



Association of State Floodplain Managers, Inc.

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TESTIMONY

FEMA Reauthorization and Cutting Red Tape in Recovery

before the

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

by

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Introduction

The Association of State Floodplain Managers (ASFPM) is very pleased to offer our thoughts and recommendations in ways to improve the capacity of our nation's communities to recovery from disasters. We thank Chairman Denham and Ranking Member Rahall for your attention to the importance of disaster recovery and how the process can be improved. Our testimony will focus on the importance of the use of "hazard mitigation" or using the recovery period to build back in a way that will reduce economic, social and ecosystem losses; human suffering; and taxpayer-funded disaster relief in future disasters. Practitioners in the field understand that disaster recovery offers an important window of opportunity which we need to use more effectively.

We are hopeful that this Congress can provide for improvements in the federal government's ability to assist in effective hazard mitigation and disaster recovery. We note and appreciate the work of the Subcommittee in passing HR 3377 in the last Congress. Prior to that, the only legislation passed into law was the Post Katrina Emergency Management Recovery Act (PKEMRA), which largely focused on preparedness and response. Since then, lessons have been learned – and are continuing to be learned -- regarding recovery and mitigation, the other two phases of emergency management that will actually reduce future disasters and point to the need consider new and bold reform proposals.

Central Considerations

There are two vital considerations that Congress should address as part of any changes to the disaster recovery and mitigation process:

1. How can recovery and mitigation processes be responsibly shortened and made more effective?

2. How can a system of recovery and mitigation provide appropriate incentives (or eliminate disincentives) to help our communities and citizens recover in a more resilient/sustainable manner that measurably reduces future costs of a similar disaster?

How Congress decides the address these issues is central to the way in which future reforms to the nation's disaster recovery process should be framed. And will have substantial bearing on the cost to our nation.

About ASFPM

Members of the Association of State Floodplain Managers (ASFPM) are the Federal government's partners in coordinating and implementing the National Flood Insurance Program (NFIP), FEMA's hazard mitigation programs, the US Army Corps of Engineers' flood risk management programs, and other Federal agency programs focused on the hazard of flooding. ASFPM and its 31 Chapters represent over 14,000 state and local officials and other professionals who are engaged in all aspects of floodplain management and hazard mitigation, including management, mapping, engineering, planning, community development, hydrology, forecasting, emergency response, water resources, natural and beneficial functions, and insurance for flood risk. All ASFPM members are concerned with working to reduce our Nation's flood-related losses. Many of our state members are designated by their governors to coordinate and implement the National Flood Insurance Program, and many others are involved in the administration and implementation of FEMA's mitigation programs. For more information on the Association, our website is: <http://www.floods.org>.

Disaster Recovery and Hazard Mitigation

Importance of Hazard Mitigation

As 2011 unfolds, the United States is experiencing an unprecedented number of disasters from natural hazards (floods, earthquakes, hurricanes, wind, and wildfire) whose costs exceed \$1 billion. This is not unanticipated, nor is it as bad as it could get. While the hurricane seasons of 2004 – 2005 (including Katrina and the nation's first \$100 billion natural disaster) resulted in unprecedented losses and strains on our programs to facilitate disaster recovery, , larger events can and will occur. Consider:

- Modeling shows that a category 3 hurricane hitting the New York City area could produce a storm surge of over 20 feet in some areas, flood local airports and lower Manhattan, and result in extensive economic disruption.
- Experts have estimated that an earthquake in San Francisco of the same magnitude as the 1906 earthquake could cause as many as 3,400 deaths, displace up to 250,000 households, and cause as much as \$120 billion in property damage.
- The recently published ARkStorm scenario modeling for the Sacramento area is based on a scientifically realistic flood event, similar to that which occurred in California in 1861 and 1862. It indicates that three quarters of a trillion dollars in damage (business interruption costs of \$325 billion in addition to the \$400 in direct property loss) will occur if that event happened today.

Additionally, population trends and climate change are increasing the nation's vulnerability. As the costs of disasters continue to rise, governments and citizens must find ways to reduce risks from all hazards, but especially natural hazards, which occur on an average of more than one every week. Efforts made to reduce hazard risks are easily made compatible with other community goals: ability to recover after the disaster, protection of citizens as well as businesses, infrastructure that does not

continue to be damaged again and again; quality of life and safer communities (which are more attractive to employers as well as residents).

As communities plan for new development and improvements to existing infrastructure, mitigation can and should be an important component of the planning effort. However, it is after a disaster when the greatest window of opportunity exists to repair and rebuild in such a way that makes the community more resilient to future disaster events. Mitigation means taking a sustainable action to reduce or eliminate long-term risk from hazards and their effects.

A variety of mitigation activities exist that can reduce the risk of losses from natural hazards. Typically, these activities are arranged in five different categories:

1. Prevention: These activities are intended to keep hazard risk problem from getting worse, and ensure future actions do not increase hazard losses. Examples include planning, zoning, and building codes. Typically there is low cost to implement.
2. Property protection: These activities are intended to modify existing development subject to hazard risk. Examples include acquisition and demolition, elevation, relocation, or retrofitting of existing buildings. These are the primary activities funded by FEMA mitigation programs. Moderate to high cost to implement.
3. Natural resource protection: Activities intended to reduce intensity of hazard effects as well as improve the quality of the environment and wildlife habitats. Examples include wetlands restoration (for flood), buffer zones, setbacks, and forest management practices (wildfire). Low to high cost to implement.
4. Emergency Services: Activities to ensure continuity of emergency services. Examples include critical facilities protection to a high standard so these facilities are operational and accessible during extreme events. Moderate to high cost to implement.

5. Structural measures: Activities include development of large, highly engineered hazard reduction structures. Examples include levees and debris basins. High to very cost to implement.

While hazard mitigation can be undertaken at any time, citizens and communities alike are most receptive in the aftermath of a disaster. This is because very significant decisions have to be made during rebuilding and it is much easier to incorporate mitigation measures as rebuilding occurs versus on a “sunny day” when there is no urgency or low perception of being at risk.

Saving Taxpayers Money

When cost savings are analyzed, there are a few fundamental assumptions:

1. Cost savings are not all resulting from lessening the total federal expenditures for one disaster; rather the actions need to be analyzed over time to ensure that dollars spent the first time are good investments and improve community resilience so the costs are lower when the next and subsequent events occur. Also when you consider that not all disasters are federally declared, taxpayers are still bearing the costs of being affected whether or not federal funds are involved. Thus, investments in resiliency during the recovery process will save taxpayers even more than what would show in reduced recovery expenses during future events.
2. Time costs money. Processes that take longer result in more costs although these costs may be in functional downtime for businesses, lost wages, etc. However, this is a truism for every disaster that occurs in an area. So if a location is hit by three disasters in a ten year span, but proper investments in resilience (mitigation) are done the first time, subsequent costs will not be incurred or at least lowered.

3. Natural hazard mitigation, by definition, will save money. Mitigation represents a societal investment, not a cost. The benefits of this investment are clearly evidenced in several ways:
- a. Averts loss of life and injury to people
 - b. Reduces damages to public and private property.
 - c. Lessens expenditure of resources and exposure to risk for first responders.
 - d. Reduces costs of disaster response and recovery.
 - e. Accelerates recovery of communities and businesses affected by disasters.
 - f. Enhances community resiliency.

It is important all of us recognize that mitigation, because it must be cost-effective when implemented, saves money. This investment now will continue to pay dividends year after year into the future.

A widely cited 2005 study shows that money spent on reducing the risk of natural hazards is a sound investment. On average a dollar spent by FEMA on hazard mitigation (actions to reduce disaster losses) provides the nation with about \$4 in future benefits. The study was conducted by the Multihazard Mitigation Council of the National Institute of Building Sciences, which aims to improve communication among entities involved in disaster mitigation and provide credible information for public policy.

So how does mitigation post disaster save taxpayers money in the real world? First, we are talking about repairing damaged buildings and infrastructure. Therefore, if only disaster assistance were to be provided, and the damaged building were rebuilt to as it existed previously, there would be zero reduction in potential future flood damage. However, if mitigation were include in the rebuilding and another event occurs, the potential future flood damage would be reduced. For damaged floodprone buildings that were constructed before building codes required elevation, data shows that repairing and

mitigating them to just the minimum NFIP standards would result in 80% less flood damage in a future event. That is savings!

Issues with Integrating Mitigation into Recovery Processes and Timeframes

Does faster always mean better or most cost-effective in the long run? It is important to understand some dynamics that occur post-disaster. First, FEMA programs such as the Public Assistance (PA) and Individual Assistance (IA) programs focus on getting funds out and facilitating rapid recovery. However, as we indicated earlier, while faster can result in some less cost (such as business downtime), if mitigation is not included, risk and future disaster recovery costs have not been reduced. Mitigation can be complicated (securing funding match, provision of technical assistance, etc.) and therefore can slow down rebuilding. Furthermore, mitigation projects require community planning and other considerations. Although FEMA is providing some assistance through pre-disaster planning and some Joint Field Office (JFO) assistance, mitigation projects are being funded and implemented far too slow nationally. This dynamic can be seen in the PA program. In Public Assistance, straightforward PA projects can be funded relatively quickly. However, to access PA based mitigation (406 mitigation) additional analysis is required, thereby slowing the process down somewhat. This effect can be reduced by having appropriate technical staff assisting communities in determining the project scope.

Perhaps one of the speediest mitigation programs post-disaster is the Increased Cost of Compliance element of a NFIP policy. This mechanism can very quickly result in both speedy recovery and mitigation. However, because an ICC claim is triggered by a local official declaring a structure substantially damaged, the process can be slowed down when a community does not have the capacity to do a large number of post-disaster inspections in a short time. This provides a great opportunity for FEMA assistance to communities to cost share these inspections.

Thoughts on Better Integrating and Streamlining Mitigation and Recovery Processes

1. Implement Existing Authority to Delegate HMGP to Qualified States and Continue to Improve Efficiency of Post-Disaster Delivery of Mitigation Funds. FEMA has only recently started considering action to implement Sec. 404(c) Program Administration by States (42 U.S.C. 5170c) which was authorized eleven years ago. States with approved “enhanced” hazard mitigation plans prepared pursuant to Sec 322 are poised to assume the additional responsibilities and authority. Delegation to one or more of the more active states (perhaps with an initial focus on the top 5 states with the greatest number disasters per year) will yield significant benefits, including lower federal costs for long-term staffing, faster processing of grant applications and awards, and obligation of the program funds. Many of the communities that have very active mitigation programs are in these same states. Now that, thanks to the Disaster Mitigation Act of 2000 developed by this Committee, many of the Nation’s high risk communities have pre-disaster mitigation plans (and a growing number also are pre-designing projects), they need to have faster access to post-disaster mitigation funding (HMGP). It is common for decisions by FEMA on applications to be made more than 12 months after a declaration, which leaves communities and property owners in an uncertain environment. Sometimes owners cannot wait that long and will begin to get their lives “back to normal” so they invest their own funds and insurance proceeds in homes that are scheduled for floodplain buyouts. Most states perform a significant amount of review and forward eligible applications with recommendations for funding to FEMA. Rather than have FEMA take several more months to perform much of the same work, delegation of HMGP would shorten the timeframes while also saving federal funds. Under the concept of a delegated program, appropriate

roles for FEMA would be training and capability building of states, and periodic oversight/assessment of programs and HMGP funds would be provided to a state in a block grant format.

2. Assist in Building State Capability Including Mechanisms to Assist with Catastrophic and Multiple Events. By and large, Federal funds for state mitigation programs are funded through the administrative allowance that is available as a result of receiving FEMA mitigation grants. While Emergency Management Performance Grants (EMPG) may be an ongoing source of funding, the demands on it are significant meaning mitigation often is not a high priority. So, state mitigation programs often find themselves with little capacity to respond to catastrophic events or multiple disaster events which ends up costing more time and money. Mechanisms should be developed to ensure high state capability (incentives, funding, etc.) and capacity to manage these programs in a timely manner. One suggestion ASFPM provided in past testimony was to create a cost-shared program for state mitigation offices similar to the Community Assistance Program under the NFIP.

3. Improve the Government's Ability to Supplement State Program's Capability with Robust and Timely Technical Assistance in a Post-Disaster Environment. FEMA's lead role in coordinating disaster response and recovery involves many complicated aspects, but should be improved by a more robust incorporation of technical assistance. First, the Stafford Act should be amended to allow for the reimbursement for the assistance necessary to perform building and code related inspections of damaged buildings. As the Stafford Act is interpreted now, the reimbursement can only be made for inspections related to immediate life-safety issues. Yet, for rebuilding and mitigation programs to work right away during recovery, property owners and government officials need to quickly assess the damages and repairs needed. In our experience, owners start clean up and repairs in as little as

the day after water has receded from a building. Community inspections must be made timely and inspections such as those to determine substantial damage in flood hazard areas are the initial triggers for mitigation programs to kick in -- for example the Increased Cost of Compliance mitigation funds accessed through a property owner's flood insurance. When a community building department has thousands of inspections to do with a staff of 2-3 people, which may be adequate capacity in non-disaster times, there is no hope of completing these inspections in a timely manner. Disallowing the reimbursement for these additional temporary staff to conduct inspections under the Stafford Act means a slower recovery and mitigation process, but even more important, it misses the opportunity to let citizens and businesses know how badly damaged their building is and what options are available to them to rebuild it to be safer in the future. And while it seems that increasing eligibility for reimbursement of these expenses is initially more costly, it ends saving much more time and money as the recovery proceeds.

Another related issue involves the bureaucratic processes related to getting technical assistance into the field after a disaster event. The Hazard Mitigation Technical Assistance Program (HMTAP) is one example. Currently, after FEMA has opened up a Joint Field Office (JFO), HMTAP assistance can be requested by the state to support its Mitigation Strategy. However, unlike many provisions for assistance, the Federal Coordinating Officer (FCO) cannot, by himself, approve HMTAP assistance. Rather, it first is approved by the FCO, then the FEMA Region, and then FEMA Headquarters, wasting precious time in getting the technical resources in the field. ASFPM recommends that this process be changed to allow a quick review of the request to be done in the JFO. As long as the assistance request is consistent with the Mitigation Strategy and is an eligible activity, the FCO's approval would result in HMTAP assistance being provided.

Yet another related issue relates to the overly bureaucratic process of developing and implementing Mission Assignments. In one experience during a flood event in 2007, the FEMA mitigation lead in the JFO worked for over several weeks to execute a mission assignment with the United States Geologic Survey to conduct high water mark surveys and collect flood damage data. A process should be put in place to facilitate advance agreements or templates for such agreements.

Still another related issue is the underutilization of mitigation through the Public Assistance program. The success of 406 mitigation after an event has to do with three primary factors: The attitude of the FCO, the federal Public Assistance Officer, and FEMA Region. Our members have long reported that the primary objective of many FCOs is to spend few dollars and close disaster field offices as soon as possible. Currently, we are not aware of any metrics for the performance of FCOs related to improving the resiliency of the disaster affected area. Until this becomes a priority for the FCO, labor intensive efforts such as a robust mitigation presence – both 404 and 406 -- will not occur, thus resulting in missed opportunities for mitigation and slower implementation of both mitigation and recovery programs. Most mitigation activities other than the strategy development and grant application process kickoff occur after the JFO is closed. Mechanisms must be developed to maintain the presence of staff and technical assistance throughout the mitigation process or at least longer than exists now. While this means more investment of resources initially, it also means a much more efficient program in terms of increased mitigation accomplished in much more acceptable timeframes. Currently the evaluation of the feasibility of mitigation under PA for each Project Worksheet (PW) is encouraged. ASFPM believes it should mandatory that all PWs be evaluated for mitigation opportunities by those with expertise in hazard mitigation. Regardless if mitigation is actually done or not, this serves as technical assistance and provides a blueprint for the community to later implement the mitigation measure.

Related to the previous issue, there could be a better balance of JFO resources. For example while there is a robust presence related to outreach and community affairs, there is generally little FEMA presence when it comes to mitigation and technical assistance. This must be improved. Recent experiences by other non-profit organizations in developing countries affected by earthquakes report better and more accepted mitigation by property owners when there is adequate technical assistance provided to them after an event. Why could this not be done here in the United States? For example, area disaster field offices could have individuals or teams that could work with individual property owners to review and identify specific mitigation measures that could be taken on a building by building basis.

4. Require consideration, development, and use of best available data to maximize resiliency of buildings and infrastructure using mitigation funds. Currently, the Stafford Act only requires that mitigation projects meet local codes. Sometimes, the local code can be exceeded if the project is cost-effective (such as under HMGP). However, there are many instances where there is known risk that is at a higher level than what local codes require. For example, in rebuilding critical facilities such as hospitals or schools while local codes require protection to the 100-year flood level, data may exist to show the 500-year flood level or a historic event. Similarly, in coastal areas, there is now significant data to indicate sea level rise is an ongoing and future issue – with predicted levels to increase by a minimum of 30 inches in many areas by 2100. However, the increased risks are not being incorporated into mitigation projects. Critical facilities receiving recovery and mitigation funds must be protected to at least the 500-year flood level. Integrating this additional protection while structures are being repaired and rebuilt is more cost effective than having to pay disaster assistance multiple times on the same structure.

5. Establish Broader Collaborative Partnerships from “Whole Community” to Better Collaboration Among Federal Agencies. Efficiencies in program execution and a reduction in resources spent can be achieved through robust collaboration before, during, and after a disaster event. Recovery and mitigation programs exist within a joint Federal, state, and local framework. Often, these efforts - especially at the federal level - are fragmented and do not provide a comprehensive national strategic framework for mitigation. Federal agencies involved in hazard mitigation activity simply do not coordinate as well as needed.

Previously, FEMA developed a comprehensive strategic framework through the creation of the National Mitigation Natural Hazard Mitigation Strategy that sought to strengthen partnerships among all levels of government and the private sector. Various provisions of federal laws stress the importance of national efforts in natural hazard mitigation and highlight FEMA’s leadership role in such efforts. The absence of a comprehensive framework makes it difficult to ensure that the federal government is effectively identifying hazard risks and that those undertaking mitigation efforts are working collectively. Further, without such a framework federal efforts may not be leveraging resources and developing synergies across the various hazard-specific mitigation efforts to accomplish common national natural hazard mitigation goals.

ASFPM recommends that FEMA, in consultation with other appropriate federal agencies, develop and maintain a national comprehensive strategic framework for mitigation and mitigation-related metrics that are used to measure the success of a post-event disaster recovery. Such metrics could measure the increase in resiliency that a community achieved while receiving scarce taxpayer dollars. The framework could include items such as common mitigation goals; performance measures and reporting requirements; the role of specific activities in the overall framework; and the roles and responsibilities of federal, state, and local agencies, and nongovernmental stakeholders. As part of this

framework, consideration should be given to reconstituting interagency hazard mitigation teams after each disaster declaration that would complement the state mitigation strategy.

6. Ensure all Federal Recovery Programs Incorporate Mitigation to the Greatest Extent Possible. FEMA is not the only agency with disaster recovery responsibilities. For example, the US Army Corps of Engineers PL 84-99 program is heavily skewed towards repairing levees and forever perpetuates costs to the US taxpayer, without even asking the question whether the levee should be repaired versus another alternative that may increase overall flood resilience and reduce long term taxpayer costs. Why would a levee owner ever consider another alternative when the federal government would provide 80-100% of the repair costs? It should be a requirement that all federal recovery programs be reviewed and adjusted to consider mitigation and resiliency alternatives and evaluate long term solutions.

Conclusion

Given the increasing costs of natural disasters, the predictions for more frequent and more severe storms and weather conditions, and the severe budgetary constraints the nation faces, getting effective mitigation accomplished is essential. It behooves us to figure out how to take much better advantage of the disaster recovery period to get some serious mitigation work done – and save lives and many taxpayer dollars in the future. The Association of State Floodplain Managers appreciates this opportunity to share our observations and recommendations with the Subcommittee. For any further questions on this testimony contact Chad Berginnis, ASFPM Associate Director, at cberginnis@floods.org (608) 274-0123 or Meredith Inderfurth, ASFPM Washington Liaison, at (703) 448-0245.

Curriculum Vitae

Chad Berginnis, CFM, is the Associate Director for the Association of State Floodplain Managers (ASFPM). Mr. Berginnis has 18 years experience in various aspects of natural hazard management, flood loss reduction, and land use planning / programs at the state, local and private sector level. As a state official, Mr. Berginnis worked in the Ohio Floodplain Management Program and was Ohio's State Hazard Mitigation Officer. He has been involved in creating/administering the Appalachian Flood Risk Reduction Initiative, administered the Community Assistance Program, revised model state floodplain management regulations, oversaw state hazard mitigation operations in three Federally declared disasters and authored the 2008 update of Ohio's mitigation plan. As a local official, Mr. Berginnis administered land use, economic development and floodplain management programs in Perry County, Ohio. In the private Sector, Mr. Berginnis was the national Practice Leader in hazard mitigation for Michael Baker Jr. Inc.

Mr. Berginnis is a recognized national expert in floodplain management and hazard mitigation, having participated on national research / focus groups, providing agency (FEMA, USACE, OMB, CRS, IG, CBO, others) and Congressional testimony, and was selected to participate on an advisory panel to the Chinese Government on the development of a national floodplain management strategy. He is also past Insurance Committee Chair, Mitigation Policy Committees' Coordinator, Vice Chair, and Chair of ASFPM. Mr. Berginnis holds a Bachelor of Science in natural resources from Ohio State University and is a certified floodplain manager.

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
Truth in Testimony Disclosure

Pursuant to clause 2(g)(5) of House Rule XI, in the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include: (1) a curriculum vitae; and (2) a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness. Such statements, with appropriate redaction to protect the privacy of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

(1) Name: Chad Berginnis

(2) Other than yourself, name of entity you are representing:
Association of State Floodplain Managers

(3) Are you testifying on behalf of an entity other than a Government (federal, state, local) entity?

XX YES

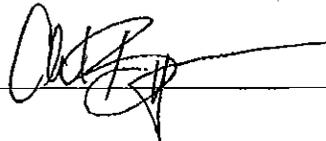
If yes, please provide the information requested below and attach your curriculum vitae.

NO

(4) Please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by you or by the entity you are representing:

Dept of Homeland Security, Cooperating Technical Partners - \$551,000
NOAA - Coastal Services Center - \$30,000
US Army Corps of Engineers -- \$60,000

Signature



Date

7/13/11