



## Press Release

# How the Federal Government Budgets for Disasters

ANDREW EVANS | OCTOBER 22, 2018

Disasters such as Hurricane Michael are, by definition, unpredictable, but the federal government does try to budget for them. AAF's Director of Fiscal Policy Gordon Gray explains how the government calculates a cap on emergency spending under the Budget Control Act – while also noting the limits of such a cap, especially in a year with extraordinary disaster relief needs.

An excerpt:

The current iteration of that formula, a three-part calculation that was established in 2018, would impose a \$14.965 billion cap on disaster relief funding in FY2019. In practice, Congress and the president typically exempt disaster relief spending from budgetary restrictions after major disasters, so emergency spending in the coming fiscal year could be significantly higher.

[Read more here.](#)