Reimagining Disaster Recovery

The FEMA Review Council, the RAPID Proposal, and What State and Local Governments Need Do Next

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A Whitepaper on Federal Disaster Reform and the Readiness Posture SLTTs Need Now

Two months after the President's FEMA Review Council released its final report, the direction of federal disaster policy is clearer than the timeline. The Council's guiding phrase, that disaster response should be **"locally executed, state or tribally managed, and federally supported"** reframes the roles of every actor in the recovery ecosystem.

It does not eliminate FEMA. It narrows FEMA to catastrophic incidents and national coordination, and it hands states, tribes, territories, and local jurisdictions (SLTTs) a materially larger share of the operational, financial, and compliance load. Congressional action is required for most of the substantive changes, and public comment closed on June 8, but the signal is loud enough that state legislatures, governors' offices, and county boards are already adjusting reserve funds, mitigation plans, and staffing assumptions.

This whitepaper does two things. First, it synthesizes what the Council actually proposed, with a clear-eyed view of the tradeoffs, particularly the tension between speed and precision embedded in the proposed **RAPID** funding model. Second, it lays out a concrete readiness posture that SLTTs and their partners can adopt now, regardless of how quickly Congress moves.

The core argument is simple: federal reform is coming, but the binding constraint on recovery outcomes has never been federal speed alone. It is state and local execution capacity. Any reform including RAPID, the more incremental *Fixing Emergency Management for Americans Act* (H.R. 4669), or something in between will succeed only to the degree that SLTTs are ready to manage projects, funds, survivors, and evidence at a scale most have never operated at before.

What the Review Council Actually Proposes

The 75-page final report is unusually specific for a policy review. Five structural changes matter most to SLTTs.

- **First, higher declaration thresholds and minimum-spend requirements** mean that mid-sized events which historically drew federal declarations will be handled with state and local assets only.
- **Second, the proposed RAPID model** replaces the current Public Assistance reimbursement mechanic with a lump-sum payment delivered to the state within 30 days of a declaration, sized by parametric hazard measures (flood depth, wind speed, and similar) rather than itemized damage assessment; states then own project eligibility, procurement, environmental review, and distribution, in many cases under their own standards rather than federal ones.
- **Third, Individual Assistance is simplified** toward a direct-payment model focused on residents whose homes become uninhabitable, with sheltering, evacuation support, and long-term housing recovery moving to state and local responsibility.
- **Fourth, federal cost shares are tied to state preparedness benchmarks**. Disaster reserve funds, active hazard mitigation programs, preparedness systems, interoperable communications, insurance coverage standards, and statewide EM capability are converting preparedness from a soft virtue into a measurable, auditable compliance regime.

- **Fifth, National Flood Insurance Program reform** pushes more policies into the private market, expands risk-based pricing, and concentrates mitigation investment on repetitive-loss properties.

Notably, several federal capabilities are preserved: EMPG, Urban Search and Rescue, IPAWS emergency alerts, regional coordination structures, and EMAC mutual aid remain intact. The Council envisions FEMA as a “lean, coordination-focused workforce,” not an eliminated agency. That distinction matters. The integration surface for state EOCs, alerting systems, and mutual aid workflows does not disappear; it becomes more important, because it is the connective tissue that will hold recovery together when direct federal support recedes.

The RAPID Tradeoff: Speed Is Not the Same as Recovery

RAPID's strongest argument is speed. Today's Public Assistance program relies on detailed project-by-project review, which regularly delays funding for months or years. Moving from itemized reimbursement to a parametric lump sum could compress that timeline dramatically and reduce administrative friction on both sides. But three real risks travel with the speed.

- **First, parametric estimates will miss the mark in specific cases.** Even a well-designed model will underfund some jurisdictions and overfund others, especially where damage involves complex utility or transportation infrastructure with wide regional variation in labor, materials, and regulatory requirements.
- **Second, insurance incentives are not the same as insurance coverage.** The Council's assumption that RAPID plus new duplication-of-benefits treatment will materially increase public infrastructure coverage is uncertain, particularly in high-risk jurisdictions where the relevant coverage is unavailable or unaffordable, and where SLTTs lack the capacity to design and manage insurance arrangements at portfolio scale.
- **Third, faster funding does not equal faster recovery.** A significant share of current recovery delay is not FEMA-side; it is SLTT-side. FEMA has approved substantial funding in past disasters that sat unspent because jurisdictions could not staff project formulation, complete documentation, or execute contracts fast enough to draw down. Accelerating obligation does not fix that on-the-ground execution constraint.

A Credible Middle Path

The *Fixing Emergency Management for Americans Act* (introduced July 2025, 72 bipartisan cosponsors) proposes to accelerate funding by acting on project estimates and statutorily defined FEMA decision timeframes, while preserving project-level accountability tied to identifiable scopes of work. It is less dramatic than RAPID, and it may be more implementable. Regardless of which vehicle Congress moves — and something will move — the implementation challenges are the same: significant Stafford Act amendments; ongoing recalibration of parametric models; new systems, tools, training, and guidance across FEMA and applicants; and, above all, **recipient readiness**. Without stronger SLTT capacity, faster federal money will produce the same slow recoveries the Council is trying to end.

What State and Local Governments Should Do Now

The reforms will take years. The exposure does not wait. The most defensible move for any SLTT this fiscal year is to build the readiness posture that would earn a favorable cost share, execute a lump-sum award, and stand-up survivor services on state authority, regardless of which version of reform lands. That posture has four components.

- **Preparedness on a scorecard.** Stand up continuous, evidence-backed tracking against the five cost-share benchmarks: reserve fund health, hazard mitigation plan currency, preparedness systems, interoperable communications, and insurance coverage. This is the artifact that will be audited, and it is the artifact your governor and legislature will need to fund the gaps.

- **RAPID-ready projections and evidence.** Pre-event hazard modeling for flood, wind, wildfire, and seismic exposure, at parcel resolution, becomes upstream of state revenue under a parametric model. Build the projection, defend the projection, and document the projection now, so a declaration turns into an allocation you can rationally distribute in weeks rather than months.
- **State-side project management infrastructure.** Under RAPID, states inherit eligibility determination, procurement, environmental review, and reconciliation. Without state-grade project management, financial controls, and audit trails, the risk of clawback, disallowance, and reputational damage compounds. **This is where SLTTs are most exposed**.
- **Pre-positioned survivor case management.** As FEMA's role in sheltering, evacuation, and long-term housing narrows, survivor case management becomes a state and county operation at a scale most have never run. Pre-integrate with state HHS, housing finance agencies, and major VOAD partners so intake, eligibility triage, multi-program braiding (state, HUD CDBG-DR, private insurance, nonprofit), and 18–36-month case tracking can stand up in days, not months.

Where AI Fits — and Where It Doesn't

AI is not a shortcut around SLTT capacity. It is the leverage that lets a state or county team operate at federal scale. The right places to apply it are the specific bottlenecks the reforms create: parcel-level damage projection and uninhabitability determination, grants eligibility and compliance workflow, mutual aid resource matching, multi-program benefits braiding, and audit-grade documentation across every touchpoint. The wrong places are the ones the Council itself flagged as high-stakes: alerting, evacuation, shelter siting, and IA eligibility require explainability, human-in-the-loop review, and transparent appeal paths. In those workflows, AI earns its keep only when it makes the human decision faster, better, and more defensible. Never when it hides the decision.

In Summation

The reforms will keep evolving. The distance between the Council's recommendations and a reimagined FEMA is measured in years, not months, and the details of RAPID, the FEMA Act approach, and NFIP reform will change several times before implementation.

But the direction is not ambiguous: **state and local governments will own more of disaster recovery than they have in decades**, and the ones that build capacity, evidence, and modern tooling now will spend the next disaster helping survivors instead of arguing with auditors.

That is the outcome worth preparing for.

Sources & further reading

1. [President's FEMA Review Council Final Report (DHS, May 7, 2026)]
2. [Governing — Long-Awaited FEMA Council Report Sets the Stage for Reform (May 14, 2026)]
3. [Conduit Street / MACo — New FEMA Blueprint Shifts More Disaster Recovery Costs, Responsibility to States and Counties (May 8, 2026)]
4. [H.R. 4669 — Fixing Emergency Management for Americans Act (Congress.gov)]