



U.S. House of Representatives
Committee on Transportation and Infrastructure

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BRIEFING MEMORANDUM

TO: Members of the Subcommittee on Economic Development, Public Buildings, and
Emergency Management
FROM: Subcommittee on Economic Development, Public Buildings, and Emergency
Management Staff
SUBJECT: Oversight Hearing on “Streamlining Emergency Management: Improving
Preparedness, Response, and Cutting Costs”

PURPOSE

The Subcommittee on Economic Development, Public Buildings and Emergency Management will meet on Thursday, October 13, 2011, at 8:30 a.m., in 2167 Rayburn House Office Building to receive testimony from the Federal Emergency Management Agency (FEMA), the Department of Homeland Security Office of the Inspector General, State and local emergency managers and the private sector. The purpose of the hearing is to examine how the emergency management system and programs can be streamlined to reduce costs and improve preparedness and response.

BACKGROUND

Legislation

On September 13, 2011 Subcommittee Chairman Denham and Ranking Member Norton introduced H.R. 2903 and H.R. 2904. H.R. 2903, the FEMA Reauthorization Act of 2011, would reauthorize FEMA and two of its expiring programs through FY2013. H.R. 2904, the Integrated Public Alert and Warning System (IPAWS) Modernization Act of 2011, would establish a clear framework and timetables for FEMA’s modernization of its public alerts and warning system. The hearing is intended to help inform the Committee of additional reforms that should be considered as the Committee reviews these pieces of legislation.

Federal Emergency Management Agency: History and Reauthorization

FEMA was established in 1979 by Executive Order by President Carter following a number of massive disasters in the 1960s and 1970s which resulted in proposals by the National Governors Association and others to streamline and cut the number of agencies States were required to work with following a disaster. Prior to the creation of FEMA, the federal government's emergency response mechanisms were scattered among many agencies throughout the government. The creation of FEMA helped to centralize these authorities and the coordination of the federal government's response to a disaster. Following more than two decades as an independent agency, the Homeland Security Act of 2002 (P.L. 107-296), which created the Department of Homeland Security (DHS), placed FEMA within DHS, and FEMA's functions were dispersed among various offices and directorates of DHS.

In 2005, Hurricanes Katrina and Rita devastated the Gulf Coast. Following Hurricanes Katrina and Rita and the poor response that occurred, several investigations and congressional inquiries and hearings took place to examine the preparation for, response to, and later recovery from these hurricanes. In particular, the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina was formed and culminated in the issuance of a report entitled, "A Failure of Initiative: The Final Report of the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina" on February 15, 2006.

Following the issuance of this report, Congress enacted the Post-Katrina Emergency Management Reform Act of 2006 (PKEMRA) (P.L. 109-295), which put FEMA back together again within DHS. PKEMRA authorized the National Preparedness System and, among other things, FEMA for the first time in legislation.

H.R. 2903 would reauthorize FEMA as well as reauthorize the Urban Search and Rescue System and the Emergency Management Assistance Compacts. A summary of these programs follows:

Urban Search and Rescue (US&R) System – Currently, there are 28 FEMA US&R Task Forces spread throughout the continental United States that are trained and equipped by FEMA. These teams are comprised of firefighters, engineers, medical professionals, canine/handler teams and emergency managers with special training in urban search-and-rescue, and serve as a national resource for disaster response. The task force is a partnership between state fire departments, law enforcement agencies, federal and local governmental agencies and private companies.

Typically, the teams are trained to conduct physical search and rescue missions in collapsed buildings, provide emergency medical care to trapped victims, assess and control gas, electric service and hazardous materials, and evaluate and stabilize damaged structures. If a disaster event warrants national US&R support, FEMA will deploy the three closest task forces within six hours of notification, and additional teams as necessary. The role of these task forces is to support state and local emergency responders' efforts to locate victims and manage recovery operations.

Emergency Management Assistance Compacts (EMAC) – EMAC is an interstate compact approved by Congress that provides an effective avenue by which states can provide one another mutual aid in the event of a disaster. Through EMAC, a state impacted by a disaster can request and receive assistance from other member states more quickly and efficiently, by addressing concerns with regards to liability and reimbursement.

Disaster Relief Fund (DRF)

The Disaster Relief Fund (DRF) is the primary account used to fund many of the FEMA disaster assistance programs for States and local governments and certain nonprofits following a declared disaster or emergency. In most cases, funding from the DRF is released after the President has issued a disaster declaration. The funds in the DRF are appropriated by Congress and, generally, the Administration requests in its budget submission to Congress an estimated amount needed for disasters for that fiscal year. FEMA only includes in its annual budget requests for the DRF funds expected to be needed in a given year, so, for example, there may be future liabilities for past disasters that are not captured in a given year's budget request if those expenses are not expected to become due in that fiscal year. The Administration typically excludes in its calculation "catastrophic" disasters, defined in this context as those exceeding \$500 million in costs. As a result, if large-scale disasters do occur or there are more disasters than anticipated, a supplemental appropriation is requested for those costs.

If there are concerns in a given year with the amount of DRF funds, FEMA may institute Immediate Needs Funding to slow the rate of expenditures from the DRF until supplemental funds can be approved by Congress. When Immediate Needs Funding is instituted, FEMA will focus its funding on Individual Assistance and certain Public Assistance programs such as debris removal, emergency protective measures, as well as essential joint field office operations. Projects to rebuild or recover from disasters are put on hold until additional funds are appropriated. FEMA last instituted Immediate Needs Funding in August of this year and later announced funds in the DRF would likely be depleted at the end of September. Notwithstanding, FEMA subsequently announced additional monies were identified through deobligating funds from prior disasters that had not been closed. On October 4, 2011, in the short-term continuing resolution, Congress approved \$2.65 billion for the DRF for fiscal year 2012.

The imprecise way in which disasters are budgeted for and funded has raised concerns, particularly as the number and cost of declared disasters have increased. According to FEMA, in 2011 alone there have been 10 disasters with damages exceeding \$1 billion each.¹ Finding ways in which the preparedness and response processes can be streamlined can improve federal response but also can reduce costs.

Disaster Declarations

FEMA is the federal government's lead agency for preparing for, mitigating against, responding to, and recovering from disasters and emergencies related to all hazards – whether

¹ This is the total cost of all estimated damage, not just the damages that may be reimbursed by the federal government or otherwise eligible for federal assistance.

natural or man-made. When state and local resources are overwhelmed and the “disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments,”² the Governor of the affected State may request that the President declare a major disaster.

If the President issues a declaration, federal resources are deployed in support of state and local response efforts. FEMA’s primary authority in carrying out these functions stems from the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) (P.L. 93-288).³

There are two categories of incidents included in the Stafford Act – “major disasters” and “emergencies”. A “major disaster” is defined under the Stafford Act as:

Any natural catastrophe (including any hurricane, tornado, storm, high water, winddriven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the United States, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance under this chapter to supplement the efforts and available resources of states, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.⁴

An “emergency” is defined as:

Any occasion or instance for which, in the determination of the President, Federal assistance is needed to supplement state and local efforts and capabilities to save lives and to protect property and public health and safety, or to lessen or avert the threat of a catastrophe in any part of the United States.⁵

The key distinction between a major disaster and emergency is that emergencies authorize fewer types of assistance and do not require a state level disaster declaration or a request from a governor. In addition, emergencies are typically less severe events, limited in cost and duration and can be declared to “lessen or avert the threat of a catastrophe.”⁶

In 2010, the President issued 81 major disaster declarations and nine emergency declarations. So far in 2011, the President has issued 86 major disaster declarations and 26 emergency declarations. While there remains 3 months left in 2011, the number of declared disasters has already exceeded the highest yearly total in prior years.

Disaster Assistance Programs

² Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5170.

³ 42 U.S.C. §§ 5121-5207.

⁴ 42 U.S.C. § 5122.

⁵ Id.

⁶ 42 U.S.C. § 5122.

FEMA's major Stafford Act programs for disaster response and recovery in the aftermath of a major disaster are in the Public Assistance Program and the Individual Assistance Program. The Public Assistance Program, authorized primarily by sections 403, 406, and 407 of the Stafford Act, reimburses state and local emergency response costs and provides grants to state and local governments, as well as certain private non-profits to rebuild facilities. The Public Assistance Program generally does not provide direct services to citizens.

The Individual Assistance Program, also known as the Individuals and Households Program, is primarily authorized by section 408 of the Stafford Act. The program provides assistance to families and individuals impacted by disasters, including housing assistance. Housing assistance includes money for repair, rental assistance, or "direct assistance," such as the provision of temporary housing. This section also authorizes the "other needs program," which provides grants to mostly low-income families for loss of personal property, as well as disaster-related dental, medical, and funeral costs to individuals regardless of income. Other Individual Assistance Programs authorized by the Stafford Act include: unemployment assistance (section 410), disaster food stamps (section 412), disaster legal services (section 415), and crisis counseling (section 416).

Section 404 of the Stafford Act authorizes the Hazard Mitigation Grant Program (HMGP). HMGP provides grants to state and local governments to rebuild after a disaster in ways that are cost effective and reduce the risk of future damage, hardship, and loss from natural hazards. FEMA also provides grants under HMGP to assist families in reducing the risk to their homes from future natural disasters, through such steps as elevating the home or purchasing the home to remove it from the floodplain.

The Pre-Disaster Mitigation (PDM) program provides funds to states, territories, Indian tribal governments, communities, and universities for hazard mitigation planning and the implementation of mitigation projects prior to a natural disaster event. Funding these plans and projects reduces overall risks to the population and structures, while also reducing future disaster assistance payments. Congress reauthorized PDM last year in the Pre-Disaster Mitigation Act of 2010 (P.L. 111-351).

WITNESSES

The Honorable W. Craig Fugate
Administrator
Federal Emergency Management Agency

Mr. Matthew A. Jadacki
Assistant Inspector General, Emergency Management Oversight
Department of Homeland Security

Mr. Mike Dayton
Acting Secretary
California Emergency Management Agency

Mr. Keith Stammer
Director
Joplin – Jasper County Emergency Management Agency

Chief William R. Metcalf
Second Vice President
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Mr. Joe Wilson
President, Federal Signal's Safety and Security Group
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