

Comparing *America First: A Budget Blueprint to Make America Great Again* and the March 28, 2017 *Executive Order on Promoting Energy Independence and Economic Growth* with GAO's *Limiting The Federal Government's Fiscal Exposure by Better Managing Climate Change Risks*

Summary

- The fiscal year 2018 “skinny budget” proposal commits to address national priorities without sending future generations an even bigger credit card bill.
- Changes in the climate are already raising sea levels and increasing the cost of severe weather events as these once “rare” events become more common and intense due to climate change.
- In coastal areas alone, the cumulative damages to coastal property from sea-level rise and storm surge could be at least \$5 trillion by 2100.¹
- GAO's High Risk area, *Limiting The Federal Government's Fiscal Exposure by Better Managing Climate Change Risks* highlights 5 areas where government-wide action is needed to reduce federal fiscal exposure—or, put more simply, areas where action is needed to reduce future credit card bills.²
- In comparison, funding priorities in the FY 2018 budget proposal and changes to federal programs and policies from executive actions will decrease the federal government's ability to address climate risks and increase taxpayer fiscal exposure.

Strategic Planning

- The U.S. needs a national strategy to reduce the federal fiscal exposure to climate change, maximize investments, achieve efficiencies, and better position the government for success.
- The Administration rescinded an executive order that required federal agencies to plan for climate change impacts (13653 *Preparing the United States for the Impacts of Climate Change*).³
- The budget blueprint would further undermine the federal government's ability to plan by cutting key scientific programs that provide data and research on climate change effects.

Federal Property and Resources

- The federal government owns and manages facilities and land vulnerable to climate change--DOD alone estimates its property replacement value is close to \$850 billion.⁴
- The Administration rescinded guidance directing agencies to make federally-funded infrastructure resilient to climate change. (The 2016 CEQ guidance on considering the effects of climate change in NEPA reviews.)
- Depending on how the Administration implements its executive order rescinding certain climate-related policies and guidance, it may result in federally-funded projects being built to historical conditions that do not reflect risks over their projected life span—ultimately costing taxpayers billions.⁵

¹*Climate Change in the United States: Benefits of Global Action*.

²GAO, *High Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others*, GAO-17-317, (Washington, D.C.: Feb. 2017).

³http://www.eenews.net/assets/2017/03/28/document_pm_02.pdf. It is unclear how other climate-related executive orders (like E.O. 13693 *Planning for Federal Sustainability in the Next Decade*) will be affected.

⁴GAO-17-317.

⁵For example, it is unclear how other executive orders related to incorporating future risks into federal planning decisions will be affected (E.O. 13690 *Establishing a Federal Flood Risk Management Standard*).

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Insurance

- The National Flood Insurance Program (NFIP) covers \$1.2 trillion in property.⁶
- According to GAO, the NFIP faces climate change and other challenges that increase federal fiscal exposure and send inaccurate price signals about risk to policyholders.
- The Administration's proposed cuts will exacerbate these risks by eliminating funding directed at reducing federal fiscal exposure to natural disasters, such as NFIP's appropriation for flood hazard mapping, FEMA's Pre-Disaster Mitigation Grants, and NOAA's Coastal Management programs.
- These programs help reduce risk to the population and property by identifying flood risks to communities and funding projects to reduce communities' risks to future disasters—including extreme weather and sea level rise.⁷

Technical Assistance

- The Administration's proposed cuts would undermine the federal government's ability to provide climate information to state, local, and private sector decision makers.
- The budget proposal guts offices and programs in DOE, EPA, NOAA, and NASA that help produce vital information decision makers at all levels need to make resilient investments in federal facilities, water infrastructure, or coastal communities, among other things.⁸
- These include: cuts of over \$1 billion for climate science research across DOE's Office of Science (\$900 million), EPA's Office of Research and Development (\$233 million), NOAA grants supporting, among other things, coastal and marine management (\$250 million), and NASA (\$102 million).

Disaster Aid and Resilience

- Extreme weather and fire—sensitive to climate change—cost the federal government more than \$350 billion over the last decade.⁹ As climate impacts intensify, costs are projected to increase by tens of billions of dollars per year by the end of the century.¹⁰
- According to GAO, federal disaster aid functions as the insurance of last resort because whatever is not covered by insurance or built to be resilient to extreme weather increases federal fiscal exposure through disaster relief programs.
- The Administration's proposal to cut FEMA Pre-Disaster Mitigation grants and related programs (\$667 million) and gut programs that help provide the information necessary for making resilient investments will increase taxpayer's fiscal exposure through increased disaster relief.
- Taxpayer's fiscal exposure to climate change may increase further, depending on how the Administration implements its executive order that rescinded certain climate-related policies and guidance.¹¹

⁶Based on 2015 insured value. See <http://www.crs.gov/reports/pdf/R44593> for NFIP statistics.

⁷For more information on these programs, see <http://www.crs.gov/reports/pdf/R44593>, <https://www.fema.gov/pre-disaster-mitigation-grant-program>, and <https://coast.noaa.gov/czm/media/czmpershazards.pdf>

⁸For example, NASA earth science programs provide important information used to better monitor and predict flood and drought, manage water resources, and predict wildfires.

⁹(OMB), *Analytical Perspectives, Budget of the United States Government, Fiscal Year 2017*

¹⁰Executive Office of the President, *Climate Change: The Fiscal Risks Facing the Federal Government* (2016)

¹¹For example, it is unclear how other executive orders related to incorporating future risks into federal planning decisions will be affected (E.O. 13690 *Establishing a Federal Flood Risk Management Standard*).