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**STATEMENT FOR THE RECORD**

**On behalf of the  
National Emergency Management Association**

**Submitted to the House Committee on Transportation & Infrastructure  
Subcommittee on Economic Development, Public Buildings, and Emergency Management  
United States House of Representatives**

***FEMA Reauthorization: Recovering Quicker and Smarter***

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## **Introduction**

Thank you Chairman Barletta, Ranking Member Carson, and members of the Subcommittee for holding this hearing today. I am Glenn Cannon, Director of the Pennsylvania Emergency Management Agency (PEMA). I am pleased to represent the National Emergency Management Association (NEMA) as we discuss ways to recover quicker and smarter as well as the *Sandy Recovery Improvement Act*. NEMA represents the state emergency management directors of the 50 states, territories, and District of Columbia.

Today I will cover the impacts of Hurricane Sandy and the ongoing response in states most affected. I will also discuss how NEMA worked with the Federal Emergency Management Agency (FEMA) to implement the changes to the Stafford Act mandated by the Sandy Recovery Improvement Act (SRIA) and how the State of Oklahoma utilized provisions of this legislation in the response to the devastating tornadoes of earlier this year.

## **Managing Hurricane Sandy Response & Recovery; Perspectives from Two States**

### *Pennsylvania*

As Hurricane Sandy moved towards the East Coast, Pennsylvania closely monitored the storm and its projected tracks. The United States Army Corps of Engineers continually provided computer generated models projecting the expected impact of Hurricane Sandy. The Army Corps' models continually projected the mid-Atlantic region, including Pennsylvania and New Jersey, would be in the direct path of Sandy's landfall. The state expected catastrophic damage.

In response to the extensive warnings provided, Governor Corbett proclaimed a state of emergency in Pennsylvania. Under the governor's leadership, state and local agencies engaged in extensive discussions identifying the status of critical resources and potential gaps. Pennsylvania departments and agencies undertook significant pre-landfall activities addressing needs in the areas of commodities, debris management, transportation, evacuation, mass care and sheltering, search and rescue, communications, and energy and utilities. The governor activated and deployed the state's swift water rescue teams and led the state's support of local governments to ensure no needs went unmet. During this time, Federal Emergency Management Agency (FEMA) Administrator Craig Fugate strongly encouraged states to undertake these significant preparation activities prior to landfall and pledged FEMA's support. The ultimate goal of the state's pre-landfall emergency protective measures was saving lives and protecting property; the mantra of FEMA was to "go big, go fast, and go strong."

Preparing for a storm the size of Sandy, while the state was still recovering from Hurricane Irene and Tropical Storm Lee, eventually exceeded the capabilities of the state and its local governments. The governor sought an emergency declaration under the Stafford Act from the President prior to Sandy's landfall so Pennsylvania could receive assistance with its protective measures. Pennsylvania received an Emergency Declaration, but was limited to direct federal assistance. Such a limitation provided the state with the ability to obtain supplies through FEMA, but did not provide assistance for other emergency protective measures. Though hampered by this limitation, Governor Corbett and dedicated individuals at all levels of government in Pennsylvania exhausted every possible resource in preparing for Hurricane Sandy's impact.

Hurricane Sandy's landfall occurred north and east of the pre-landfall projections and Pennsylvania was spared the direct hit which had been expected. Although Sandy made landfall on an altered trajectory, the storm did not fail to inflict major damage to Pennsylvania. Flooding, widespread wind damage, infrastructure damages, extensive power outages, and transportation interruptions occurred throughout the

state. The response to Hurricane Sandy was extensive and it immediately became clear the damages inflicted were of such severity and magnitude that the state would require federal assistance. Governor Corbett requested that the president use his authority to declare a major disaster under the Stafford Act for Pennsylvania. The president agreed with the governor's request and Pennsylvania received the declaration, thereby providing federal assistance to the state and its local governments. Under the leadership of Governor Corbett, through the dedication of state and local public servants, and with the strength and resiliency of our citizens, Pennsylvania continues the recovery from Hurricane Sandy while preparing for the next emergency.

Pennsylvania suffered significant impacts from Hurricane Sandy, but our neighbors in New York and New Jersey experienced more severe and widespread damage from this powerful storm. In preparation for the storm, the states and the federal government worked closely together ensuring our citizens received adequate protection from the storm's impacts. In the aftermath of the storm, the federal government assisted states with response and recovery efforts. While there is always room for improvement, steps such as SRIA represent a positive indication Congress continues encouraging FEMA to support the efforts of state and local governments. As we always do in the emergency management community, Pennsylvania looks forward to opportunities such as this hearing to reflect back, highlight best practices, identify lessons learned, and ensure we stand better prepared for the next disaster.

#### *New Jersey*

On October 29, 2012, Hurricane Sandy hit New Jersey's coastline causing extensive flooding and a devastating tidal surge. In addition to widespread structural damage to homes and businesses, Hurricane Sandy caused significant power outages and threatened continued use of critical infrastructure. The disaster resulted in over 2.7 million ratepayer electrical outages across the state leaving 68 percent of New Jersey's electric utility customers without power. In addition, telephone, cable, and other communications experienced disruption. Delays also occurred at two oil refineries, eleven petroleum terminals, and two petroleum pipelines.

In anticipation of the storm, Governor Christie declared a State of Emergency throughout New Jersey authorizing the New Jersey Office of Emergency Management (NJOEM) to mobilize and deploy resources immediately to manage storm conditions. Throughout the storm, and in the immediate aftermath, the state took significant measures to ensure the safety of its citizens including coordinating evacuations, setting up shelters, and protecting critical infrastructure.

In the months following the storm, New Jersey aimed to prioritize and address critical short-term needs, while at the same time charting a thoughtful and comprehensive path forward. As part of the response, the state provided temporary housing assistance to families, removed millions of cubic yards of debris, and assisted communities facing increased financial strain as a result of the storm.

New Jersey ultimately shifted from emergency response to long-term recovery. Under Governor Christie's leadership, the Governor's Office of Recovery and Rebuilding directed all stakeholders in state government to consider strategic approaches to rebuild a safer, stronger, and more resilient New Jersey. The state engaged individuals, local governments, business leaders, and other stakeholders to inform the best possible decision-making. The Governor's administration began aligning the state's recovery and rebuilding goals with available disaster recovery resources.

Nine months after the declaration of this disaster, New Jersey continues to swiftly and effectively identify and address unmet needs related to the recovery. New Jersey submitted its action plan to the U.S. Department of Housing and Urban Development (HUD), outlining the state's intended use for the initial \$1.8 billion allocation of Community Development Block Grant Disaster Relief (CDBG-DR) funds. The

state continues utilizing state and federal resources to develop programs aimed at helping New Jersey recover and rebuild from the storm.

New Jersey's Department of Community Affairs developed the Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) program which provides grants of up to \$150,000 to homeowners seeking to rebuild their damaged homes. The New Jersey Economic Development Authority (EDA) seeks to restore New Jersey businesses through the Stronger NJ Business Grant Program, which provides grants of up to \$50,000 dollars to small businesses which sustained at least \$5,000 in related physical damage. The EDA created the Stronger NJ Business Loan Program providing up to \$5 million direct, low-cost loans to help businesses and non-profits which suffered physical damage or are looking to expand within storm-impacted communities. Other state departments continue developing programs addressing public health, human services, transportation, and infrastructure. The state is currently seeking additional federal funds through the next allocation of CDBG-DR funds to advance additional recovery priorities including infrastructure initiatives.

New Jersey continues efforts promoting efficiency, transparency, and accountability in managing the recovery. Specifically, the state leveraged both existing and new technologies to meet the demands of a high-volume federal reimbursement program by joining a community of disaster-prone states which have implemented the standard, national web-based disaster grant management tool. New Jersey further enhanced the capabilities of this tool by integrating it with New Jersey's existing grant management platform allowing NJOEM to fully automate the grant reimbursement process.

In an effort to detect and prevent any waste, fraud, or misuse of federal funding, New Jersey enacted legislation providing additional integrity monitoring of federally funded projects and programs. This process uses a risk assessment model which identifies projects or an applicant requiring additional oversight which ensures New Jersey maximizes the benefits of the federal funding awarded to the state. Such quality control and quality assurance efforts assure applicants will strictly adhere to the rules and regulations of the various federal programs underway and minimize or eliminate the potential de-obligation of federal awards.

The recovery from Hurricane Sandy continues to embody the strength and resilience of New Jersey. As of July 1, 2013, FEMA's assistance to New Jersey amounted to:

- \$1.1 billion in federal allocations;
- \$388 million approved for Housing and Other Needs Assistance;
- \$650.6 million in federal share obligated for Public Assistance; and,
- \$35 million in federal share obligated for Hazard Mitigation.

This assistance, paired with the indomitable spirit and resiliency of the people of New Jersey, allows the State to mount a comprehensive and swift recovery in the face of seemingly insurmountable odds. The value of SRIA and coordination and assistance by FEMA stands as an example of entities working together to facilitate a strong response and recovery.

### ***Understanding the Sandy Recovery Improvement Act***

In response to the needs of the state and local governments, your committee once again immediately took action to make serious improvements to the Stafford Act through SRIA. This legislation not only helped facilitate a smooth recovery in the Sandy-impacted area, but also forever changes FEMA programs and policies. Some of the provisions of SRIA, such as the debris removal pilot program, have been supported by NEMA for many years. After a careful and thoughtful review of the legislation, our membership finds

the SRIA improvements beneficial to the entire emergency management community and applauds your quick action on ensuring passage.

Fortunately, NEMA held our Mid-Year Forum in Washington, D.C. just three weeks after passage of SRIA which afforded us the opportunity to adequately review the legislation and begin a dialogue with FEMA about implementation of the Act. NEMA found this legislation so important, we dedicated more than seven hours of discussion on our agenda thereby facilitating ample opportunities for FEMA officials to engage with state emergency management directors while considering the necessary changes to policies and rules. NEMA focused comments on two major aspects of SRIA: changes to the Individual Assistance Program and comments on the National Strategy for Reducing Future Disaster Costs.

#### *State Comments on the Individual Assistance Program*

At the request of FEMA, NEMA requested states submit comments on recommended changes to the Individual Assistance (IA) Program pursuant to new authorities granted through the SRIA. The majority of states responding most commonly identified the need to:

- Declare contiguous counties within state and across state lines utilizing the Small Business Administration (SBA) contiguous counties declaration system as a model. Some states wish the contiguous counties declaration to be automatic while others prefer governors maintain the prerogative to request such a declaration.
- Provide a better assessment of overall disaster impact by considering other thresholds and the economic impact to a community beyond physical damage. This should include disaster history with cumulative effects on a community, non-declared disasters, gubernatorial-only declarations, as well as other considerations. Other thresholds could be unemployment levels and people displaced during an event such as nuclear disaster.
- Ensure all categories of damages should be considered such as minor/affected and major/destroyed property in a small or rural community. A large number of houses with minor damages could devastate such a community, but would not necessarily qualify for assistance.
- Consider available housing resources in determining assistance.
- Provide a “menu” approach with the ability to activate only specific aspects of the IA program. This could include Individuals and Households Program, SBA, Crisis Counseling, Legal Services, Disaster Case Management, Disaster Unemployment Assistance, and other programs. Such a program could reduce both administrative and program costs.
- Provide incentives for state-sponsored IA programs and eliminate disincentives to such programs.
- Consider an IA declaration for events not involving physical damage such as a cyber-attack, pandemic, or radiological incident.
- Receive the consent of Governors to consider linking Public Assistance (PA) and IA declarations. For example, consider an automatic IA declaration with a PA declaration since a major disaster resulting in a PA declaration will limit a community and state’s ability to assist residents with local recovery efforts.
- Better synchronize the American Red Cross and FEMA damage assessment criteria to allow for more timely and accurate information that can be used in FEMA Joint Preliminary Damage Assessments.

The IA program stands as one of the most personal interactions FEMA maintains with disaster victims. The process to improve this program must be thoughtful, thorough, and not allowed to become overly bureaucratic. Only then will state emergency managers become empowered to offer the full range of disaster assistance.

## *National Strategy for Reducing Future Disaster Costs*

In beginning work on comments for the National Strategy for Reducing Future Disaster Costs, NEMA initially outlined four value statements guiding our recommendations:

1. Build, enhance, and sustain capabilities, self-reliance, and resilience of our communities and nation while encouraging innovation.
2. Reflect the fiscal realities and limitations of the present and the future. This nation deserves safety and security, but it also deserves solvency.
3. Recognize the complex interdependencies and vulnerabilities of our national systems, particularly the movement of goods, services, and people.
4. Mitigation and long-term recovery are societal investments – not a cost. These endeavors must build on non-traditional partnerships to communicate that efforts are worth the investments.

The full version of NEMA recommendations accompanies this statement for the record, but NEMA members understood the importance of clearly articulating initial steps in developing an informed and effective national strategy for reducing future disaster costs including planning assumptions. NEMA also recognizes varying levels and types of activities to consider for reducing future disaster costs including those in the near-term, long-term, administrative/programmatic/operational, and strategic.

### **From Concept to Implementation (SRIA)**

So far, NEMA remains pleased with the implementation of SRIA. While we would always appreciate having the opportunity to provide input into new policies and regulations, NEMA understands the constraints of operating within a large bureaucracy. Despite any limitations in forward progress, however, NEMA continues working with FEMA on SRIA, but perhaps no stakeholder understands the implementation of these new provisions better than the State of Oklahoma where they continue seeing the effects first-hand.

In May of this year, a series of severe weather events impacted numerous communities in Oklahoma, including an EF-5 tornado, an EF-4 tornado and an EF-3 (formerly rated an EF-5) tornado. All were killer tornadoes which developed in the Oklahoma City metropolitan area and occurred within twelve days of each other. In some cases, the same areas were impacted three times; first on May 19 when the EF-4 hit the city of Norman and the Shawnee area, second, on May 20 when the EF-5 tornado hit the city of Moore and third on May 31 when the EF-3 tornado (formerly rated an EF-5) hit the city of El Reno before leaving a record-breaking 2.6 mile-wide damage path in its wake.

The EF-5 is the most damaging tornado with wind speeds in excess of 200 miles per hour. Since 1950, the EF-5 and its predecessor the F5 tornado have been documented only sixty times in the United States. Therefore, the May events in Oklahoma should be categorized as extremely rare in our nation's severe weather history. Due to the timing of the disaster, FEMA could not implement all changes provided through SRIA, but initiated the following elements of the Alternate Procedures Pilot Program for Debris Removal:

- *Accelerated Debris Removal – Increased Federal Cost Share (Sliding Scale):* The sliding scale allowed Oklahoma applicants to take advantage of 85 percent federal reimbursement for eligible debris removal for the first 30 days and 80 percent reimbursement for the following 60 days. While the additional federal percentage remains important, the most beneficial element in this procedure represents the change in philosophy by the federal government. We now realize the quicker we remove debris the quicker local government can make the decisions necessary for long-term recovery. Beyond state and local savings from the additional federal share, the state is

confident it has, and will realize additional savings through the amount of time saved in administering the debris removal mission. To show support for the new procedures, Governor Fallin allowed the state to continue to offer the full 12.5 percent state share over the first 90 days. Therefore, the applicants actually maintained the ability to contribute 2.5 percent over the first 30 days and 7.5 percent in the next 60 days.

- *Recycling Revenues:* Oklahoma realized additional successes in allowing applicants to retain recycling revenue and apply those proceeds to cost share or practices designed for improving future debris operations. In this disaster, scrap metal and copper accounted for the majority of debris eligible for recycling. This procedure also led to enhanced efforts in preventing looting as not only the property owner but the applicant stood to lose revenue.
- *Straight Time Force Account Labor:* Allowing reimbursement for employees' straight time force account labor when performing debris removal operations represents an invaluable improvement. This dramatic change for the better expedites the debris removal process. In the initial days following an event, local government calls on their public works staff to clear streets for emergency services access. Deducting their regular hours rarely made sense, and SRIA helped rectify the disparity.
- *Debris Management Plans:* If the applicant had a debris management plan in place prior to the disaster, they could add another 2 percent to the federal reimbursement share. Unfortunately, most applicants in Oklahoma found it difficult to take advantage of this opportunity. Officials do not believe this will be the case in future disasters.

SRIA represents a perfect example of how government can work smarter in disaster recovery. The faster we implement assistance provided through the Stafford Act, the more expeditiously local governments can make critical decisions necessary in ensuring their future. Oklahoma applicants remain ecstatic with the new procedures and have even begun using the term "the new FEMA."

## **Conclusion**

The road to recovery in the aftermath of a major disaster presents many challenges which must be overcome. We appreciate the continued support of this committee to the emergency management community as we work together in forming new policies and procedures aimed at making these disasters less impactful. Should you once again look into a full reauthorization of FEMA, our association stands ready to assist in any way you may find helpful. As evidenced in this testimony, the SRIA reforms continue improving opportunities to protect lives and property through a strong response and transition to recovery. Only through an effective response and subsequent recovery can we work toward building more resilient communities, reducing the overall costs of disasters to states and the federal government, and ultimately save more lives and property from damage.

I thank you for the opportunity to testify today and welcome any questions you may have for me.



## **NEMA Comments on a National Strategy for Reducing Future Disaster Costs**

**April 22, 2013**

### **Value Statements:**

*Build, enhance, and sustain capabilities, self-reliance, and resilience of our communities and nation while encouraging innovation.*

*Reflect the fiscal realities and limitations of the present and the future. This nation deserves safety and security, but it also deserves solvency.*

*Recognize the complex interdependencies and vulnerabilities of our national systems, particularly the movement of goods, services, and people.*

*Mitigation and long-term recovery are societal investments – not a cost. These endeavors must build on non-traditional partnerships to communicate that efforts are worth the investments.*

### **Initial steps to developing an informed and effective national strategy for reducing future disaster costs:**

1. Clearly define the scope of the problem to be solved so that it's understood by all stakeholders.
2. Apply science-based analysis regarding the cost of disasters and cost-drivers. This will help to eliminate false or misleading assumptions from the conversation and allow for data driven decision-making.
3. Utilize data to compare alternative costs such as those for hardening infrastructure prior to a disaster versus repair and restoration.
4. Compare other societal investments with those for disaster preparedness, mitigation, response and recovery. This will lead to a more balanced and objective analysis of what's the appropriate investment for the nation.

### **Planning Assumptions:**

- When disasters strike someone always pays; therefore, the problem isn't solved by simply reducing costs to the federal government or shifting costs to state, tribal and local governments.
- Reducing the costs of future disasters is a shared responsibility between the public and private sector, and citizens. The conversation must extend beyond government.



- Reducing disaster costs might not be associated with what government is doing but what it is “overdoing”.
- Leaders should recognize and accept there may be a need to invest additional resources now in order to reduce costs, loss of life and injuries in the long-term.
- The national strategy must have the ability to swiftly adjust to new and changing challenges and opportunities.
- Development of the national strategy should include representation from state, local, tribal government, the insurance industry, other sectors of private business, non-governmental organizations and related associations/consortia.

### **Recommendations:**

NEMA recognizes that there are varying levels and types of activities to consider for reducing future disaster costs including those that are near term, long term, administrative/programmatic/operational, and strategic.

### **Strategic Issues**

- Recognize the impact of climate change on severe weather events and address actions, policies, and strategies that will be necessary to mitigate, respond to, and recover from its consequences.
- Recognize changing demographics – geographic location, age, ethnicity, education level, nationality, employment status, residency status, and language are all examples of demographics that are constantly in a state of change both domestically and across the world. While change is constant, the implications of these changes to health, safety, and security can significantly affect both policy and operations. For example, shifts in population concentrations from rural to urban, or inland to coastal, can cause requirements for dramatic adjustments in resource needs, hazard preparedness levels, land use policies, and local public health and safety policy.
- Consider the responsibility of government for disaster recovery versus *community* recovery/redevelopment.
- Strategize ways in which communities can take advantage of post-disaster opportunities to improve overall resilience for the future, including addressing vulnerabilities that may not have been impacted by a specific disaster event. This doesn’t necessarily have to be accomplished with federal funding. The goal is to reduce vulnerabilities and increase resilience for the future using all available resources while political and public support is at its peak.
- As part of the analysis on the return on investment for building resilience consider other models.

Example: Highway safety and the fact that deaths per mile have decreased over time. This is due to investments in better roads, better cars are being built, safety features are standard in cars because consumers demand it, and driver education has increased.

Investments over time have resulted in drivers traveling safely at higher speeds with better gas mileage and fewer deaths per mile. To achieve this outcome required investment and engagement by government, citizens, and industry.

Example: Automobile or home insurance. Individuals determine their own level of risk and select a policy. Variables include higher premium versus deductible based on the level of risk the person is willing to accept. Discounts can be applied by the insurance provider i.e. good student, clean driving record, car safety features, etc. The same model could be applied to incentives for communities to be disaster resilient. FEMA could use a sliding scale to provide disaster assistance to communities that choose to mitigate loss i.e. adoption of building codes, good land use planning and zoning, etc.

### **Longer Term Issues**

- Consider using an insurance model for providing disaster assistance.  
Example: An incident happens, the insurance agent approves the claim, writes a check to the homeowner for the total amount of the claim, and walks away. Unlike the federal government, the insurance agent doesn't return repeatedly to check on progress from start to completion. While accountability with the use of taxpayer dollars is required, there are more efficient ways to administer assistance.
- Provide incentives for businesses and homeowners to be resilient. The insurance industry must be an engaged partner.
  - Individuals have trouble quantifying risk. They understand the need for car insurance but events that impact homes/businesses are more infrequent and therefore it's difficult to project the possibilities of damage or loss. We need to do a better job of helping individuals understand risk and the long-term cost benefits of mitigation versus loss.
- Provide incentives to organizations, governments, and private sector companies that manage recovery operations cost effectively.
- Much of the legal authority for planning, building codes and land use decisions resides at the local level. Incentives should be provided to local governments to do the right thing along with praise and support for the political leadership who makes those difficult decisions.
- Implement disincentives for jurisdictions that choose not to take actions to reduce future disaster loss and be more resilient.

### **Near Term Issues**

- Employ tools that effectively identify and evaluate risk and invest resources to "buy down" risk.
- Identify tools and processes to provide greater predictability for the annual cost of disasters so each level of government can build capacity to the appropriate level and budget for it.
- Embrace technology and promote information-sharing with the insurance industry and other key entities in order to expedite disaster recovery.

- Fully embrace and promote post-disaster mitigation and smarter rebuilding efforts.

#### **Administrative/Programmatic/Operational Issues**

- Mutual aid, coupled with strategic pre-existing private sector support contracts, should be an integral component to building national capacity with ever-shrinking resources. Cross border partnerships should be recognized in the national strategy when it provides for greater efficiencies and effectiveness in disaster preparedness, mitigation, response and recovery.
- Review and revise federal regulations that impede resilience.
- The types of disaster-related damages and losses eligible for assistance have expanded over the past 10-15 years. Review eligibility to determine what remains an appropriate government expense versus that which is best supported by other entities.
- Review how federal disaster assistance programs are managed and identify areas where greater efficiencies and cost-effectiveness can be gained. For example, JFO staffing patterns are oftentimes too large and could be scaled back. Review individual positions to determine whether they are actually needed and whether they could function remotely. When appropriate, utilize virtual JFOs.
- Cap federal administrative costs to the Disaster Relief Fund.
- Provide incentives for states to establish and maintain their own disaster assistance programs.
- Support states that have the capacity and wish to manage disaster assistance programs rather than having the federal government manage them at a potentially higher cost. Cut the federal red tape to allow states to function effectively and manage costs.
- Create innovative recovery programs that allow for states to take more control of their recovery efforts with reduced federal control and oversight (incentive based recovery management). If subgrantees manage projects well and under budget, give them a percentage of what's left over and allow them to use that funding as they see fit.
- FEMA should adhere to the 30, 60, 90 day timeframes for appeals. It should not take years, in some situations, for conflicts to be resolved. Time is money.