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**TESTIMONY
BEFORE THE**

**HOUSE TRANSPORTATION AND INFRASTRUCTURE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT,
PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT**

ON

MOVE MISSISSIPPI FORWARD: ONGOING PROGRESS AND REMAINING PROBLEMS

THE UNITED STATES HOUSE OF REPRESENTATIVES

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INTRODUCTION

Thank you Chairwoman Norton, Ranking Member Graves, and distinguished members of the Committee for allowing me the opportunity to provide you with a statement for the record on Mississippi's progress in rebuilding communities after Hurricane Katrina and the problems our state faces three years later. I am Mike Womack, the Director of the Mississippi Emergency Management Agency. My tenure with MEMA began in 2002 and I served as Director of Response and Recovery and Deputy Director, leading up to my appointment as the Director in December 2006. I bring more than 29 years of experience in active and reserve military service, retiring in June 2001 as a Lieutenant Colonel from the Mississippi Army National Guard with an extensive operations management background. I have served in numerous positions including Administrative Officer, Operations Officer, Intelligence Officer, Civil Affairs Officer and Chief of Staff of a 5,000-soldier armor brigade.

Today I wish to discuss the development, implementation and current status of the Mississippi Alternative Housing Program. I will also explain initial hesitations and concerns of the affected communities as well as current barriers we face in moving individuals and families from temporary to transitional or permanent housing.

Additionally, I will provide you with an update of progress made through the federal Public Assistance program and recommend changes to improve the Public Assistance process. Lastly, I want to discuss the management system Mississippi has in place to track the spending of Public Assistance funds and the importance of not limiting state's ability to effectively manage funds awarded.

The Mississippi Alternative Housing Program is a pilot program funded by a \$281,318,612 FEMA grant administered by MEMA. The MAHP developed and produces safer and more comfortable temporary housing units for use after a disaster. Mississippi has built two different ADA-compliant units – the Park Model and Mississippi Cottage – as part of the MAHP pilot program and is planning a third energy efficient unit. The Park Model is a one-bedroom unit that replaced the FEMA travel trailer. The Mississippi Cottage comes in two- and three-bedroom styles to replace the FEMA mobile home. The first unit was occupied on June 20, 2007. MEMA also plans to produce a “green” unit in one- and two-bedroom styles, which will also be ADA-compliant as well as energy efficient. The “green” cottage is in its final design stage and will soon be sent out for bids.

All cottages meet HUD standards for manufactured housing. With the removal of the wheels, carriage and metal frame on the base of the unit, the cottages can be attached to a traditional foundation and are then structurally indistinguishable from a site built home. Both the modular and HUD installations are designed to meet a 150 mile-per-hour wind rating. There are more than 2,600 cottages occupied in six Mississippi counties and the residences of these units have been extremely pleased with the design and quality of the unit. The state plans to produce a total of 3,150 MAHP units.

At this point, I'd like to take a moment to mention that FEMA's travel trailer program was extremely successful in Mississippi. Within two months of the devastating disaster, more than 35,000 residents were moved out of shelters and tents and into FEMA trailers and mobile

homes. The trailers were the best option at that time and provided many Mississippians with transitional and temporary housing during a critical time of need.

The MAHP is strictly a voluntary program for both applicants and local jurisdictions. Since MEMA knew that it could not supply cottages for all those in need with the funds available, the agency intended to award a portion of the 14,187 eligible applicants logged into the official FEMA database housing units by random, proportional selection. Applicants whose names were selected were to be notified and given an opportunity to accept or decline the offer to receive an alternative housing unit.

Despite MAHP's success in creating safer, temporary housing for at-risk families along the Gulf Coast, the program faces a number of challenges. The biggest challenge we deal with is the reluctance of some local communities and governments to allow the units to be placed in their jurisdictions. The cottages are available in 21 different jurisdictions. Memorandums of Understanding were made with many of the jurisdiction at the beginning of the program. The MOUs outlined the role and responsibility of MEMA and local governments with regard to the MAHP and installation of cottages.

The second biggest challenge, which also happens to be the strength of the program, is the group of applicants themselves. Most of the residents in need have recovered, and less than 5,000 remain, and these are the least able to recover. These individuals may have particular conditions that existed before the hurricane such as illiteracy, mental health problems, disabilities or other special needs. Other remaining applicants' lives have changed dramatically over the course of the past three years because of divorce, family deaths, births and other extenuating circumstances. In some instances, these life changes or pre-existing conditions have made it difficult for residents to receive assistance and/or return their lives to normal.

Personal situations and dynamic changes combined with the increasing insurance, property values and cost of living have made it difficult for others to rebuild and live the lives they had pre-storm. Cost and availability of wind and flood insurance have been huge impediments to rebuilding. Rental units are available, but have increased in cost substantially since the storm, rendering them unaffordable for some residents.

While housing has been a top priority for Mississippi after Katrina, the federal Public Assistance program has also helped the state make major strides in recovery efforts. For example, 1,156 debris removal projects were obligated at a total amount of \$715,947,692.26 and 91 percent of that amount has been paid to local governments. The federal government obligated funds for 2,035 emergency protective measures projects and 95 percent of the obligated funds have been paid. Projects for road systems, water control facilities, and public buildings and equipment trail behind the other categories, with all of these categories less than 30 percent completed. More than \$2.5 billion in FEMA Public Assistance funds were obligated for public recovery projects in Mississippi.

A difficulty related to the PA process has been the staff changes with new personnel overriding decisions made by previous FEMA personnel regarding local projects' scope and funding. After the disaster, FEMA brought in teams to do estimates of repair and record these estimates on the Project Worksheets or PWs. Local governments made decisions and in some cases designed new construction based on the estimated funding they'd receive. After the initial teams left, other FEMA teams were deployed with differing opinions about what projects should and should not be eligible for federal funding. Recovery efforts were impeded by the varying interpretations of PA projects. To prevent this from happening in the future, my recommendation is that either through law or policy, FEMA staff be required to follow through on the decisions made by those first teams deployed to the affected areas about what projects will be funded and by how much. That way money initially promised local governments is not subsequently taken away or changes made to eligible costs that delay the rebuilding process.

Another recovery-related issue is a state's continued ability to establish and monitor a management system to track federal funds as they are received and spent. It is critical that the federal government not strictly limit a state's ability to create effective management systems. Under Governor Haley Barbour's guidance, Mississippi has put in place one of the most efficient management systems for PA funds. The system minimizes the potential for fraud and ensures local governments keep track of the completion of and payments for their funded projects.

The system required the state to hire an engineering firm to make sure the scope of work was properly determined and an accounting firm to confirm that finances are properly documented and that there will be no de-obligation of funds. The state developed a software system that automatically tracks the funds from the original estimate of the project, through request from reimbursement, to disbursement of funds and is integrated with FEMA's and the state's disbursement systems. It is quite possible that we are able to effectively manage PA funds at the highest level of any other state.

FEMA's latest Disaster Assistance Policy proposes to reimburse state manage costs in an amount not to exceed 3.34 percent of the federal share of the projected total Public Assistance eligible program costs. Had this policy been implemented during Hurricane Katrina recovery, Mississippi's management program would not have been able to be implemented. My suggestion is to rescind the new policy and allow states the ability to be funded at a level that allows for effective management.

For the most part, FEMA staff on the Mississippi Gulf Coast has been dedicated, hardworking and outstanding partners to state and local governments. In many cases they have been hampered by an oversight system that focuses on recovery of federal funds, not identification and proposed solutions to problems in the FEMA recovery process.

The Department of Homeland Security Office of Inspector General contributed greatly to ensuring that misuse of federal funds has been minimized; however, I believe that OIG should not recommend de-obligation of funds that were paid to local governments unless there was an attempt to defraud. If local governments made mistakes, either based on guidance from FEMA staff or based on their inability to get any guidance, they should not be penalized. OIG staff should be required to issue an opinion on critical issues when requested by state or local governments rather than continue to follow the current policy of offering general and non-definitive guidance until months or years after projects are completed and money has been disbursed that will have to be repaid by state and local governments.

There are many other issues that could be discussed concerning the state of recovery on the Mississippi Gulf Coast from Hurricane Katrina, but I would like to conclude by stating that I do not believe that the FEMA recovery process is broken. There are changes that need to be made, but most of the programs are well designed and have for the most part worked. As I have stated before, most FEMA employees are very dedicated and hard working people that care very deeply about what they do. I do not believe major changes need to be made to the Stafford Act, only changes in policy or interpretation of regulations. The OIG as well as the FEMA Office of General Counsel appear to be influencing decisions that do not allow FEMA senior management to use an interpretation of law and regulations that would most benefit local government and speed the recovery process. We need effective oversight of federal recovery programs, but the oversight should not hamper recovery.

I would like to thank the subcommittee for this opportunity to voice my concerns about the Hurricane Katrina recovery process and hope that I have provided information that will assist you in addressing potential changes needed in law and policy that will make recovery from other disaster more effective and efficient.