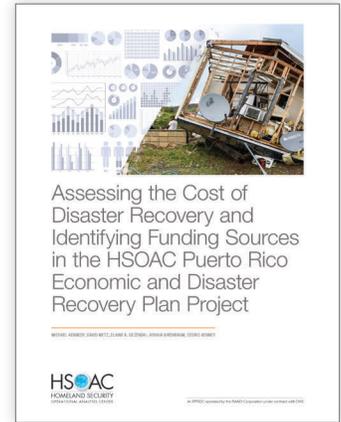


# Assessing the Cost of Disaster Recovery and Identifying Funding Sources in the HSOAC Puerto Rico Economic and Disaster Recovery Plan Project

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This report describes the work done on estimating the costs of, and identifying potential funding sources for, Puerto Rico's economic and disaster recovery plan. Total estimated cost is \$139 billion. Up to \$94 billion of funding from the federal government and private insurance claims is estimated to be available. Sources to fill the gap include the Puerto Rico government, the private sector, public-private partnerships, and philanthropies.

## RESEARCH QUESTIONS

- What is the estimated cost of the 276 courses of action (COAs) that make up Puerto Rico's economic and disaster recovery plan?
- Who are potential funders for the COAs? How much total funding, by funder, can now be identified? Is there a resulting gap between funding available and the cost of the plan?

## KEY FINDINGS

- The primary challenge of estimating the cost of the COAs that make up Puerto Rico's economic and disaster recovery plan is sheer diversity of the plan's COAs. This is due to the substantial number (276) of COAs, their sectoral specificity, and the technical complexity of infrastructure and other investments.

- Total cost of the recovery plan is estimated to be \$139 billion. This includes \$105 billion in “upfront” costs—that is, those that are incurred once in the course of carrying out a COA. It also includes \$34 billion in “recurring” costs—that is, those that are incurred regularly over the course of the recovery plan. The primary contributors to cost are the housing (\$33 billion), water (\$30 billion), energy (\$26 billion), and education (\$15 billion) sectors, which together make up 75 percent of the total cost.
- Almost all the COAs are eligible for U.S. federal funding, but only \$86 billion of such funding is estimated to be available. Also, \$8 billion of private insurance claim funding is estimated to be available, which leaves a \$45 billion gap.
- Potential additional funders to close this gap include Puerto Rico government entities, either at the commonwealth or municipal level; proceeds from COAs that are revenue-generating projects; and nongovernment sources, such as private-sector funding, public-private partnerships, and philanthropies.

## RECOMMENDATIONS

- Estimating the cost of COAs for disaster recovery can be done at varying levels of detail; the best level of detail will vary case by case, depending in part on time and resources available for the work.
- Further research into cost estimation methodologies, incorporating some of the complexities that the authors could not address in this report, would have high value for future disaster recovery work.
- Further research into formal methodology for allocating potential funders to COAs, incorporating some of the complexities the authors could not address in this report, would also have high value for future disaster recovery work.