NATIONAL ASSOCIATION of COUNTIES NACo

/ COUNTY NEWS

FEMA review council releases final report recommending sweeping changes

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Key Takeaways

- The President's FEMA Review Council released their final report recommending a fundamental shift in how the federal government prepares for, responds to and recovers from disasters, with states and localities taking the lead
- The report's most consequential recommendations – including replacing the Public Assistance and Individual Assistance programs – would require acts of Congress to take effect, and the path forward for implementation remains unclear

On May 7, 2026, the President's Council to Assess the Federal Emergency Management Agency (FEMA) released its final report, outlining ten sweeping recommendations to overhaul the nation's approach to disaster preparedness, response, recovery and mitigation. NACo engaged with the Review Council throughout the process, including testifying before the group during a public meeting in New Orleans and participating in ad hoc meetings with Council members throughout the review period. The report is the product of more than a year of engagement, including listening sessions in 13 cities, input from all 50 states and territories, four tribal listening sessions and more than 13,000 public submissions.

Background

County governments are on the front lines of every disaster. From debris removal and shelter operations to rebuilding public infrastructure and administering recovery grants, counties bear enormous responsibility before, during and after declared disasters. The current FEMA system –

while essential – has long drawn criticism from county officials for bureaucratic delays, complex grant requirements, slow reimbursements and a structure that can slow rather than accelerate local recovery. The FEMA Review Council was established by Executive Order 14180 in January 2025 to conduct a full-scale review of the agency and recommend reforms.

What the Report Recommends

The Council's ten recommendations span the full lifecycle of disaster management. The most significant for counties include:

- **Replacing Public Assistance with a parametric block grant (RAPID).** The current seven-phase reimbursement model would be replaced by a direct-funding mechanism that sends money to states within 30 days of a presidential disaster declaration based on pre-defined event criteria - like wind speed or flood depth – rather than individual damage assessments. States would distribute and manage funds locally. Counties could gain speed and flexibility but lose the federal project-by-project safety net, with limited recourse for cost overruns.
- **Streamlining Individual Assistance into a single direct payment (FAIR).** The current 15-category system would be replaced with a single payment – up to $150,000 for homeowners and up to six months of rent at U.S. Department of Housing and Urban Development (HUD) Fair Market Rate for renters. Emergency sheltering responsibility would transfer from FEMA to states and territories, with counties expected to play a significant execution role.
- **Replacing the Hazard Mitigation Grant Program (HMGP) with a two-phase structure (R3P).** HMGP would be eliminated and replaced with a rapid mitigation advance within 30 days and a strategic mitigation allocation within six months, both managed at the state level. Counties could access funds through their states rather than directly through FEMA.
- **Raising federal disaster declaration thresholds.** Updated per capita indicators and new minimum state expenditure requirements before a federal declaration can be requested could result in roughly 16 fewer major disaster declarations per year, meaning more moderate disasters would be absorbed entirely by states and counties without federal assistance.
- **Reforming the National Flood Insurance Program.** The NFIP, currently more than $20 billion in debt, would be gradually shifted toward the private market through updated risk-based pricing, modernized flood maps and a voluntary policy transfer program.
- **Transforming and renaming FEMA** into a leaner agency with a reduced headquarters footprint and a formal role as "payer of last resort," meaning other federal programs must be exhausted before FEMA steps in.

What This Means for Counties

If implemented, these reforms would represent a significant transfer of responsibility – and cost – to the state and local level. Counties should expect less federal on-the-ground presence in most disasters, higher thresholds to qualify for federal assistance and greater expectations around local capability and resource management. The report does preserve critical federal capabilities counties rely on, including Urban Search and Rescue task forces, the National Disaster Medical System and IPAWS, and recommends retaining the Emergency Management Performance Grant with a potential one-time funding increase to help support the transition. Smaller, rural and under-resourced counties face the greatest risk if state governments do not adequately fill the gaps created by a reduced federal role.

These Are Recommendations – Not Policy

County officials should understand that this report contains recommendations only, the path forward for implementation remains uncertain. **The most consequential changes require acts of Congress to take effect.** Regulatory changes could address some elements, and executive orders may accelerate certain administrative shifts, but the full vision cannot be realized without significant legislative action. Counties should monitor developments closely but should not expect immediate changes to existing programs.

NACo is actively engaging with FEMA and the administration as implementation discussions progress to ensure county priorities are represented and that any transition accounts for the realities facing local governments. We will continue to provide updates as the process unfolds.

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COUNTY NEWS

House passes 2026 farm bill

APRIL 30, 2026

Although the farm bill expands eligibility and program access in some areas, it does not provide corresponding new funding for rural development programs, which could

worsen existing oversubscription and make it more difficult for counties to compete for limited federal resources.

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