3	.....	.....
41.00 Transferred to other accounts	-3	-53	-25
42.00 Transferred from other accounts	2,000	.....	.....
43.00 Appropriation (total discretionary)	3,597	6,470	1,821
Change in obligated balances:			
72.40 Obligated balance, start of year	5,542	5,399	8,750
73.10 Total new obligations	3,464	8,702	3,118
73.20 Total outlays (gross)	-3,220	-4,851	-5,228
73.45 Recoveries of prior year obligations	-387	-500	-600
74.40 Obligated balance, end of year	5,399	8,750	6,040
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	561	2,266	639
86.93 Outlays from discretionary balances	2,659	2,585	4,589
87.00 Total outlays (gross)	3,220	4,851	5,228
Net budget authority and outlays:			
89.00 Budget authority	3,597	6,470	1,821
90.00 Outlays	3,220	4,851	5,228

General and special funds—Continued

DISASTER RELIEF—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00 Budget authority	3,594	6,468	1,818
90.00 Outlays	3,217	4,849	5,225

Through the Disaster Relief Fund (DRF), FEMA provides a significant portion of the total Federal response to victims in Presidentially-declared major disasters and emergencies. Major disasters are declared when a State requests Federal assistance and has proven that a given disaster is beyond the State's capacity to respond. Under the DRF, FEMA currently provides three main types of assistance: individual and family assistance; public assistance, which includes the repair and reconstruction of State, local, and non-profit infrastructure; and hazard mitigation. For 2003, a new competitive, pre-disaster mitigation grant program will replace the current hazard mitigation grants.

The 2003 Budget request includes \$1.8 billion in discretionary resources to provide disaster support costs and cover obligations for 2003 and prior year declarations.

Object Classification (in millions of dollars)

Identification code 58-0104-0-1-453	2001 actual	2002 est.	2003 est.
Personnel compensation:			
11.1 Full-time permanent	2	2	2
11.3 Other than full-time permanent	103	125	115
11.5 Other personnel compensation	24	28	27
11.9 Total personnel compensation	129	155	144
12.1 Civilian personnel benefits	23	26	26
13.0 Benefits for former personnel	4	6	6
21.0 Travel and transportation of persons	60	65	61
22.0 Transportation of things	2	7	2
23.1 Rental payments to GSA	6	9	9
23.2 Rental payments to others	7	10	10
23.3 Communications, utilities, and miscellaneous charges	20	33	23
24.0 Printing and reproduction	3	3	3
25.1 Advisory and assistance services	1	1	1
25.2 Other services	150	126	121
25.3 Other purchases of goods and services from Government accounts	205	267	213
25.4 Operation and maintenance of facilities	6	6	4
25.5 Research and development contracts	4		
25.7 Operation and maintenance of equipment	1	3	3
26.0 Supplies and materials	8	16	10
31.0 Equipment	54	29	29
32.0 Land and structures		1	
41.0 Grants, subsidies, and contributions	2,781	7,939	2,453
99.9 Total new obligations	3,464	8,702	3,118

Personnel Summary

Identification code 58-0104-0-1-453	2001 actual	2002 est.	2003 est.
1001 Total compensable workyears: Full-time equivalent employment	2,521	2,400	2,290

DISASTER ASSISTANCE FOR UNMET NEEDS

Program and Financing (in millions of dollars)

Identification code 58-0107-0-1-453	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
10.00 Total new obligations (object class 41.0)	67		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	67		

23.95 Total new obligations	-67		
Change in obligated balances:			
72.40 Obligated balance, start of year	113	134	80
73.10 Total new obligations	67		
73.20 Total outlays (gross)	-46	-54	-19
74.40 Obligated balance, end of year	134	80	61
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	46	54	19
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	46	54	19

Public Law 106-31 provided funding for unmet needs related to disasters declared in 1998 and 1999 for the purposes of disaster relief, buyout assistance, long-term recovery, or mitigation in communities which were not addressed by other Federal disaster assistance programs. The Department of Housing and Urban Development previously managed the unmet needs program. Funds for disaster assistance for unmet needs expired September 30, 2001.

NATIONAL PRE-DISASTER MITIGATION FUND

For a pre-disaster mitigation grant program pursuant to 42 U.S.C. 5131 et seq., \$300,000,000, to remain available until expended: Provided, That grants shall be awarded on a competitive basis subject to the criteria in 42 U.S.C. 5133(g): Provided further, That notwithstanding 42 U.S.C. 5133(f), grant awards shall be made without reference to State allocations, quotas, or other formula-based allocations of funds.

Program and Financing (in millions of dollars)

Identification code 58-0106-0-1-453	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Pre-disaster Mitigation Competitive Grants			300
10.00 Total new obligations (object class 41.0)			300
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			300
23.95 Total new obligations			-300
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			300
Change in obligated balances:			
73.10 Total new obligations			300
73.20 Total outlays (gross)			-75
74.40 Obligated balance, end of year			225
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			75
Net budget authority and outlays:			
89.00 Budget authority			300
90.00 Outlays			75

The 2003 Budget dedicates \$300 million to a new competitive grant for pre-disaster mitigation. This new program will replace the formula-based Hazard Mitigation Grant Program, currently funded through the Disaster Relief Fund. The new program will operate independently of the Disaster Relief programs, assuring that funding remains stable from year to year and is not subject to spikes in disaster activity. Awarding grants on a competitive basis will ensure that the most worthwhile, cost-beneficial projects receive funding.

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles as authorized by 31 U.S.C. 1343;

uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government programs to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed \$2,500 for official reception and representation expenses, **[\$233,801,000] \$248,919,000.** (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for “Salaries and Expenses”, \$25,000,000 to remain available until expended, to be obligated from amounts made available in Public Law 107–38 of which not less than \$10,000,000 shall be used to enhance the capabilities of the National Security Division. (*Emergency Supplemental Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 58–0100–0–1–999	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
Direct program:			
00.01	73	83	80
00.03	8	12	15
00.04	10	11	11
00.05	30	34	32
00.06	12	14	15
00.08	4	12	32
00.09	82	86	76
09.01	5	8	6
10.00	224	260	267
Budgetary resources available for obligation:			
21.40			23
22.00	228	283	255
23.90	228	283	278
23.95	–224	–260	–267
23.98	–6		
24.40		23	11
New budget authority (gross), detail:			
Discretionary:			
40.00	224	243	249
40.15		25	
42.00		7	
43.00	224	275	249
Spending authority from offsetting collections:			
Offsetting collections (cash):			
68.00	3	6	4
68.00		2	2
68.10	1		
68.90	4	8	6
70.00	228	283	255
Change in obligated balances:			
72.40	24	45	29
73.10	224	260	267
73.20	–197	–276	–257
73.40	–7		
74.00	–1		
74.10	3		
74.40	45	29	39
Outlays (gross), detail:			
86.90	181	244	219
86.93	14	32	38
87.00	197	276	257

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources:			
88.00		–5	–6
88.00		–1	–2
88.90		–6	–8
Against gross budget authority only:			
88.95		–1	
88.96		3	
Net budget authority and outlays:			
89.00	224	275	249
90.00	191	268	251

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00	215	266	240
90.00	182	259	242

Program support.—This activity provides the necessary resources to administer the Federal Emergency Management Agency’s (FEMA’s) various programs at headquarters and in the regions.

Executive direction.—This activity provides for the general management and administration of FEMA in legal, congressional, intergovernmental, international and media affairs, and financial and personnel management, as well as the management of FEMA’s facilities.

The 2003 Budget request includes inflationary costs and non-recurring expenses, as well as continuing costs of the Office of National Preparedness and administration of the terrorism-related first responder grant program.

For a programmatic description of FEMA’s operational components, see the descriptions under the Emergency Management, Planning and Assistance account.

Object Classification (in millions of dollars)

Identification code 58–0100–0–1–999	2001 actual	2002 est.	2003 est.
Direct obligations:			
Personnel compensation:			
11.1	111	127	141
11.3	1	5	5
11.5	4	5	4
11.9	116	137	150
12.1	36	41	44
21.0	4	8	6
22.0		1	1
23.1	11	16	18
23.2	1		
23.3	4	4	5
24.0		1	1
25.2	29	11	16
25.3	13	15	13
26.0	2	2	2
31.0	3	16	5
99.0	219	252	261
99.0	5	8	6
99.9	224	260	267

Personnel Summary

Identification code 58–0100–0–1–999	2001 actual	2002 est.	2003 est.
Direct:			
1001	1,662	1,894	2,025

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Personnel Summary—Continued

Identification code 58-0100-0-1-999	2001 actual	2002 est.	2003 est.
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	54	57	57

**EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE
(INCLUDING TRANSFER OF FUNDS)**

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), sections 107 and 303 of the National Security Act of 1947, as amended (50 U.S.C. 404-405), and Reorganization Plan No. 3 of 1978, **[\$254,623,000: Provided, That for purposes of pre-disaster mitigation pursuant to 42 U.S.C. 5131(b) and (c) and 42 U.S.C. 5196(e) and (i), \$25,000,000 of the funds made available for project grants under this heading by transfer from "Disaster relief", shall be available until expended] \$3,747,285,000; of which \$3,500,000,000, to remain available until expended, shall be for first responder grants pursuant to 15 U.S.C. 2201 et seq. and 42 U.S.C. 5121 et seq.: Provided, That the Federal share of such grants shall not be less than 75%.**

[For an additional amount for "Emergency management planning and assistance", \$150,000,000 for programs as authorized by section 33 of the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.): Provided, That up to 5 percent of this amount shall be transferred to "Salaries and expenses" for program administration.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.)

[For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for "Emergency management planning and assistance", \$10,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107-38, which shall be available for support of the 2002 Winter Olympics.

For an additional amount for emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States and to support activities related to countering terrorism, for "Emergency management planning and assistance", \$210,000,000, to remain available until September 30, 2003, for programs as authorized by section 33 of the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), as in effect on December 7, 2001, to be obligated from amounts made available in Public Law 107-38: Provided, That up to 5 percent of this amount shall be transferred to "Salaries and Expenses" for program administration] (Emergency Supplemental Act, 2002.)

Program and Financing (in millions of dollars)

Identification code 58-0101-0-1-999	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
Direct program:			
00.01 Readiness, Response and recovery	160	175	139
00.02 Fire prevention and training	135	228	195
00.03 Information technology services	19	18	18
00.04 Flood insurance and mitigation programs	37	54	19
00.05 Regional Operations	1	1	1
00.06 National Preparedness	9	9	3,039
00.09 Executive Direction	5	6	4
09.01 Reimbursable program	65	100	80
10.00 Total new obligations	431	591	3,495
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	10	165

22.00 New budget authority (gross)	452	746	3,830
23.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	458	756	3,995
23.95 Total new obligations	-431	-591	-3,495
23.98 Unobligated balance expiring or withdrawn	-18		
24.40 Unobligated balance carried forward, end of year	10	165	500

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	370	405	3,747
40.15 Appropriation (emergency)		220	
40.35 Appropriation rescinded	-1		
41.00 Transferred to other accounts		-7	
42.00 Transferred from other accounts	3	28	3
43.00 Appropriation (total discretionary)	372	646	3,750
Spending authority from offsetting collections:			
Offsetting collections (cash):			
68.00 Spending authority from offsetting collections, defense program	58	97	77
68.00 Spending authority from offsetting collections, non-defense program	2	3	3
68.10 Change in uncollected customer payments from Federal sources (unexpired)	20		
68.90 Spending authority from offsetting collections (total discretionary)	80	100	80
70.00 Total new budget authority (gross)	452	746	3,830

Change in obligated balances:

72.40 Obligated balance, start of year	277	306	311
73.10 Total new obligations	431	591	3,495
73.20 Total outlays (gross)	-373	-586	-2,099
73.40 Adjustments in expired accounts (net)	-9		
73.45 Recoveries of prior year obligations	-1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-20		
74.40 Obligated balance, end of year	306	311	1,707

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	154	391	1,768
86.93 Outlays from discretionary balances	219	195	331
87.00 Total outlays (gross)	373	586	2,099

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-60	-100	-80
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-20		

Net budget authority and outlays:

89.00 Budget authority	372	646	3,750
90.00 Outlays	313	486	2,019

Note.—Includes \$235 million in budget authority in BY for activities previously financed from the Department of Justice, Office for Domestic Preparedness.

Readiness, response, and recovery.—This activity provides for the development and maintenance of an integrated, nationwide operational capability to prepare for, respond to and recover from the consequences of disasters and emergencies, regardless of their cause, in partnership with other Federal agencies, State and local governments, volunteer organizations, and the private sector. The objective of this activity is to provide the technical assistance, training curriculum, and exercise programs to develop and maintain a knowledgeable, professional and prepared emergency management community that is capable of saving lives, responding to and recovering from disasters, and mitigating the economic impact of disasters.

Fire prevention and training.—This activity prepares Federal, State and local officials, their staffs, emergency first responders, volunteer groups, and the public to meet the responsibilities of domestic emergencies through planning, mitigation, preparedness, response, and recovery. The United States Fire Administration has responsibility for all fire and emergency medical service programs and training activities.

Educational programs are provided through the National Fire Academy, at the National Emergency Training Center, and through field delivery systems. The 2003 Budget combines the \$150 million in fire grant program funds with other funds to create a first responder grant for training and terrorism-related equipment with \$3.5 billion in budget authority.

Information technology services.—This activity provides leadership and direction for management of information technology resources, automated data processing, telecommunications, and information services and systems necessary to accomplish the agency's mission.

Flood insurance and mitigation programs.—This activity provides for the development, coordination, and implementation of policies, plans, and programs to eliminate or reduce the long-term risk to life and property from natural and technological hazards, such as earthquakes and hurricanes. A goal of this activity is to encourage and foster mitigation strategies at the State and local levels.

Regional operations.—This activity supports the Director and Agency management by effectively coordinating between headquarters and regional offices all policy, managerial, resource and administrative actions that affect or impact the ten regions. Also, this activity ensures that FEMA policies, programs, administrative and management guidance are implemented in the regions in a manner consistent with the Agency's overall goals.

National preparedness.—Under this activity, FEMA is taking the lead within the Federal government for the coordination, integration, and implementation of preparedness and consequence management programs and activities focused on developing, building and maintaining the national capability for dealing with weapons of mass destruction, terrorism incidents and other threats. The 2003 budget provides \$30 million for this activity. In addition, the \$3.5 billion in first responder grants will be provided under this activity.

Executive direction.—This activity develops strategies to address public information issues; provides support for enhancements to the financial management system; builds partnerships with and among State and local governments, non-government organizations, and business and industry; supports the Agency's international program and provides agency-wide program support services, such as facilities management and occupational health and safety.

Object Classification (in millions of dollars)			
Identification code 58-0101-0-1-999	2001 actual	2002 est.	2003 est.
Direct obligations:			
23.3 Communications, utilities, and miscellaneous charges	7	10	10
24.0 Printing and reproduction	2	3	2
25.1 Advisory and assistance services	7	5	5
25.2 Other services	55	64	76
25.3 Other purchases of goods and services from Government accounts	12	13	11
25.4 Operation and maintenance of facilities	4	5	5
25.7 Operation and maintenance of equipment	1	2	2
26.0 Supplies and materials	2	3	3
31.0 Equipment	7	9	6
32.0 Land and structures	1	1	1
41.0 Grants, subsidies, and contributions	268	376	3,294
99.0 Direct obligations	366	491	3,415
99.0 Reimbursable obligations	65	100	80
99.9 Total new obligations	431	591	3,495

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, **[\$10,303,000] \$11,957,000: Provided,** That notwithstanding any other provision of law, the Inspector General of the Federal Emergency Management Agency shall also serve as the Inspector General of

the Chemical Safety and Hazard Investigation Board. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)			
Identification code 58-0300-0-1-453	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Direct program	10	11	34
10.00 Total new obligations	10	11	34
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	11	11	34
23.95 Total new obligations	-10	-11	-34
23.98 Unobligated balance expiring or withdrawn	-1		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	11	11	12
42.00 Transferred from other accounts			22
43.00 Appropriation (total discretionary)	11	11	34
Change in obligated balances:			
72.40 Obligated balance, start of year	2	2	2
73.10 Total new obligations	10	11	34
73.20 Total outlays (gross)	-10	-11	-31
74.40 Obligated balance, end of year	2	2	5
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	9	10	29
86.93 Outlays from discretionary balances	1	1	2
87.00 Total outlays (gross)	10	11	31
Net budget authority and outlays:			
89.00 Budget authority	11	11	34
90.00 Outlays	10	11	31

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)			
	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00 Budget authority	10	10	33
90.00 Outlays	9	10	30

This appropriation provides agency-wide audit and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement. The audit function provides internal audit, contract audit, and inspections services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of agency operations.

Object Classification (in millions of dollars)			
Identification code 58-0300-0-1-453	2001 actual	2002 est.	2003 est.
Personnel compensation:			
11.1 Full-time permanent	6	7	7
11.3 Other than full-time permanent			7
11.5 Other personnel compensation	1		
11.9 Total personnel compensation	7	7	14
21.0 Civilian personnel benefits	2	3	6
21.0 Travel and transportation of persons			4
23.1 Rental payments to GSA			2
23.2 Rental payments to others			1
25.2 Other services			6
25.3 Other purchases of goods and services from Government accounts	1	1	1
99.9 Total new obligations	10	11	34

General and special funds—Continued

OFFICE OF INSPECTOR GENERAL—Continued

Personnel Summary

Identification code 58-0300-0-1-453	2001 actual	2002 est.	2003 est.
1001 Total compensable workyears: Full-time equivalent employment	74	90	200

EMERGENCY FOOD AND SHELTER PROGRAM

To carry out an emergency food and shelter program pursuant to title III of Public Law 100-77, as amended, **[\$140,000,000]** \$153,000,000, to remain available until expended: *Provided*, That total administrative costs shall not exceed 3½ percent of the total appropriation. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 58-0103-0-1-605	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
01.01 Direct program	140	140	153
10.00 Total new obligations (object class 41.0)	140	140	153
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	140	140	153
23.95 Total new obligations	-140	-140	-153
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	140	140	153
Change in obligated balances:			
73.10 Total new obligations	140	140	153
73.20 Total outlays (gross)	-140	-140	-153
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	140	140	153
Net budget authority and outlays:			
89.00 Budget authority	140	140	153
90.00 Outlays	140	140	153

Summary of Budget Authority and Outlays

(in millions of dollars)

	2001 actual	2002 est.	2003 est.
Enacted/requested:			
Budget Authority	140	140	153
Outlays	140	140	153
Legislative proposal, not subject to PAYGO:			
Budget Authority			-153
Outlays			-153
Total:			
Budget Authority	140	140	.....
Outlays	140	140	.....

This program provides grants to voluntary organizations at the local level to supplement their programs for emergency food and shelter.

EMERGENCY FOOD AND SHELTER PROGRAM

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 58-0103-2-1-605	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
01.01 Direct program			-153
10.00 Total new obligations (object class 41.0)			-153
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-153

23.95 Total new obligations			153
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New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation			-153

Change in obligated balances:

73.10 Total new obligations			-153
73.20 Total outlays (gross)			153

Outlays (gross), detail:

86.90 Outlays from new discretionary authority			-153
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Net budget authority and outlays:

89.00 Budget authority			-153
90.00 Outlays			-153

The 2003 Budget includes \$153 million to meet the immediate needs of the homeless and proposes transferring this program to the Department of Housing and Urban Development Emergency Food and Shelter Program to permit better coordination of services.

OFFICE OF CERRO GRANDE FIRE CLAIMS

Program and Financing (in millions of dollars)

Identification code 58-0203-0-1-453	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Direct Program Activity	257	145	87
10.00 Total new obligations	257	145	87
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	489	232	87
23.95 Total new obligations	-257	-145	-87
24.40 Unobligated balance carried forward, end of year	232	87	.....
Change in obligated balances:			
72.40 Obligated balance, start of year	7	10	1
73.10 Total new obligations	257	145	87
73.20 Total outlays (gross)	-254	-154	-88
74.40 Obligated balance, end of year	10	1	.....
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	254	154	88
Net budget authority and outlays:			
89.00 Budget authority .....			.....
90.00 Outlays	254	154	88

The Office of Cerro Grande Fire Claims was established by Public Law 106-246 to provide expeditious consideration and settlement of claims arising from the Cerro Grande Prescribed Fire. Funds for administration of the compensation process and for the payment of claims are available until expended.

Object Classification (in millions of dollars)

Identification code 58-0203-0-1-453	2001 actual	2002 est.	2003 est.
11.3 Personnel compensation: Other than full-time permanent	4	3	1
12.1 Civilian personnel benefits	1	1	.....
21.0 Travel and transportation of persons	1	1	.....
23.1 Rental payments to GSA	1	.....	.....
25.1 Advisory and assistance services	4	.....	.....
25.2 Other services	14	6	1
25.3 Other purchases of goods and services from Government accounts	1	.....	.....
42.0 Insurance claims and indemnities	231	134	85
99.9 Total new obligations	257	145	87

Personnel Summary

Identification code 58-0203-0-1-453	2001 actual	2002 est.	2003 est.
1001 Total compensable workyears: Full-time equivalent employment	66	26	10

RADIOLOGICAL EMERGENCY PREPAREDNESS FUND

The aggregate charges assessed during fiscal year [2002] 2003, as authorized by Public Law 106-377, shall not be less than 100 percent of the amounts anticipated by FEMA necessary for its radiological emergency preparedness program for the next fiscal year. The methodology for assessment and collection of fees shall be fair and equitable; and shall reflect costs of providing such services, including administrative costs of collecting such fees. Fees received pursuant to this section shall be deposited in the Fund as offsetting collections and will become available for authorized purposes on October 1, [2002] 2003, and remain available until expended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.*)

Unavailable Collections (in millions of dollars)

Identification code 58-5436-0-1-453	2001 actual	2002 est.	2003 est.
01.99 Balance, start of year	1	1	2
Receipts:			
02.80 Radiological emergency preparedness fund, offsetting collections	14	15	15
04.00 Total: Balances and collections	15	16	17
Appropriations:			
05.00 Radiological emergency preparedness fund	-14	-14	-14
05.99 Total appropriations	-14	-14	-14
07.99 Balance, end of year	1	2	3

Program and Financing (in millions of dollars)

Identification code 58-5436-0-1-453	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
09.00 Reimbursable program	15	15	14
10.00 Total new obligations	15	15	14

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	2	1	
22.00 New budget authority (gross)	14	14	14
23.90 Total budgetary resources available for obligation	16	15	14
23.95 Total new obligations	-15	-15	-14
24.40 Unobligated balance carried forward, end of year	1		1

New budget authority (gross), detail:

Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	14	15	15
68.26 From offsetting collections (unavailable balances)	14	14	14
68.45 Portion precluded from obligation (limitation on obligations)	-14	-15	-15
68.90 Spending authority from offsetting collections (total discretionary)	14	14	14

Change in obligated balances:

72.40 Obligated balance, start of year		2	3
73.10 Total new obligations	15	15	14
73.20 Total outlays (gross)	-13	-14	-14
74.40 Obligated balance, end of year	2	3	3

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	11	11	11
86.93 Outlays from discretionary balances	2	3	3
87.00 Total outlays (gross)	13	14	14

Offsets:

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-14	-15	-15

Net budget authority and outlays:

89.00 Budget authority		-1	-1
90.00 Outlays	-1	-1	-1

The Radiological Emergency Preparedness (REP) program assists State and local governments in the development of off-site radiological emergency plans and in preparedness within the emergency planning zones of Nuclear Regulatory Commission (NRC) licensed commercial nuclear power facilities. The fund is financed from fees assessed and collected from the NRC licensees to cover the cost of the REP program.

Object Classification (in millions of dollars)

Identification code 58-5436-0-1-453	2001 actual	2002 est.	2003 est.
99.0 Reimbursable obligations: Reimbursable obligations ...	15	15	14
99.9 Total new obligations	15	15	14

Personnel Summary

Identification code 58-5436-0-1-453	2001 actual	2002 est.	2003 est.
2001 Total compensable workyears: Full-time equivalent employment	84	90	90

FLOOD MAP MODERNIZATION FUND

For necessary expenses pursuant to section 1360 of the National Flood Insurance Act of 1968, \$300,000,000, and such additional sums as may be provided by State or local governments or other political subdivisions for cost-shared mapping activities under section 1360(f)(2), to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 58-5464-0-2-453	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Map Modernization	19	32	300
10.00 Total new obligations (object class 25.2)	19	32	300

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	1		
22.00 New budget authority (gross)	18	32	300
23.90 Total budgetary resources available for obligation	19	32	300
23.95 Total new obligations	-19	-32	-300

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation			300
42.00 Transferred from other accounts		25	
43.00 Appropriation (total discretionary)		25	300
68.62 Spending authority from offsetting collections: Transferred from other accounts	18	7	
70.00 Total new budget authority (gross)	18	32	300

Change in obligated balances:

72.40 Obligated balance, start of year	4	22	32
73.10 Total new obligations	19	32	300
73.20 Total outlays (gross)	-1	-22	-91
74.40 Obligated balance, end of year	22	32	243

Outlays (gross), detail:

86.90 Outlays from new discretionary authority		14	75
86.93 Outlays from discretionary balances	1	8	16
87.00 Total outlays (gross)	1	22	91

Net budget authority and outlays:

89.00 Budget authority	19	32	300
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General and special funds—Continued

FLOOD MAP MODERNIZATION FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 58-5464-0-2-453	2001 actual	2002 est.	2003 est.
90.00 Outlays	1	22	91

Public Law 106-377 authorized the transfer of \$18 million in National Flood Insurance Fund policyholder fees collected but unexpended during fiscal years 1994 through 1998 to the Flood Map Modernization Fund for use in 2001 to update and modernize FEMA's inventory of over 100,000 flood maps. The flood maps are used to determine appropriate risk-based premium rates for the National Flood Insurance Program, complete flood hazard determinations required of the nation's lending institutions, and to develop appropriate disaster response plans for Federal, State, and local emergency management personnel. In 2003, the Budget proposes a \$300 million appropriation to modernize and digitize flood maps.

**NATIONAL FLOOD INSURANCE FUND
(INCLUDING TRANSFER OF FUNDS)**

For activities under the National Flood Insurance Act of 1968 ("the Act"), the Flood Disaster Protection Act of 1973, as amended, not to exceed **[\$28,798,000] \$32,393,000** for salaries and expenses associated with flood mitigation and flood insurance operations, and not to exceed **[\$76,381,000] \$77,666,000 for flood mitigation, to remain available until September 30, 2004**, including up to \$20,000,000 for expenses under section 1366 of the Act, which amount shall be available for transfer to the National Flood Mitigation Fund until September 30, **[2003] 2004**, and which amounts shall be derived from *offsetting collections assessed and collected pursuant to 42 U.S.C. 4014*, and shall be retained and used for necessary expenses under this heading: *Provided, That beginning in fiscal year 2003 and thereafter, fees authorized in 42 U.S.C. 4014(a)(1)(B)(iii) shall be collected only if provided in advance in appropriations acts.* In fiscal year **[2002] 2003**, no funds in excess of: (1) \$55,000,000 for operating expenses; (2) **[\$536,750,000] \$529,380,000** for agents' commissions and taxes; and (3) **[\$30,000,000] \$40,000,000** for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations.

[In addition, up to \$7,000,000 in fees collected but unexpended during fiscal years 2000 through 2001 shall be transferred to the Flood Map Modernization Fund and available for expenditure in fiscal year 2002.]

Section 1309(a)(2) of the Act (42 U.S.C. 4016(a)(2)), as amended, is further amended by striking **["2001"] "2002"** and inserting **["2002"] "2003"**.

Section 1319 of the Act, as amended (42 U.S.C. 4026), is amended by striking **["September 30, 2001"] "December 31, 2002"** and inserting **"December 31, [2002] 2003"**.

Section 1336(a) of the Act, as amended (42 U.S.C. 4056), is amended by striking **["September 30, 2001"] "December 31, 2002"** and inserting **"December 31, [2002] 2003"**.

Section 1376(c) of the Act, as amended (42 U.S.C. 4127(c)), is amended by striking **"December 31, [2001] 2002"** and inserting **"December 31, [2002] 2003"**. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

Identification code 58-4236-0-3-453	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
09.01 Insurance underwriting expense	521	570	584
09.02 Loss and adjustment expense	1,519	764	788
09.03 Interest expense	8	28	24
09.04 Flood insurance and mitigation program expense	81	86	90
10.00 Total new obligations	2,129	1,448	1,486

Budgetary resources available for obligation:

22.00 New budget authority (gross)	2,123	1,448	1,486
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22.10 Resources available from recoveries of prior year obligations	6		
23.90 Total budgetary resources available for obligation	2,129	1,448	1,486
23.95 Total new obligations	-2,129	-1,448	-1,486

New budget authority (gross), detail:

Mandatory:			
67.10 Authority to borrow	556		
Spending authority from offsetting collections:			
Discretionary:			
Offsetting collections (cash):			
68.00 Offsetting collections (cash)	26	30	32
68.00 Offsetting collections (cash)	77	76	78
68.61 Transferred to other accounts	-38	-27	-20
68.90 Spending authority from offsetting collections (total discretionary)	65	79	90
Mandatory:			
Offsetting collections (cash):			
69.00 Offsetting collections (Claims Expense)	950	1,002	1,045
69.00 Offsetting collections (Underwriting Limit)	456	537	529
69.00 Offsetting collections (Operating Expense Limit)	55	55	55
69.00 Offsetting collections (Interest Expense Limit)	40	30	40
69.47 Portion applied to repay debt		-255	-273
69.90 Spending authority from offsetting collections (total mandatory)	1,501	1,369	1,396
70.00 Total new budget authority (gross)	2,122	1,447	1,486

Change in obligated balances:

72.40 Obligated balance, start of year	289	557	499
73.10 Total new obligations	2,129	1,448	1,486
73.20 Total outlays (gross)	-1,855	-1,506	-1,545
73.45 Recoveries of prior year obligations	-6		
74.40 Obligated balance, end of year	557	499	440

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	39	48	53
86.93 Outlays from discretionary balances	32	26	30
86.97 Outlays from new mandatory authority	1,555	957	1,043
86.98 Outlays from mandatory balances	228	476	418
87.00 Total outlays (gross)	1,854	1,505	1,545

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Collection of program expenses	-1,502	-1,625	-1,670
88.40 Collection of program expenses	-102	-105	-109
88.90 Total, offsetting collections (cash)	-1,604	-1,730	-1,779

Net budget authority and outlays:

89.00 Budget authority	519	-282	-292
90.00 Outlays	252	-224	-234

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00 Budget authority	519	-282	-293
90.00 Outlays	251	-224	-234

Summary of Budget Authority and Outlays

(in millions of dollars)

	2001 actual	2002 est.	2003 est.
Enacted/requested:			
Budget Authority	518	-282	-293
Outlays	250	-223	-235
Legislative proposal, subject to PAYGO:			
Budget Authority			-7
Outlays			-43
Total:			
Budget Authority	518	-282	-300
Outlays	250	-223	-278

The National Flood Insurance Act of 1968, as amended, authorizes the Federal Government to provide flood insurance

on a national basis. Flood insurance may be sold or continued in force only in communities which enact and enforce appropriate floodplain management measures. Communities must participate in the program within one year of the time they are identified as flood-prone in order to be eligible for flood insurance and some forms of Federal financial assistance for acquisition or construction purposes.

In addition, Federally regulated funding institutions can not provide loans to non-participating communities with an identified flood hazard. In 2003, the budget assumes collection of all of the administrative and program costs associated with flood insurance activities from policy holders.

Under the emergency program, structures in identified flood-prone areas are eligible for limited amounts of coverage at subsidized insurance rates. Under the regular program, studies must be made of different flood risks in flood-prone areas to establish actuarial premium rates. These rates are charged for insurance on new construction. Coverage is available on virtually all types of buildings and their contents in amounts up to \$350 thousand for residential and \$1 million for other types.

Budget program—Insurance underwriting expense.—Cost of initiating and maintaining flood insurance policies is estimated at \$584 million in 2003.

Loss and adjustment expense.—Insured flood losses and associated loss adjustment expense is estimated at \$788 million in 2002.

Interest expense.—Interest expenses for Treasury borrowings are projected; a ceiling of \$40 million is requested to cover charges for purchasing Treasury securities and possible unanticipated interest costs.

Flood Insurance and Mitigation Program Expenses.—This activity is estimated at \$109 million. FEMA will recover the cost of the following activities from a policy surcharge of \$30:

Flood studies and surveys.—These studies are estimated at \$51 million in 2003.

Flood hazard reduction.—This activity, which includes grants to States, is estimated at \$7 million in 2003.

Mitigation assistance.—Up to \$20 million will be transferred to the National Flood Mitigation Fund in 2003.

Salaries and expenses.—This activity provides for salaries and related expenses of all Federal staff administering the National Flood Insurance Program and is estimated at \$31 million in 2003.

The Administration proposes converting administrative fee collections from mandatory to discretionary. Flood insurance administrative spending, which is funded from fee collections, is already discretionary. This proposal would more closely link budgetary resources with program levels and would not change offsetting collection amounts.

Financing.—The Administrator is authorized to borrow up to \$1 billion (\$1.5 billion in 1997 through 2002 only) to carry out the program. The program is financed through premium income and appropriations to repay borrowing.

Operating results.—Program experience is reviewed annually and, as necessary, flood insurance rates will be adjusted to maintain the NFIP's self-supporting status for the historical average loss year and to maintain the soundness of rates for actuarially rated policies.

Statement of Operations (in millions of dollars)

Identification code 58-4236-0-3-453	2000 actual	2001 actual	2002 est.	2003 est.
0101 Revenue	1,475	1,603	1,729	1,778
0102 Expense	-887	-2,165	-1,474	-1,505
0105 Net income or loss (-)	588	-562	255	273

Balance Sheet (in millions of dollars)

Identification code 58-4236-0-3-453	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	55	22	10	10
Non-Federal assets:				
1206 Receivables, net	15	13	15	18
1207 Advances and prepayments	257	260	299	344
Other Federal assets:				
1801 Cash and other monetary assets	11	-21	5	6
1802 Inventories and related properties	4	4	5	5
1803 Property, plant and equipment, net .....	.....	1	1	1
1999 Total assets	342	279	335	384
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	12	8	14	12
2103 Debt	345	600	486	363
Non-Federal liabilities:				
2201 Accounts payable	43	56	41	31
2207 Other	951	1,193	865	890
2999 Total liabilities	1,351	1,857	1,406	1,296
NET POSITION:				
3300 Cumulative results of operations	-1,010	-1,578	-1,071	-912
3999 Total net position	-1,010	-1,578	-1,071	-912
4999 Total liabilities and net position	342	279	335	384

Object Classification (in millions of dollars)

Identification code 58-4236-0-3-453	2001 actual	2002 est.	2003 est.
11.1 Personnel compensation: Full-time permanent	17	20	21
12.1 Civilian personnel benefits	5	5	6
21.0 Travel and transportation of persons	1	1	1
23.1 Rental payments to GSA	3	3	3
23.3 Communications, utilities, and miscellaneous charges	2	.....	.....
24.0 Printing and reproduction	7	2	2
25.2 Other services	559	613	629
25.3 Other purchases of goods and services from Government accounts	2	4	4
41.0 Grants, subsidies, and contributions	6	8	8
42.0 Insurance claims and indemnities	1,519	764	788
43.0 Interest and dividends	8	28	24
99.9 Total new obligations	2,129	1,448	1,486

Personnel Summary

Identification code 58-4236-0-3-453	2001 actual	2002 est.	2003 est.
2001 Total compensable workyears: Full-time equivalent employment	242	260	271

NATIONAL FLOOD INSURANCE FUND
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 58-4236-4-3-453	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
09.01 Insurance underwriting expense	-30
09.02 Loss and Adjustment Expense	-6
09.03 Insurance to value	1
10.00 Total new obligations	-35
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1
22.60 Portion applied to repay debt	-36
23.90 Total budgetary resources available for obligation	-35
23.95 Total new obligations	35
New budget authority (gross), detail:			
Mandatory:			
Offsetting collections (cash):			
69.00 Offsetting collections (Claims Expense)	7
69.00 Offsetting collections (insurance to value)	1

General and special funds—Continued

NATIONAL FLOOD INSURANCE FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 58-4236-4-3-453	2001 actual	2002 est.	2003 est.
69.47 Portion applied to repay debt			-7
69.90 Spending authority from offsetting collections (total mandatory)			1
Change in obligated balances:			
73.10 Total new obligations			-35
73.20 Total outlays (gross)			35
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			-35
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Subsidy Phase Out			-7
88.40 Insurance to value			-1
88.90 Total, offsetting collections (cash)			-8
Net budget authority and outlays:			
89.00 Budget authority			-7
90.00 Outlays			-43

The budget proposes four reforms to the National Flood Insurance Program intended to improve its financial condition and to shift more financial responsibility for flood losses to the owners of flood prone properties. First, the budget proposes phasing out subsidized premiums for vacation homes, rental properties, and other non-primary residences and businesses starting in 2003. Rates for primary residences, which represent the majority of the program's policies, would not change under this proposal. Second, the budget proposes that the program cover erosion risk explicitly and that flood premiums start to reflect this risk. FEMA frequently pays for property damage caused by erosion in coastal areas even though erosion risk is not currently covered by flood insurance policies. Third, the budget proposes that lenders require that properties located in the flood plain be insured their full value. Under current law, lenders must only ensure that flood insurance covers the outstanding principal balance of a loan for a property situated in the flood plain. Last, the budget proposes to end state taxation of flood insurance policies sold by private insurance companies that partner with FEMA to sell, market, and service flood insurance. Because flood insurance is a financial service offered by the Federal government (the government retains all risk), it should not be taxed by states.

Statement of Operations (in millions of dollars)

Identification code 58-4236-4-3-453	2000 actual	2001 actual	2002 est.	2003 est.
0101 Revenue				8
0102 Expense				36
0105 Net income or loss (-)				44

Balance Sheet (in millions of dollars)

Identification code 58-4236-4-3-453	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury				-43
LIABILITIES:				
2103 Federal liabilities: Debt				-43
2999 Total liabilities				-43
4999 Total liabilities and net position				-43

Object Classification (in millions of dollars)

Identification code 58-4236-4-3-453	2001 actual	2002 est.	2003 est.
25.2 Other services			-30
Insurance claims and indemnities:			
42.0 Insurance claims and indemnities			-6
42.0 Insurance claims and indemnities			1
99.9 Total new obligations			-35

NATIONAL FLOOD MITIGATION FUND

(INCLUDING TRANSFER OF FUNDS)

Notwithstanding sections 1366(b)(3)(B)-(C) and 1366(f) of the National Flood Insurance Act of 1968, as amended, \$20,000,000, to remain available until September 30, [2003] 2004, for activities designed to reduce the risk of flood damage to structures pursuant to such Act, of which \$20,000,000 shall be derived from the National Flood Insurance Fund. [Of the amount provided, \$2,500,000 is to be used for the purchase of flood-prone properties in the city of Austin, Minnesota, and any cost-share is waived.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002.)

Program and Financing (in millions of dollars)

Identification code 58-4243-0-3-453	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Flood Mitigation Assistance	20	30	20
10.00 Total new obligations (object class 41.0)	20	30	20
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	9	10	
22.00 New budget authority (gross)	20	20	20
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	30	30	20
23.95 Total new obligations	-20	-30	-20
24.40 Unobligated balance carried forward, end of year	10		
New budget authority (gross), detail:			
Discretionary:			
68.62 Spending authority from offsetting collections (transferred from other accounts)	20	20	20
Change in obligated balances:			
72.40 Obligated balance, start of year	40	45	54
73.10 Total new obligations	20	30	20
73.20 Total outlays (gross)	-13	-21	-23
73.40 Adjustments in expired accounts (net)	-1		
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	45	54	51
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		1	1
86.93 Outlays from discretionary balances	13	20	22
87.00 Total outlays (gross)	13	21	23
Net budget authority and outlays:			
89.00 Budget authority	20	20	20
90.00 Outlays	13	21	23

Through fee generated funds transferred from the National Flood Insurance Fund, the National Flood Mitigation Fund provides a mechanism to reduce the financial burden of pre-existing, at-risk structures that are repetitively flooded by removing or elevating these structures out of flood hazard areas, as well as provide flood mitigation assistance planning support to States and communities.

Currently, roughly two percent of the flood insurance policy base is responsible for nearly 40 percent of claim payments made by the National Flood Insurance Fund. Through grants to States, up to \$20 million will be used to remove or elevate these types of properties from the floodplain. The end result

will be a lower net subsidy required to operate this insurance program, less claims on the Disaster Relief Fund, and fewer individuals living in hazardous areas.

Intragovernmental revolving funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 58-4188-0-4-803	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
09.01 Reimbursable program	23	34	26
10.00 Total new obligations	23	34	26
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	8	9	
22.00 New budget authority (gross)	25	25	26
23.90 Total budgetary resources available for obligation	33	34	26
23.95 Total new obligations	-23	-34	-26
24.40 Unobligated balance carried forward, end of year	9		
New budget authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	25	25	26
Change in obligated balances:			
72.40 Obligated balance, start of year	7	8	12
73.10 Total new obligations	23	34	26
73.20 Total outlays (gross)	-22	-30	-29
74.40 Obligated balance, end of year	8	12	9
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	9	17	17
86.93 Outlays from discretionary balances	13	13	12
87.00 Total outlays (gross)	22	30	29
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-25	-25	-26
Net budget authority and outlays:			
89.00 Budget authority	1	1	1
90.00 Outlays	-2	6	4

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
90.00 Outlays	-3	5	3

The Working Capital Fund is financed from fees charged for services provided at the Mt. Weather Emergency Assistance Center, including conference, training, and office support, motor pool services, and temporary lodging. These services are available to organizations within FEMA and other Federal agencies.

Object Classification (in millions of dollars)

Identification code 58-4188-0-4-803	2001 actual	2002 est.	2003 est.
Personnel compensation:			
11.1 Full-time permanent	8	9	9
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	9	10	10
12.1 Civilian personnel benefits	3	3	3
23.3 Communications, utilities, and miscellaneous charges	1	2	1
25.2 Other services	2	4	2
25.3 Other purchases of goods and services from Government accounts	3	2	1
25.4 Operation and maintenance of facilities		3	3
25.7 Operation and maintenance of equipment		1	

26.0	Supplies and materials	2	3	1
31.0	Equipment	1	1	1
32.0	Land and structures	2	5	4
99.0	Reimbursable obligations	23	34	26
99.9	Total new obligations	23	34	26

Personnel Summary

Identification code 58-4188-0-4-803	2001 actual	2002 est.	2003 est.
2001 Total compensable workyears: Full-time equivalent employment	173	189	189

Credit accounts:

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

For [the cost of] direct loans, [\$405,000] as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act: *Provided*, That [such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize] gross obligations for the principal amount of direct loans not to exceed \$25,000,000: *Provided further*, That the cost of modifying such loans shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended. In addition, for administrative expenses to carry out the direct loan program, \$557,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2002; additional authorizing legislation required.)

Program and Financing (in millions of dollars)

Identification code 58-0105-0-1-453	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Community disaster loan program subsidy	2		
00.05 Reestimate of direct loan subsidy	43		
00.06 Interest on reestimates of direct loan subsidy	3		
00.09 Administrative Expenses		1	1
10.00 Total new obligations	48	1	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	8	7	7
22.00 New budget authority (gross)	48	1	1
23.90 Total budgetary resources available for obligation	56	8	8
23.95 Total new obligations	-48	-1	-1
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	7	7	7
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	2	1	1
Mandatory:			
60.00 Appropriation	46		
70.00 Total new budget authority (gross)	48	1	1
Change in obligated balances:			
72.40 Obligated balance, start of year	3	3	3
73.10 Total new obligations	48	1	1
73.20 Total outlays (gross)	-48	-1	-1
74.40 Obligated balance, end of year	3	3	3
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	1	1
86.97 Outlays from new mandatory authority	46		
87.00 Total outlays (gross)	48	1	1
Net budget authority and outlays:			
89.00 Budget authority	48	1	1
90.00 Outlays	48	1	1

Disaster assistance loans authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act 42 U.S.C. 5121 et seq. are loans to States for the non-Federal portion

Credit accounts—Continued

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT—Continued

of cost-sharing funds and community disaster loans to local governments incurring substantial loss of tax and other revenues as a result of a major disaster. The funds requested for this program include direct loans and a subsidy based on criteria including loan amount and interest charged.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 58-0105-0-1-453	2001 actual	2002 est.	2003 est.
Direct loan levels supportable by subsidy budget authority:			
115001 States share program	25	25	25
115002 Community Disaster Loans			
115901 Total direct loan levels	25	25	25
Direct loan subsidy (in percent):			
132001 States share program	6.71	1.62	-4.10
132002 Community Disaster Loans	96.19	91.92	92.17
132901 Weighted average subsidy rate	8.00	91.92	-4.00
Direct loan subsidy budget authority:			
133001 States share program	2		-1
133002 Community Disaster Loans			
133901 Total subsidy budget authority	2		-1
Direct loan subsidy outlays:			
134001 States share program			-1
134002 Community Disaster Loans			
134901 Total subsidy outlays			-1
Direct loan upward reestimate subsidy budget authority:			
135001 States share program	1		
135002 Community Disaster Loans	45		
135901 Total upward reestimate budget authority	46		
Direct loan upward reestimate subsidy outlays:			
136001 States share program	1		
136002 Community Disaster Loans	45		
136901 Total upward reestimate outlays	46		
Direct loan downward reestimate subsidy budget authority:			
137001 States share program	-9		
137002 Community Disaster Loans	-1		
137901 Total downward reestimate budget authority	-10		
Direct loan downward reestimate subsidy outlays:			
138001 States share program	-9		
138002 Community Disaster Loans	-1		
138901 Total downward reestimate subsidy outlays	-10		
Administrative expense data:			
351001 Budget authority		1	1
359001 Outlays from new authority		1	1

Object Classification (in millions of dollars)

Identification code 58-0105-0-1-453	2001 actual	2002 est.	2003 est.
Direct obligations:			
41.0 Grants, subsidies, and contributions	45		
43.0 Interest and dividends	3		
99.0 Direct obligations	48		
99.5 Below reporting threshold		1	1
99.9 Total new obligations	48	1	1

Personnel Summary

Identification code 58-0105-0-1-453	2001 actual	2002 est.	2003 est.
1001 Total compensable workyears: Full-time equivalent employment	3	3	3

DISASTER ASSISTANCE DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 58-4234-0-3-453	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Direct loans	1	25	25
00.02 Interest on Treasury borrowing	4	1	2
00.91 Direct Program by Activities—Subtotal (1 level)	5	26	27
08.02 Payment of downward reestimate to receipt account	7		
08.03 Purchase of loan from liquidating account	44		
08.04 Payment of interest on downward reestimate to receipt account	3		
08.91 Direct Program by Activities—Subtotal (1 level)	54		
10.00 Total new obligations	59	26	27
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	67	15	
22.00 New financing authority (gross)	7	11	27
23.90 Total budgetary resources available for obligation	74	26	27
23.95 Total new obligations	-59	-26	-27
24.40 Unobligated balance carried forward, end of year	15		
New financing authority (gross), detail:			
Discretionary:			
42.00 Transferred from other accounts		2	
Mandatory:			
67.10 Authority to borrow	23	25	25
69.00 Offsetting collections (cash)	56	10	15
69.47 Portion applied to repay debt	-72	-26	-13
69.90 Spending authority from offsetting collections (total mandatory)	-16	-16	2
70.00 Total new financing authority (gross)	7	11	27
Change in obligated balances:			
72.40 Obligated balance, start of year	3	2	2
73.10 Total new obligations	59	26	27
73.20 Total financing disbursements (gross)	-60	-26	-27
74.40 Obligated balance, end of year	2	2	2
87.00 Total financing disbursements (gross)	60	26	27
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Interest on Upward Reestimates	-3		
88.00 Federal sources Reestimates	-43		
88.25 Interest on uninvested funds	-6	-5	-5
Non-Federal sources:			
88.40 Repayments of principal	-2	-4	-8
88.40 Interest received on loans	-2	-1	-2
88.90 Total, offsetting collections (cash)	-56	-10	-15
Net financing authority and financing disbursements:			
89.00 Financing authority	-49	1	12
90.00 Financing disbursements	4	16	12

Status of Direct Loans (in millions of dollars)

Identification code 58-4234-0-3-453	2001 actual	2002 est.	2003 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	25	25	25
1142 Unobligated direct loan limitation (-)	-25		
1150 Total direct loan obligations		25	25

Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	136	165	157
Disbursements:				
1231	Direct loan disbursements	2	25	25
1233	Purchase of loans assets from a liquidating account	29		
1251	Repayments: Repayments and prepayments	-2	-4	-8
1263	Write-offs for default: Direct loans		-29	
1290	Outstanding, end of year	165	157	174

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records, for this program, all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 58-4234-0-3-453					
ASSETS:					
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross	136	165	157	174
1402	Interest receivable	30	39	38	36
1405	Allowance for subsidy cost (-)	-156	-202	-173	-173
1499	Net present value of assets related to direct loans	10	2	22	37
1801	Other Federal assets: Cash and other monetary assets	68	15	15	15
1999	Total assets	78	17	37	52
LIABILITIES:					
Federal liabilities:					
2103	Debt	59	10	9	21
2105	Other	3	3	3	3
2999	Total liabilities	62	13	12	24
NET POSITION:					
3300	Cumulative results of operations	16	4	25	28
3999	Total net position	16	4	25	28
4999	Total liabilities and net position	78	17	37	52

DISASTER ASSISTANCE DIRECT LOAN LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 58-4232-0-3-453			
New budget authority (gross), detail:			
Mandatory:			
69.00	Offsetting collections Loan Modification	44	
69.47	Portion applied to repay debt	-44	
69.90	Spending authority from offsetting collections (total mandatory)		
Offsets:			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	-44	
Net budget authority and outlays:			
89.00	Budget authority	-44	
90.00	Outlays	-44	

Status of Direct Loans (in millions of dollars)

Identification code 58-4232-0-3-453			
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	29	
1251	Repayments: Repayments and prepayments	-29	

Statement of Operations (in millions of dollars)

Identification code 58-4232-0-3-453				
0101	Revenue	4		

0105	Net income or loss (-)	4		
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As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond (including modifications of direct loans) is recorded in corresponding program and financing accounts. Outstanding loans are less than \$500,000.

Balance Sheet (in millions of dollars)

Identification code 58-4232-0-3-453				
ASSETS:				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601	Direct loans, gross	29		
1602	Interest receivable	15		
1603	Allowance for estimated uncollectible loans and interest (-)	-33		
1604	Direct loans and interest receivable, net	11		
1699	Value of assets related to direct loans	11		
1999	Total assets	11		
NET POSITION:				
3300	Cumulative results of operations	11		
3999	Total net position	11		
4999	Total liabilities and net position	11		

Trust Funds

BEQUESTS AND GIFTS

Program and Financing (in millions of dollars)

Identification code 11-8244-0-7-453				
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	2	2	2
24.40	Unobligated balance carried forward, end of year	2	2	2
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays			
Memorandum (non-add) entries:				
92.01	Total investments, start of year: Federal securities:			
	Par value	1	2	2
92.02	Total investments, end of year: Federal securities:			
	Par value	2	2	2

This fund represents contributions primarily from the estate of Cora Brown to support the activities of the Disaster Relief Fund.

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

2001 actual				
2002 est.				
2003 est.				
Offsetting receipts from the public:				
58-274030	Disaster assistance, downward reestimates	10		
General Fund Offsetting receipts from the public				
		10		