



Written by [Brian Koenig](#) on October 31, 2012

Hurricane Sandy Sparks Debate Over FEMA Budget Cuts

In the wake of Hurricane Sandy's devastating rush on the East Coast, which is estimated to cost upwards of \$20 billion, January's sequester budget cuts have sparked a political hailstorm, as November's two presidential candidates spar over federal funding for disaster relief. The [Federal Emergency Management Agency](#) (FEMA), an agency of the U.S. Department of Homeland Security that coordinates federal responses to disasters, says it has enough money to finance the initial response to Hurricane Sandy, but that pending budget cuts could severely threaten future disaster relief.



FEMA Administrator Craig Fugate acknowledged this week that the agency has \$3.6 billion to contribute to Sandy's disaster relief, although it's too early to determine how much additional funding will be distributed when the total bill for the storm is calculated. Fugate's disclosure contrasts with the financial impact of the 2011 Hurricane Irene catastrophe, which forced the agency to shelve some payments attributed to previous disasters in order to cover the funding gap.

According to an estimate the White House released last month, if congressional lawmakers fail to evade the looming sequester, FEMA would endure an \$878-million budget cut. Both Democrats and Republicans are now highlighting the across-the-board cuts, using Hurricane Sandy as a scapegoat for maintaining current spending measures. Some Democrats have already attacked Republican presidential contender Mitt Romney and his running mate, Rep. Paul Ryan (R-Wis.), for advocating a shift of disaster relief funding to the states, Fox News [reports](#):

The GOP has already done its best to tie Obama to the sequester, despite the fact that Republicans in Congress voted for the measure. For their part, Democrats have are seizing on the devastation wrought by Hurricane Sandy to use Romney's past words against him in a bid to suggest he's in favor of shifting the burden to the states. In a Republican primary debate last year, the former Massachusetts governor said states should have more control over disaster relief, including the possibility of private-sector involvement.

The left is also taking aim at Romney's running mate, Wisconsin Rep. Paul Ryan, whose budget proposal doesn't specifically mention disaster relief but includes considerable cuts to domestic discretionary spending.

Although FEMA funding will likely be diminished regardless of the election's outcome, the *Washington Post* [reports](#) that the agency's budget would take a supremely larger hit under a Romney presidency. "The president has proposed cuts to the Federal Emergency Management Agency for 2013 that would reduce overall funding by about 3 percent," the newspaper alleged, "with \$1 billion trimmed from the Disaster Relief Fund but more money given to state and local programs."

There are countless examples of how federal responses to natural disasters have spurred accusations



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that have disgraced political reputations. For instance, critics blasted President George W. Bush for delayed federal action to Hurricane Katrina in 2005, as well as President George H.W. Bush's reaction to Hurricane Andrew in 1992.

But while the current debate dwells strictly on dollar amounts attributed to FEMA's budget, discussions over the existence of the agency itself — and the efficiencies of its efforts — has remained off the table. The real disaster is the agency itself, asserts Rep. Ron Paul (R-Texas), and the temporary aid funneled from the agency has only burdened the economy by developing a false dependency.

"FEMA has been around since 1978, it has one of the worst reputations for a bureaucracy ever," Paul [said](#) on "Fox News Sunday" last August, responding to a series of actions taken during the Hurricane Irene cleanup last summer. "It's a system of bureaucratic central economic planning, which is a policy that is deeply flawed."

The Texas Congressman contends that with FEMA on the brink of going broke, it's time to abolish the agency. "We've conditioned our people that FEMA will take care of us and everything will be okay," Paul added, "but you try to make these programs work the best you can, but you can't just keep saying, 'Oh, they need money,'... Well, we're out of money, this country is bankrupt."

Furthermore, the mere existence of FEMA rewards poor behavior, and only illustrates the adverse economic consequences of a federal insurance program. "FEMA creates many of our problems because they sell the insurance because you can't buy it from a private company, which means there's a lot of danger, so we pay people to build on beaches, and then we have to go and rescue them," the congressman affirmed. "It's so far removed from the market and the understanding of what insurance should be about. Insurance should measure risk, it shouldn't be a bailout program endlessly."

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