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Report to Congressional Requesters

March 2010

DISASTER RECOVERY

FEMA's Long-term Assistance Was Helpful to State and Local Governments but Had Some Limitations

GAO-10-404

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GAO Accountability·Integrity·Reliability

Highlights

Highlights of GAO-10-404, a report to congressional requesters

Why GAO Did This Study

The administration is developing the National Disaster Recovery Framework (NDRF) in order to enhance the nation's ability to deliver recovery assistance. The Federal Emergency Management Agency's (FEMA) Long-Term Community Recovery Branch (LTCR) is responsible for leading a network of primarily federal agencies, known as ESF-14, that supports long-term recovery. LTCR's experiences offer potential insights for developing the NDRF.

GAO was asked to report on (1) the roles that LTCR played in recent disasters, (2) broad criteria and timing challenges that affected this assistance, (3) the effectiveness of specific coordination practices, and (4) the effectiveness of specific planning assistance practices. GAO focused on three disasters with significant LTCR involvement: the Greensburg tornado (2007), the Iowa floods (2008), and Hurricane Ike (2008). GAO reviewed agency documents and policies and interviewed relevant federal, state, and local officials.

What GAO Recommends

Among GAO's recommendations are that FEMA (1) more effectively align the timing and level of long-term recovery assistance to match the capacity and needs of affected states and localities and (2) evaluate the level of authority needed to effectively coordinate federal agencies involved in disaster recovery. In commenting on a draft of this report the Department of Homeland Security agreed with the recommendations.

View GAO-10-404 or key components.
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What GAO Found

As the federal lead for long-term disaster recovery, FEMA's LTCR played two major roles in the three disasters that we reviewed—facilitating the coordination of federal, state, and nongovernmental assistance for recovery and helping communities to develop long-term recovery plans. GAO found two broad challenges related to this assistance. First, the criteria for when to involve LTCR and ESF-14 in a specific disaster are vague, which resulted in uncertainty among other federal agencies in the ESF-14 network and state recovery officials. Second, in some cases assistance began before state and local governments had the capacity to effectively work with LTCR and ended before critical long-term recovery coordination and planning needs were fully addressed.

Federal, state, and local officials said that LTCR's facilitation of regular interagency meetings to coordinate federal and state partners helped to identify and effectively leverage recovery resources, as well as identify coordination problems and other concerns. For example, the town of Greensburg, Kansas, determined that replacing its destroyed water tower with one of the same capacity it had before the tornado would be insufficient for the community's expected future growth. As a result of interagency meetings conducted by LTCR, federal and state agencies, and others found a way to leverage resources from their programs in order to build a higher-capacity water tower that better addressed the city's long-term recovery needs. Federal, state, and local officials also identified two barriers to LTCR's coordination efforts. LTCR was not always able to obtain or sustain the participation of all of the agencies that it sought to coordinate with. Even when it did have full agency participation, LTCR was not always able to secure the involvement of agency officials with sufficient authority to resolve the program problems that arose.

LTCR's planning assistance—including facilitating community meetings and identifying potential funding resources for recovery projects—helped affected communities to develop and implement long-term recovery plans. In Iowa City, LTCR identified possible federal funding sources for specific projects in the city's recovery plan and advised the city on how to prepare effective project proposals. Local officials credit this assistance with helping the city to be able to secure federal funding that it expects to receive for its top two recovery priorities. However, state and local officials also identified areas where LTCR assistance could be improved. State and local officials in Texas recovering from Hurricane Ike said that LTCR's process of ranking projects in Galveston's recovery plan had the effect of fostering unrealistic expectations among the public about what projects would be funded. In addition, in one of the three disasters that we reviewed, LTCR did not effectively transfer recovery planning tools, such as a guide on federal funding timelines, to the relevant officials prior to their withdrawal from the state. LTCR officials recognized that their transfer of information in Texas could have been more effective, citing time limitations as one reason for the challenge.

Contents

Figures

Abbreviations

CDBG	Community Development Block Grant
DHS	Department of Homeland Security
ESF-14	Emergency Support Function #14
FCO	Federal Coordinating Officer
FEMA	Federal Emergency Management Agency
HUD	Department of Housing and Urban Development
JFO	Joint Field Office
LTCR	Long-Term Community Recovery Branch
NDRF	National Disaster Recovery Framework
NRF	*National Response Framework*
RIO	Rebuild Iowa Office
SBA	Small Business Administration
USDA	Department of Agriculture

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United States Government Accountability Office
Washington, DC 20548

March 30, 2010

The Honorable Joseph I. Lieberman
Chairman
The Honorable Susan M. Collins
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Mary L. Landrieu
Chairman
Ad Hoc Subcommittee on Disaster Recovery
Committee on Homeland Security and Governmental Affairs
United States Senate

Long after temporary shelters have closed, debris has been cleared, and critical communication and transportation systems have been repaired, the process of long-term recovery for communities affected by catastrophic disasters can continue on for years and sometimes decades. Congress typically appropriates billions of federal dollars to assist in the long-term recovery of communities affected by such disasters. These funds support activities provided by a wide and diverse range of federal departments and agencies, including the Departments of Homeland Security (DHS), Housing and Urban Development (HUD), Agriculture (USDA), and Transportation; the Federal Emergency Management Agency (FEMA); and the Small Business Administration (SBA), among many others. The *National Response Framework* (NRF), the principal document guiding national recovery efforts, established a structure known as Emergency Support Function -14 (ESF-14) to coordinate long-term recovery assistance from this diverse group of agencies. Under the NRF, FEMA is responsible for coordinating ESF-14 and federal long-term recovery efforts, which the agency has assigned to its Long-Term Community Recovery Branch (LTCR). Because of challenges experienced during recovery from recent disasters, over the last several months the administration has begun to reexamine the way the nation approaches disaster recovery. As part of this effort, FEMA and HUD are working with a broad range of federal agencies and other organizations to develop the *National Disaster Recovery Framework* (NDRF) to improve federal coordination in the future.

In light of these ongoing efforts to improve disaster recovery, and in response to your request to examine recent FEMA experiences supporting

long-term recovery through LTCR and ESF-14, we evaluated the effectiveness of the assistance provided by LTCR in three recent disasters. Specifically, we report on (1) the roles that LTCR played in recent disasters—coordination and planning assistance, (2) broad criteria and timing challenges that affected this assistance, (3) the effectiveness of specific coordination practices, and (4) the effectiveness of specific planning assistance practices.

To identify the key roles and responsibilities of LTCR in disaster recovery, we reviewed FEMA regulations and policies, as well as national policy on disaster recovery, such as the NRF's ESF-14 long-term community recovery annex, and relevant legislation. To determine the effectiveness of LTCR's disaster assistance practices, we assessed the experiences of federal, state, and local officials involved in recovering from the 2007 tornado in Greensburg, Kansas; Hurricane Ike that affected Texas in 2008; and the 2008 Midwest floods in Iowa. FEMA identified all three of these disasters as having significant ESF-14 involvement led by LTCR.[1] We interviewed, and obtained documentation from, officials from FEMA and other relevant components within DHS, as well as SBA, HUD, and USDA—the three other entities identified by the NRF as "primary agencies" involved in long-term disaster recovery. We also interviewed and obtained documentation from state and local officials who had significant leadership roles in disaster recovery and who worked directly with LTCR and other ESF-14 agencies. We compared the information obtained from these sources against criteria identified in FEMA regulations and policies, the NRF's ESF-14 long-term community recovery annex, relevant legislation, as well as our previous work on effective coordination and

[1]LTCR staff initially provided some coordination and planning assistance in Louisiana and Mississippi after hurricanes Katrina and Rita. However, for the majority of recovery, these responsibilities were managed by the presidentially appointed Federal Coordinator for Gulf Coast Recovery and the FEMA Gulf Coast Recovery Office. While we do not focus on hurricanes Katrina and Rita in this report, we have previously reported on a wide range of issues involving recovery from these disasters. These reports include GAO, *Disaster Recovery: FEMA's Public Assistance Grant Program Experienced Challenges with Gulf Coast Rebuilding*, GAO-09-129 (Washington, D.C.: Dec. 18, 2008); *Gulf Coast Disaster Recovery: Community Development Block Grant Program Guidance to States Needs to Be Improved*, GAO-09-541 (Washington, D.C.: June 19, 2009); *Office of the Federal Coordinator for Gulf Coast Rebuilding: Perspectives and Observations*, GAO-09-411R (Washington, D.C.: Apr. 10, 2009); *Small Business Administration: Additional Steps Should Be Taken to Address Reforms to the Disaster Loan Program and Improve the Application Process for Future Disasters*, GAO-09-755 (Washington, D.C.: July 29, 2009); and *Disaster Assistance: Federal Assistance for Permanent Housing Primarily Benefited Homeowners; Opportunities Exist to Better Target Rental Housing Needs*, GAO-10-17 (Washington, D.C.: Jan. 14, 2010).

planning practices. These criteria include actions that LTCR should take to expedite, leverage, and increase the effectiveness of federal and other long-term recovery assistance. For more information on our scope and methodology, see appendix I.

We conducted this performance audit from April 2009 through March 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

During the immediate aftermath of a disaster, first responders—assisted by federal agencies and others—focus on essential lifesaving activities. However as the urgency for response to an incident is being addressed, the need to begin recovery operations emerges. During the recovery phase, actions are taken to help individuals, communities, and the nation return to normal. This recovery typically occurs in overlapping phases, with initial efforts dedicated to helping those affected meet short-term needs for housing, food, and water after a disaster. During this phase, basic services and functions are restored, such as providing essential public health and safety services, restoring interrupted utility and other essential services, reestablishing transportation routes, and providing food and temporary shelter for those displaced by the incident. Longer-term recovery may also involve some of these same actions, but the focus shifts to restoring both the individual and the community, including the complete redevelopment of damaged areas. According to FEMA, long-term community recovery addresses these ongoing restoration and rebuilding needs by taking a holistic, long-term view of critical recovery needs and coordinating the mobilization of resources at the federal, state, and community levels. As seen from past catastrophic disasters, the long-term recovery phase can begin shortly after a disaster, last for many years—sometimes decades—and involve the assistance and coordination of a wide range of governmental and nongovernmental entities.

The NRF, which became effective in March 2008, presents the guiding principles that enable all response partners to prepare for and provide a unified national response to disasters and emergencies. The NRF was developed by FEMA and a wide range of federal, state, and local governments and nongovernmental entities, in response to challenges experienced in August 2005's Hurricane Katrina and subsequent

hurricanes, which revealed several limitations in the former guidance document—the 2004 *National Response Plan*. The NRF identifies the roles and responsibilities of federal, state, local, and tribal governments; the private sector; and voluntary organizations in responding to disasters.[2] The framework provides the structure and mechanisms to coordinate and integrate incident management activities and emergency support functions across all of these entities. This coordination typically occurs within a Joint Field Office (JFO), which is led by a Federal Coordinating Officer (FCO) provided by FEMA.[3] As part of this framework, the NRF identifies 15 Emergency Support Functions that are used to help identify and coordinate the capabilities and resources of federal departments and agencies, along with certain private-sector and nongovernmental organizations. While most of the NRF focuses on the immediate response to and short-term recovery from disasters, one of the framework's Emergency Support Functions addresses long-term community recovery—ESF-14.

According to the NRF, DHS functions as the principal coordinating agency for ESF-14. As previously noted, FEMA's LTCR carries out this responsibility for the department. The NRF also identifies three non-DHS entities as "primary agencies" for supporting long-term community recovery—USDA, HUD, and SBA. These agencies provide recovery support in their areas of expertise and assist with identifying areas of collaboration with other agencies, among other things. Under the NRF structure, LTCR is also responsible for coordinating with over 13 other

[2]In response to issues raised during recovery from hurricanes Katrina and Rita, we have reported on the importance of having clearly defined roles and responsibilities of all key participants in preparing for, responding to, and recovering from any catastrophic disaster. See GAO, *Catastrophic Disasters: Enhanced Leadership, Capabilities, and Accountability Controls Will Improve the Effectiveness of the Nation's Preparedness, Response, and Recovery System*, GAO-06-618 (Washington, D.C.: Sept. 6, 2006). More recently, we reported on the importance of including nonfederal stakeholders in the process of revising the framework. See GAO, *National Response Framework: FEMA Needs Policies and Procedures to Better Integrate Non-Federal Stakeholders in the Revision Process*, GAO-08-768 (Washington, D.C.: June 11, 2008).

[3]The JFO is a temporary federal facility that provides a central location for the coordination of federal, state, tribal, and local governments and private-sector and nongovernmental organizations with primary responsibilities for response and recovery. The FCO is the official appointed by the President to commit the resources of FEMA and to task other agencies with performing response and recovery activities. The FCO is also the primary federal representative responsible for coordinating with key state, tribal, and local response officials to determine their needs and set objectives for an effective response and recovery.

federal agencies and nongovernmental organizations that participate in supporting long-term community recovery (see fig. 1).[4]

Figure 1: Emergency Support Function 14 – Long-Term Community Recovery Partners

ESF coordinator

- Department of Homeland Security/ Federal Emergency Management Agency

Primary agencies

- Department of Agriculture
- Department of Homeland Security
- Department of Housing and Urban Development
- Small Business Administration

Support agencies

- Department of Commerce
- Department of Defense
- Department of Energy
- Department of Health and Human Services
- Department of the Interior
- Department of Labor
- Department of Transportation
- Department of the Treasury
- Environmental Protection Agency
- Corporation for National and Community Service
- Delta Regional Authority
- American Red Cross
- National Voluntary Organizations Active in Disasters

Source: The National Response Framework.

When ESF-14 is activated, the National Response Coordination Center initially provides national-level coordination and information sharing among the agencies for ESF-14. Once the JFO is established within the disaster area, the FCO may request the ESF-14 network to be deployed to the field location to provide on-scene coordination.[5] The level of this assistance depends on each community's recovery needs, including the size and scope of the disaster, the community's ability to recover, and how much help state and local governments request. Although no direct

[4]ESF-14 involvement may sometimes be broader than the 13 agencies in fig. 1 because there are several agencies within the listed departments that coordinate with FEMA, and LTCR also coordinates with entities that are not shown here. In addition to the structure outlined in figure 1, ESF-14 has arranged its partners into six functional groups to support disaster recovery operations in the areas of economic development; housing; infrastructure systems; social and human services; community planning and capacity building; and environmental, cultural, and historic resources.

[5]ESF-14 may be activated in headquarters for federal coordination and assessment support without deploying assistance to the field to provide on-site coordination and planning assistance directly to the states. In this report, we discuss the assistance provided directly to the state when ESF-14 is deployed to the disaster site.

funding is provided to state and local governments by ESF-14 or LTCR, the ESF-14 network can assist communities affected by a disaster in a variety of ways, including by providing long-term recovery experts to help identify recovery resources in other federal and private funding programs and by helping the community coordinate these resources to achieve a greater impact than they might have by themselves. The overall goal of this coordination is to expedite, leverage, and increase the effectiveness of federal and other long-term recovery assistance.

While the NRF is the principal document that guides the nation's response and recovery efforts, the administration is undertaking several initiatives to develop new guidance that will focus specifically on disaster recovery. As noted earlier, the vast majority of the NRF is devoted to coordinating the nation's emergency response to disasters. Currently, there is no comprehensive operational coordinating structure to guide the many federal, state, and local entities involved in disaster recovery. As a first step, in 2006 Congress required FEMA to develop a national disaster recovery strategy for federal agencies involved in recovery.[6] In response to this mandate and because it was recognized that such a strategy must be comprehensive and reflect the entire range of recovery activities and actors, FEMA and HUD are leading a diverse group of federal agencies and other organizations to develop the *National Disaster Recovery Framework*. The goal of this framework is to establish a comprehensive coordinating structure that will enhance the nation's ability to work together and effectively deliver recovery assistance. Four objectives identified for the NDRF are (1) to define the federal, state, local, tribal, private nonprofit, and private-sector roles and individual citizen's roles in disaster recovery; (2) to design and establish an effective coordinating structure for disaster recovery programs; (3) to identify gaps, as well as duplications, in recovery programs and funding; and (4) to establish performance standards for the federal support of state and local recovery. The administration expects to issue a final version of the NDRF in June 2010.

In addition, the President requested that the Secretaries of Homeland Security and HUD lead a Long-Term Recovery Working Group responsible for examining lessons learned from previous catastrophic disaster recovery efforts, including areas for improved collaboration between federal agencies and between the federal government and state and local

[6]See 6 U.S.C. § 771.

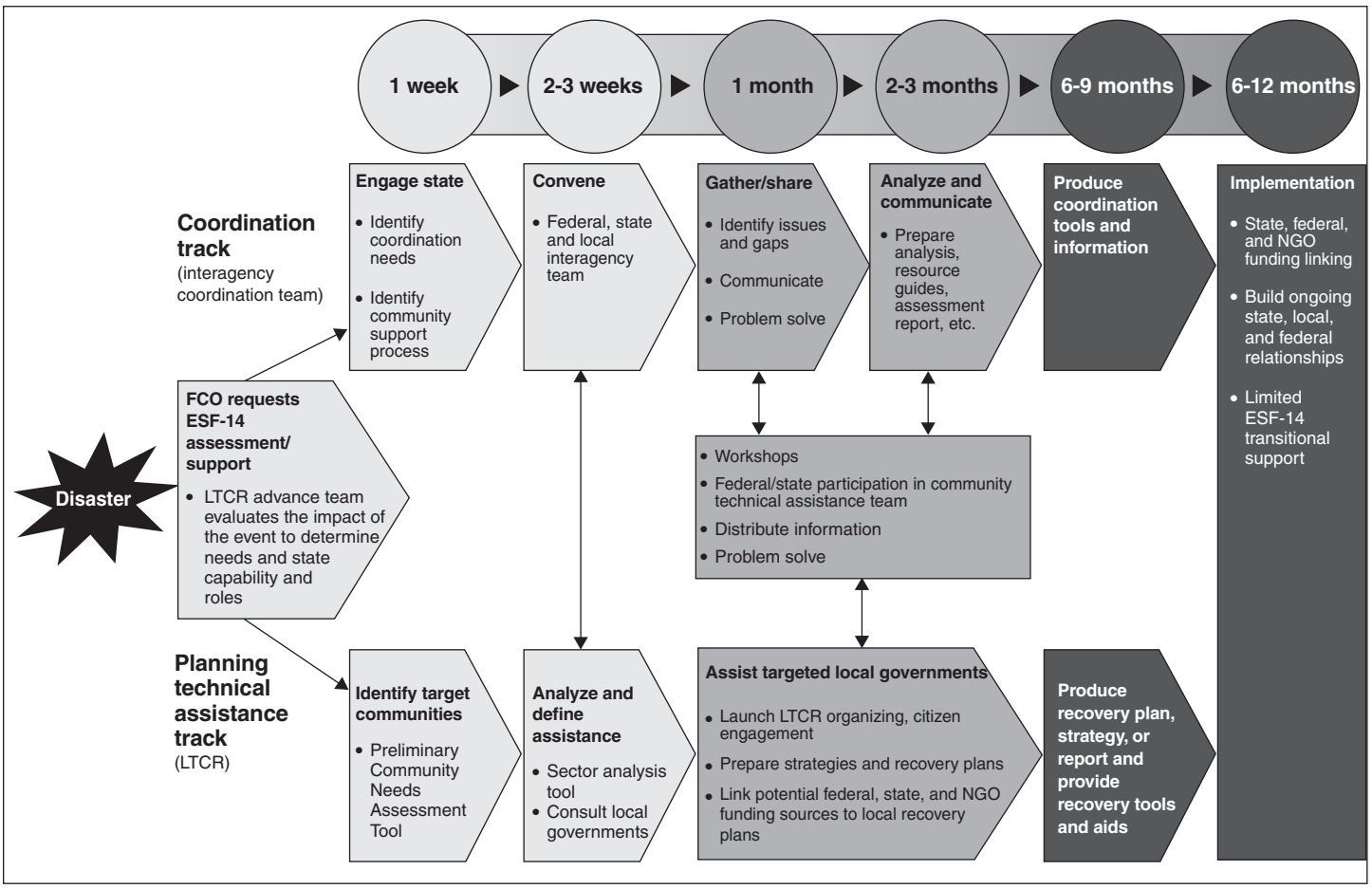
governments and stakeholders. It is also responsible for reviewing federal disaster recovery programs for efficacy and identifying methods to build capacity within state, local, and tribal governments as well as within the nonprofit, faith-based, and private sectors. Because of the relationship between these goals and the development of the NDRF, the group tasked with developing the framework has worked closely with the White House's Long-Term Disaster Recovery Working Group. It will provide one of the two main outcomes of the effort. The other outcome is a report to the President, expected to be issued in May 2010, which will provide recommendations on how to improve long-term disaster recovery.

LTCR Provided Coordination and Planning Assistance to States and Localities

LTCR played two key roles during recovery in the disasters that we reviewed: (1) facilitating the coordination of federal, state, and nongovernmental assistance and (2) assisting local communities with developing long-term disaster recovery plans, strategies, or reports. In addition to carrying out these two major functions, each support operation began with a small ESF-14 advance team dispatched by the FCO to conduct an initial on-the-ground assessment of likely long-term recovery needs.[7] This assessment helped to determine the amount and type of assistance ESF-14 provided. See figure 2 for a graphic representation of these roles and their approximate time frames.

[7]In order to carry out these activities, LTCR operates with a small staff of permanent employees, supplemented by contract staff who are hired during disaster response and recovery. For example, LTCR officials reported that LTCR has had one to two full-time staff from its creation until April of 2008. Since 2008, the office has increased to five staff.

Figure 2: The ESF-14 Assistance Process



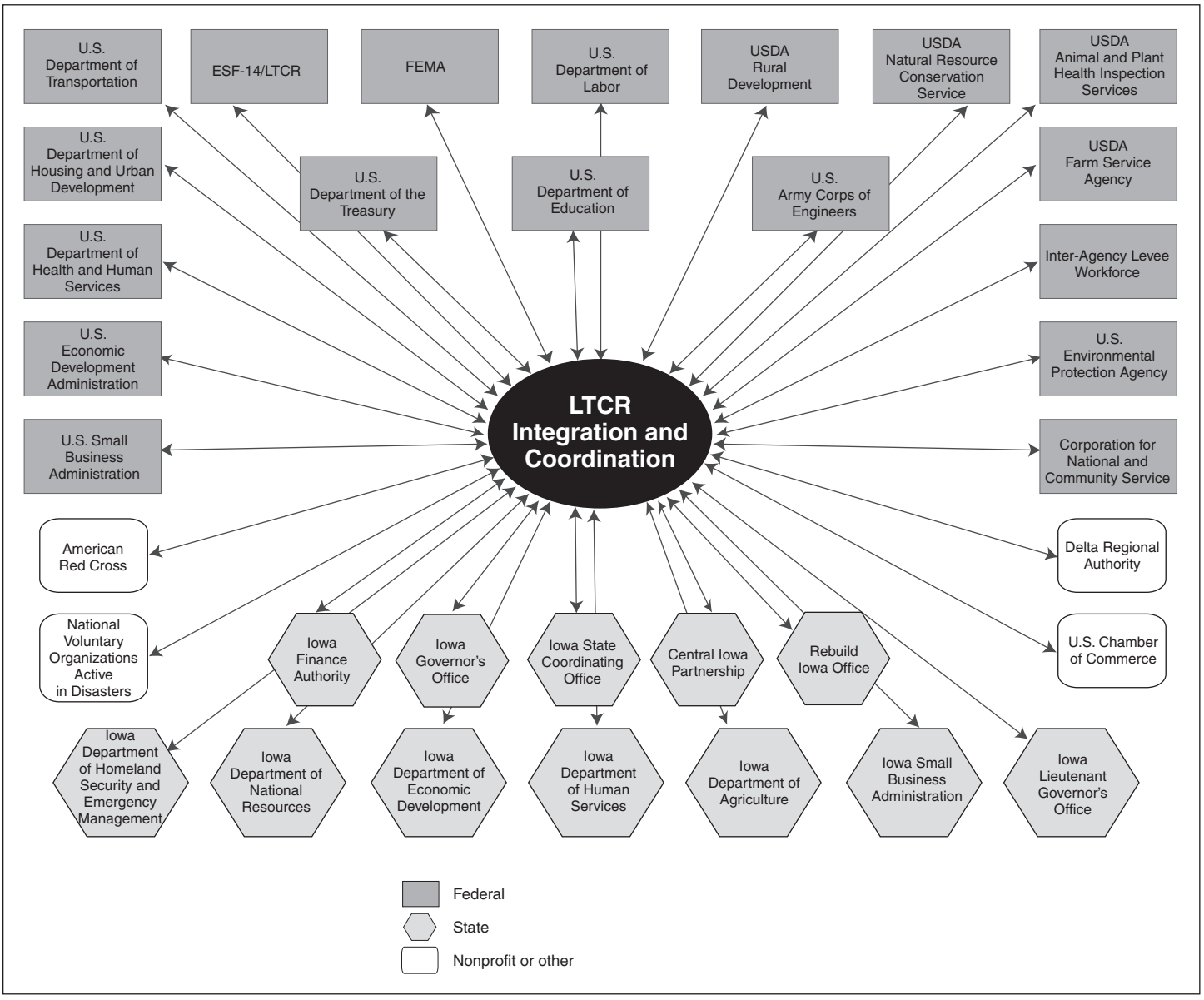
Source: GAO presentation of LTCR process chart.

In each of the disasters included in our review, LTCR facilitated coordination among federal, state, and nongovernmental organizations through frequent interagency meetings, and by working one-on-one with relevant federal and state agencies to identify and resolve challenges. Toward this end, LTCR held biweekly meetings with federal and state agencies, such as USDA, HUD, SBA, the Departments of Labor, Commerce, and Transportation, and the Environmental Protection Agency; the state counterparts to these agencies; state finance offices; and others. The number and type of federal and state agencies involved in the interagency meetings varied among the states, depending on their recovery needs, and sometimes changed during the course of the recovery process.

In all three states we reviewed, federal and state officials used these meetings to identify and report on the status of assistance provided by each agency, and to identify long-term recovery challenges or concerns. See figure 3 for an example of the interagency coordination structure utilized during Iowa's recovery from the 2008 Midwest floods.

In addition to facilitating coordination during meetings, LTCR also worked one-on-one with various federal and state agencies to identify and resolve challenges. These meetings often followed up on challenges or opportunities that were identified during interagency coordination meetings or issues raised to LTCR directly by state and local officials. In addition, LTCR established coordination agreements with agencies to perform long-term recovery assessments and provide technical assistance related to their specific areas of expertise. For example, in Texas, LTCR entered into an agreement with the Economic Development Agency to conduct economic growth and recovery assessments for recovery planning for communities affected by Hurricane Ike.

Figure 3: Membership of the LTCR Interagency Coordination Group for the 2008 Iowa Floods



Source: GAO presentation based on information provided by LTCR and Iowa state officials.

Note: The LTCR Integration and Coordination graphic in the center of the figure represents the collective interagency coordination effort, which included regular meetings involving the federal, state, and nonprofit organizations shown.

The other major component of LTCR's assistance was the assistance that it provided to local communities in developing long-term disaster recovery plans, strategies, or reports. One way LTCR provided this support was through its facilitation of frequent planning meetings. In all three states, LTCR held weekly meetings with various stakeholders in affected communities. For example, in Greensburg, Kansas, LTCR conducted frequent recovery planning meetings that included the school board, citizen groups, business owners, and community members at large. In each of the states in our review, these planning meetings were used to obtain and document the community's views on recovery priorities and to develop ideas for recovery projects.

LTCR also provided technical assistance to the local communities by conducting or facilitating long-term recovery assessments to identify the long-term impacts of the disaster, providing staff to advise the communities on steps to take as they developed recovery plans, creating planning tools that the communities used to guide their planning activities, and hosting workshops to discuss and share recovery planning lessons, among other things. In addition to these supports, LTCR helped communities to prioritize their potential long-term recovery projects.

The Lack of Clear Criteria and the Timing of LTCR Assistance Presented Challenges to Recovery Partners

Unclear Criteria regarding LTCR's and ESF-14's Involvement in Disaster Recovery Has Led to a Lack of Understanding and Agreement about ESF-14 Deployment

One broad challenge reported by federal and state partners of LTCR involved a lack of understanding and agreement about the criteria used to determine whether ESF-14 becomes involved in a disaster. We have previously reported on the importance of having clear criteria to guide agency decisions about whether to provide disaster assistance.[8] This is especially important when the actions involve multiple partners that must work together to accomplish a common goal. However, we found that the NRF and FEMA guidance on the factors that warrant ESF-14 involvement in a specific disaster are vague. For example, the NRF states that ESF-14 will be deployed "when the incident is likely to require significant federal long-term community recovery assistance." Other FEMA guidance says that deployment should be considered "when routine federal, state, local, and tribal disaster assistance mechanisms are insufficient to meet the extraordinary challenges of affected jurisdictions." Both criteria are broad enough to be interpreted differently by state and federal recovery partners, regarding whether these criteria were met.[9] As a result, they have been interpreted differently by various recovery partners.

Officials from the three non-DHS entities designated as "primary agencies" responsible for implementing the ESF-14 function—SBA, HUD, and USDA—told us that they were generally uncertain about why they were involved in some disasters versus others. The agencies reported that they did not understand what criteria were used to trigger ESF-14 involvement in various disasters, and sometimes disagreed with the determination. For example, USDA officials told us that they thought ESF-14 should have been deployed for the American Samoa Tsunami that occurred on September 30, 2009, but such support was not provided.[10] Similarly, state and local officials from two of the three states we visited also reported

[8]We reported that developing more explicit and transparent criteria for decisions that trigger federal disaster assistance could provide a number of potential benefits, including helping state and local governments decide whether they had a valid request to make, enabling them to provide more complete and uniform information, and minimizing doubts as to whether their requests were treated fairly and equitably. GAO, *Disaster Assistance: Information on Federal Costs and Approaches for Reducing Them*, GAO/T-RCED-98-139 (Washington, D.C.: Mar. 26, 1998).

[9]We also reviewed a third source of guidance, the *ESF-14 FCO Quick Reference Guide*, which contained similarly broad language. Specifically, the guide states that ESF-14 is deployed "in disasters with potential significant long-term impacts, where enhanced federal coordination and specialized long-term recovery technical assistance is necessary. State and/or local capacity for recovery will be limited."

[10]American Samoa officials requested long-term recovery assistance, but this assistance was not provided for the disaster.

that they did not fully understand the basis for decisions made about ESF-14 deployment to some disasters versus others in their states. For example, Texas officials believed that ESF-14 assistance was warranted for Hurricane Dolly because, in their view, the hurricane resulted in a long-term recovery impact that was significant and overwhelmed the abilities of the community and state. However, FEMA determined that Hurricane Dolly did not meet requirements for activating ESF-14 assistance. Similarly, Kansas officials reported that they believed ESF-14 assistance was warranted in the 2007 floods that occurred in the state after the tornado, but was not made available by FEMA. Officials from the FCO office stated that these decisions are often made with the input of other FEMA and state officials, and are based on their collective assessment of what support a disaster may warrant. However, when we spoke with LTCR officials about criteria for activating ESF-14, they said it would be helpful if FEMA provided additional guidance on the criteria that determine whether ESF-14 should become involved in a disaster recovery effort.

The Timing of LTCR's Assistance Presented Challenges to Some State and Local Governments

In two of the three states included in our review, LTCR's coordination and planning efforts began before state and local governments had the capacity to effectively work with them and ended before critical long-term recovery coordination and planning needs were addressed. As a result, state and local officials reported that they are left without federal coordination and planning assistance during a critical period in the recovery process. We have previously reported that actions taken shortly after a major disaster and during the early stages of the recovery process can have a significant impact on the success of a community's long-term recovery. Therefore, early involvement in disasters to assess the impact of response activities on longer-term recovery is important to a successful recovery.[11] As part of this consideration, the level and focus of long-term recovery assistance need to be appropriately aligned with the capacity of the state and local governments to effectively become involved in the activities and with the ripeness of recovery issues. We found that the timing and focus of LTCR activities was appropriate and beneficial for certain types of important recovery needs, but not for others. For example, LTCR's deployment of a one- to two-person team to develop long-term recovery impact assessments a few days after each disaster provided

[11]GAO, *Disaster Recovery: Past Experiences Offer Insights for Recovering from Hurricanes Ike and Gustav and Other Recent Natural Disasters*, GAO-08-1120 (Washington, D.C.: Sept. 26, 2008).

valuable insight on which federal, state, and local partners needed to be involved in recovery, and what long-term recovery challenges these partners needed to consider during emergency response and short-term recovery activities. Further, LTCR's efforts to establish an interagency coordination structure during early phases of disaster recovery and to begin coordination with other federal agencies had several benefits that we discuss later in this report. However, LTCR's efforts to engage state and local partners in more substantive long-term recovery activities while they were still in the midst of addressing immediate emergency response, and ending this assistance 6 to 8 months later, did not effectively align with the state and local governments' capacity or support some of their most critical long-term recovery needs.

In Texas and Iowa, state and local officials reported that LTCR's efforts to begin intensive long-term recovery coordination and planning meetings just a few weeks after the disasters—while they had limited staff dealing with multiple recovery efforts—created an additional burden. For example, Texas State officials said that LTCR's requests that their staff produce recovery information, attend weekly or biweekly recovery meetings, and follow up on recovery actions during the early response phase created a significant burden that could not be met.[12] As a result, these officials did not fully participate in LTCR's assistance. For example, Texas housing officials told us that key housing disaster recovery staff were still involved in administering $300 million in HUD's Community Development Block Grant (CDBG) housing funds for ongoing recovery efforts for Hurricane Rita victims.[13] Therefore, when LTCR requested that they send staff to attend frequent recovery meetings a few weeks after the disaster, they could not afford to provide the staff and time to do so. Our review of LTCR's after-action report for Hurricane Ike confirmed that this was a challenge. According to the report, when working with the Governor's Disaster Recovery and Renewal Committee "it was clear that the amount of work that state staff was engaged in did not provide time for additional tasks, duties, or meeting participation." Similarly, LTCR and local officials in Galveston, Texas, reported that LTCR attempted to

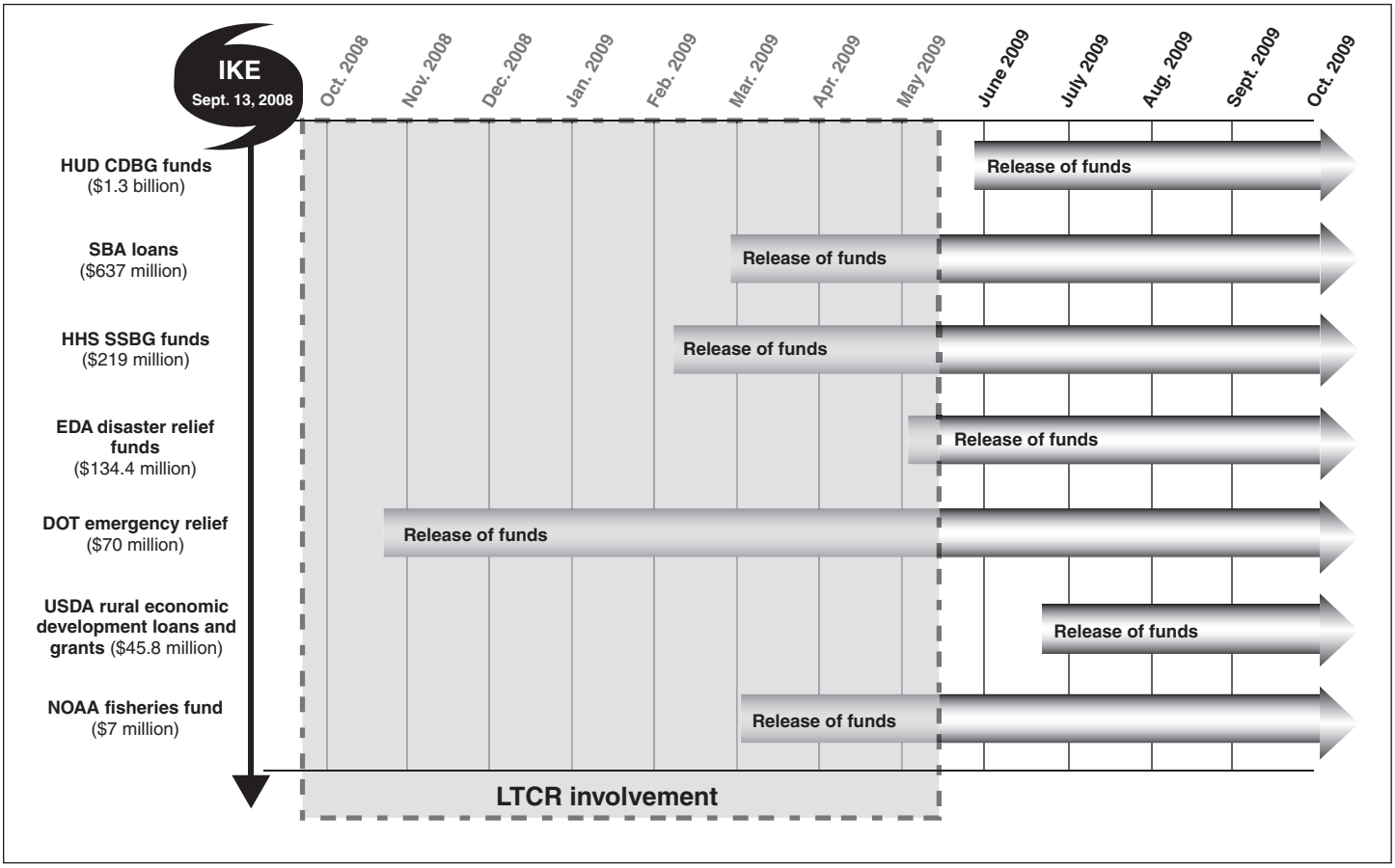
[12]This information was obtained from senior officials in the Texas Emergency Management Division, the Texas Department of Rural Affairs, and the Texas Department of Housing and Community Affairs. These state agencies are responsible for administering funds received from the largest federal response and recovery grant programs.

[13]For additional information on the length of time that it took for state and local governments to receive CDBG funding after hurricanes Katrina and Rita, see GAO-10-17.

engage the local community in long-term recovery planning about a month after Hurricane Ike. However, because the city was still overwhelmed with emergency response activities, it had to delay acceptance of this assistance for about 6 weeks.

Federal, state, and local officials involved in the disasters in Texas and Iowa also reported that LTCR's involvement ended before some critical recovery funding became available and before local governments were able to focus on developing long-term plans. According to federal, state, and local officials, some critical long-term recovery funding, such as HUD's CDBG housing funds, and many long-term recovery projects do not become available or begin until 1 or 2 years after the disaster occurs, which is at least 6 months to a year after LTCR concludes its assistance. In addition, state and local officials reported that many local communities were not stable enough to effectively focus on addressing long-term recovery needs until about 6 months after the disaster, which was about the time that LTCR left. As a result, state and local officials reported that they were left without federal coordination assistance during a critical period in the recovery process. Our review of the Texas Funding Timeline developed by LTCR showed that some federal assistance, such as the Federal Highway Administration's Emergency Relief funds, was released within weeks of the disaster, which was during the height of LTCR involvement. However, the majority of the larger federal funding sources became available near the end of LTCR's and the ESF-14 network's assistance or after it concluded. (Fig. 4 illustrates the timing of the release of selected sources of federal recovery assistance for Hurricane Ike compared with the time period of ESF-14's involvement after the disaster.)

Figure 4: Comparison of the Timing of LTCR Involvement and the Availability of Selected Federal Recovery Funds Following Hurricane Ike



Source: GAO analysis of FEMA and other federal agency documents.

Legend: NOAA = National Oceanic and Atmospheric Association; USDOT = Department of Transportation.

Note: All above data are as of February 24, 2009, except for the figure for the SBA loans, which is current up to September 1, 2009. All of the figures, except for SBA loans, are based on the expected release of funds identified by LTCR during recovery from Hurricane Ike in Texas.

LTCR officials recognized that the timing of their assistance often limited their ability to more effectively provide coordination and planning, but attributed this to the closing of JFO operations. According to these officials, there are several reasons why the JFO may close before ESF-14's mission is complete, including the fact that most JFO operations focus on response and short-term recovery activities as well as varying interpretations among FCOs on when ESF-14's mission is complete. FEMA

interim guidance identifies three conditions for concluding ESF-14 assistance: (1) long-term impact analyses are performed, (2) necessary technical support to establish local long-term recovery strategies or plans is provided, and (3) coordination of long-term recovery resources needed by the affected community to launch its recovery efforts is complete. However, LTCR officials acknowledged that they sometimes conclude their assistance before these conditions are met. According to the officials, one reason this occurs is because the life span of ESF-14 involvement is closely linked with the JFO operation, which typically ends at 6 months. LTCR officials told us that when making determinations about when to end ESF-14 assistance, FEMA considers whether the three conditions above are met. However, the achievement of these conditions carries less weight than closing the JFO expeditiously, especially because all other JFO operations involve response and short-term recovery activities that largely draw to a close about 6 months after a disaster.

Other reasons identified by LTCR for concluding their assistance before achieving the above conditions include different interpretations of FEMA's mission and authorities as well as varying interpretations of LTCR's mission by the FCOs. The director of the FCO office told us that based on his experience, FCOs generally believe that LTCR's mission is primarily to work with the states immediately after a disaster to develop a long-term recovery plan. Under this view, assisting states and local communities with coordinating federal assistance to implement their recovery plans is not the role of ESF-14, but that of regional staff or other FEMA recovery officials who remain in the disaster area. However, it is not clear that FEMA regional staff have the capacity or interest in taking on this role. For example, according to LTCR officials, FEMA region 2, which includes New York and New Jersey, is the only region that has staff specifically assigned to work with communities to address long-term community recovery needs. In Galveston, Texas, LTCR officials recognized that additional long-term recovery support would be needed by the city after they left, and accordingly developed a demobilization plan that transferred oversight of remaining recovery duties to a regional FEMA staffer. However, the regional staff member met with city officials only once and had little additional interaction with them afterward.

According to LTCR officials, they would like to stay involved in communities longer but are often unable to do so. Once the JFO closes there is no protocol for ESF-14 to provide additional assistance to the

community.[14] However, in the case of Kansas, LTCR developed a creative way to link back to the community. After spending about 6 months in the community, LTCR and state officials worked together to obtain about a 6-month extension of LTCR assistance, which included providing remote support for projects, meetings, and developing resources from LTCR offices in Washington D.C. A senior official responsible for coordinating recovery reported that this extension was critical to the successful implementation of many of Greensburg's major recovery initiatives.

LTCR's Assistance with Disaster Recovery Coordination Was Generally Considered Valuable, but Some Challenges Limited Its Effectiveness

LTCR's Interagency Coordination Meetings and Direct Coordination with Partners Improved Recovery Progress

Most federal, state, and local officials reported that LTCR's assistance with coordinating federal resources helped states to accomplish two goals: identifying and leveraging federal and state resources that could be used to support disaster recovery projects, and identifying potential coordination challenges, such as gaps in funding or other long-term recovery concerns. Although the officials identified limitations with the timing of LTCR's assistance, they identified several important benefits when LTCR coordinated federal and state recovery partners. According to federal and state partners, as well as our review of some meeting minutes, the interagency coordination meetings facilitated by LTCR in Iowa, Kansas, and Texas were effective forums for identifying federal and state resources that could be used to support disaster recovery projects. During these meetings, federal and state agencies reported on the types of programs and assistance that their agencies offered, and collectively

[14]Under the NRF, ESF-14 functions out of the JFO. Once the JFO closes, ongoing long-term recovery activities transition to the individual agencies responsible for specific recovery programs and activities.

discussed which programs would best meet the unique needs of specific recovery projects. This identification of potential funding sources occurred at the beginning of the disaster recovery and typically continued for about 6 months after recovery began. According to federal and state officials, these interagency forums were especially useful because they resulted in identifying funding resources that are not typically provided as part of disaster recovery. For example, in Iowa, through the interagency meetings, LTCR and the state identified federal funding sources to support the state's desire to utilize smart growth concepts in rebuilding efforts, including considerations for economic growth, public health, and quality of life. As a result of the interagency coordination that occurred during the meetings, FEMA, Iowa's recovery office, the Iowa Department of Economic Development, and USDA partnered with the Environmental Protection Agency's Smart Growth program to offer smart growth support to assist five communities in their rebuilding efforts.

As part of identifying resources, state and federal officials reported that the meetings were also effective forums for identifying ways to leverage federal and state with private or nonprofit funding to assist local governments in rebuilding to address longer-term rather than short-term recovery needs. For example, in Greensburg, Kansas, the capacity of the city's water tower was determined to be insufficient for the future growth of the community. However, under FEMA's Public Assistance Grant program—which was the primary funding source identified for the project—the community could only rebuild the tower back to its preexisting capacity. As a result, the project would have only addressed the city's immediate recovery needs.[15] However, as a result of discussions held during the interagency coordination meetings, USDA's Rural Development Agency was identified as an additional funding source that could be used with FEMA funding to achieve longer-term recovery goals. Ultimately, USDA provided loans that along with FEMA, State of Kansas, foundation, and nonprofit funding, helped the community to build a new water tower with greater capacity.

LTCR coordination efforts also assisted federal and state partners with identifying potential coordination challenges, including gaps in funding or

[15]According to Public Assistance Grant program rules, state and local governments applying for Public Assistance Grants typically receive less funding in their grant award amounts if they decide to build infrastructure that varies from the original design. For more information on the operation and limitations of the Public Assistance Grant program, see GAO-09-129.

other long-term recovery concerns. Our review of interagency meeting minutes showed that the coordination meetings were used to identify long-term recovery issues or concerns, such as challenges associated with rebuilding wastewater facilities or gaps in funding for levee systems. Federal and state officials discussed these challenges and, at times, identified potential next steps for dealing with concerns. For example, in Iowa, interagency meetings were used to discuss challenges with the lack of contingency planning for wastewater systems throughout the state, which were leading to raw sewage leakages in several communities. Cedar Rapids was one of these communities. The city had three wastewater facilities that were still not working or not working correctly almost 5 months after the disaster. During the meetings, the Environmental Protection Agency agreed to work with state and local officials to develop a template for contingency planning for wastewater treatment systems in order to prevent the discharge of untreated sewage after disasters.

LTCR's coordination efforts were more effective in states that had an established coordination officer or office that brought various state agencies together to work with LTCR and to provide a strategic vision for local planning and coordination efforts. For example, in Iowa, the Governor established a system within the state for organizing the recovery efforts by creating the Rebuild Iowa Office (RIO), which was initially established through an executive order and later codified by the state legislature.[16] As the principal coordinator for the state's short- and long-term recovery, RIO tracked and reported on rebuilding progress under the various disaster assistance programs, and provided a strategic vision for recovery planning efforts within the state. Moreover, RIO served as a galvanizer of state agencies by working with LTCR to bring the appropriate state agencies together to coordinate with the federal agencies. In addition, RIO staff served as liaisons with local communities to ensure that local recovery concerns were identified and discussed during interagency meetings. Once LTCR ended its assistance to the state, RIO continued the interagency coordination role formerly conducted by LTCR. LTCR and state officials reported having a similarly positive experience in Kansas, which had a senior state official, who reported directly to the Governor, to coordinate its long-term recovery effort. According to LTCR and state officials in Texas, there was no coordinating entity for long-term recovery in the state, which made coordination significantly more difficult. According to LTCR officials, its staff spent

[16]See Iowa Executive Order 7 (June 27, 2008), and Iowa House File 64 (Feb. 2, 2009).

more time trying to identify and work with individual state agencies and was less effective in coordinating the use of federal and state resources in Texas than in the other states.

Challenges Bringing Together the Right Agencies and Staff Sometimes Limited LTCR's Effectiveness

LTCR's inability, at times, to obtain or sustain the participation of all of the agencies needed limited the effectiveness of ESF-14's coordination. Under the NRF, LTCR is responsible for coordinating assistance by convening interagency recovery expertise to provide strategic guidance to long-term recovery efforts, and coordinating program application processes and planning requirements to streamline assistance processes, among many other things. However, according to documents that we reviewed, as well as LTCR and state officials whom we spoke with, LTCR experienced challenges getting and keeping some agencies engaged in coordination activities and other ESF-14 operations. LTCR officials reported that they had difficulties getting some federal partners to join and remain involved in federal coordination efforts and to provide ESF-14 support to local communities. Among the reasons cited were the cost associated with sending staff from partner agencies into the field and challenges that these agencies faced in temporarily replacing deployed staff. LTCR and state officials reported that, over time, it became more difficult to keep agencies that were initially a part of the coordination efforts involved. According to the officials, they do not have the authority to compel agencies to participate in ESF-14 coordination and activities, therefore, they tend to only coordinate with agencies that that are willing to expend their own resources. At times this has meant that not all of the necessary federal partners were involved in coordination. There is currently a debate about the level of authority that FEMA has to coordinate disaster recovery.

One challenge that limited LTCR's ability to obtain and keep agencies involved in coordination activities was its inability to obtain the agreements that it needed to support ESF-14 coordination efforts. We have previously reported on the importance of having clearly defined and sufficient authority to resolve response and recovery challenges.[17] In order to obtain and maintain the involvement of some agencies in ESF-14 activities, LTCR had to request agreement from the FCO and State Coordinating Officer to issue Mission Assignments or Interagency Agreements that would fund the costs associated with staff and travel for the agencies. However, according to documentation from disaster

[17]See GAO-09-411R and GAO-06-618.

correspondences and after-action reports and LTCR officials, LTCR was not always able to secure these agreements. For example, according to LTCR's February 2009 after-action report for Hurricane Ike, LTCR's need to obtain support from other federal agencies, as agreed to under the NRF, was not fully successful in Texas's recovery because the Mission Assignment process used to support these efforts ended too soon to be useful for long-term recovery activities. Without these agreements, some agencies declined to provide support for long-term recovery activities in the state.

Even when LTCR did have the right agencies at the table, their efforts were limited when they did not have the right staff to resolve policy and program challenges. While the interagency meetings held were effective in identifying challenges, they were less effective in resolving them. One of the reasons for this was that interagency coordination meetings did not always include agency officials with a sufficient level of authority to resolve such problems.[18] For example, in Iowa, through interagency meetings, LTCR identified a funding challenge involving SBA and USDA relating to how the agencies interpreted program rules regarding flower farms. Specifically, from an eligibility perspective, SBA considers a flower farm that grows its own stock to be an agricultural enterprise. However, USDA may consider this type of farm as not eligible if the business exceeds its family farm size threshold. Officials involved in the interagency coordination meetings did not have the authority to resolve this issue. A senior SBA official told us that this particular issue has come up in other disaster recoveries, and the two agencies have tried to handle it on a case-by-case basis. However, he noted that resolution of such conflicts is supposed to be one of the functions of ESF-14. An LTCR official told us that, ideally, most policy problems would be communicated to and resolved by senior officials involved in the national ESF-14 network. However, in his experience, problems identified by the interagency coordination group are not typically resolved through this process.[19]

[18]Federal officials stated that this challenge often related to the lack of funding in some federal assistance programs. Interagency coordination meetings did not always include agency officials with the authority to approve dedication of agency or departmental resources to address the gaps.

[19]As previously mentioned, when ESF-14 is activated, the National Response Coordination Center initially provides national-level coordination and information sharing among the agencies for ESF-14.

LTCR's Recovery Planning Assistance Benefited States and Localities, but Some Practices Limited More Effective Implementation of Recovery Plans

LTCR's Meetings and Tools Enhanced the Recovery Planning of the Communities

First, LTCR provided planning assistance that according to state and local officials, was beneficial in helping them achieve their recovery goals. Types of assistance included facilitating community planning meetings to assist communities in identifying recovery goals and related recovery projects; providing communities with planning tools to organize and communicate their recovery goals to key stakeholders; and assisting communities with identifying potential funding resources, which led to the development of strategic recovery plans or reports tailored specifically for the affected communities. For example, according to officials in Iowa, LTCR was very effective in helping several of the state's communities develop recovery plans. LTCR held weekly meetings that involved the communities and focused on specific recovery areas, such as housing, economic development, and infrastructure. These officials specifically emphasized that LTCR was most effective in assisting the hardest hit communities with little capacity to provide their own resources, such as experienced staff. Similarly, in Kansas, LTCR led an intensive 12-week process involving many meetings and discussions among the citizens; civic groups; business owners; and local, state, and other federal officials to share ideas on how to rebuild the city of Greensburg and Kiowa County. These planning efforts resulted in creating long-term recovery plans that identified potential funding resources that were relevant to the specific projects.

Second, LTCR provided communities with various planning tools, which provided a mechanism for these localities to organize and communicate their recovery vision, goals, and recovery projects to key stakeholders. Both community leaders and members of the public used these planning tools to help them carry out various steps in the recovery planning process. For example, in Iowa, planning aids, such as the *ESF-14 LTCR Communication Mapping Tool*, provided effective communication

techniques for gathering and sharing information important to long-term recovery. Other documents, such as the *ESF-14 Decision Making Tool*, provided users with a process and template to guide decision making during disaster recovery and can also be used to provide a concise way to identify and prioritize potential projects and programs for further development. LTCR also provided communities with standardized forms to assist in the collection and analysis of information needed to develop the goals, strategies, and expected outcomes of proposed recovery projects and programs. The *ESF-14 LTCR Resource Guide* provided community stakeholders with a directory of technical assistance resources and funding opportunities to support projects and programs developed through the long-term community recovery process. State and local recovery officials from Iowa stated that these planning tools were very effective in assisting them during the recovery process, and added that these can also be beneficial to communities outside of disaster recovery.

Lastly, LTCR identified potential funding resources within the communities' recovery plans, which helped to provide the communities with a road map for accomplishing recovery goals. State and local officials in two of the three states we contacted stated that this LTCR practice was helpful. State recovery officials from Iowa noted that rather than giving localities a long list of federal grants to decipher, LTCR targeted and tied relevant funding sources to specific recovery projects, which was very effective in helping communities, particularly those communities that did not have the capacity to sort through and comprehend the extensive range of the federal funding resources. In Iowa City, officials stated that LTCR's involvement in developing the city's recovery plan and assistance in targeting potential funding sources gave creditability to the projects. LTCR presorted and identified potential federal funding sources that could fund specific types of projects, and helped the city to ensure that the projects included elements that the federal funding agencies would be looking for, thereby improving the projects' chances of getting approval. As a result, city officials are securing $25 million in funding from the Department of Commerce's Economic Development Agency for the top two projects in the plan that LTCR helped the city to develop.

LTCR's Planning Assistance Sometimes Created Unrealistic Expectations within Communities

Local officials in two of the three states we contacted stated that LTCR's planning assistance had the effect of creating unrealistic expectations about what would be funded and built in the community. ESF-14 guidance identifies the importance of setting and reinforcing realistic expectations with the community throughout the LTCR technical assistance process. However, one of the major concerns reported by state and local officials was that the project prioritization process used by LTCR sometimes led to

unrealistic expectations in the community. One of the types of planning assistance LTCR offers is an independent assessment of the "recovery value" of projects to be included in a community's long-term recovery plan. Toward this end, LTCR has developed the Long-Term Community Recovery Value Tool, which provides a standardized methodology for assigning proposed projects a recovery value of high, moderate, or low.[20] When assessing potential recovery projects in the city of Galveston, Texas, LTCR assigned a lower recovery value to infrastructure projects intended to restore the basic function and services of the city than to projects whose goal was to enhance and beautify it. Galveston City officials told us that many of the projects in the recovery plan were not financially or structurally feasible and presented an additional challenge for city leaders as they tried to address the community's most important recovery needs.[21] Our review of the plan confirmed that all of the city's infrastructure projects, such as rebuilding the city's water distribution system, sewer lines, and major bridges, were ranked as a lower priority than projects intended to augment the city's beauty, such as enhancing the main beach area or redeveloping historic parts of downtown.

LTCR officials told us that their categorization of projects is intended to communicate to stakeholders the relative value of the projects in relation to the recovery objectives, but not actually prioritize them.[22] However, Galveston community leaders as well as state and local officials all understood LTCR's categorization of projects in the city's recovery plan to be just such a prioritization or ranking. State officials told us that they were unwilling to fund some beautification projects that were ranked "high" in the plan, and instead decided to use the limited funds available to support critical infrastructure projects that LTCR ranked lower. According to these officials, they believed that LTCR's prioritization of projects in the City of Galveston's recovery plan set false expectations for the public because residents were left with the impression that projects that LTCR identified as high-value should happen. These officials told us that this

[20]While other tools developed by LTCR are utilized and applied by the community, LTCR independently applies the Long-Term Community Recovery Value Tool to community plans to "produce a summary that captures and prioritizes the projects based on their ability to stimulate recovery."

[21]Although the recovery plan listed potential funding sources, city officials stated that often the projects were not designed in way that made them eligible for the funding identified.

[22]Although LTCR officials told us that they do not consider this process to be a prioritization, guidance documents they provided to us use the term prioritization when describing this process.

public perception put them in the position of having to respond to a gap in expectations.

In addition to concerns about LTCR's communication about the purpose of the recovery value tool that it applied to Galveston's recovery plan, LTCR's implementation of the tool contributed to creating unrealistic expectations about what projects were most important to fund and build within the community. As previously noted, LTCR officials told us that the categories assigned to recovery projects were intended to communicate which projects have a direct value to support recovery objectives, as opposed to broader community interests that are important but do not support recovery challenges and needs to the same degree as others. However, based on our review of LTCR guidance on these assessments, it is not clear how the final ranking in Galveston's recovery plan accomplishes this goal. For example, according to the LTCR guidance, a project that is categorized as having "moderate" value "provides benefits for some economic sectors," but "does not have communitywide or regional impacts, has limited community support and benefits, is difficult to achieve and sustain," and/or "has less definable outcomes." Given these factors—similar to the conclusion reached by Galveston city officials—we had difficulty understanding the rationale for LTCR's categorization of all of the city's infrastructure projects as "moderate" value. In particular, we did not understand the assignment of a moderate value to infrastructure projects that had long-term recovery impacts, including projects that would allow more residents to return to the city. Such projects included restoring the city's five wastewater treatment plants that serve approximately 22,000 homes (approximately 88 percent of Galveston's residents) and most commercial properties.

Challenges with LTCR setting unrealistic expectations were not unique to Texas. Local officials from Iowa also stated that LTCR did not adequately communicate realistic expectation to the community regarding projects. LTCR recognized this in its after-action report for the 2008 Midwest floods, which identified "setting unrealistic expectations with communities" as an issue that needed to be addressed. Moreover, HUD officials reported that as a federal partner, they have experienced challenges resulting from LTCR practices that set unrealistic public expectations in many other disasters, which they had to resolve while administering their CDBG program.

In Hurricane Ike, LTCR Did Not Effectively Transmit Planning Tools to State and Local Officials before Concluding Assistance to the State

In one of the three disasters we reviewed—Hurricane Ike in 2008—LTCR did not effectively transmit planning tools to state and local governments before leaving the affected areas. Officials from both the City and County of Galveston stated that they did not receive key planning tools and other documents that LTCR created specifically to assist with their recovery efforts. One of these planning tools, the *Texas Recovery Resource Guide*, identified various funding resources the community could have potentially utilized to fund several of its recovery projects. Another, the *Texas Strategic Recovery Timeline*, was developed to help local officials identify and understand the various funding timelines of federal agencies. When we shared these documents with local officials to obtain perspectives on their usefulness, the official's remarked that they had never seen the documents before, but that they believed such documents would have been beneficial to them and requested copies for future use. According to LTCR officials, they did provide state and local officials with copies of these documents. However, they acknowledged that the transfer of the information, including an explanation of the materials and follow-up, may not have been effective. According to the officials, they were limited in transferring these materials to state and local officials in Texas because they were asked by FEMA leadership, including the FCO and region 6 leadership, to end their assistance immediately after developing the recovery plan. The officials said that for this same reason, they were unable to more effectively communicate the purpose of their recovery value tool as it related to the recovery plan or assist the City of Galveston with the plan's implementation.

Our review of disaster closeout documents for Hurricane Ike supports this view, showing that LTCR staff were requested by FEMA leadership to leave Galveston as soon as they delivered the recovery plan despite the fact that they raised concerns about demobilizing from Galveston too soon.[23] LTCR guidance on demobilizing its operation emphasizes the importance of transferring information and resources to local officials during demobilization. As previously noted, we found that LTCR did develop a demobilization plan for Texas, which included plans for transferring oversight of remaining duties to staff in FEMA region 6, but it

[23]LTCR officials reported that the FCO had accelerated the reduction of ESF-14 staff deployed for Hurricane Ike. Concerns raised by LTCR officials about the staff reduction include uncertainties regarding the community's ability to lead, develop, and complete a recovery plan without higher-level ESF-14 involvement; the community's inability to complete the recovery planning process; and the community's inability to access technical specialists to further develop recovery projects and strategies and identify funding.

did not include a process for transferring developed materials to the state and local officials. Further, as noted earlier, regional staff did not complete the transition activities identified in the demobilization plan. LTCR officials stated that the longer-term recovery success of a community is influenced, in part, by the activities that occur near the end of their assistance. Ideally, they would prefer to stay long enough to help communities prepare for the implementation of their recovery plans but this does not always occur, as was the case in Texas, and they are aware that several recovery issues remain unresolved in Galveston.

Conclusions

Communities affected by catastrophic disasters often face years of work rebuilding shattered infrastructure, revitalizing damaged local and regional economies, and restoring or refashioning social and cultural institutions. Although the process of long-term recovery from such disasters presents a great many challenges, it can also offer an opportunity to make use of the considerable resources provided by the federal and state governments to rebuild in a way that addresses long-standing needs and goals. We have previously reported that successful communities are able to understand, and effectively work with, the large and diverse collection of programs and agencies that provide financial and technical support for recovery and put in place clear and implementable long-term recovery plans. In the three disasters we reviewed, LTCR provided critical assistance in both of these key areas—coordination and planning—and state and local officials generally viewed this support as constructive and beneficial to their recovery. Coordination meetings facilitated by LTCR brought together key stakeholders, providing them with the opportunities to leverage programs and resolve problems. LTCR also played a critical role in helping affected communities to develop effective long-term recovery plans, since they often lacked the resources and experience to undertake such a project on their own. Training, advice, and the large number of guides and other tools provided by LTCR helped communities to create plans that both communicated a broad recovery vision and included detailed information to assist the implementation of specific projects.

We also identified several areas that are likely to present challenges moving forward, whether the federal government continues to coordinate and support long-term recovery through LTCR and ESF-14 under the existing NRF structure, or adopts a new approach such as that represented by the NDRF. First, in the absence of clear criteria, misunderstandings will most likely continue to exist among recovery partners about when the federal government will offer communities long-term recovery assistance and how long this assistance will last. Second, while it is important that

federal and state officials be mindful of recovery issues during the response phase, ESF-14's approach of engaging state and local governments in significant long-term recovery activities while they are still overwhelmed by response, and ramping down recovery assistance about 6-9 months later, often does not align well with the needs and capacity of affected communities nor with many of the time frames involved in recovery funding. Third, we have previously reported that effective coordination requires sufficient authority and influence to bring the necessary agencies to the table and facilitate the resolution of challenges that may arise. But since LTCR's authority to carry out its role as the primary coordinator of ESF-14 assistance is unclear, it tends to work with agencies that are willing to expend their own resources. At times, this has meant that not all of the necessary federal partners have participated or remained engaged in long-term recovery coordination efforts. Fourth, communities recovering from Hurricane Ike in Texas provide an illustration of the barriers that can be created when expectations about the recovery process are not effectively communicated to the public, including expectations about what types of projects can and will be funded based on their feasibility, in terms of both cost and importance to state and local leaders.

LTCR's experiences—both positive and negative—offer valuable insights about what practices and approaches are likely to work, as well as the challenges and limitations that may be encountered. Such information is especially important now as the administration is currently in the process of developing—for the first time—a formal organizational framework to guide and coordinate the many federal, state, local, and nongovernmental entities involved in disaster recovery.

Recommendations for Executive Action

As a result of insights based on the experiences of FEMA's LTCR and recognizing the administration's current efforts to develop the NDRF and improve recovery authorities and programs, we recommend that the Secretary of Homeland Security, as a leader of these efforts, take the following four actions:

- Develop clear and consistent criteria that identify factors that determine whether and how the entity responsible for coordinating long-term recovery will become involved in a specific disaster. Such criteria should provide additional guidance about factors that determine whether the entity responsible for coordinating and planning becomes involved in recovery.

- Establish, as part of the new NDRF or related efforts, a long-term recovery structure that more effectively aligns the timing and level of involvement of the entity responsible for coordinating long-term community recovery assistance with both the capacity of state and local governments to work with them and the need for coordination assistance, which may last beyond the operation of the JFO. One approach could allow for the deployment of resources in phases to provide long-term recovery assistance tailored to a community's evolving needs, and could be provided remotely when necessary, similar to LTCR's experience during recovery from the 2007 tornado in Greensburg, Kansas.

- Evaluate and assess, as part of the new NDRF or related efforts, what would be an appropriate level of authority for the entity responsible for coordinating long-term recovery in order for it to foster effective coordination among federal agencies involved in disaster recovery and to resolve related policy and program conflicts that may arise.

- Communicate more clearly the objectives and processes used when assessing the value of specific recovery projects to help prevent unrealistic expectations about the implementation of such projects among members of the affected community. Toward this end, FEMA should resolve any inconsistencies in relevant guidance or terminology and take steps to ensure that these assessments appropriately reflect the feasibility of projects, including their importance to state and local leaders as well as the broader community.

Agency Comments and Our Evaluation

On February 23, 2010, we provided a draft of this report to the Secretary of Homeland Security for comment. We received written comments on March 24, 2010, in which DHS agreed with our recommendations. These comments are reprinted in appendix II. In addition, DHS provided technical clarifications, and we made those changes where appropriate. In light of the work being done by the White House Long-Term Disaster Recovery Working Group and the role played by HUD in coleading the development of the NDRF, we provided a draft of this report to the Director of the President's Domestic Policy Council and the Secretary of Housing and Urban Development for their information.

Although DHS agreed with each of our four recommendations, the department's written response included several substantive comments related to our first two recommendations. These issues are summarized below along with our response.

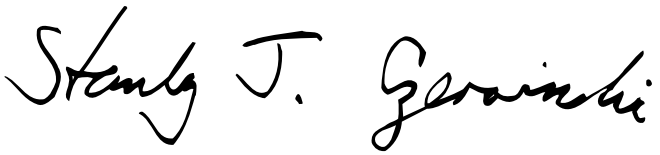
DHS agreed with our recommendation that it should develop clear and consistent criteria that identify factors to determine whether the entity responsible for coordinating long-term recovery will become involved in a specific disaster; however, the department identified several challenges with doing so. These include the lack of, until recently, sufficient experience on which to develop such criteria, and the fact that such decisions often are made with limited information and therefore must rely on the judgment of FCOs. We agree that such decisions can often be complex and do not lend themselves to an automatic or arbitrary approach. However, during our review, FEMA officials repeatedly told us that many challenges they have faced resulted from the varying level of knowledge and understanding among FCOs regarding the role and function of ESF-14. This reliance on the judgment of FCOs operating under such challenging conditions is one reason why it is so important to have additional guidance on the factors to be considered when making this decision. Additional guidance and criteria regarding the factors to consider when deciding whether to deploy ESF-14 assistance will help to establish a common understanding among FCOs. This should also improve the transparency of such decisions to the federal, state, and local recovery partners and help minimize doubts as to whether such requests are treated fairly and equitably.

DHS also agreed with our recommendation that it establish, as part of the new NDRF or related efforts, a long-term recovery structure that more effectively aligns the timing and level of involvement of the entity responsible for coordinating long-term community recovery assistance with both the capacity of state and local governments to work with them and the need for coordination assistance, which may last beyond the operation of the JFO. In its response, the department emphasized the importance of developing state and local recovery capacity and expressed concern about statements in our report that the federal interagency coordination efforts created additional or inappropriate burdens on states, asserting that ESF-14 activities never interfered with response or other critical activities. We agree with DHS regarding the importance of developing the capacity of states and localities to effectively recover after a disaster and that preplanning for recovery can be one important way to do this. However, it is also important for the federal government to be mindful of the existing capacity of state and local governments affected by a disaster and to adjust the focus and timing of its long-term recovery assistance as appropriate to align with the availability of state and local partners. For example, in Texas, several senior state officials told us that LTCR's request for state resources to address long-term recovery issues days after Hurricane Ike struck interfered with the state's ability to

address more immediate demands and presented an additional burden on already constrained resources. Further, as we noted in the report, some state and local officials in Texas told us that they did not initially participate in long-term recovery activities because they decided to devote their limited resources to more immediate needs.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will provide copies of this report to other interested congressional committees; the Secretary of Homeland Security; the Secretary of Housing and Urban Development; the Director of the President's Domestic Policy Council; the Administrator of the Federal Emergency Management Agency; and federal, state, and local officials we contacted for this review. This report also is available at no charge on the GAO Web site at http://www.gao.gov.

If you have any questions about this report, please contact me at (202) 512-6806 or at czerwinskis@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Major contributors to this report were Peter Del Toro, Assistant Director; Latesha Love; Mark Abraham; and Susan Mak.



Stanley J. Czerwinski
Director, Strategic Issues

Appendix I: Objectives, Scope, and Methodology

Our review of the Federal Emergency Management Agency's (FEMA) Long-Term Community Recovery Branch's (LTCR) disaster assistance focuses on experiences following three recent major disasters—the tornado that affected Greensburg, Kansas (2007); the Midwest floods in Iowa (2008); and Hurricane Ike in Texas (2008). We selected these three events because their catastrophic or nearly catastrophic impact on one or more communities resulted in substantial long-term recovery needs, and they were identified by FEMA as having significant involvement by LTCR and other Emergency Support Function #14 (ESF-14) agencies. We then selected specific localities within these states that (1) sustained substantial long-term damage, (2) had direct involvement with LTCR, and (3) were identified by LTCR or their state as experiencing significant challenges or successes during the recovery process. Accordingly, we included the following localities from Iowa in the review: Cedar Rapids, Iowa City, and Oakville. In Texas, we included the City of Galveston and Galveston County. In Kansas, we focused on recovery in the City of Greensburg and Kiowa County. Although we obtained preliminary information from Louisiana and Mississippi on ESF-14's assistance in their states after hurricanes Katrina and Rita, we decided not to focus on these disasters in our review because the ESF-14 function was still largely undeveloped at the time of these disasters and the President appointed a separate official, the Federal Coordinator for Gulf Coast Recovery, to coordinate federal assistance. Consequently, LTCR and the ESF-14 network did not perform a coordination role following hurricanes Katrina and Rita, which was one of its two primary roles in providing assistance in subsequent major disasters.

To identify the responsibilities of LTCR in disaster recovery, we obtained and reviewed FEMA regulations and policies, as well as national policy on disaster recovery, such as the *National Response Framework's* (NRF) ESF-14 long-term community recovery annex, and relevant legislation. We assessed relevant authorities, regulations, and legislation when necessary. In order to identify the role LTCR played in the specific disasters included in our review, we conducted interviews with, and obtained documentation from, LTCR officials, officials in other relevant FEMA offices, as well as state and local officials.

To evaluate the effectiveness of LTCR practices in coordinating federal assistance and identify improvements, if any, that can be made, we interviewed and obtained documents on LTCR's coordination practices from federal officials within relevant offices and divisions in FEMA, including LTCR, the Disaster Assistance Division, and the Federal Coordinator's Office. We also interviewed officials from the Small

Business Administration and the Departments of Housing and Urban Development (HUD) and Agriculture—the three other agencies identified in the NRF as primary federal agencies responsible for coordinating long-term recovery assistance. In addition, we interviewed and obtained documentation about LTCR's coordination efforts during recovery from the three disasters selected for our review from state and local officials in Texas, Iowa, and Kansas, as identified above. We conducted site visits to recovering locations in Texas and Iowa—the two states that were most recently affected by catastrophic disasters (2008). We examined the information obtained in order to identify LTCR practices that worked well as well as those that were less effective. We compared this information against criteria identified in FEMA regulations and policies, as well as the NRF's ESF-14 long-term community recovery annex, relevant legislation, and our previous work on effective coordination and planning practices. These criteria describe actions that LTCR should take to expedite, leverage, and increase the effectiveness of federal and other long-term recovery assistance, including agreeing on roles and responsibilities of the parties involved; identifying and addressing needs by leveraging resources; convening interagency recovery expertise to provide strategic guidance to long-term recovery efforts; coordinating with state and local governments to develop long-term recovery plans; and identifying and coordinating resolution of policy and program issues, among other things. We also identified coordination and planning limitations or roadblocks that may have been outside of LTCR's control, which affected its ability to more effectively provide assistance. With input from federal, state, and local officials involved in the review, we identified actions that can be taken by FEMA to apply effective practices more broadly and to improve on current coordination limitations.

For the disasters that we selected, we did not choose a representative sample of state and local officials to interview. Instead, we chose individuals based upon their knowledge, experience, or leadership role in disaster recovery.

- For the tornado that affected Greensburg, Kansas (2007), at the state level, we interviewed and obtained documentation from officials in the Kansas Development Finance Authority (the official included in our review was the Governor's Liaison for Community Recovery) and the Kansas Division of Emergency Management (which was the official state coordinating agency and grantee for many of the federal recovery

assistance programs). At the local level, we interviewed a senior recovery official from Kiowa County.[1]

- For the Midwest floods in Iowa (2008), at the state level, we interviewed and obtained documentation from officials in the Rebuild Iowa Office (which served as the policy and coordination office for the recovery) and the Homeland Security and Emergency Management Division (which was the state coordinating agency and grantee for many of the federal recovery assistance programs). At the local level, we interviewed and obtained documentation from officials in the City of Cedar Rapids, the City of Oakville, and Iowa City.

- For Hurricane Ike in Texas (2008), at the state level, we spoke with officials in the Texas Division of Emergency Management (which was the state coordinating agency and grantee for many of the federal recovery assistance programs), the Texas Department of Rural Affairs (which was responsible for administering the nonhousing portion of HUD's Community Development Block Grant (CDBG) Program), and the Texas Department of Housing and Community Affairs (which was responsible for administering the housing portion of HUD's CDBG program). At the local level, we interviewed and obtained documentation from officials in the City of Galveston and Galveston County.

We conducted this performance audit from April 2009 through March 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

[1]The local official in the City of Greensburg who was involved with ESF-14 during recovery was absent for an extended period of time during the data gathering phase of our review. Therefore, we met with the local emergency manger involved in the recovery effort.

Appendix II: Comments from the Department of Homeland Security

U.S. Department of Homeland Security
Washington, DC 20528

Homeland Security

March 24, 2010

Mr. Stanley J. Czerwinski
Director, Strategic Issues
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Czerwinski:

RE: Draft Report GAO-10-404 (Reference # 450736) FEMA's Long-Term Community Recovery Assistance was Helpful to State and Local Governments but had Some Limitations

Thank you for the opportunity to review the draft report concerning the Federal Emergency Management Agency's (FEMA) Long-Term Community Recovery Assistance. The Department of Homeland Security (DHS) and FEMA concur with GAO's proposed recommendations. There were four recommendations for executive action. We would like to respectfully offer the following comments:

GAO Recommendation # (1): Develop clear and consistent criteria that identify factors that determine whether and how the entity responsible for coordinating long-term recovery will become involved in a specific disaster. Such criteria should provide additional guidance about factors that determine whether the entity responsible for coordinating and planning becomes involved in recovery.

DHS Response: DHS concurs with this recommendation. For improved clarity, DHS believes that the report narrative and findings must address several important points to properly place this recommendation in context. Explicit, specific or required criteria have not been set for Emergency Support Function (ESF) #14 deployment as there has not been sufficient experience with deploying ESF #14, until very recently, to warrant the use of specific criteria for decisions. The decisions made early in an event must be made with limited information. Rather than set arbitrary criteria that would rely on limited information, FEMA has issued general guidelines to FCOs and has relied on the expert judgment of the FCOs to guide their preliminary analysis and request for ESF #14 (See *ESF #14 FCO Quick Reference Guide*). These general guideline criteria should be cited in the report. Decisions to deploy ESF #14 are not comparable to decisions to authorize disaster assistance programs which, unlike ESF #14, bring significant financial entitlements and substantial expenditures, as cited in the report.

The National Disaster Recovery Framework (NDRF), when published, as well as follow-on operational guidance will clarify authority of the new Recovery Coordinating Officer, the

activation of ESF #14 or its new successor, and the points GAO raised. As the report alludes, state and local governments are generally unsure of when ESF #14 is relevant. The NDRF will help to rectify this situation by providing better guidance for state and local governments to be better prepared for the challenges of long term disaster recovery.

DHS believes that smaller disasters have provided a substantial learning opportunity for Federal Coordinating Officers, FEMA, other federal partners, states and communities. ESF #14 deployments of all sizes have also proven to be useful in testing the awareness and ability of partner agencies to provide a minimal level of support.

GAO Recommendation # (2): Establish, as part of the new National Disaster Recovery Framework or related efforts, a long term recovery structure that more effectively aligns the timing and level of involvement of the entity responsible for coordinating long-term community recovery assistance with both the capacity of state and local governments to work with them and the need for coordination assistance which may last beyond the operation of the JFO. One approach could allow for the deployment of resources in phases to provide long-term recovery assistance tailored to a community's evolving needs and could be provided remotely when necessary, similar to Long Term Community Recovery Branch's experience during recovery from the 2007 tornado in Greensburg, Kansas.

DHS Response: DHS concurs with this recommendation. For improved clarity and to fully reflect findings in the main body of the report, DHS suggests this recommendation should also include additional language that emphasizes that the federal government should also be devoting additional attention and resources to assisting state and local governments to prepare for recovery and build their capacity, so they can effectively engage in recovery coordination and planning before and earlier after disasters.

DHS is concerned about statements that the federal interagency coordination efforts created additional or inappropriate burdens on states. The timeframes of recovery supported by ESF #14 align properly with an early start to initiating coordination, building relationships for coordination, organizing state and local efforts, and launching the planning underpinnings that should guide recovery funding decisions before the funding arrives; not after decisions have already been made by state and local governments. In no case did any ESF #14 activities interfere with response or other critical activities. DHS believes that the federal coordination activities were important for the magnitude and very significant funding being provided to the states for these disasters. We also believe that the key to addressing this issue is to provide additional support to states and localities, both pre and post disaster, to be better prepared to address recovery challenges early.

The NDRF will also greatly improve the governmental framework for this entire issue by providing states and local governments guidance and tools for preparing for and managing disaster recovery, as well as identifying the long term support role of the federal government. Findings from the GAO 09-811 report (*Disaster Recovery: Experiences from Past Disasters Offer Insights for Effective Collaboration after Catastrophic Events*) should also be brought forward and summarized in this report to clarify the importance of early recovery planning, which is not adequately explained presently.

GAO Recommendation # (3): Evaluate and assess, as part of the new National Disaster Recovery Framework or related efforts, what would be an appropriate level of authority for

the entity responsible for coordinating long-term recovery in order for it to foster effective coordination among federal agencies involved in disaster recovery and to resolve related policy and program conflicts that may arise.

DHS Response: DHS concurs with this recommendation and has no further comment.

GAO Recommendation # (4): Communicate more clearly the objectives and processes used when assessing the value of specific recovery projects to help prevent unrealistic expectations about the implementation of such projects among members of the impacted community. Toward this end, FEMA should resolve any inconsistencies in relevant guidance or terminology and take steps to ensure that these assessments appropriately reflect the feasibility of projects including their importance to state and local leaders as well as the broader community.

DHS Response: DHS concurs with this recommendation. DHS agrees that the processes used to aid communities can be improved through the lessons and experiences of ESF #14. We will be further examining the appropriate tools and how they are offered and communicated to communities as part of the implementation of the NDRF.

Thank you for the opportunity to comment on this draft report and we look forward to working with you on future homeland security issues.

Sincerely,

Peggy Mayfield

for Jerald E. Levine
Director
Departmental Audit Liaison Office

3

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