

Congress of the United States

Washington, DC 20515

October 24, 2002

The Honorable George E. Pataki
Governor of the State of New York
Executive Chamber, State Capitol
Albany, NY 12224

Dear Governor Pataki,

We are writing to follow up on our letters of September 13, 2002, and September 27, 2002, regarding the implementation and processing of the Individual and Family Grant (IFG) program administered by the N.Y.S. Department of Labor. We want to acknowledge the representatives from the N.Y.S. Department of Labor for the October 3 meeting among State Department of Labor officials, congressional staff, and state legislative staff. However, we still have concerns that have not been adequately addressed. Furthermore, to date, we have not received a response to our earlier letters.

We appreciate the N.Y.S. Department of Labor's new efforts to speed the processing of applications by increasing staff and addressing technical processing problems but, despite these efforts, the large backlog and low approval rate continue while the number of applications increases. We are troubled that representatives from the N.Y.S. Department of Labor blame Federal Emergency Management Agency (FEMA) for the large backlog and low approval rates, stating that they are a result of FEMA's computer software, phone system, and incorrect statistics regarding approval rates. Rather than placing blame, we believe that the solution can be found more efficiently by having FEMA address the problems. Accordingly, we reiterate our belief that applicants for the IFG program would be better served if the responsibility for processing their applications was assumed by FEMA representatives.

We have several questions regarding the approach to the processing difficulties:

- If the N.Y.S. Department of Labor thought that problems in processing the IFG program were caused by FEMA, why was FEMA not alerted to the processing difficulties with sufficient time to remedy the concerns before the program deadline?
- If the N.Y.S. Department of Labor knew there were problems, why did the N.Y.S. Department of Labor wait until assistance was offered by FEMA?
- Why didn't the N.Y.S. Department of Labor pursue a prompt solution to the problem and asking for the additional time necessary to process the applications?

The IFG program was established to "provide funds to disaster victims as expeditiously as possible to cover those necessary expenses or serious needs for which other governmental assistance is either unavailable or inadequate." However, as noted in our earlier letters, it appears that the N.Y.S. Department of Labor has been unable to implement the IFG program to help the greatest number of people. While representatives from the N.Y.S. Department of Labor assured the staff of elected officials that the approval rate for this disaster is actually high, statistics show

otherwise:

- The number of approvals and money distributed fall below the rate and size of awards made by other states that have run similar joint programs to address emergencies in recent years. For example, in 21 of 27 disasters in 23 states in the 2001 fiscal year, similar state-federal programs averaged \$16 million per disaster, and \$2,586 per claim, with a 55% approval rate, compared to a total of \$10.5 million and \$1,039 per claim for this disaster.
- Representatives from the N.Y.S. Department of Labor assert that the IFG approval rate for this particular disaster is higher than the IFG approval rate for other disasters in New York State. They submit that FEMA misstated the 13% approval rate for the IFG applications and suggest that the number is closer to a 26% approval rate. Even if the 26% approval rate is accurate, the approval rate is significantly lower than is typical for disasters even in New York State. For example, as a result of the ice storm in Upstate New York, over 29,000 applications were filed, of which 14,701 were approved. This was over a 50% approval rate, with over \$9 million awarded.
- Huge numbers of qualified individuals have never applied for disaster assistance, largely because of poor outreach. According to the October 10, 2002, briefing paper from "Beyond Ground Zero," in zip code 10002, 14% of total households applied for the IFG assistance and only 12.58% of the applicants were approved in the IFG program, while in zip code 10007, 46% of total households applied and 29.57% of the applicants were approved for IFG assistance. Both zip codes are located in lower Manhattan.
- According to the IFG Program description found on the N.Y.S. Department of Labor website, grants are available to cover disaster related necessary expenses including medical and dental expenses. Additionally, State coverage of healthcare costs are provided for under the Stafford Act. Why was the decision made by the N.Y.S. Department of Labor to deny reimbursement for medical costs, deferring to the not-for-profit organizations such as the 9/11 United Services Group and the Emergency Medicaid program. Many of these alternative forms of coverage have since expired, leaving many without any coverage.

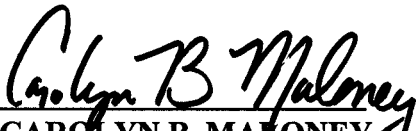
Furthermore, the representatives from the N.Y.S. Department of Labor failed to address the following concerns raised in our earlier letters:

- The distribution of information regarding the IFG program is inadequate. Furthermore, the only brochures that the N.Y.S. Department of Labor has produced contained outdated information.
- The backlog persists. Despite more than quadrupling the number of State employees assigned to the IFG program to address the current backlog, to date, barely half of the applications filed have been processed.
- N.Y.S. Department of Labor's rejection of 85% of applications due to lack of documentation is high. We believe that in many instances, N.Y.S. Department of Labor's processing of IFG applications is contrary to the guidelines enumerated in the Code of Federal Domestic Assistance, as is noted in our earlier letter.


Most importantly, what actions do you plan to take to persuade FEMA to extend the deadline for the IFG program to what you originally requested, January 31, 2003? This date would match the extension of the Mortgage and Rental Assistance (MRA) program and give New Yorkers more time to apply for this program.

We believe that the continuing inaction by the N.Y.S. Department of Labor, with regard to the low approval rate, high backlog, and the pending expiration of the application deadline, is preventing individuals who need assistance from obtaining help. When similar flaws were found in FEMA's processing of the MRA program, by contrast, FEMA worked hard to correct problems with the individual assistance program. The difference in attitude reinforces our belief that our constituents would be better served if FEMA were administering the IFG program. We hope that FEMA will have the same success with the implementation of the IFG program. Accordingly, as set forth in our enclosed letter to Director Joe Allbaugh, we respectfully request that the N.Y.S. Department of Labor relinquish its responsibility with regard to the processing of the IFG applications and the dissemination of information about these applications, and allow FEMA to assume complete responsibility for the processing of the IFG applications.


Sincerely,


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Member of Congress


JOSÉ SERRANO
Member of Congress


JERROLD NADLER
Member of Congress


CHARLES RANGEL
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cc:

The Honorable Joseph Allbaugh
The Honorable Michael Bloomberg