



SUBMITTED STATEMENT OF  
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BEFORE THE  
**SPECIAL COMMITTEE ON AGING**  
**UNITED STATES SENATE**

HEARING ON  
**BEFORE DISASTER STRIKES: PLANNING FOR OLDER AMERICANS AND PEOPLE WITH**  
**DISABILITIES IN ALL PHASES OF EMERGENCIES**

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BEFORE DISASTER STRIKES: PLANNING FOR OLDER AMERICANS AND PEOPLE WITH DISABILITIES  
IN ALL PHASES OF EMERGENCIES

Chairman Casey, Ranking Member Braun and members of the committee:

Thank you for holding today’s hearing on “Before Disaster Strikes: Planning for Older Americans and People with Disabilities in All Phases of Emergencies,” and for the opportunity to testify before you.

My name is Jonathan Bydlak, and I am the director of the Governance Program at the R Street Institute, a nonprofit, nonpartisan public policy research organization focused on limited, effective government and free markets. My professional specialty is in budget policy and identifying ways by which the federal government may operate more efficiently. Few policy areas exemplify these challenges and the urgency of solving them more than national emergencies.

As the members of this committee know, on May 11, the Biden administration allowed the COVID-19 national emergency to expire after a little more than three years.<sup>1</sup> The pandemic and its response imposed significant hardship on all Americans, but the experience was especially difficult for older and disabled Americans.<sup>2</sup>

As the nation begins to leave the emergency phase of the pandemic, now is the time to ensure that we are better prepared for the next emergency—whether public health or otherwise—and that no Americans are left behind.

Policymakers should approach this complex and multifaceted topic by keeping some key points in mind:

1. First, better planning helps to preserve resources and ensure more effective, targeted spending that helps those who need it most instead of furthering waste and abuse.
2. Second, there should be national attention and resources focused on true emergencies, rather than using such situations as *carte blanche* to enact favored policies or expand executive or administrative power.

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<sup>1</sup> Sheryl Gay Stolberg and Noah Weiland, “As Covid Emergency Ends, U.S. Response Shifts to Peacetime Mode,” *The New York Times*, May 10, 2023. <https://www.nytimes.com/2023/05/10/us/politics/covid-public-health-emergency.html>.

<sup>2</sup> Reginald D. Williams II et al., “The Impact of COVID-19 on Older Adults,” The Commonwealth Fund, Sept. 15, 2021. <https://www.commonwealthfund.org/publications/surveys/2021/sep/impact-covid-19-older-adults>.

3. Finally, policymakers should consider a wide range of potential reforms, building on lessons from other countries and, when possible, leveraging comparative advantages of the private sector.

### **The Proper Understanding of an Emergency**

At the core of many current issues with emergency planning is a persistent misunderstanding in how to define emergencies properly. Put simply, if everything is an emergency, then nothing is; and if resources are not directed appropriately, those most at risk will suffer when needs arise.

Emergencies are officially defined as “sudden,” “urgent,” “unforeseen” or “temporary” in nature.<sup>3</sup> Practically, a great deal of emergency actions take place outside of this understanding or beyond initial, true emergencies. Here, it can be helpful to make a real-world comparison to help conceptualize this distinction.

In everyday life, car accidents are properly understood to be emergencies: they are sudden, unforeseen events that create a situation in need of rapid response. As a result, when a crash first happens, we recognize the importance of acting quickly, and bestow special powers in their immediate aftermath. For example, ambulances and first responders can ignore red traffic lights and exceed the speed limit on their way to treat victims and transport them to the hospital.

But the same is not true weeks later when injured parties are on their way to physical therapy. While this treatment may also be critically important and related to the initial emergency, we recognize that appropriate actions at this time are different than they may be during the initial incident. The same understanding ought to apply to national emergencies as well.

Furthermore, we should recognize that emergencies do not happen only as a result of natural events. Rather, some are manmade in nature, whether national defense emergencies or the recent derailment of Norfolk-Southern’s train in East Palestine, Ohio, and its subsequent cleanup. Recognizing the human element involved should underscore the need to identify ways to avoid these situations before they occur, as well.

### **The Budgetary Impact of Emergencies Is Much Larger Than Typically Understood**

Since 2005, federal public health emergencies have been issued or renewed at least 132 times, ranging from the COVID-19 pandemic to hardships imposed by natural disasters.<sup>4</sup> During that

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<sup>3</sup> Legal Information Institute. “2 U.S. Code § 900 - Statement of budget enforcement through sequestration; definitions,” Cornell Law School, last accessed June 7, 2023. [https://www.law.cornell.edu/uscode/text/2/900#c\\_21](https://www.law.cornell.edu/uscode/text/2/900#c_21).

<sup>4</sup> Administration for Strategic Preparedness and Response, “Declarations of a Public Health Emergency,” U.S. Department of Health and Human Services, last accessed June 7, 2023. <https://aspr.hhs.gov/legal/PHE/Pages/default.aspx>.

time, the number of federally declared emergencies has increased dramatically. For context, the U.S. Department of Health and Human Services (HHS) reports there have been 89 declared or renewed public health emergencies since 2017, compared with just 14 from 2010-2017.<sup>5</sup> Unsurprisingly, one recent analysis found that emergency spending has totaled \$3 trillion since 2000, but this estimate does not even come close to capturing the true impact of unforeseen events on the U.S. economy and the federal budget.<sup>6</sup>

Federal spending associated with the COVID-19 pandemic, for example, totaled more than \$5 trillion.<sup>7</sup> Although much of this spending was not officially designated as being caused by the COVID-19 emergency, much—if not all—of these expenditures were unexpected prior to 2020. Likewise, national defense emergencies have had a significant impact on the federal budget. For example, an estimate from Brown University has put the total cost of the War on Terror at \$8 trillion, including costs associated with Afghanistan, Iraq and veterans' care.<sup>8</sup> Policymakers, naturally, could not have expected or planned for these expenses prior to 2001.

But taken together, these events add up. Unforeseen spending on wars, natural disasters and public health crises have been regularly enacted without offsets and contributed significantly to the run-up in the public debt since the start of the century. There is a real need to begin to account for this large and growing area of federal spending, and to plan better for the future so that limited resources can be directed to those who need them most.

When emergencies arise, their impact is not felt equally. For instance, research by the Red Cross has noted that older adults are typically prone to increased psychological distress, lower levels of personal preparedness, and high levels of pre-existing medical conditions.<sup>9</sup> As just one example, it is widely understood that the elderly—especially those living in nursing homes—were the most at risk during the COVID-19 pandemic, with death rates exceeding that of the general

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<sup>5</sup> Ibid.

<sup>6</sup> Romina Boccia and Dominik Lett, “Emergency Spending Is on the Rise: Here’s How Congress Can Stop It,” Cato Institute, Dec. 20, 2022. <https://www.cato.org/blog/emergency-spending-rise-heres-how-congress-can-stop-it>.

<sup>7</sup> Alicia Parlapiano et al., “Where \$5 Trillion in Pandemic Stimulus Money Went,” *The New York Times*, March 11, 2022. <https://www.nytimes.com/interactive/2022/03/11/us/how-covid-stimulus-money-was-spent.html>.

<sup>8</sup> Neta C. Crawford, “The U.S. Budgetary Costs of the Post-9/11 Wars,” The Watson Institute for International and Public Affairs at Brown University, Sept. 1, 2021. [https://watson.brown.edu/costsofwar/files/cow/imce/papers/2021/Costs%20of%20War\\_U.S.%20Budgetary%20Costs%20of%20Post-9%2011%20Wars\\_9.1.21.pdf](https://watson.brown.edu/costsofwar/files/cow/imce/papers/2021/Costs%20of%20War_U.S.%20Budgetary%20Costs%20of%20Post-9%2011%20Wars_9.1.21.pdf).

<sup>9</sup> “New Research: Older Adults More Vulnerable after Disasters,” American Red Cross, February 17, 2020. <https://www.redcross.org/about-us/news-and-events/news/2020/new-research-older-adults-more-vulnerable-after-disasters.html>.

population.<sup>10</sup> Similarly, people with disabilities were disproportionately impacted across many metrics.<sup>11</sup> Unfortunately, helping vulnerable cohorts prepare ahead of time is often difficult.<sup>12</sup>

Emergency events tend to impact already vulnerable segments of the population the most, whether elderly Americans who live in flood and hurricane-prone areas, or recently, those citizens more prone to respiratory disease, or simply those more prone to social isolation.<sup>13</sup> Likewise, governmental responses and their consequences will significantly impact vulnerable populations, too. The long-term results of poor planning, misguided responses and irresponsible budgeting are poised to impact those Americans who rely upon programs that are increasingly at existential risk.

### **The Total Costs of Emergencies Are Often Hidden and Increasingly Significant**

Unchecked and unaccountable spending results in real costs to the American people, particularly those with lower income or a fixed income.

On a basic level, these decisions can result in proverbial waste, fraud and abuse. One recent exposé noted that pandemic aid to schools meant to address learning loss appears to have been mostly ineffective.<sup>14</sup> Third-party watchdogs have documented other examples of waste, including money being used for golf courses and tourism campaigns.<sup>15</sup> When money is misspent, the needs it was intended to address ultimately go unmet.

Not only does unaccountable spending leave urgent needs without solutions, it also creates other problems that harm those most at-risk. For instance, many economists have noted the recent relationship between generous pandemic-related spending and persistent inflation.<sup>16</sup> As one

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<sup>10</sup> “COVID-19 Nursing Home Data,” Centers for Medicare & Medicaid Services, last accessed June 8, 2023.

<https://data.cms.gov/covid-19/covid-19-nursing-home-data>.

<sup>11</sup> “2021 Progress Report: The Impact of COVID-19 on People with Disabilities.” National Council on Disability, Oct. 29, 2021. <https://ncd.gov/progressreport/2021/2021-progress-report>

<sup>12</sup> “Reaching At-Risk Populations in an Emergency,” Centers for Disease Control and Prevention, last accessed June 8, 2023. <https://emergency.cdc.gov/workbook/index.asp>.

<sup>13</sup> Lauren M. Webb and Christina Y. Chen, “The COVID-19 pandemic's impact on older adults' mental health: Contributing factors, coping strategies, and opportunities for improvement,” *International Journal of Geriatric Psychiatry* 37:1 (Nov. 15, 2021). <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8646312>.

<sup>14</sup> Madeleine Ngo, “Schools Received Billions in Stimulus Funds. It May Not Be Doing Enough,” *The New York Times*, June 5, 2023. <https://www.nytimes.com/2023/06/05/us/politics/schools-stimulus-covid-pandemic-aid.html>.

<sup>15</sup> Ryan Lanier, “States Wisely Increase Emergency Funds,” Citizens Against Government Waste, June 13, 2022. <https://www.cagw.org/thewastewatcher/states-wisely-increase-emergency-funds>.

<sup>16</sup> François de Soyres et al., “Fiscal policy and excess inflation during Covid-19: a cross-country view,” Board of Governors of the Federal Reserve System, July 15, 2022. <https://www.federalreserve.gov/econres/notes/feds-notes/fiscal-policy-and-excess-inflation-during-covid-19-a-cross-country-view-20220715.html>.

recent investigative report noted, it is seniors and disabled Americans who disproportionately experience a substantial burden from this rising cost of living.<sup>17</sup>

The risks go beyond the immediate, however. With the national debt recently estimated to have exceeded \$25 trillion, there is an increasing risk that continuing to spend off-budget will jeopardize the very programs that elderly and disabled Americans rely on.<sup>18</sup> With each additional unexpected expenditure, vulnerable populations are threatened by trust fund insolvency, crowding out of other budgetary priorities and potential benefit cuts if nothing is done.<sup>19</sup>

### **There Are Many Potential Reforms That Policymakers Should Pursue**

One obvious way to improve emergency response is through better preparedness. Planning ahead, budgeting judiciously, and narrowing emergency response to true emergencies will allow these events to be addressed as efficiently and effectively as possible, minimizing the potential economic impact to all Americans—particularly seniors and Americans with disabilities. The following are some ideas that policymakers should consider.

#### *Automatically Sunset Emergency Declarations to Limit Potential Abuses of Power*

As recent history shows, it is easy for Congress to defer to executive power and allow emergencies to extend far beyond the initial event, and current rules encourage this situation. Changing these incentives is an important area of potential reform. The Assuring that Robust, Thorough, and Informed Congressional Leadership is Exercised Over National Emergencies Act (ARTICLE ONE Act), for example, would no longer require a resolution with supermajority support, and would instead automatically end any emergency declaration after 30 days unless Congress votes affirmatively to extend it.<sup>20</sup>

As I noted in a report earlier this year, this change would allow the executive branch to respond immediately to emergencies while restoring the proper role of Congress after the initial crisis.<sup>21</sup> This new power structure would place the onus on the executive branch to justify lengthy emergency declarations. Policymakers may want to consider requiring similar congressional

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<sup>17</sup> Aimee Picchi, “Inflation is slamming U.S. seniors. ‘It’s a scary time,’ one disabled widow said,” CBS News, Oct. 6, 2022. <https://www.cbsnews.com/news/social-security-2023-cola-increase-inflation>.

<sup>18</sup> “Historical Debt Outstanding,” Treasury.gov, last accessed June 8, 2023.

<https://fiscaldata.treasury.gov/datasets/historical-debt-outstanding/historical-debt-outstanding>.

<sup>19</sup> Tami Luhby, “Not touching Social Security could lead to 20% benefit cut within a decade,” CNN, March 8, 2023. <https://www.cnn.com/2023/03/08/politics/social-security-benefit-cut/index.html>.

<sup>20</sup> S. 241, ARTICLE ONE Act, (GPO, 2021), 117th Congress. <https://www.congress.gov/117/bills/s241/BILLS-117s241is.pdf>.

<sup>21</sup> Jonathan Bydlak, “The Known Unknowns: Planning for the Next Emergencies,” *R Street Policy Study* No. 286, May 11, 2023, p.10. [https://www.rstreet.org/wp-content/uploads/2023/05/FINAL\\_r-street-policy-study-no-286-1.pdf](https://www.rstreet.org/wp-content/uploads/2023/05/FINAL_r-street-policy-study-no-286-1.pdf).

reauthorization under all emergency-related statutes, including the Defense Production and Stafford Acts.<sup>22</sup>

### *Increase Spending Transparency to Ensure Limited Federal Funds Are Expended Effectively*

Regardless of how long the response lasts, federal emergency actions should be as targeted as possible—which would help ensure that funds are spent appropriately, and that special benefits and cronyism do not undermine relief efforts. Preference should be given to temporary responses tied to the duration of the ongoing crisis, which would make it easier to ensure adequate spending transparency.

Congress should always prioritize oversight and transparency when providing aid in response to an emergency.<sup>23</sup> During the pandemic, for example, it could have required states to publish how they spent funds as a condition of aid, or otherwise directed states to provide such reporting directly to Congress.<sup>24</sup>

Consistently tracking and evaluating aid, as well as identifying meaningful spending offsets, can minimize the long-term budgetary implications of relief while ensuring that the response is as effective as possible. As I noted during the pandemic, “the imperative to act quickly should not prevent us from guarding against unnecessary long-term costs.”<sup>25</sup>

### *Establishing a Federal Rainy-Day Fund or Implementing Flexible Fiscal Rules Could Provide Budget Stability in Times of Unforeseen Events*

There is much that federal policymakers can learn from the experience of states and other countries when it comes to emergency preparedness. One of the key reasons that states were able to respond more effectively than expected to the pandemic was the strength of their rainy-day funds.<sup>26</sup> Today, for many states, these funds are as well-stocked as they have ever been in their

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<sup>22</sup> Ibid.

<sup>23</sup> “Civil Society Urges the House to Prioritize Oversight over Emergency Funds,” POGO, May 13, 2020. <https://www.pogo.org/letter/2020/05/civil-society-urges-the-house-to-prioritize-oversight-over-emergency-funds>.

<sup>24</sup> Jonathan Bydlak, “Coalition Letter: federal response to state and local budget strain caused by COVID-19,” R Street Institute, July 6, 2020. <https://www.rstreet.org/outreach/coalition-letter-federal-response-to-state-and-local-budget-strain-caused-by-covid-19/>.

<sup>25</sup> Jonathan Bydlak, “Bipartisan groups lay out principles for transparency and oversight of coronavirus stimulus spending,” R Street Institute, April 6, 2020. <https://www.rstreet.org/outreach/bipartisan-groups-lay-out-principles-for-transparency-and-oversight-of-coronavirus-stimulus-spending>.

<sup>26</sup> Jared Walczak, “State Rainy Day Funds and the COVID-19 Crisis,” Tax Foundation, April 7, 2020. <https://taxfoundation.org/state-rainy-day-funds-covid-19>.

history.<sup>27</sup> The same is, of course, not true for the federal government. Creating a budget stabilization fund at the federal level could help alleviate fiscal strain in times of crisis.<sup>28</sup>

When combined with other reforms, the addition of a rainy-day fund could be particularly impactful, especially as we re-enter a world where spending is subject to budget caps.<sup>29</sup> It is also important to limit the use of gimmicks and ensure that off-budget spending is constrained to what is necessary for crises, rather than used as a method of circumventing caps. This should be true both for emergency-designated spending and other supplemental spending packages. Existing institutions should be relied upon to ensure spending is managed appropriately, by utilizing agencies like the U.S. Government Accountability Office to better explore the relationship between emergency and pandemic spending, explore how best to implement a federal budget stabilization fund and so on.

More broadly, there is ample evidence from other countries demonstrating the effectiveness of well-designed fiscal rules. For example, Sweden’s entitlement program guardrails have become a worldwide model, but these rules did not appear from nowhere.<sup>30</sup> In fact, much of the Swedish system is based on rules that were developed in the 1990s in response to a burgeoning entitlement crisis.<sup>31</sup>

Unlike its western neighbor, Sweden does not sit on substantial oil reserves and therefore did not have an obvious way to finance its pension system.<sup>32</sup> Policymakers were forced not just to think about tradeoffs, but also to evaluate their fiscal position with rules that would encourage smarter budgeting. Their success should be a model to follow, ideally before such a crisis emerges in the United States. Fortunately, extensive evidence and multiple models of success exist should U.S. policymakers choose to seek better solutions.<sup>33</sup>

### *Increase Flexible Savings to Allow Individuals to Respond Quickly to Emergencies*

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<sup>27</sup> “Record State Budget Reserves Buffer Against Mounting Fiscal Threats,” Pew Charitable Trusts, last updated May 17, 2023. <https://www.pewtrusts.org/en/research-and-analysis/data-visualizations/2014/fiscal-50>.

<sup>28</sup> S. 718, A bill to establish the Federal Rainy Day Fund to control emergency spending, (GPO 2023), 118th Congress. <https://www.congress.gov/bill/118th-congress/senate-bill/718>.

<sup>29</sup> H.R. 3746, Fiscal Responsibility Act of 2023, (GPO 2023), 118th Congress. <https://www.congress.gov/bill/118th-congress/house-bill/3746>.

<sup>30</sup> “About the Swedish fiscal policy framework,” Government Offices of Sweden, last accessed June 8, 2023. <https://www.government.se/government-of-sweden/ministry-of-finance/central-government-budget/the-fiscal-policy-framework>.

<sup>31</sup> John Merrifield and Barry Poulson, “Swedish and Swiss Fiscal-Rule Outcomes Contain Key Lessons for the United States,” *The Independent Review* 21:2 (2016), pp. 251-74. <http://www.jstor.org/stable/43999694>.

<sup>32</sup> Johan Norberg, “How Sweden Saved Social Security,” *The Wall Street Journal*, Feb. 22, 2023. <https://www.wsj.com/articles/how-sweden-saved-social-security-privatization-insolvency-market-brake-risk-contribution-biden-ef1583d3>.

<sup>33</sup> Ryan Bourne, “Budget Restraints That Work: Lessons from Chile, Switzerland, the United Kingdom, and the United States,” Cato Institute, Feb. 21, 2018. <https://www.cato.org/tax-budget-bulletin/budget-restraints-work-lessons-chile-switzerland-united-kingdom-united-states>.



Finally, the federal government can and should incentivize individuals to take actions that will best prepare them for emergencies on a personal level. Allowing for more flexible personal savings can be a key component to responding effectively to emergencies. Existing health savings accounts (HSAs), for example, could be used for broader purposes during times when an emergency is declared, or entirely new vehicles could be created that allow people to save explicitly for emergency scenarios.<sup>34</sup>

Last year's omnibus appropriations bill allowed for withdrawals from qualifying retirement plans during cases of federally declared disasters.<sup>35</sup> Some companies already have responded by creating emergency savings incentive programs for their employees.<sup>36</sup> Other longtime efforts like ABLE 2.0 have been key to ensuring savings opportunities are specifically available to Americans with disabilities.<sup>37</sup> Provisions similarly included in last year's omnibus opened up further savings opportunities for families in need.<sup>38</sup>

Other potential tax changes could be helpful as well, such as waiving taxation of Social Security benefits or required IRA distributions when an emergency is declared, or allowing for penalty-free distributions for children or other family members who wish to financially help parents or grandparents dealing with a federally declared emergency.

Although it is too early to know the full impact of recent changes, the federal government would be wise to encourage private enterprise to assist with the goal of pandemic preparedness and explore opportunities to do so now instead of when the next crisis hits.

## **Conclusion**

As the initial days of the COVID-19 pandemic draw further away, policymakers have a unique opportunity to be proactive and identify better solutions instead of continuing the status quo. Thank you again for holding today's hearing and for your consideration of these important issues. I look forward to any questions you may have.

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<sup>34</sup> Bydlak, "The Known Unknowns," pp. 14-15. [https://www.rstreet.org/wp-content/uploads/2023/05/FINAL\\_r-street-policy-study-no-286-1.pdf](https://www.rstreet.org/wp-content/uploads/2023/05/FINAL_r-street-policy-study-no-286-1.pdf).

<sup>35</sup> Consolidated Appropriations Act, Pub. L. No. 117-328, (GPO, 2022), 117th Congress. <https://www.congress.gov/117/bills/hr2617/BILLS-117hr2617enr.pdf>, pp. 903-908.

<sup>36</sup> "Emergency savings program fuels employees' financial security and well-being," Delta, Jan. 23, 2023. <https://news.delta.com/emergency-savings-program-fuels-employees-financial-security-and-well-being>.

<sup>37</sup> Eli Lehrer, "Letter: ABLE 2.0 extends vital lifeline to families with special needs children," R Street Institute, May 30, 2017. <https://www.rstreet.org/commentary/letter-able-2-0-extends-vital-lifeline-to-families-with-special-needs-children>.

<sup>38</sup> Office of Senator Bob Casey, "Casey Bill to Expand Savings Accounts for People with Disabilities Passes Senate," Press Release, Dec. 22, 2022. <https://www.casey.senate.gov/news/releases/casey-bill-to-expand-savings-accounts-for-people-with-disabilities-passes-senate>.