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STATEMENT FOR THE RECORD

**On behalf of the
National Emergency Management Association**

**Submitted to the House Committee on Transportation & Infrastructure
Subcommittee on Economic Development, Public Buildings, and Emergency Management
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Rebuilding After the Storm: Lessening Impacts and Speeding Recovery

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Introduction

Thank you Chairman Barletta, Ranking Member Carson, and members of the Subcommittee for holding this hearing today. As Director of the Florida Division of Emergency Management and President of the National Emergency Management Association (NEMA) which represents the state emergency management directors of the 50 states, territories, and District of Columbia, I am pleased to be here to address ways in which we can lessen the impacts of disasters and speed recovery.

In order to adequately address the purpose of this hearing today, I will go over the current state of disasters, efforts underway within the Federal Emergency Management Agency (FEMA) to reengineer the Public Assistance Program, ongoing concerns with management costs, the successes seen from the *Sandy Recovery Improvement Act*, and issues for consideration in future legislation.

Current State of Disasters

In 2014 the federal government assisted states and locals in 45 presidential disasters, a noted drop from the 62 declared the previous year. Last year's total was even less than 2012 when only 47 disasters were declared, but is lower by more than half from three years ago in 2011 when the number reached a record-breaking 99 major declarations. Also down were fire management assistance declarations. We recorded 49 FMAG's in 2012 and 33 last year while 114 occurred in 2011, another record. 2013 saw only 28 and all of these took place in the Western part of the United States, a region that continues to experience significant drought.

Of course examining presidential declarations provides only a glimpse of the true disaster response activity in this country. On the state level, 205 gubernatorial emergencies were declared in FY 2013. This compares to 250 for FY 2011, a decrease of 45 or 18 percent. Historically, a majority of events are handled at the state or local level and do not warrant federal assistance. This provides additional validation why robust state and local emergency management programs are so vital.

In Fiscal Year 2013, 18,673 events required state assets, but did not reach the level of a gubernatorial declaration, and; local and tribal governments responded to an additional 30,902 events. These capabilities are made possible by dedicated professionals at the state and local levels as well as programs such as Emergency Management Performance Grants (EMPG). Without a strong emergency management system at the state, local, and tribal levels, many of the 49,575 state and local responses would falter or require federal support.

FEMA PUBLIC ASSISTANCE RE-ENGINEERING/DEOBLIGATION

Last year, FEMA initiated an internal study of its public assistance program. In the coming weeks, we anticipate the agency sharing data from the study with the states. The ultimate goal of this effort is a full redesign of Public Assistance (PA) programs. The states wholeheartedly support this effort. According to an informal ten-year review NEMA conducted in 2012, nearly 49 percent of the Disaster Relief Fund is dedicated to PA – by far the lion's share of disaster funding FEMA provides. So, when managing taxpayer dollars, the agency must evaluate the practices, policies, and regulations which result in the highest expenditures.

The PA Program also represents an area with the greatest number of fundamental and ongoing issues for states and those responsible for administering the program. Some of these include:

- Adequate management and administrative costs;
- Inconsistent application and interpretation of FEMA policy by various personnel at both regional and headquarters;

- Untrained and under-trained personnel making binding obligation decisions;
- Project worksheets which are unwieldy and result in unnecessary errors; and,
- Closeout reviews which have become audits instead of validations.

The states believe if this program redesign is successful, it can also successfully reduce deobligations. As the committee is aware, deobligations remain a growing problem for states, local jurisdictions, and FEMA. They wreak havoc on budgets and take years to resolve – often because of bad decisions and inconsistent guidance during the early PA process. The states remain committed to working with FEMA in the re-engineering of FEMA public assistance.

As an example from my home state of Florida, on the impact deobligations can have on state and local readiness, from July 1, 2012 to June 30, 2013, grants totaling \$34.5 million in federal cost-share were received across all aggregated non-PA FEMA sources. Over the same time period, deobligations from previously awarded FEMA PA grants totaled a federal share of \$35.2 million. One can quickly see that the amount taken back through the deobligation process was greater than the amount received from all other sources. The math simply does not add up.

This circumstance leaves no other possible result than a loss of capabilities and the loss of a chance to improve readiness. In addition to this obvious result as deobligated PA funds are typically removed from the State’s SMARTLINK account immediately upon the processing of the deobligation, the state assumes responsibility as a collection agent attempting to recapture funds filling the deficit now left in the SMARTLINK account. With the state’s Recovery Bureau acting as a collection agent, work ensuring the readiness of the state in recovering from future disasters is left incomplete. This also impedes preparedness, mitigation, and ongoing recovery efforts.

Controlling Management Costs

As mentioned earlier, the on-going problem with management and administrative costs remains a serious issue. The U.S. Government Accountability Office (GAO) provided Congress a report on December 17, 2014, titled *FEMA’s Opportunities to Strengthen Oversight of Administrative Costs for Major Disasters*. This report outlines FEMA’s average administrative cost for all major disaster declarations in the last ten fiscal years (2004-2013) exceeded 13 percent, while grantees and sub-grantees were reimbursed less than two percent for their administrative burden for the same disasters and timeframe. Appendix II, Table 8 of this report lists total obligations for Major Disaster Declarations by state and FEMA’s associated administrative costs. When examining specific states, territories, and the District of Columbia, the smallest amount FEMA incurred for administrative costs was 7.7 percent for the District of Columbia, while their average administrative costs incurred for events in the State of Iowa was 31.3 percent; Guam was 50 percent. They even incurred 17.5 percent in administrative costs for Arizona, which is a state managed state; meaning the state manages the PA program on FEMA’s behalf which eliminates a significant administrative burden from FEMA.

FEMA modified their policy on grantee/sub-grantee administrative costs in 2007, which as a direct result created additional complexity and workload for all parties. The GAO report notes specifically “... the policies and guidance do not adequately specify the requirements for determining reasonableness, eligibility and supporting documentation to support reimbursement of direct administrative costs.” Upon FEMA’s request, since this policy change in 2007 states provided demonstration and justification for actual administrative costs by program on multiple occasions. The agency has essentially created a double-standard as they do not track or analyze their administrative own cost data by program, however they require grantees and sub-grantees to provide extensive detail in order to comply with the policy/rule and receive reimbursement for a fraction of their incurred costs. States have repeatedly been told by FEMA they are actively working to modify this policy/rule; however this action still remains “in process”

more than seven years later. This situation clearly demonstrates an area in which a cost savings could be realized and consistency gained across the nation.

Embracing the *Sandy Recovery Improvement Act*

In response to the needs of state and local governments, Congress passed the *Sandy Recovery Improvement Act* (SRIA) which made sweeping changes to the existing Stafford Act. This legislation not only helped facilitate a smooth recovery in the Sandy-impacted area, but also forever changes FEMA programs and policies. Some of the provisions of SRIA, such as the debris removal pilot program, have been supported by NEMA for many years.

Fortunately, NEMA held our Mid-Year Forum in Washington, D.C. just three weeks after passage of SRIA which afforded the opportunity to adequately review the legislation and begin a dialogue with FEMA about implementation of the Act. NEMA found this legislation so important, more than seven hours were dedicated to the review thereby facilitating ample opportunities for FEMA officials to engage with state emergency management directors while considering the necessary changes to policies and rules. NEMA quickly realized the effort to develop a framework for a *National Strategy for Reducing Future Disaster Costs* could be paramount in ensuring the solvency of our disaster response network for generations to come.

In beginning work on comments for the *National Strategy for Reducing Future Disaster Costs*, NEMA initially outlined four value statements guiding our recommendations:

1. Build, enhance, and sustain capabilities, self-reliance, and resilience of our communities and nation while encouraging innovation.
2. Reflect the fiscal realities and limitations of the present and the future. This nation deserves safety and security, but it also deserves solvency.
3. Recognize the complex interdependencies and vulnerabilities of our national systems, particularly the movement of goods, services, and people.
4. Mitigation and long-term recovery are societal investments – not a cost. These endeavors must build on non-traditional partnerships to communicate that efforts are worth the investments.

NEMA members understand the importance of clearly articulating initial steps in developing an informed and effective national strategy for reducing future disaster costs including planning assumptions. NEMA also recognizes varying levels and types of activities to consider for reducing future disaster costs including those in the near-term, long-term, administrative/programmatic/operational, and strategic. While the initial direction from Congress was for FEMA to simply describe a framework, NEMA encourages and stands ready to assist in the full development of this strategy.

Next Generation FEMA Legislation

The issues specifically surrounding recovery from large-scale disasters are not easy to tackle, but we remain encouraged in how the Committee has continued demonstrating support of FEMA's programs and seem committed to looking forward. As you consider future FEMA legislation, we encourage the following programs and principles be considered.

Emergency Management Assistance Compact

One critical part of response and recovery to disasters is the Emergency Management Assistance Compact (EMAC). When states and the U.S. Territories joined together and Congress ratified EMAC (Public Law PL-104-321) in 1996, it created a legal and procedural mechanism whereby emergency response

resources such as Urban Search and Rescue Teams can quickly move throughout the country to meet disaster needs. All 50 states, the District of Columbia, the U.S. Virgin Islands, Puerto Rico, and Guam are members of EMAC and have committed their emergency resources in helping one another during times of disaster or emergency.

Since ratification by Congress, EMAC has grown significantly in size, volume, and the types of resources states are able to deploy. For example, 26 emergency management personnel responded to the September 11, 2001, terrorist attacks. Conversely, 67,000 personnel from a variety of disciplines deployed to the Gulf Coast in response to Hurricanes Katrina, Rita, and Wilma and 12,279 personnel to Texas and Louisiana during Hurricanes Gustav and Ike. The 2009 Spring Flooding in North Dakota and Minnesota resulted in states deploying equipment, sandbags, and 1,029 personnel to North Dakota. In all, 727 National Guard personnel and 302 civilians were sent to assist via the compact. In 2011, 953 personnel were deployed in response to the pipeline spill, floods, and tornados in Montana, Missouri, North Dakota, Nebraska, South Dakota, Mississippi, Alabama, and Tennessee. Also in 2011, 1,130 personnel were deployed to New York, Vermont, Connecticut, Delaware, Maryland, Massachusetts, New Jersey and Virginia in response to Hurricane Irene and Tropical Storm Lee. Most recently, EMAC was used in the response for the manhunt in Pennsylvania, severe weather in Mississippi, wildfires in Washington, and tropical storms in Hawaii.

EMAC continues growing, however, beyond the traditional boundaries of disaster response. New and emerging issues such as cybersecurity bring to the forefront EMAC capabilities and ability to provide cost savings through state-to-state assistance. NEMA is working to identify resources at the state and local levels which could be utilized through EMAC in the event of a cyber-response. This includes sharing information to pre-plan for such events. EMAC continues working with local public utilities to pre-plan for the sharing of resources to restore critical infrastructure as well as the pre-identification and Mission Ready Packaging (MRP) of teams able to help with digital forensics in the event of an attack. For local governments unable to maintain an Information Technology (IT) department, resources from other states may be critical in helping restore systems. NEMA remains engaged with FEMA on the development of cyber National Incident Management System (NIMS) resource types which will become the backbone of MRP's states will develop.

EMAC maintains a five-year strategic plan to put lessons learned into practice. EMAC implements an After-Action process from large-scale events that allows states and locals to examine how to improve the system. Examples of improvements to be made with current and future funding as a result of lessons learned are outlined below:

- NEMA has been working with first responder disciplines to provide EMAC educational and training materials. This includes training on EMAC, integration with State Emergency Operations Centers, Incident Command Systems, resource typing, credentialing, mission ready packages, and reimbursement responsibilities and timelines;
- NEMA has established an EMAC Advisory Group that is working on education and sharing of information to better integrate mutual aid partners into the EMAC system before disasters occur. The group includes representatives from state and local government associations, the National Guard Bureau, emergency responder associations, public utility associations, the private sector, DHS/FEMA, and the Centers for Disease Controls. The discussions and interactions of this group serve to assist in incorporating local government assets into the EMAC system for a unified response;
- NEMA is engaged with FEMA on the development of national mutual aid doctrine, policies, and programs and aligning EMAC with national preparedness goals and NIMS and the threat hazard identification and risk assessment;
- EMAC is evolving how states inventory resources available for response using the mutual aid

support system. This system allows states and locals to develop their own resource typed mission ready packages using credentialed personnel and to inventory them in a system that is unified with EMAC's operations, allowing for a swift response;

- EMAC is involved in assisting with responsibilities set in both the Post-Katrina Emergency Management Reform Act and the Implementing the 9/11 Commission Recommendations Act for resource typing and credentialing;
- States are building EMAC capabilities using state and local resources and integrating them into exercises; and,
- NEMA is working on the development of virtual exercises and the inclusion of EMAC in national level exercises such as CAPSTONE.

As the opportunity is afforded, EMAC intends to develop, maintain, and exercise state and regional mutual aid capabilities, train state and local emergency response personnel who may be deployed through EMAC, support the development of specialized emergency response capabilities among the regions, and ensure EMAC remains a viable resource for the states now and in the future.

The investment in EMAC stands as a minimal investment for maintaining a proven national emergency response capacity that day-to-day is equipped, trained, and ready to provide critical disaster response resources and support between states. Investment in EMAC leverages the federal dollars to prepare for and respond to disasters across the nation. All members of EMAC rely on the Compact as an asset in the response and recovery arsenal. The tools available to emergency management directors, however, extend far beyond mutual aid.

Urban Search & Rescue

In 2010, the world watched as Haiti experienced destruction and devastation following a catastrophic earthquake near the city of Port-au-Prince, Haiti. Urban Search and Rescue (USAR) teams from California, Virginia, New York, and Florida worked closely with one another to make a difference in the region. Just a few weeks after the earthquake struck, international and domestic USAR teams rescued 122 individuals throughout Port-au-Prince. USAR teams are credited with rescuing 43 of the 122. These teams are utilized following non-seismic disasters as well such as following the 1995 bombing of the Alfred P. Murrah building in Oklahoma City, the Kansas grain elevator explosion in 1998, and the 9/11 attack on the World Trade Center. Numerous teams were also deployed to assist after Hurricane Katrina.

The USAR program is much like the state mutual aid system where the state is responsible for overall coordination and development of the system, but local cities and counties are the ultimate first responders, the owners of the USAR resource, and the focus of the program. Through the state's mutual aid system, the local USAR teams become an asset to counties and cities. Also, through EMAC a state's USAR teams stand as an asset to the entire country.

FEMA currently provides approximately \$1 million to directly support each of the 28 task forces for equipment, training, and various administrative functions. This \$1 million is supplemented with significant state and local investment. For several years, the vast majority of USAR team deployments have been out of state or out of county. As with EMAC, the federal government has a ready nationwide asset with USAR, but at a fraction of the actual costs necessary to sustain their capability. If this Committee is to consider a FEMA reauthorization bill, NEMA would recommend considering similar language utilized in the past supporting USAR functions.

Functional Needs Support Services

The Functional Needs Support Services (FNSS) represents another recovery issue which could stand to see some clarification. Issued in November 2010, the FNSS guidance laid out how general population shelters much accommodate those with functional needs. NEMA and the states were concerned the requirements could involve costly changes to general population shelters which would ultimately reduce the number of available shelters. In today's economic climate, most state and local government simply cannot afford major and costly alterations to existing shelters.

FEMA and the Department of Justice briefed NEMA members on the status of FNSS implementation, but the agencies provided conflicting information. NEMA has requested clarification and has been told FEMA General Counsel and the DOJ Disability Section continues working toward a solution.

As is the case with many roadblocks, the states can often stand as a test-bed for possible solutions to challenges. For example, recent agreements with Virginia and Kansas seem to indicate the guidance can be met through planning efforts. Regardless of this development, NEMA has been informed that FNSS guidance clarification is a priority and will be done before the heart of hurricane season.

This stands as an issue we would encourage the Committee to take an active interest. An amicable solution must be found in order to facilitate the effective sheltering of millions of Americans without threat of a lawsuit afterward.

Conclusion

The road to recovery in the aftermath of a major disaster presents many challenges which must be overcome. We appreciate the continued support of this committee to the emergency management community as we work together in forming new policies and procedures aimed at making these disasters less impactful. Should you once again look into a full reauthorization of FEMA, our association stands ready to assist in any way you may find helpful. As evidenced in this testimony, the SRIA reforms continue improving opportunities to protect lives and property through a strong response and transition to recovery. Only through an effective response and subsequent recovery can we work toward building more resilient communities, reducing the overall costs of disasters to states and the federal government, and ultimately save more lives and property from damage.

I thank you for the opportunity to testify today and welcome any questions you may have for me.