

## **I. Introduction**

Good morning Chairwoman Landrieu, Ranking Member Graham, and distinguished Members of the Subcommittee. It is an honor to appear before you today on behalf of the Federal Emergency Management Agency (FEMA).

Five years ago, Hurricane Katrina struck the Gulf Coast region, devastating 90,000 square miles and claiming more than 1,000 lives. In its aftermath, we witnessed failure in aspects at every level of government. Our nation has learned from this tragedy and we have moved forward with the help of authorities provided by the Post-Katrina Emergency Management Reform Act as we work to strengthen the nation's emergency management system.

Recovering from a disaster on the magnitude of Hurricane Katrina requires a team approach, and FEMA is only one part of the team. All members of the federal family, including the Department of Housing and Urban Development (HUD), the Army Corps of Engineers, the Department of Education and others, including state and local governments, the private sector, faith groups and non-profits, and ordinary citizens all have a role to play. Hurricane Katrina survivors and volunteers from around the country have been and continue to be the biggest contributors to the Gulf Coast's recovery.

My testimony today will provide a brief overview of the progress made over the year and a half of the current Administration, discussing relevant statistics, as well as legislative and administrative action. I also hope to demonstrate how our efforts and initiatives have had a positive impact on the lives of people in this community. Finally, I will discuss the important lessons that we have learned along the way, and how they inform how we do business moving forward so that past mistakes are not repeated and barriers to recovery are removed.

The Subcommittee's continued attention to this matter is important, not only because we must constantly evaluate whether we are better prepared to handle the next disaster or emergency, but also because responding to and recovering from a major national disaster like Hurricane Katrina requires sustained and ongoing affirmative efforts by federal, state and local entities. Simply put, rebuilding the Gulf Coast region is a marathon, not a sprint – but be assured that FEMA now has the endurance to finish the race.

## **II. Overview of Progress Made**

### *Public Assistance*

FEMA has demonstrated a fierce commitment to helping Louisiana and the rest of the Gulf Region get back on its feet. One of the most important ways we do this is through our Public Assistance Program. Since January 2009, FEMA has obligated over \$2.25 billion in Public Assistance funding in Louisiana, including: \$919.5 million in education; \$267.1 million in public works; \$196.6 million in public safety and protection; \$91.9 million in health care; \$665.9 million in public infrastructure; and \$112.8 million in debris removal and emergency protective

measures. Over the past year and a half, Mississippi has received \$170.9 million in Public Assistance funding. This money is essential to rebuilding communities, and FEMA continues to fund projects that get children back to school, parents back to work, and cities back to providing essential public services through hospitals, fire departments, law enforcement, safe roads and clean water.

### *Individual Assistance*

Recovery funding also comes in the form of individual assistance, including helping disaster survivors with housing, crisis counseling, low interest loans, legal services and unemployment assistance. With respect to housing, FEMA has assisted 1,498,722 survivors of Hurricanes Katrina and Rita with some form of financial assistance, totaling nearly \$5.7 billion and making it the largest temporary housing operation in our nation's history. As of August 20, there were 707 Louisiana households and 176 Mississippi households still residing in FEMA-provided temporary housing units as a result of Hurricanes Katrina and Rita. Although over 99 percent of those originally housed by FEMA have now moved into longer-term housing, FEMA continues to work with HUD and our other federal, state and local partners to help the remaining individuals and families transition from FEMA temporary housing to longer-term housing that better meets their needs.

### *Mitigation*

Public and individual assistance programs are absolutely essential to helping communities hit by a disaster get back on their feet. However, we must expand our focus to include not only recovery from past disasters, but also thoughtful preparation for future ones. Mitigation work is especially important in the Gulf Region, which is at a higher risk of natural disaster. For that reason, the Hazard Mitigation Grant Program (HMGP) provides grants to state and local governments to implement long-term hazard mitigation measures after a major disaster declaration. In the past year and a half, FEMA has obligated approximately \$238.4 million, bringing the total mitigation amount obligated to \$427.3 million for Hurricane Katrina and \$103.1 million for Hurricane Rita. This money is used to harden and retrofit buildings, as well as elevate and otherwise protect structures from the effects of flooding, wind and other hazards.

### *Changes*

The progress that FEMA has made in just a few years is the result of legislative enactments, broad administrative action and an overall change in attitude within FEMA. As a result, we have fundamentally changed the way that we approach the recovery process. I'd like to highlight a few of the ways in which we have changed the way we do business.

### *Review Panels*

One of the most important changes we made is the way we approach the recovery process. We re-evaluated our own attitudes, so that we can be more proactive and better at identifying areas to improve our working relationships with State and local partners. An example of this shift is the establishment of two Public Assistance review panels, which help to expedite decisions on

pending Public Assistance projects, and give us the opportunity to work closely with applicants to resolve long-standing disputes. Created by Secretary Napolitano in 2009 in order to expedite final eligibility decisions for disputed projects, these review panels can help stalled projects to move forward. To date, these two panels have resolved 173 previously disputed cases. Our ability to resolve these disputes is a result of the relationships we have built in the communities.

#### *Arbitration Review Panels*

In some cases, the dialogue facilitated by our review panels is not successful and we now have a tool to help us quickly resolve these public assistance disputes. Last year, Congress enacted legislation that you authored, Madame Chair, requiring FEMA to establish a new arbitration process to provide an independent adjudication of disputes arising from public assistance projects through a neutral panel of arbitrators. We have received 25 arbitration cases to date. Of these, the Civilian Board of Contract Appeals has issued four decisions in favor of the applicant, four decisions in favor of FEMA, and three decisions in which the applicant received a portion of its request. In addition, one case has been withdrawn and eight have settled or are in the process of settling. Five cases remain open. FEMA will conduct an evaluation of this arbitration process by the end of the year in order to determine if it accelerates applicants' recovery and whether a similar process would be appropriate to implement in future disasters as well.

#### *Post-Katrina Emergency Management Reform Act (PKEMRA) of 2006*

A major change made to FEMA in the aftermath of Hurricane Katrina was Congress' enactment of the Post-Katrina Emergency Management Reform Act (PKEMRA) of 2006. This law enabled FEMA to improve our own processes so that we can more quickly and efficiently provide assistance to the communities we serve. The law provided FEMA with more tools in our toolbox, allowing us to enhance operations, enable effective decision-making, and upgrade our response and recovery capabilities. I'd like to discuss just a few of the many PKEMRA provisions, as well as the ways in which FEMA's implementation of these provisions has helped us to better serve our communities.

PKEMRA created several provisions in order to prevent waste, fraud and abuse in the contracting and relief aid processes. To this end, FEMA implemented new software in 2007 that communicates real-time data to caseworkers in order to prevent duplicate housing payments. FEMA also implemented checks in the National Emergency Management Information System that trigger additional review for 'high-risk' recipients before assistance is delivered, in order to prevent potential fraud. These actions allow FEMA to balance the need to quickly provide disaster aid to victims with our responsibility to be good stewards of the Disaster Relief Fund.

FEMA has also greatly benefitted from the establishment of the National Advisory Council, which provides valuable advice on a number of initiatives early in the concept development phase in order to solicit feedback and gain stakeholder buy-in before initiatives are completed.

FEMA has implemented the PKEMRA requirements to establish a National Emergency Family Registry and Locator System and, separately, the National Emergency Child Locator Center, in conjunction with the Attorney General and the National Center for Missing and Exploited

Children, to help displaced persons find their loved ones. We've worked with our partners to provide first aid and education, as well as all-hazards preparedness training to children grades one through seven, caregivers, parents, and responders. The agency also supports team community emergency response training for high school students.

Moreover, PKEMRA has helped us to integrate the private sector into our preparedness, response and recovery efforts. In 2007, FEMA established a Private Sector Division of External Affairs, in response to recommendations in PKEMRA. Our Private Sector Division facilitates full engagement with business and industry, academia, non-profit and other non-governmental organizations as a key player in disaster preparedness, response and recovery.

Finally, PKEMRA enabled FEMA to strengthen its partnerships within the entire emergency management community through the establishment of both a small state and rural advocate and a national disability coordinator, whose office has subsequently been expanded to an Office of Disability Integration and Coordination.

These are just a few examples of the many ways in which the enactment and continued implementation of PKEMRA has strengthened our ability to help individuals, families and communities.

#### *Eliminating the Alternate Project Penalty*

Other legislative authorities outside of PKEMRA have also helped us to directly assist affected communities. The Consolidated Appropriations Act of 2008 (PL 110-161) provides a statutory waiver of the alternate project penalty. For example, FEMA is now able to provide funding at 100 percent for educational facilities in Louisiana, known as the Recovery School District (RSD). This will allow RSD to restructure their school campuses without any reduction in Federal financial assistance. RSD will leverage eligible funds pertaining to 127 disaster-damaged campuses to a New Orleans Public School Master Plan that consolidates operations to 87 campuses, over the period of an estimated 8 years.

#### *Special Community Disaster Loans*

The Stafford Act authorizes FEMA to provide loans to local governments who have suffered a substantial loss of tax and other revenue as a result of a major disaster through the Community Disaster Loan (CDL) Program. The U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007 (PL 110-28) gave FEMA the authority to cancel repayment of all or a part of an applicant's Special Community Disaster Loan (SCDL) if "the revenues of the local government during the three full fiscal year period following the major disaster are insufficient to meet the operating budget of the local government, including additional disaster-related expenses of a municipal operation character." (42 U.S.C. 5184(c)(1))

In January of this year, FEMA published the final rule establishing procedures for recipients of SCDLs to apply for loan repayment cancellation. The rule applies to communities in Louisiana and Mississippi that received these loans following Hurricanes Katrina and Rita. On March 20, FEMA began working with communities who notified the Governor's Authorized Representative

(GAR) of their intent to pursue cancellation of the SCDL repayment. In coordination with the GAR, FEMA contacted the applicants to begin collecting the required information and documentation.

FEMA is conducting formal meetings with those applicants to discuss our findings, complete and sign any necessary paperwork regarding their applications for cancellation, and address any additional questions. Following these meetings, the applicants will be notified in writing regarding whether or not they qualify for a full or partial repayment cancellation.

FEMA's authority to cancel a community's loan is limited to those applicants whose revenues during the three full fiscal year periods following the major disaster are insufficient to meet its operating budget. As we notified Congress earlier this month, 20 percent of applicants will qualify for full cancellation, 21 percent for partial cancellation and 46 percent will not qualify for cancellation.

### **III. How These Initiatives Affect Real People in the Community**

Statistics on the progress of our initiatives and a discussion of administrative and legislative action can be instructive in providing a birds-eye view of how far we have come and how FEMA has continued to adapt to meet the needs of communities that have experienced disasters. However, in order to more fully understand what happened in the Gulf Region during Hurricane Katrina and how FEMA's efforts have made a real difference in the lives of individuals, families and communities in the Gulf, I would like to share just a few examples of FEMA-funded projects and the impacts they have had in helping to reshape communities and rebuild lives.

#### *L.B. Landry High School*

In the Algiers neighborhood of New Orleans, L.B. Landry High School/Middle School was badly damaged by Hurricane Katrina due to high winds and rain. Floor and ceiling damage occurred due to rain intrusion in the buildings. The electrical system suffered voltage surges and excessive moisture penetration. Mold damaged many areas of the campus, including the HVAC ductwork and fans and filters in air handling units. Many plumbing fixtures on campus were unsalvageable.

Repair of L.B. Landry High School was a partnership between FEMA, the Recovery School District (RSD), the Louisiana Recovery Authority (LRA), the Louisiana Department of Education and the Governor's Office of Homeland Security and Emergency Preparedness. FEMA obligated more than \$61 million in order to help rebuild L.B. Landry. The new three-story structure houses classrooms, special education classrooms, administrative office space, guidance offices, a cafeteria and kitchen, arts, music and drama facilities, science labs, two gymnasiums, a 650-seat auditorium, locker rooms, vocational technology classrooms and a health clinic that is also equipped to service the greater community.

Two weeks ago, students at L.B. Landry had their first day of school at the new facility. I think they are going to have a great year.

### *Fire Station #6 in St. Bernard Parish*

As another example, here in St. Bernard Parish, Hurricane Katrina created storm surge flooding and high winds that badly damaged Fire Station #6, a single-story facility with a fire engine bay, living quarters and equipment storage. The storm surge reached a height of fifteen feet, and a tornado damaged the exterior walls, windows and roof.

Because the fire station was more than 70 percent damaged, FEMA funded the building for full replacement. To reduce the risk of future flood damages, the structure is being rebuilt as a two-story facility, with living quarters and office space on the second floor.

To date, FEMA has provided more than \$101 million to help damaged fire stations throughout Louisiana recover from the effects of Hurricane Katrina. St. Bernard Fire Station #6 has been obligated \$1.8 million to rebuild the station. Construction has been underway since June 2009, and completion is anticipated for September 2010.

### *St. Bernard Port, Harbor and Terminal District*

Also located in this Parish is the St. Bernard Port, Harbor and Terminal District, which was inundated with flood and rainwater during Hurricane Katrina. All buildings within the port were damaged by flooding, and the building that housed most of the administrative offices also sustained substantial roof damage.

As a result, FEMA obligated \$9.3 million for the St. Bernard Port Harbor, \$2.97 million of which is to help fund construction on a new 33,000-square-foot facility, bringing all administrative functions and a new security system under one roof. The new structure is better able to withstand hurricanes and other natural disasters. In fact, the new building is designed to endure a wind load of 150 miles per hour. It has a safe operations room for use during future storm events, and has a backup generator capable of operating the facility for over a week. The port was dedicated just last month, and while I may not be an expert in aesthetics, I must say that I think it looks pretty good, too.

This modern facility with a state-of-the-art infrastructure will help to facilitate the economic progress for which this area is so ready. On behalf of FEMA, we hope that it is just the beginning of a successful and prosperous future for the port and those who use it.

We are seeing the effects of our work all over the Gulf Coast region, from Alabama to Louisiana, Mississippi and Texas. Communities are being rebuilt, many stronger than they were before, and individuals are going back to work. As I said, we must have a clear understanding of how the work we do connects to individuals, families and communities affected by Hurricane Katrina.

## **IV. Moving Forward Based on Lessons Learned from Hurricane Katrina**

We have made great strides in the past year and a half, but we must continue to approach the work of emergency management with vigilance. We can and must learn lessons from past disasters and change our approach, where appropriate, to move forward in a way that will

maximize our ability to respond to and recover from the next catastrophe. Under this administration, we have taken and continue to take important steps in the right direction.

### *Internal Policy Review*

One of my top priorities as FEMA Administrator is to eliminate barriers to the efficient and effective delivery of assistance under the Public Assistance Program and Individual Assistance Program to disaster-impacted communities. In order to ensure that we are adequately meeting the needs of grant applicants, FEMA recently completed an aggressive review of all disaster assistance policies in the Public Assistance Division. The idea behind such an internal policy review is to allow for an appropriate use of the Stafford Act that maximizes our ability to streamline and enhance implementation of our programs. A similar review is currently being conducted in our Individual Assistance Division. This results-oriented approach will be essential to our work to help communities recover faster

As a result of our Public Assistance review, FEMA has identified several matters that could improve the delivery of our services under the Public Assistance Program. FEMA is working with the Department and appropriate stakeholders to determine the best way to move forward with those ideas.

Since January 2010, FEMA has reviewed 84 disaster assistance policies, and has made several recommendations for the purpose of revising or rescinding policies, or converting them into fact sheets. By putting clear systems into place, we can help to ensure a results-oriented approach that will lead to better and faster service to affected communities. The next step in our continued effort to remove barriers to efficient and effective delivery of public assistance will be a bottom-up review of the Public Assistance Program. We look forward to sharing those results with this Subcommittee.

### *Partnership with the Department of Housing and Urban Development (HUD)*

In 2007, as a response to Hurricane Katrina, FEMA partnered with HUD to create and pilot the Disaster Housing Assistance Program (DHAP), a temporary housing rental assistance program for eligible individuals and households displaced by Hurricanes Katrina and Rita. This groundbreaking new program was administered by HUD through its existing national network of Public Housing Agencies (PHAs) and ended Oct. 31, 2009. Under DHAP Katrina, FEMA referred approximately 47,000 families to HUD for assistance. While not all families agreed to participate, HUD provided rental assistance and case management to 36,792 families through DHAP Katrina.

Local PHAs throughout the nation were awarded grants from FEMA to provide rent subsidies to eligible families, and at a state's request, case management services. DHAP was created initially as a pilot program in the aftermath of Hurricane Katrina, but a modified version of DHAP has also been utilized in Hurricanes Gustav and Ike.

## *Disaster Case Management*

With the new authority provided by PKEMRA and the desire to move toward a standing case management services delivery program, FEMA established an interagency agreement with the U.S. Department of Health and Human Services' Administration on Children and Families (ACF) in 2007 to develop a Disaster Case Management Pilot Program. Disaster case management assistance is designed to be a partnership between the case manager and the client in the development of a Disaster Recovery plan and to assist with any disaster-related unmet needs. ACF piloted this model, in partnership with Catholic Charities USA, in an effort to assist Hurricane Gustav and Ike disaster survivors in Louisiana. In support of the progress that ACF had made, FEMA extended the pilot program through June 2010 and provided supplemental funding in excess of \$22 million. As of February 2010, a total of 7,623 case management cases were opened and 5,853 have been resolved thus far.

## *Employment/Personnel*

Of course, our ability to respond to any disaster is dependent on a well-trained workforce with effective surge capability, both at headquarters as at our regional and field offices. In the past, FEMA has suffered from staffing shortfalls and we are taking steps to fill these positions and facilitate continuity of operations.

Prior to Hurricane Katrina, FEMA had approximately 1,700 permanent full-time employees. As of August 20, 2010, FEMA had increased its staffing numbers to 4,457 permanent employees. While some of this increase is due to contractors being converted to permanent full-time employees, we have worked extremely hard to fill key positions, and as a result, have increased our permanent workforce by approximately 75 percent.

One of my priorities is a Workforce Enhancement Initiative, which is a working group comprised of FEMA employees from across the country, across divisions, and across seniority levels. This group is focused on two key areas: leadership development and new employee integration. Together, these efforts will increase FEMA's workforce professionalism, retention, and mission readiness.

FEMA also created the Disaster Reserve Workforce Division in 2008, which is responsible for ensuring the development, deployment and support of a disaster workforce ready for the national, all-hazard response needs of FEMA program managers and regional leadership. Because disaster reservists account for seventy to ninety percent of any disaster response and recovery effort, we must have a reserve program that is prepared to respond to a major disaster on a moment's notice.

Within FEMA, we are moving from a primarily training-based focus of validating disaster employees to a system that – while supported by training – requires the employee to demonstrate an ability to perform the essential functions of his or her emergency response position.

Over the past year, FEMA took several actions to improve the capabilities of the disaster workforce. For example, we expanded the effort to credential the disaster reserve workforce to

the entire FEMA workforce – reservists, permanent full-time employees and Cadre on-Response Employees (CORE). In addition, we established a governance structure for the national credentialing program.

Another issue has been the high transition rate among key Public Assistance staff. Transitions may be necessary when staff demobilize or change positions in the Joint Field Offices (JFO); we must work to ensure that Public Assistance operations are uninterrupted, however, and that an incoming project specialist is able to pick up where the incumbent left off. For that reason, FEMA is working to complete a Standard Operating Procedure (SOP) for the transition of project specialists at the JFO. The SOP will require a period of overlap between outgoing and incoming project specialists to facilitate continuity of operations.

A recent Department of Homeland Security (DHS) Inspector General report stated that FEMA has made significant progress to improve its logistics capability by increasing staff levels and training and developing personnel.<sup>1</sup> We can and will continue to build upon this progress to ensure that we have a complete and well-trained workforce ready to perform the task at hand.

### *Response*

FEMA is also coordinating and facilitating development of detailed catastrophic response plans for hurricanes, earthquakes, biological attacks and other threats. Our planning assumptions for catastrophic disasters are based on worst-case scenarios. They are designed to challenge preparedness at all levels of government, and force innovative, non-traditional solutions as part of the response strategy to such events. FEMA will also work to validate the preparedness consistent with these plans through disaster response exercises.

A significant planning effort in Region VI focuses on catastrophic hurricane planning for Louisiana. The draft Joint Region/Louisiana Hurricane Operation Plan was exercised at the Region VI Regional Interagency Steering Committee meeting in June, and is being updated to reflect lessons learned and after-action review comments. Additionally, they are working with other Regions to address host state operations for Louisiana evacuees: Region VI is meeting with Region VII and the State of Missouri this month to discuss these operations. This catastrophic planning initiative integrates plans at all levels of government with an overarching Federal Interagency Hurricane Concept of Operations Plan and FEMA 2010 Headquarters Hurricane Operation Plan, and provides the basis for a fundamental re-tooling of all-hazards catastrophic incident guidance.

### *Rapid Temporary Repair*

Just this month, FEMA announced the launch of the Rapid Temporary Repair (RTR) initiative, a pilot program that will take place in the aftermath of certain disasters to help individuals move from hotels, motels and congregate shelters and back into their homes. RTR will expedite temporary repairs to damaged windows and doors in areas affected by wind events such as tornadoes, severe storms and wind storms. This initiative is a partnership between the U.S.

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<sup>1</sup> Department of Homeland Security Office of Inspector General, “FEMA’s Logistics Management Process for Responding to Catastrophic Disasters,” OIG-10-101 (July 2010).

Army Corps of Engineers, the affected state, and FEMA. We will closely monitor the successes and failures of this pilot program so that it can be modified and improved as necessary in order to evaluate the need for a permanent program.

### *Contract Support*

Through the use of pre-existing contract support, we have put systems in place to ensure more efficient disaster preparedness and public assistance. In the event of a disaster, there may be no time to shop around for and set up contracts for basic services that government cannot provide. Because of our need to move quickly when a disaster strikes, we have set up several pre-competed Technical Assistance Contracts, to ensure that we have the capacity to act quickly and on a large scale in a disaster environment.

## **V. Conclusion**

The work we have done and continue to do in order to respond to and recover from Hurricane Katrina is a marathon, not a sprint. But be assured that FEMA has adopted and continues to implement a vigilant and results-oriented approach to the recovery. As a result, I am proud to say that we are closer to the finish line.

FEMA has learned valuable lessons from Hurricane Katrina and has taken steps to prepare for the next disaster. We were gratified by the results of a recent DHS Office of Inspector General report, which stated that FEMA is better prepared now than at any previous time in its history to handle a catastrophic disaster.<sup>2</sup> We will continue to build upon the significant progress that we have made to ensure that we are doing everything within our power to help communities prepare for, respond to, recover from and mitigate all major disasters.

Thank you again for the opportunity to testify today on the progress we have made, the lessons we have learned, and the steps we have taken and continue to take in order to make a real difference in the lives of individuals, families and entire communities in the Gulf Coast region. I'm happy to answer any questions the Subcommittee may have.

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<sup>2</sup> Department of Homeland Security Office of Inspector General, "FEMA's Logistics Management Process for Responding to Catastrophic Disasters," OIG-10-101 (July 2010).