Bond Case Briefs

Municipal Finance Law Since 1971

Shifting the Burden: States Face Rising Pressure to Fund Disasters Alone - Baker Donelson

Recent statements from the current administration signal a deliberate shift of disaster responsibility to states, elevating the need for robust, state-led emergency financing and related state statutory authority. States must assess now whether they have the financial tools and governance structure to respond effectively if Federal Emergency Management Agency (FEMA) support is reduced or eliminated.

This alert shares concerns and possible solutions states should consider now in anticipation of a transition away from FEMA funding.

Executive Branch Signals Significant Reduction of FEMA's Role

Per our prior alert, as of April 2025, the administration had issued both an Executive Order directing "state and local preparedness" and an internal memorandum mandating short-term changes to FEMA's Public Assistance thresholds and hazard-mitigation programs effective by June 1 or before the start of the hurricane season.

Continue reading.

Baker Donelson

by Danielle M. Aymond & Wendy Huff Ellard

June 16, 2025

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com