

# **A STORY OF NEGLECT:**

## **A REVIEW OF FEMA AND THE ARMY CORPS OF ENGINEERS IN THE AFTERMATH OF HURRICANE KATRINA**

- I. Press release summarizing the Democratic amendment to the supplemental appropriations bill that would reestablish FEMA as an independent agency
- II. A Story of Neglect: The FEMA Base Budget Since 2003
- III. A Story of Neglect: The Army Corps Under the Bush Administration

Prepared by the Democratic Staff of the House Appropriations Committee

September 8, 2005

- I. Press release summarizing the Democratic amendment to the supplemental appropriations bill that would reestablish FEMA as an independent agency



# APPROPRIATIONS COMMITTEE

## DEMOCRATS

Rep. David Obey, Ranking Member • 1016 Longworth HOB • (202) 225-3481

For Immediate Release  
September 7, 2005

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## Obey Seeks to Offer Amendment to \$52 Billion Emergency Supplemental to Address Problems Within the Federal Emergency Management Agency

WASHINGTON – Tomorrow, Rep. David R. Obey (D-WI), Ranking Member of the House Appropriations Committee will attempt to offer an amendment to the Hurricane Katrina Emergency Supplemental bill to improve the Federal Emergency Management Agency. The Emergency Supplemental will provide more than \$52 billion in additional disaster relief.

“We have seen the damage done when FEMA is run by incompetents rather than experienced, qualified professionals,” said Obey. “Congress should undo the problems caused when FEMA was thrown into the bureaucratic mess that is the Department of Homeland Security. The Administration appointed someone with neither the experience nor the qualifications necessary to run FEMA. We must de-politicize and professionalize the leadership at FEMA and I hope we will have the opportunity to discuss that urgent necessity tomorrow.”

The amendment would:

1. Restore FEMA’s status as an independent agency.
2. Reestablish the position of the FEMA director to one that reports directly to the president with no intervening bureaucracy.
3. Require the FEMA director have extensive experience in emergency or disaster related management.
4. Establish a five year term for the director to reduce the likelihood of the position being used as political patronage.
5. Establish a Deputy Director with primary responsibility for disasters, both natural and terror related.

Rep. Obey is among many who have been concerned about diminishing the role of FEMA since it was first placed in the Department of Homeland Security. In 2002 Obey sent a letter to other Members of Congress objecting to the move, citing a memo written by former FEMA Director James Lee Witt.

In his memo Witt said:

“...the Administration’s proposal to place all of FEMA into the new Department of Homeland Security will diminish the focus of this new and important agency and will dismantle what only recently has become a successful and vital agency. Many have argued for the need to bifurcate portions of various agencies that are being folded into the new Homeland Security Department. There is probably no more compelling case than the arguments to separate FEMA’s natural disaster responsibilities from its national or homeland security responsibilities.”

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**Congress of the United States**  
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July 24, 2002

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Dear Colleague:

When the House considers legislation creating a new department to administer some aspects of homeland security, I expect that we may be asked to vote on whether or not the Federal Emergency Management Administration should be a part of that new department. I think there are three things that members should keep in mind when they vote on that question.

First, while FEMA is an agency that most people do not think about most of the time, it can be the most important agency in the federal government at particular points in time. This is true on a nationwide basis when the country grapples with how to help the victims of a recent disaster. It is far truer when a disaster hits your home state and you bare some responsibility for the quality of the federal response.

Second, many people have already forgotten that less than a decade ago FEMA was a deeply troubled agency that seemed incapable responding to even the most routine emergencies. *The San Francisco Chronicle* wrote in 1989, "Many disaster victims have come to agree with Senator Ernest Hollings D-SC, who called FEMA officials 'the sorriest bunch of bureaucratic jackasses I have ever encountered in my life.'" *The Washington Times* stated, "The nearly derelict response of FEMA to the disaster wrought by Hurricane Hugo reveals an office bottled up by its own bureaucracy, penury and the lack of presidential initiative."

Third, the individual broadly viewed as the spark plug that turned FEMA around, James Lee Witt, believes that it would be a huge mistake to put the disaster response functions of FEMA into the new Department. That would "diminish the focus" of the Department and "dismantle what only recently has become a successful and vital agency."

I am attaching a memo that he recently wrote on this issue.

Sincerely,



Dave Obey



## Department of Homeland Security and FEMA

The President has asserted that there is a need to consolidate functions spread among several agencies in order to give better focus to National or Homeland Security and counter-terrorism activities. He is absolutely on target and is showing great leadership in proposing to do this. The creation of a cabinet level Department of Homeland Security whose Secretary has budget and operational authority over these activities is long overdue and should help to better coordinate these efforts. However, the Administration's proposal to place all of FEMA into the new Department of Homeland Security will diminish the focus of this new and important agency and will dismantle what only recently has become a successful and vital agency.

Many have argued for the need to bifurcate portions of various agencies that are being folded into the new Homeland Security Department. There is probably no more compelling case than the arguments to separate FEMA's natural disaster responsibilities from its national or homeland security responsibilities. These arguments are based on historical precedent and should be considered when looking at the current proposal.

### Background

- Over the last decade FEMA has responded to more than 500 emergency and major disaster events. Two of these were related to terrorism (Oklahoma City and New York City).
- FEMA has become a model agency by focusing on its prime mission: responding to disasters and trying to reduce their impact in the future.
- FEMA was created in 1979 from components in five different Departments and Agencies to be the one focal point for emergency assistance.
- The intention to have FEMA as the one focal point for emergencies was subsumed, during the 1980's, by FEMA's civil defense component. This helps to explain the lackluster responses to Hurricanes Hugo and Andrew.
- In 1993, FEMA's National Preparedness Directorate staff (civil defense) outnumbered natural disaster and mitigation staff by a 5 to 1 ratio.
- Over the past decade, staffing and resources were aligned to more accurately reflected the risks and hazards facing communities on a regular basis.
- Reorganizations of FEMA, within the last year, are leading down a path that is recreating that previous imbalance. FEMA's new Office of National Preparedness has already taken many staff from the Disaster Response & Recovery and Mitigation Directorates. In a further diluting of mission, the all responsibility for disaster training has been placed under FEMA's U.S. Fire Administration.
- In the atmosphere of the past year (including the period prior to September 11<sup>th</sup>) the devotion to terrorism planning has already affected the FEMA mission. All the momentum for pre-disaster mitigation work with communities has been lost. Folding FEMA into a homeland or national security agency will seriously compromise the nation's previously effective response to natural hazards.

## Rationale

- FEMA realized its true potential in the last decade largely because of its size, independent nature, and focus on a specific mission. FEMA's size has ensured that it is agile and able to respond quickly to new situations following a disaster. Its independence has allowed it to effectively coordinate the resources of 26 federal agencies following disaster events. FEMA refined its mission "to reduce loss of life and property through a comprehensive, risk-based, emergency management program of mitigation, preparedness, response and recovery.
- While related, the mission of the Office of Homeland Security is more specifically "to develop and coordinate the implementation of a comprehensive national strategy to secure the United States from terrorist threats or attacks." This would seem to imply better coordination of intelligence, border/immigration issues, and aspects related to specific weapons of mass destruction and their potential for use on American soil.

## Proposal

- FEMA's Office of National Preparedness and all National Security related programs should be moved to the Department of Homeland Security, but the rest of FEMA should be left in place as an Independent Agency.
- The following elements would remain as an independent FEMA:  
Disaster response and recovery; natural hazard preparedness functions (such as the current hurricane program that assists States with evacuation planning); mitigation & flood insurance (this includes pre-disaster mitigation, Hazard Mitigation Grant Program, flood mapping, earthquake research, etc.); and emergency food and shelter (this is a homeless program but the non-profit partners in the program are also FEMA's typical partners in helping disaster victims).
  - Congress should amend the Robert T. Stafford Act to allow the Secretary of Homeland Security to tap the existing infrastructure at FEMA for responding to and assisting with recovery efforts in the event of a man-made disaster in the same way it would following a natural disaster.

## Conclusion

- It is important to keep the focus of FEMA on reducing natural hazard risks across the nation and responding quickly and comprehensively when disasters do occur.
- The push for improved homeland security should not detract from the positive steps the country has taken in disaster response, recovery and mitigation.
- A Department of Homeland Security that has a focused mission and does not include a patchwork of unrelated programs will have a much greater chance at success. A successful Department of Homeland Security will ensure that horrible events, such as the WTC attacks, continue to be extremely rare occurrences and much less common than the hundreds of floods, tornados, and hurricanes that affect our nation each year.

With this proposal, the assets of FEMA could easily be tapped to deal with what we hope continues to be an extremely uncommon occurrence - a terrorist attack on American soil - without changing the entire focus of the agency.

## II. A Story of Neglect: The FEMA Base Budget Since 2003

A STORY OF NEGLECT:  
THE FEMA BASE BUDGET SINCE 2003

- After the attacks of September 11th, the Bush Administration decided to strip FEMA of its cabinet level status and throw it in with the hodge-podge mess that is the Department of Homeland Security. Since that time the agency has been underfunded and mismanaged.
- **Total funding for FEMA will go up and down each year depending on the funding level for disasters. To understand what has happened to FEMA funding you need to subtract out disaster relief and look at funding for FEMA's base programs. Base FEMA funding has been cut by almost 10 percent since 2003, when FEMA was rolled into the Department of Homeland Security.**
- In FY 2004, Bush requested \$868 million, slashing the budget by \$159 million (15.5 percent). Congress provided \$960 million, an increase over the President, but still a cut of \$67 million (6.5 percent).
- In FY 2005, Bush requested a FEMA base budget of \$796 million. This request represents a \$231 million (22.5 percent) cut to FEMA relative to 2003 and a \$164 million (17.1 percent) cut from the previous year. Congress ended up providing \$928 million, \$99 million (9.6 percent) below 2003 and \$32 million (3.5 percent) below the previous year.
- For FY 2006, the President requested a FEMA budget of \$994 million, \$33 million below 2003. The FEMA budget is virtually a repeat of last year's Bush request. Other than inflationary increases, the following changes are made in the Bush request:
  - Urban Search and Rescue teams are cut from the \$30 million appropriated in 2005 to \$7 million. The administration believes that no additional training or equipment, only sustainment funding, is needed for these teams.
  - 128 additional full time personnel are requested for FEMA, far short of the 500 that have been cut since formation of the Department. The additional personnel requested would only get back one-fourth of that staff.
  - Bush requests an additional \$50 million (for a total of \$150 million) for pre-disaster mitigation, consistent with last year's request.
  - The authorization bill enacted last June called for a \$70 million increase in flood mitigation, but the Bush request only asks for \$8 million, to be transferred from the flood insurance fund. We see the need for substantial flood mitigation efforts in New Orleans.
- Bush requested no funding for the Metropolitan Medical Response System in 2005 and 2006. \$50 million was provided by Congress for this program in 2004 and \$30



million was provided in 2005. This program helps metropolitan areas prepare for medical disasters, including providing caches of medicine.

- In addition to the budget cuts, many FEMA programs and staff have been transferred out of FEMA and into other parts of the Department of Homeland Security. The Metropolitan Medical Response System, the Emergency Management Performance Grants, Community Emergency Response Teams, and Firefighter Grants programs were all transferred from FEMA to the Office of State and Local Government Coordination and Preparedness. This has diminished FEMA's role in these important disaster preparedness programs and the State and Local Office has had limited staffing and expertise to lead in these areas.
- As a result of the budget cuts and the reorganization efforts, we are left with an agency that has fewer resources, less experience, and less of a mission to deal with natural disasters.
- Perhaps the most damaging thing is that the agency is headed by a Director with no prior experience in disaster management before he joined FEMA. His only qualification is that he was the college roommate of the prior Director.

**FEMA APPROPRIATIONS**

Total funding for FEMA will go up and down each year depending on the funding level for disasters. To understand what has happened to FEMA funding you need to subtract out disaster relief and look at funding for FEMA's base programs. Base FEMA funding has been cut by almost 10 percent since 2003, when FEMA was rolled into the Department of Homeland Security.

(dollars in millions)

	<u>2003</u>	<u>2004</u>	<u>2004</u>	<u>2005</u>	<u>2005</u>	<u>2006</u>	<u>2006</u>	<u>2006</u>
	<u>Enacted</u>	<u>Request</u>	<u>Enacted</u>	<u>Request</u>	<u>Enacted</u>	<u>Request</u>	<u>House</u>	<u>Senate</u>
Total funding including disasters and other one-time appropriations .....	4,419	5,137	5,423	9,447	9,470	3,134	3,012	2,758
Total funding excluding disaster relief and other one-time appropriations .....	1,027	868	960	796	928	994	1,012	838

### III. A Story of Neglect: The Army Corps Under the Bush Administration

A STORY OF NEGLECT:  
THE ARMY CORPS UNDER THE BUSH ADMINISTRATION

- President Bush has tried to cut Army Corps of Engineers funding almost every year he has been in office.
  - FY 2002 request: \$3.900 billion, \$641 million below the FY 2001 enacted.
  - FY 2003 request: \$4.306 billion, \$390 million above the FY 2002 enacted.
  - FY 2004 request: \$4.194 billion, \$505 million below the FY 2003 enacted.
  - FY 2005 request: \$4.120 billion, \$460 million below the FY 2004 enacted.
  - FY 2006 request: \$4.332 billion, \$708 million below the FY 2005 enacted.
  
- The Bush budgets for the Corps have been so bad that Corps officials have broken rank and criticized them. In 2002, the head of the Corps, Mike Parker, was forced to resign by the Administration after bluntly telling the Senate Budget Committee he believed OMB deliberately had shortchanged his agency's fiscal 2003 budget. According to Parker, a former Member of Congress from Mississippi:

One time I took two pieces of steel into [then-OMB Director] Mitch Daniels' office. They were exactly the same pieces of steel, except one had been under water in a Mississippi lock for 30 years, and the other was new. The first piece was completely corroded and falling apart because of a lack of funding. I said, 'Mitch, it doesn't matter if a terrorist blows the lock up or if it falls down because it disintegrates -- either way it's the same effect, and if we let it fall down, we have only ourselves to blame.' It made no impact on him whatsoever.
  
- The Bush Administration cuts seem to be particularly damaging to the New Orleans district office of the Army Corps. This is despite the fact that the Federal Government knew of the dangers facing New Orleans:
  - In 2001, "the Federal Emergency Management Agency ranked the potential damage to New Orleans as among the three likeliest, most catastrophic disasters facing this country." (Houston Chronicle, 12-01-01)
  - In 2002, the New Orleans Times Picayune devoted an entire series to the possibility of a hurricane hitting the city, and all of the preparedness problem the city faced.
  
- Despite the threat, the Bush administration underfunded projects specifically designed to protect the city.

- The Bush Administration requested \$2.977 million for the Lake Pontchartrain hurricane prevention project. This is a cut of \$7 million from the levels provided in FY 2001 and \$2.7 million below last year. Most importantly, this is \$17 million below what the Army Corps believes is necessary this year. This project was designed to strengthen the walls holding back the Lake's waters.
  - The Bush Administration requested \$10.5 million for the Southeast Louisiana Urban Flood Control Project to shore up levees and build water-pumping stations. This is a cut of \$58.5 million from the levels provided in FY 2001 and \$26 million below last year. It is \$52 million below what the Army Corps believes is necessary this year.
  - Further, the Bush Administration proposed terminating two other hurricane protection projects for the New Orleans area in FY 2006. These projects received \$3.5 million last year and the Army Corps believes that \$8.5 million is necessary this year.
- The rationale behind the negligence of our critical infrastructure seems clear. On June 8, 2004, Walter Maestri, emergency management chief for Jefferson Parish, Louisiana, told the Times-Picayune: "It appears that the money has been moved in the president's budget to handle homeland security and the war in Iraq, and I suppose that's the price we pay. Nobody locally is happy that the levees can't be finished, and we are doing everything we can to make the case that this is a security issue for us."

## CRITICAL NEW ORLEANS ARMY CORPS PROJECTS

(dollars in thousands)

	Bush Requested	Army Corps Capability	Congress Passed	House Bill (2006)	Senate Bill (2006)
<b>Lake Pontchartrain and Vicinity (HP):</b>					
Shoring up the walls holding back the Lake's waters.					
<b><u>FY 2001</u></b>		**	10,000		
<b><u>FY 2002</u></b>	7,500	17,600	14,250		
<b><u>FY 2003</u></b>	4,900	14,900	7,000		
<b><u>FY 2004</u></b>	3,000	20,000	5,500		
<b><u>FY 2005</u></b>	3,937	7,500	5,719		
<b><u>FY 2006</u></b>	2,977	20,000		2,977	7,500
<b>Southeast Louisiana Urban Flood</b>					
<b>Control Project:</b> Authorized in 1996 after 6 people die as a result of flooding. Project would shore up levees and build water-pumping stations.					
<b><u>FY 2001</u></b>	47,260	**	69,000		
<b><u>FY 2002</u></b>	51,908	120,600	60,000		
<b><u>FY 2003</u></b>	20,083	100,000	50,000		
<b><u>FY 2004</u></b>	16,500	65,000	34,000		
<b><u>FY 2005</u></b>	30,000	36,500	36,500		
<b><u>FY 2006</u></b>	10,491	62,500		10,491	37,000
<b>Louisiana Coastal Area Study:</b>					
Advance planning for how to reverse the loss of protective wetlands and barrier islands on the Louisiana Gulf Coast.					
<b><u>FY 2001</u></b>	1,750	**	1,750		
<b><u>FY 2002</u></b>	1,072	1,750	1,072		
<b><u>FY 2003</u></b>	585	3,800	1,250		
<b><u>FY 2004</u></b>	848	5,000	2,500		
<b><u>FY 2005</u></b>	8,000	12,000	8,500		
<b><u>FY 2006</u></b>	20,000	20,000		0	20,000