STATEMENT

OF

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U.S. DEPARTMENT OF HOMELAND SECURITY

BEFORE
THE

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON HOMELAND SECURITY
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**"THE FEDERAL EMERGENCY MANAGEMENT AGENCY'S BUDGET SUBMISSION
FOR FISCAL YEAR 2015"**

Submitted
By

Federal Emergency Management Agency
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**Introduction**

Good Morning Chairman Carter, Ranking Member Price and Members of the Subcommittee. My name is Craig Fugate, and I am the Administrator at the U.S. Department of Homeland Security's (DHS) Federal Emergency Management Agency (FEMA). It is an honor to appear before you today to discuss FEMA's Fiscal Year (FY) 2015 budget request.

FEMA's mission is to support our citizens and first responders to ensure that, as a nation, we work together to build, sustain and improve our capability to prepare for, protect against, respond to, recover from and mitigate all hazards.

The FY 2015 President's Budget request provides the level of resources required, in a balanced and prioritized manner, to support the Agency's ability to fulfill its emergency management mission, while recognizing the budgetary controls and needs of the Agency.

The FY 2015 budget request reflects FEMA's priority to manage resources effectively across the federal government while ensuring the nation's resilience to disasters.  Under my direction, the Agency continues to re-examine its current allocation of resources to consider the relative return on investment and to better focus on those programs that have the most significant impact on the Agency's ability to fulfill its overall mission.  Moreover, FEMA will continue to build on its successful past efforts to streamline and enhance current business processes, while using smart and innovative technologies to better maximize the delivery of services and the efficient use of available resources.

Development of the Agency's budget request was guided by the Administrator's Intent for FY 2015-2019, and its five strategic priorities:  (1) be survivor centric in mission and program delivery; (2) become an expeditionary organization; (3) posture and build capability for catastrophic disasters; (4) enable disaster risk reduction nationally; and (5) achieve business and management excellence.  FEMA is committed to leveraging our authorities and focusing our policies, programs and budget choices to best support our citizens and first responders in working together to ensure our nation's resilience to disasters.  To deliver on this commitment, this Intent also provides two guiding principles to frame our thinking, build our budget request, guide our decisions, and shape our approach to mission and program execution, which are: (1) a whole community approach to emergency management and (2) fostering innovation and learning.

This testimony will review the initiatives the Agency hopes to pursue in FY 2015 through the lens of the Intent and the strategic priorities.

**Disaster Relief Fund**

The Disaster Relief Fund (DRF) provides individual and public assistance to help families and communities affected by declared disasters to rebuild and recover, as well as mitigation funds to

reduce the impact of future disasters. The FY 2015 DRF budget request is consistent with the Budget Control Act of 2011 (P. L. No. 112-25) and totals $7.03 billion, in addition to carry-over and recoveries. The DRF request for FY 2015 includes estimated costs for prior catastrophic events (including Hurricane Sandy), a ten-year average level for non-catastrophic disasters, and funds for DRF Base activities (i.e., Emergencies, Pre-disaster Surge Support, Fire Management Assistance Grants, and Disaster Readiness Support). The request also includes a $1 billion set-aside for no-notice events, which should also support initial funding needs of a new catastrophic event. FEMA will continue to maximize the use of DRF resources by working closely with States, localities and tribes and through the use of its authorities and policies, including Strategic Funds Management, which is FEMA's process for obligating Public Assistance (PA) project funding based on a subgrantee's schedule to execute the eligible work. As in the FY 2014 Omnibus, the DRF FY 2015 request also includes a $200 million rescission to Base balances in anticipation of unspent carry-over balances and expected additional recoveries.

**FY 2013 Successes**

During FY 2013, FEMA accomplished the following in support of first responders, states and disaster survivors:

- Supported 65 major disaster declarations and 17 emergency declarations, activating the National Response Coordination Center for 29 days in response to four major incidents, including major responses to Hurricane Sandy, the Northeast winter storms, the Oklahoma City tornado and the Colorado flash flooding;
- Deployed two FEMA Urban Search and Rescue (US&R) Incident Support Teams and 11 FEMA US&R task forces in response to Hurricane Sandy in New York and New Jersey, searching 47,154 structures in both states, assisting 1,214 civilians and performing 1,417 civilian health and wellness checks;
- Processed five major disaster declarations for Indian tribal governments, using the new authority provided in the Sandy Recovery Improvement Act (SRIA) (P.L. 113-02) ;
- Provided Individual Assistance (IA) services to more than 729,800 applicants;
- Provided over $5.9 billion in Public Assistance (PA) funds for eligible projects;
- Ensured 80 percent of the nation's flood hazard data is updated and current;
- Awarded more than $1.6 billion in homeland security grant assistance to states, urban areas, tribal and territorial governments, nonprofit agencies, and the private sector thereby increasing the amount of homeland security funding DHS has awarded to these partners to more than $38 billion since 2002; and
- Exceeded the Administration's "Freeze the Footprint" goal of a 1 percent reduction, thereby achieving green status on the DHS Real Property Scorecard for space utilization. "Freeze the Footprint" is an effort to encourage Federal agencies to dispose of unneeded properties and make more efficient use of the government's real estate assets.

**Continuing to Implement Major Legislative Changes**

*Sandy Recovery Improvement Act of 2013*

As part of the Disaster Relief Appropriations Act (P.L. 113-02), on January 29, 2013, President Obama signed SRIA into law, authorizing several significant changes to the way FEMA delivers disaster assistance. SRIA is one of the most significant pieces of legislation impacting disaster response and recovery since the Post-Katrina Emergency Management Reform Act of 2006. FEMA began implementing the provisions of SRIA while it was still helping survivors recover from Hurricane Sandy.

FEMA has developed and implemented pilot programs to use new authorities for Public Assistance Alternative Permanent Work and PA Debris Removal programs as part of its implementation of SRIA. When these pilots are completed, we believe the data will show that these programs speed recovery by empowering applicants with more choices, enabling better and timelier decisions that align with communities' recovery priorities, putting applicants in the driver's seat of their own recovery and reducing administrative costs.

*Biggert-Waters Flood Insurance Reform Act of 2012*

The Agency is also implementing the Biggert-Waters Flood Insurance Reform Act of 2012, which aimed to make the National Flood Insurance Program (NFIP) more actuarially-sound and to make flood insurance rates better reflect real flooding risks.

The law requires changes to all of the major components of the NFIP, including flood insurance, flood hazard mapping, grants and floodplain management, as we are working to implement those provisions. These changes are being phased in over time and are consistent with the direction provided in the Department of Homeland Security Appropriations Act, 2014.

The Department of Homeland Security Appropriations Act, 2014 delays all work on implementing Section 207 of the Biggert-Waters Act, until October 1, 2014. However, it neither amends nor changes the requirements in Section 207 and once funding is made available, FEMA will be required to continue with implementation. This means that flood map changes that increase risk and were adopted by communities after July 6, 2012, as directed by Congress, will eventually phase out of the grandfathered rates retroactively once Section 207 implementation occurs. As part of the NFIP, FEMA identifies flood hazards, assesses flood risks, and partners with States, tribes and communities to provide accurate flood hazard and risk data, more accurately capturing flood hazard conditions now more than ever before with the Risk Mapping, Assessment and Planning program.

FEMA estimates that it will take an additional 12-18 months to implement Section 207 once funding is restored.

The FY 2015 request includes $84.4 million to continue FEMA's Flood Map Modernization Fund and its long-term efforts to address existing gaps in the flood hazard data inventory and address changes that continue to occur over time.

**Strategic Priorities**

FEMA's budget request is consistent with the Administrator's Intent and its strategic priorities. Below we have focused on some of the high-profile programs, policies and priorities that the Agency hopes to continue, modify or implement in FY 2015.

***Strategic Priority One:  Be Survivor Centric in Mission and Program Delivery***

As part of FEMA's effort and its stated strategic priority to be survivor centric in mission and program delivery, FEMA is working to ensure that everything it does is focused on the needs of the survivor – and has their perspective in mind as it plans, develops and executes its programs and policies.

*Continued Focus on the Survivor through Technology and Data*

In FY 2013, FEMA employees – supplemented by DHS Surge Capacity Force and FEMA Corps members – assisted survivors by registering them for assistance at their homes using tablet computers.  Thus, survivors who had lost power and internet access were still able to sign up for disaster relief without leaving their homes.

FEMA has empowered survivors by creating a system where they can upload required registration documents directly to FEMA.  Survivors then receive a text message confirming receipt of these documents, as well as any changes to their application.

Additionally, FEMA's Disaster Survivor Assistance Teams are using data collected in the field to ensure targeted communications with survivors, and the IA program is working to make their data more accessible to State and local partners, helping to ensure survivors have the information to tap into the strength of the whole community and know how to obtain the resources to meet their needs.

FEMA's app also has a feature that was built with survivors in mind.  The Disaster Reporter is a feature in the Agency's app that allows users to take a photograph in a disaster area and submit it, along with a short text description.  This allows citizens and survivors to access useful information on a map.  It also provides additional situational awareness to FEMA, so that the Agency can use the additional information to determine if resources are needed for these photographed areas.  This feature has proved valuable, not only for FEMA, but for the survivors, first responders and emergency managers after the flash flooding in Colorado – with more than 120 photos published in the aftermath of the storms.

FEMA's budget request supports continuation of this work in FY 2015.

*Tribal Declarations and Consultation*

In FY 2013, five Presidential major disaster declarations were declared for Indian tribal governments using the new SRIA authority. Since FY 2014 and continuing in FY 2015, FEMA is investing approximately $1 million in Salaries and Expenses to these activities, as well as targeting other efforts toward this important initiative.

To ensure we honor our partnerships with the Nation's federally recognized tribes and the sovereignty of tribal nations, FEMA is collaborating with tribes to develop a Tribal Consultation Policy that ensures FEMA is effectively engaging in regular and meaningful collaboration with our tribal partners. The policy is being developed based on discussion, input, and consultation with tribes to ensure that it addresses their concerns and reflects a government to government relationship with tribal nations.

Additionally, FEMA is starting a second round of consultation with tribal governments to develop new procedures by which Indian tribal governments can request Stafford Act declarations, reflecting some of the unique circumstances that impact tribal communities. The Agency is hosting training across the country to help tribal governments build their emergency management capability. We are also providing training on the types of Stafford Act assistance and related requirements so that tribal governments may make informed decisions on whether or not to request a Stafford Act declaration.

*Geospatial Intelligence*

FEMA analyzed satellite and aerial imagery, as well as geospatial information, to determine what areas were inaccessible in the aftermath of Hurricane Sandy, expediting short-term rental assistance to residents that needed it most.

Currently, the Agency is also establishing the Analytics and Geospatial Tradecraft Group within the Office of Response and Recovery to ensure continued focus on this promising technology.

And lastly, FEMA's Presidential Innovation Fellow and the National Geospatial-Intelligence Agency are also jointly developing "GeoQ", a tool that crowdsources geo-tagged photos of disaster-affected areas to assess damage over large regions.

FEMA is dedicating at least $2 million in Salaries and Expenses to Geospatial Intelligence activities.

*Emergency Food and Shelter Program*

The Agency is proposing moving its Emergency Food and Shelter (EFS) program to the Department of Housing and Urban Development (HUD).

The FY 2015 request is consistent with previous requests and reflects a focus on FEMA's primary mission of preparing for and coordinating disaster response and recovery efforts, while

ensuring continued substantial support for the non-disaster EFS program.  The budget proposes a transfer of the EFS program to HUD, as the core function of the program more closely aligns with HUD's primary mission and thus will provide the best service to citizens.  This transfer will further reduce fragmentation and duplication of services among federal homeless assistance programs, addressing a challenge highlighted by the Government Accountability Office (GAO) and others.

***Strategic Priority Two:  Become an Expeditionary Organization***

As part of FEMA's effort and its stated strategic priority to become an expeditionary organization, the Agency is working to develop a leaner, more agile workforce that is well-equipped, educated and trained. As part of this goal, FEMA is also working to ensure its workforce is appropriately sized, organized and distributed to rapidly mobilize, deploy and conduct missions, while being fully supported by FEMA's technology and infrastructure.

*The FEMA Qualification System*

Pursuant to the Post Katrina Emergency Reform Act, FEMA implemented the FEMA Qualification System (FQS) in the fall of 2012 as part of a multi-faceted transformation effort to ensure that the Agency's incident workforce is credentialed and qualified.  FQS establishes minimum, consistent, and fair qualification requirements for all workforce positions, which FEMA employees achieve through experience, training and demonstrated performance.  FEMA reviews and strengthens these qualification requirements on a periodic basis.

In support of this effort, FEMA has qualified 6,520 workforce employees in FQS positions, while around 3,000 are in a trainee status, completing training and demonstrated performance to achieve qualification.  Additionally, to meet the mentoring and evaluation needs of workforce employees in a trainee status, qualified employees have received training as coach-evaluators.  These coach-evaluators provide guidance and assess an employee's performance in their FQS position during deployment in support of the employee's progression toward qualification.

The FY 2015 Budget continues to support this transition through the Disaster Readiness Support (DRS) funds.

*Incident Management Assistance Teams*

FEMA also deploys National Incident Management Assistance Teams (IMATs), which provide the initial national rapid response to major incidents, disasters, special events, and exercises. The primary mission of the National IMATs is to deploy rapidly to an incident or threatened area, State, or FEMA region to work with affected States to identify and satisfy initial requirements for Federal assistance.  IMATs coordinate and integrate inter-jurisdictional response in support of affected States or U.S. territories.  Additionally, IMATs specialize in management and assistance for chemical, biological, radiological, nuclear, and explosives incidents.  National

IMATs provide initial situational awareness for Federal decision-makers and support the initial establishment of a unified command. FEMA intends to analyze data collected through the pilot in FY15 to determine if IMAT effectiveness and efficiency are improved.

*FEMA Corps*

In FY 2015, FEMA also will continue to train FEMA Corps team members to respond to events nationwide. FEMA Corps is a partnership with the Corporation for National and Community Service that leverages the established AmeriCorps program. FEMA trained 1,000 members in eight specific disaster management positions in five emergency management disciplines, and deployed 90 percent within five months of availability in FY 2013.

Moving forward, FEMA anticipates using FEMA Corps to reach out to young people with the message of preparedness and how they can be a part of preparedness and response in their own communities. Funding for FEMA Corps is dependent on recruitment and split between the DRF and the DRS account.

### Strategic Priority Three: Posture and Build Capability for Catastrophic Disasters

As part of FEMA's effort and its stated strategic priority to posture and build capability for catastrophic disasters, the Administration is re-proposing the National Preparedness Grant Program (NPGP) and additional funding for NPGP in the Opportunity, Growth and Security Initiative (OGSI).

FEMA requests $2.225 billion for State and Local Programs (SALP) in FY 2015, plus an additional $300 million in the OGSI.

The FY 2015 NPGP will work to build and sustain core capabilities in the National Preparedness Goal, recognizing that a secure and resilient nation is one with the capabilities required, across the whole community, to prevent, protect against, mitigate, respond to, and recover from the threats and hazards that pose the greatest risk. The NPGP draws upon and strengthens existing grants processes, procedures and structures, emphasizing the need for greater collaboration and unity among Federal, State, local, tribal and territorial partners.

*National Preparedness Grant Program*

NPGP proposes to maximize the impact and benefit of grants for the whole community's capacity to be prepared based on risks. The legislative language that is required to fully implement the NPGP has been transmitted with FEMA's authorizers and appropriators, and we look forward to working with Congress as these important legislative changes are considered.

The NPGP would consolidate current State/local preparedness grant programs into one comprehensive and overarching program (excluding Emergency Management Performance

Grants and Fire Grants), which eliminates redundancies and requirements for both grantees and the Federal government based on the current system of multiple individual and often disjointed grant programs.

Consistent with Presidential Policy Directive (PPD) 8 (National Preparedness), the NPGP prioritizes building and sustaining core capabilities to address high consequence events posing the greatest risk to U.S. security and resilience. The NPGP will use the THIRA (Threat and Hazard Identification) process and State Preparedness Reporting processes, to prioritize capability needs and invest in critical national capabilities. .

State, tribal, territorial and local governments would be able to prioritize their need and maximize the use of grant funds for the greatest whole community impact, with tribal governments having the ability to receive direct funding. This process, and the creation of NPGP, will also ensure that grantees have the ability to build and sustain capabilities that can be deployed not just on the local level, but on the regional and national levels as well – creating an interconnected network of local, tribal, State, regional and national capabilities to increase the security of the whole nation.

Implementing the NPGP will also improve the efficiency of the grant programs by eliminating the burden on grantees to meet often redundant mandates from multiple individual grant programs.  As the subcommittee is aware, the Redundancy Elimination and Enhanced Performance for Preparedness Grants Act identified the elimination of duplicative mandates as a priority.

Ultimately, creating this program would strengthen our ability to respond to evolving threats across the United States.

With respect to value, prior and proposed Federal investments in State, territory, tribal and local preparedness capabilities through billions in Homeland Security Grants have resulted in significant national capacity to prevent, protect against, respond to and recover from all kinds of disasters and threats.  Over the past ten years, Congress, through DHS, has provided State, territorial, local, and tribal governments with more than $37.6 billion.

Examples include:

- Funds used to purchase Forward Looking Infrared Imaging for Massachusetts State Police that assisted in the capture of the Boston Marathon bombing suspect, as well as FEMA preparedness funding for full-scale, regional exercises that better prepared first responders to respond to the bombing;
- Funds used to develop and train the NYC Fire Department's Incident Management Team that was activated to support Hurricane Sandy operations, including managing homebound evacuations, providing for fire and life safety, managing tree removal and dewatering; and

- Funds for Oklahoma Task Force One, a State resource deployed in the wake of the Moore, Oklahoma tornado that conducted search and rescue operations, and for a statewide 800 MHz trunked communications system, which is used by public safety agencies throughout Oklahoma.

FEMA also administers a number of fire grants, including Staffing for Adequate Fire and Emergency Response and Assistance to Firefighters grants. These grants help first responders buy needed equipment and train and exercise, as well as recruit and retain volunteer firefighters. Applications for these grants are reviewed and approved as part of a two-step process, which includes a peer review followed by final FEMA review. With the help and guidance of the United States Fire Administration and its stakeholders, fire-related deaths in the general population declined 21 percent from 2003-2012.

*Opportunity, Growth and Security Initiative*

The Budget also includes a separate, fully paid for programs outlined in the OGSI. The OGSI, which will be split evenly between defense and non-defense funding, shows how additional discretionary investments in 2015 can spur economic progress, promote opportunity and strengthen national security. At FEMA, the OGSI would support: $400 million for the Pre-Disaster Mitigation program in competitive grants to state, local and tribal governments through the Pre-Disaster Mitigation program. This, combined with the $150 million in base funding for National Flood Insurance Program mitigation grants, represent an increase of $425 million over the 2014 spending level. These programs provide grants for eligible mitigation planning and projects that reduce disaster losses and protect life and property from future disaster damages. This includes support for adaptation planning and pilot projects for cities and communities through hazard mitigation assistance, building on Administration efforts to implement the National Mitigation Framework. For mitigation funding provided through the Flood Insurance Program, this can include planning grants to prepare flood mitigation plans; cost-effective project grants to reduce flood losses, structure elevation, and retro-fitting of existing buildings.

The Opportunity, Growth, and Security Initiative also proposes $300 million for the National Preparedness Grant Program to develop, sustain, and leverage State, local and tribal governments' core capabilities across the country in support of national preparedness, prevention and response.

***Strategic Priority Four:  Enable Disaster Risk Reduction Nationally***

As part of FEMA's effort and its stated strategic priority to enable disaster risk reduction nationally, and in addition to its mitigation programs, FEMA will leverage its partnerships, programs, and risk information and tools to catalyze whole community efforts advancing risk-based decision making across the nation. This effort will help to build community resilience through ensuring a common risk picture, better targeting of resources, and a joint/collaborative national effort to build the capabilities that will best address the identified/targeted risk areas.

Focus areas will include:

- Enabling greater risk informed decision-making by improving the quality, accessibility and use of risk information. For example: through the continued modernization of flood maps and the continued implementation of the THIRA process.
- Building the appropriate preparedness capabilities to address the identified risks through continued implementation of the National Preparedness System. For example: through the implementation of the National Mitigation Framework and National Disaster Recovery Framework, long-term disaster recovery planning, training and education, core capability development and sharing of lessons learned.
- Leading greater Federal interagency collaboration around risk reduction and resilience, building on earlier efforts such as establishment of the Mitigation Framework Leadership Group and implementing a consistent Federal flood risk standard for Federal funds in Hurricane Sandy rebuilding. For example: through the development and adoption of a Federal Flood Risk Reduction Standard under the President's Climate Action Plan of 2013.

FEMA will also strive to reduce the risk associated with flood events via the Flood Mitigation Assistance Program. As a result of the unification of the Flood Mitigation Assistance, Repetitive Flood Claims and Severe Repetitive Loss grant programs under the Flood Mitigation Assistance (FMA) Program, FEMA has been a more efficient delivery of flood-related grants to States, local and tribal communities, which has reduced future claims to NFIP. These grants provide funding to states, federally-recognized tribal governments, and communities for the reduction and elimination of the long-term risk flood damage poses. These measures include the acquisition and demolition of flood prone structures, elevation of homes above expected flood levels and construction of minor drainage projects to reduce the impact of storms. For FMA, FEMA requests $150 million in FY 2015, an increase in $50 million over the FY 2014 request.

***Strategic Priority Five: Achieve Business and Management Excellence***

As part of FEMA's strategic priority to achieve business and management excellence, the Agency is undertaking several initiatives. Among them: continuing to dramatically shrink its facilities footprint to save funds and apply taxpayer money wisely to higher priorities, leading the Federal government in developing collaborative workplaces and improving security posture and resiliency, executing training curriculum and programs to ensure employee readiness to timely execute their responsibilities, and reviewing and maximizing the use of all technology spending for mission execution. Senior management intends to have a sustained focus on this priority, because we recognize that investing in our workforce, working smarter through data, streamlining business processes, and aligning strategy, budget, and execution strengthen our organizational foundation.

*Workplace Transformation*

FEMA is transforming its physical workspace, shrinking its facilities footprint and emphasizing mobility, hoteling and telework for its employees as part of its Workplace Transformation initiative.

The Agency has begun the process of consolidating workspace while providing a better, more efficient environment for collaboration and productivity.  This approach emphasizes flexible workplaces, in which our work is accomplished anywhere our team members are located, rather than in individual offices and cubicles.

Technology such as voice over internet protocol, wireless connectivity, enhanced conference bridge capabilities and boosted cellular signals will also be employed to facilitate collaboration.

The strategy includes an effort to reduce the number of office buildings FEMA leases in the National Capital Region (NCR) from eight to three, which will reduce office space by hundreds of thousands of square feet and save FEMA $11.4 million annually by FY 2016.  As the NCR transformation is completed, FEMA also intends to review its footprint at the Regional level.

*Technology Status*

FEMA relies extensively on its information technology (IT) systems to perform its critical mission of leading America to prepare for, prevent, respond to and recover from disasters.  In turn, the country relies on FEMA to continue operations during all disasters, emergencies and cyber events.

Over the past three years, several weaknesses have been identified by the DHS Office of Inspector General (OIG), including:

- FEMA systems are not integrated, do not meet user requirements, and do not provide the information technology capabilities agency personnel and its external partners need to carry out disaster response and recovery operations in a timely or effective manner;
- Collectively, IT control weaknesses limit FEMA's ability to ensure that critical financial and operational data are maintained in such a manner to ensure confidentiality, integrity, and availability; and
- The Office of the Chief Information Officer (OCIO) does not have a complete, documented inventory of its systems to support disasters.

To make its systems more resilient and reliable, the OCIO is pursuing a Cyber Security Resiliency Improvement Plan and has begun to institute numerous changes throughout FEMA. Some concerns can be addressed quickly and easily through policy updates or governance changes, while others will require additional planning, effort and the reprioritization of funding.

Short term efforts include:

- Realigning the IT Security Branch in accordance with government best practices;
- Continuing to implement the use of Personal Identity Verification (PIV) cards. While the Agency has moved from 0 percent compliance to 66 percent in a span of 3 months and met DHS's Fiscal Year 2013 goal, we are focused on even greater compliance. This effort will further harden FEMA's network and hardware against unauthorized access; and
- Altering FEMA's approach to system authorizations by incorporating program office leadership under a "Shared Accountability" model to ensure that that all IT systems receive the appropriate level of vetting prior to procurement and deployment.

Once fully implemented, OCIO's short term changes should immediately strengthen and streamline FEMA's IT security oversight and control processes.

Intermediate to long-term efforts include:

- Consolidating and validating FEMA's systems inventory, which requires documenting, verifying and strengthening the security and resilience of FEMA's mission essential systems and applications;
- Reviewing, revising or developing security plans to clearly define each system's Federal Information Processing Standard (FIPS) Security Categorization and Authorization Status; and
- Maintaining and strengthening the security posture of FEMA's authorized systems, particularly in regards to mission-critical systems that will be relied upon heavily during a disaster or cyber event.

When these intermediate to long term efforts are fully implemented, FEMA's systems will have a much higher degree of reliability, availability and resiliency, even during a disaster or cyber event.

Since 2012, the OCIO has been challenged to address its aging infrastructure and declining security and resiliency posture. To confront these challenges, the office embarked on an automation modernization ("Auto-Mod") effort, resulting in the OpenFEMA and Enhanced Data Resiliency initiatives, which brought forth expanded field-use of advanced mobile computing devices in direct support of survivors, additional sharing of FEMA data with the whole community, and the strengthening of FEMA's failover capabilities for several of its mission critical systems.

In FY 2014, OCIO identified significant weaknesses in the agency's IT security posture and resiliency capabilities, leading FEMA to pursue a FEMA-wide IT resiliency and security review, which is on-going under the direct supervision of FEMA's new CIO, Adrian Gardner.

This resiliency and security review effort is multi-faceted, focusing on not only identifying and mitigating unauthorized IT systems across the FEMA Enterprise, but also strengthening the agency's IT governance processes and improving leadership's oversight of IT spending and risk allocation and acceptance. Once fully implemented, OCIO's IT governance enhancements will greatly strengthen and streamline FEMA's IT security oversight and control processes, resulting in a higher degree of reliability, availability and resiliency of FEMA's systems, particularly during a disaster or cyber event.

With the requested funding, FEMA will have the resources it needs to strengthen the Agency's IT security posture and ensure that our IT systems are the "last to fall" rather than the "first to fail" in time of need.

*Office of National Capitol Region Coordination*

The Office of National Capital Region Coordination (ONCRC) plays a critical role in addressing the challenges related to emergency management planning and incident response coordination unique to the NCR due to the large number of Federal departments and agencies, numerous State and local jurisdictions within the NCR. At the urging of Congress, FEMA ONCRC Acting Leadership completed extensive outreach and engagement with stakeholders to garner feedback and listen to concerns regarding the current ONCRC structure.

Using that, FEMA developed a proposed plan and has been socializing that with key stakeholders to gauge opinion and has received positive reactions.

We look forward to continuing to work with Congress as we move toward finalizing this plan and supporting the National Capital Region, while executing the $3.4 million appropriation provided in FY 2014 and included in the FY 2015 request.

*Mount Weather Emergency Operations Center*

The Mount Weather Emergency Operations Center (MWEOC) is a 564-acre DHS facility 64 miles west of Washington, D.C., which provides the infrastructure necessary to support Continuity of Operations Planning, Incident Management, classified programs and other all-hazards activities.

In accordance with its Master Plan, MWEOC is in the middle of a massive infrastructure upgrade to replace antiquated buildings with modern facilities capable of supporting 21$^{st}$ century technology and current Federal requirements. MWEOC has improved internal financial and acquisition processes to allow more rapid use of and accountability over larger projects while maintaining operational capabilities.

The FY 2015 budget funds Mount Weather at $33.9 million consistent with the multi-year capital improvement program, including restoration of the $3 million FY 2014 enacted reduction.

*Resolution of Inspector General and Government Accountability Office Findings*

In FY 2013, FEMA's Audit Liaison Office (ALO) leveraged project management principles as it began its business transformation. ALO identified a strategy to improve the people, processes, and technology of the audit follow-up system. The strategy was to facilitate the full examination of all facets of the audit process and bring FEMA into full compliance with OMB Circular A-50. The ALO addressed its staffing needs, improved communication and collaboration with Audit Coordinators across the agency, and established defined processes and procedures.

As a result, ALO made the following significant progress:

- Finalized FEMA's Audit Follow-up MD (MD 077-1) "Audit Follow-up and Resolution for GAO and OIG Audits;"
- Ensured training was developed and provided for ALO Portfolio Managers, Audit Coordinators, and subject matter experts; and
- Implemented frequent Data Integrity checks (focused on key data elements) to ensure accuracy of the audit repository (EMS Engagement Manager) and audit status reporting.

As a result of this new strategy, there was heightened awareness of audit follow-up across the agency, which led to an increased number of corrective measures taken and the close out 731 audit recommendations in FY 2013.

That work will continue in FY 2015 with the support of FEMA's budget request, as the ALO continues to implement its transformation strategy to extend audit response activities to FEMA Regions.

ALO's goals for FY 2015 include:

- Improving regional oversight of subgrantees to reduce instances of disallowable costs;
- Developing an addendum to the SOP on disallowed cost; and
- Implementing FEMA's new audit tracker and audit protocol.

*Creating a Smarter, More Data-Driven Agency: FEMAStat and OpenFEMA*

In a time of growing challenges and fiscal constraint, FEMA is working to advance a culture that better fosters improvement, innovation, invention, and learning, both within the Agency and across the broader emergency management community. As an Agency, FEMA is focused on developing our organizational capacity to encourage new ideas, learn from past experience, rapidly orient and apply that learning in current contexts, and quickly adapt to changing conditions. Through innovative efforts at all levels of the organization, we are working to expand our efforts to bring together leading entrepreneurs, technologists, academics, stakeholders and subject matter experts from diverse fields to offer fresh perspectives and new approaches that will better allow FEMA and our partner organizations to achieve critical

emergency management outcomes. Innovation and learning are the essential tools that allow us to be forward leaning and embrace more effective processes that will lead to better mission outcomes while still living within our means.

FEMA has several programs and initiatives that help the Agency accomplish these goals, including FEMAStat and OpenFEMA.

FEMAStat is a systematic commitment to be smart in everything the Agency does by gathering information that makes more data-driven decisions possible.

To accomplish these goals, the FEMAStat team produces an ongoing series of data-driven reviews, where FEMA's senior leadership evaluates performance against objectives, identifies barriers to success, agrees on actions to eliminate those barriers and holds individuals accountable for implementation.

FEMAStat has contributed to improvements in the following areas:

- GAO/OIG Recommendations: After a productive FEMAStat meeting focusing on Recovery in 2011, the FEMAStat team suggested changes to the way that FEMA tracks and reports recommendations for all components. Since then, FEMA has been ensuring Senior Leader awareness of progress and in 2012 and 2013 closed out 1,368 recommendations.
- Continuous Improvement Working Group (CIWG): In 2012, FEMASTAT performed an Agency-wide analysis to identify existing tracking mechanisms and found numerous areas for improvement. In February 2013, FEMA established the CIWG to review, validate, assign, track, share and report on improvement actions that require coordination across components or have Agency-wide implications. The group is currently monitoring and ensuring the completion of Hurricane Sandy after action items.
- National Processing Servicing Centers (NPSCs): FEMAStat has held three sessions focused on the NPSCs, all of which are focused on improving the survivor experience:
  - The first session ensured that Senior Leadership is aware of the extent to which the NPSCs make up a significant part of FEMA's recovery operation.
  - The second session looked at call volume and highlighted challenges in surging to meet volumes for Level 1 events.
  - The third session evaluated a new strategy to surge staff, maximize the utility of staff when call volume is low and planned technology investments to improve efficiency.

The long-term goal of the project is to not only build analytical capacity within FEMA, but also to continue to instill a culture of data-driven decision making that leads to the best possible outcomes. Currently, and continuing in FY 2015, FEMA proposes to dedicate two full-time employees to this endeavor, an investment of approximately $250,000 annually.

OpenFEMA is an initiative that provides approved relevant data for stakeholders to leverage in value-added ways. Specifically, it works to promote a culture of openness within the Agency and to build public trust among the whole community through increased transparency, participation and collaboration. The FY 2015 Salaries and Expenses investment for this initiative is approximately $750,000.

**Looking Forward**

In 2010, FEMA launched the Strategic Foresight Initiative (SFI), a transformative, community-wide effort to advance knowledge of trends and drivers of change that promotes broader, longer-term thinking about the future of emergency management and plans to continue this work in FY 2015.

SFI engages a diverse network of individuals from across the United States and the international community – from government partners to non-profits, businesses and individuals – to build an emergency management community that is coalesced around meeting our shared goals and that is ready for whatever challenges the future may hold.

In the coming years, FEMA will work to move this larger emergency management community forward through greater engagement, sharing SFI success stories and best practices and by providing tools for them to conduct their own SFI workshops and future planning.

FEMA will also continue to institutionalize SFI within the Agency, further developing SFI into an analytical decision tool that supports strategy formulation at the enterprise level and strategy implementation within FEMA's Regions.

**Conclusion**

The FY 2015 President's Budget provides the level of resources required to support the Agency's ability to fulfill its emergency management mission. The budget lays out a plan that effectively manages, efficiently uses and maximizes the impact of our resources, while helping to ensure the nation's resilience to disasters. The request continues to streamline current business processes and harnesses the use of innovative technologies. The budget also shows a commitment to learning from each disaster and evolving our plans and processes to better serve survivors – our ultimate stakeholders – and meet the needs of the whole community.

We look forward to continuing to work with the Subcommittee to ensure that our nation is even more prepared and resilient moving forward.