

Testimony of
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Presented Before the

**House Transportation and Infrastructure Committee
Subcommittee on Economic Development, Public Buildings, and Emergency
Management**

April 30, 2008

Good Morning Chairwoman Norton, Ranking Member Graves, and Members of the Subcommittee. I am David Maurstad, Assistant Administrator for Mitigation and Federal Insurance Administrator for the Federal Emergency Management Agency (FEMA) within the Department of Homeland Security.

I am pleased to have the opportunity to testify before you today about the success of FEMA's Pre-Disaster Mitigation Grant Program (PDM), and respectfully request reauthorization of the Program. Without reauthorization, the Program will expire September 30, 2008.

Mitigation and PDM

FEMA's mission is to lead the Nation in an effort to prevent, prepare for, respond to, and recover from all hazards. This comprehensive emergency management system starts with mitigation: sustained efforts by communities, businesses, and individuals to reduce their vulnerability to all hazards. The Pre-Disaster Mitigation Grant Program has become an integral part of FEMA's mitigation strategy by providing grants to States, Territories, Tribal governments, and communities so they can develop mitigation plans and implement mitigation activities before hazards strike. Community-level mitigation planning and activities save lives, reduce property damage, direct response and recovery efforts to where they are needed most, decrease reliance on Federal disaster funds, and reduce the financial impact of disasters on the communities they strike, as well as the Nation.

As evidence of mitigation's value, a 2005 Congressionally-mandated study by the Multihazard Mitigation Council (an advisory body of the National Institute of Building Sciences) concluded that cost-effective mitigation saves an average of four dollars for every dollar spent, with flood mitigation yielding even greater savings.¹ Furthermore, a 2007 Congressional Budget Office Report estimated PDM-funded projects from 2004 to

¹ Multi Hazard Mitigation Council, National Institute of Building Sciences
Natural Hazard Mitigation Saves: An Independent Study to Assess the Future Savings from Mitigation Activities.
National Institute of Building Sciences, Washington, DC 2005

mid-June 2007 had total costs of nearly \$500 million and that the reduction in future losses associated with those projects has a present value of \$1.6 billion.²

Mitigation Works

All States and Territories, and more than 16,000 communities – involving approximately 64 percent of the Nation’s population – now have PDM-funded mitigation plans. These plans not only help communities focus on reducing vulnerability to hazards, they open the door for PDM “brick and mortar” grants that support a wide range of cost-effective mitigation activities, such as acquiring repetitively flooded homes; protecting utilities; storm-water management; and retrofitting, elevating, or relocating hazard-prone homes and businesses.

PDM’s basic premise – to help communities build stronger and smarter – is not new. FEMA has been facilitating community mitigation efforts since 1988, when the Hazard Mitigation Grant Program (HMGP) was created. This post-disaster mitigation program makes mitigation funding available to States and communities after a Presidentially-declared disaster. An excellent example of a cost-effective HMGP project can be seen in exhibit A. This photograph shows a coastal Mississippi home that was elevated using HMGP funds. Several years after the project was completed, this house was the only one left standing on a street ravaged by Hurricane Katrina’s storm surge. This HMGP success not only offers a clear example of mitigation’s effectiveness but also underscores the fact that it often takes time to realize avoided losses. Our Pre-Disaster Mitigation Grant Program, like the post-disaster HMGP, also funds elevations like the one shown in exhibit A, and over time States and communities will be able to highlight many similar successes.

Already, after only five years, stories of hazard-tested PDM projects are coming in from the field. In Rutherford County, Tennessee, for example, State and local officials used PDM funds to acquire a flood-prone home. A family closed on the home in 1997 after conducting a reasonable and prudent examination of the pros and cons of purchasing, which included building inspections, disclosure filing examinations, and a review of the area’s Flood Insurance Rate Maps. What this family did not know, however, was that the sellers hid the home’s flood history.

The home suffered 20 documented floods after it was purchased in 1997, with annual recovery costs averaging \$17,000. PDM funds enabled Rutherford County officials to acquire the property from the homeowner, demolish the structure, and return the property to open space, thus eliminating a persistent flood-risk and reducing the burden on the local services that protect the homeowner and his family from potential and actual flooding.

Another successful PDM field-test can be found in Broward County, Florida, where, in July 2005, five fire stations were fitted with PDM-funded, roll-down storm shutter systems. Soon after project completion, Hurricane Wilma struck Florida, severely impacting Broward County. The retrofitted fire stations, however, emerged unscathed and were able to effectively operate before, during, and after the storm. In fact, this PDM

² The Congress of the United States, Congressional Budget Office
Potential Cost Savings from the Pre-Disaster Mitigation Program
Washington, DC, September, 2007

project enabled fire station personnel to help their communities prepare for the storm rather than spending time at their station installing shutter panels.

These mitigation success stories show how States and communities can benefit from both types of mitigation assistance. When a community guided by a mitigation plan and strengthened by pre-disaster mitigation activity is hit with a natural hazard, that area experiences less damage, is ready to capitalize on post-disaster HMGP mitigation resources and support, and is in a better position to recover faster. U.S. taxpayers also benefit from reduced disaster assistance expenditures.

PDM Process and Direction

PDM's success is due, in large part, to its competitive approach. The PDM National Evaluation Peer Review of Applications relies on peer review panels to assess PDM planning and project applications for consistency with State and local mitigation plans; effective use of resources; proposal viability; and the likelihood of successful loss reduction. In addition, National Technical reviews are performed to ascertain the feasibility and cost-effectiveness of PDM proposals, and to determine if the proposals comply with environmental and historic preservation laws and regulations.

From FY2003 through FY2006, PDM's competitive review and award process generated a new level of mitigation interest in communities Nationwide, as the Program distributed nearly one half billion dollars for viable, cost-effective mitigation activities. In fact, for each of the previous PDM grant cycles, the amount of funds applied for has been double to triple the amount available. PDM's competitive process has also built strong mitigation partnerships, and has been a primary factor in the consistent flow of high-quality mitigation applications.

In FY2007, the Congressional Appropriations process changed PDM implementation direction by removing the language prohibiting allocations and formulas in PDM's competitive process. Consequently, for FY2007 and FY 2008, FEMA revised PDM program guidance and implemented a nationally competitive program that follows the minimum and maximum allocations authorized by the Stafford Act in Section 203(f).

FY2007 PDM funding was administered with a base \$500,000 funding allocation for States that submit at least that amount in eligible applications. All remaining FY2007 applications competed for the remaining PDM funds.

Projected PDM Schedule

PDM's success leads FEMA to be optimistic about the Program's future; and in anticipation of reauthorization and related appropriations, the Agency is moving forward with the following grant cycle schedule:

- June 2, 2008: release of unified hazard mitigation assistance guidance and opening of a six-month application period;
- December 12, 2008: Close application period and begin eligibility and completeness reviews;
- Mid-January 2009: Begin National Technical and Peer Evaluation Reviews; and
- March 2009: Finalize selections and begin pre-award process.

This projected, aggressive schedule reflects feedback FEMA has received from our PDM constituents, and is consistent with Congress's desire that FEMA obligate all available PDM funding in a timely manner.

Conclusion

The Administration supports reauthorization of the Pre-Disaster Mitigation Grant Program through 2013. Reauthorizing PDM for five more years will assure a stable and dependable source of mitigation funding, and will promote consistent community efforts to pursue mitigation planning and activities that reduce vulnerability. Without PDM, States and communities will not be able to (a) develop strategic frameworks within which they can learn about the hazards threatening them; (b) prioritize hazards of greatest concern; and (c) develop, implement, and maintain actions designed to reduce their vulnerabilities – all critical mitigation steps that are difficult to accomplish in the aftermath of a hazard event, when communities are picking up the pieces.

The Pre-Disaster Mitigation Grant Program is an integral component of FEMA's Mitigation strategy to help States, Territories, Tribal governments, and communities reduce their vulnerability to natural hazard events. When embraced at the community level, pre-disaster mitigation saves lives, reduces property damage, directs response and recovery efforts to where they are needed most, decreases reliance on Federal disaster funds, and reduces the financial impact of disasters in the areas they strike, as well as for the Nation as a whole.

By reauthorizing the Pre-Disaster Mitigation Program for five more years, with clear direction and consistent funding, Congress will enable FEMA to keep facilitating State and local mitigation plans and projects that reduce or eliminate future losses. Without PDM, I am afraid that the momentum we have developed over the last five years in States and communities across the Nation to address hazards before disasters strike, instead of only after them, will be lost.

Madame Chairman, thank you for this opportunity to testify before you today, and I will be pleased to address any questions that Members may have