

STATEMENT

OF

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BEFORE
THE

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EMERGENCY MANAGEMENT
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Rebuilding After the Storm: Lessening Impacts and Speeding Recovery

Submitted
By:

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Introduction

Chairman Barletta, Ranking Member Carson and distinguished Members of this Subcommittee. My name is Craig Fugate, and I am the Administrator of the U.S. Department of Homeland Security's (DHS) Federal Emergency Management Agency (FEMA). Thank you for the opportunity to testify today about FEMA's efforts in improving and streamlining federal disaster assistance and becoming better stewards of taxpayer dollars.

We share a recognition that FEMA, along with other government agencies, must be uncompromisingly prudent stewards of taxpayer dollars. We have an enormous responsibility to support disaster survivors in their most urgent time of need, but we must also be both smart and efficient in the ways in which we support survivors and their communities.

When I arrived at FEMA nearly six years ago, my focus was on creating a culture that was less reactive and more forward leaning, with a focus on becoming a faster, smarter, and more nimble agency in our approach to disaster response and disaster assistance.

Today, with the help of Congress and the additional authorities provided to FEMA to carry out its mission, and along with the dedication of our workforce, our agency is much different than when I first arrived six years ago. We are transforming into an agency that is more survivor-centric in mission and program delivery, more expeditionary in nature, and better postured to assist our State, local, tribal, and territorial partners.

In my testimony today, I will highlight some of the efforts we have made in recent years to streamline our disaster assistance processes, and highlight our agency's path forward for the years to come.

Efforts to Streamline Disaster Assistance

Approximately two years ago, in January 2013, with the help of this Subcommittee, Congress passed and President Obama signed the Sandy Recovery Improvement Act (SRIA) into law, authorizing several significant changes to the way FEMA delivers disaster assistance. SRIA, and the additional authorities it provided, aided recovery efforts associated with Hurricane Sandy and subsequent disasters.

In addition, the law's various provisions were intended to improve the efficacy and availability of FEMA disaster assistance and make the most cost-effective use of taxpayer dollars. To date, SRIA is one of the most significant pieces of legislation impacting disaster response and recovery since the Post-Katrina Emergency Management Reform Act (PKEMRA) and builds upon the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

This Subcommittee has expressed deep interest in recent months in two very important SRIA provisions that I will address: Public Assistance Permanent Work Alternative Procedures, and An Analysis of Public Assistance Small Project Threshold ("Simplified Procedures").

Public Assistance (PA) Permanent Work Alternative Procedures

The PA Alternative Procedures provision provides substantially greater flexibility in use of federal funds for Public Assistance applicants. This results in far fewer administrative burdens and costs for all parties if participating applicants choose to accept grants based on fixed, capped estimates, which may be provided by the applicant's licensed engineer and validated by an independent expert panel.

In addition, SRIA identified the following goals for PA alternative procedures, which are:

- Reducing the costs to the Federal Government of providing Public Assistance;
- Increasing flexibility in the administration of such assistance;
- Expediting the provision of assistance to a State, tribal or local government, or nonprofit owner or operator of a private nonprofit facility; and
- Providing financial incentives and disincentives for timely and cost-effective completion of projects with such assistance.

A number of grantees, including the State of New York, have used alternative procedures in the aftermath of Hurricane Sandy to help rebuild and restore critical infrastructure.

An Analysis of Public Assistance Small Project Threshold ("Simplified Procedures")

As a requirement of SRIA, FEMA was mandated to determine whether an increase in the Public Assistance grant program small project threshold was appropriate; the analysis considered the following factors: 1) cost-effectiveness 2) speed of recovery 3) capacity of grantees 4) past performance and 5) accountability measures.

Based on our analysis, we determined that a change in the minimum and maximum thresholds for Simplified Procedures would benefit grantees and sub-grantees, specifically raising the Simplified Procedures threshold to \$120,000 initially, and adjusting annually to reflect changes in the Consumer Price Index. This provides for broader use of Simplified Procedures, which reduces administrative burden for Federal government, grantees, and sub-grantees.

In January 2014, FEMA submitted its analysis in a report to this subcommittee and subsequently implemented the threshold changes. We continue to engage this subcommittee's staff on our analysis of the impacts of these changes and look forward to continuing this dialogue.

Advancing our Mission and Path Forward

Further recognizing the importance of being responsible stewards of taxpayer dollars and advancing our mission, in the summer of 2014, FEMA introduced its 2014-2018 Strategic Plan. The Strategic Plan supports the Department of Homeland Security's 2014 Quadrennial Homeland Security Review Mission 5 to strengthen national preparedness and resilience and reflects objectives the Agency will accomplish to provide the best possible support to the American people before, during, and after disasters. It sets forth the strategies our agency will employ to accomplish our objectives and also establishes measurable outcomes for us to achieve.

Our agency is focused on five strategic priorities that will help to institutionalize key improvements while building Agency capacity and strengthening national capabilities for disaster preparedness. FEMA's 2014-2018 priorities are to:

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. Strengthen FEMA's organizational foundation.

The priorities outlined above, along with their associated outcomes, will spur cross-Agency collaboration, guide allocation of resources, and inform how FEMA employees approach their work.

In the spirit of today's hearing, I'd like to further highlight two strategic priorities, in particular, that will help guide our efforts in improving and streamlining disaster assistance while making better informed, cost-effective decisions on resource allocation: be survivor-centric in mission and program delivery and strengthen FEMA's organizational foundation.

Strategic Priority 1: Be Survivor-Centric in Mission and Program Delivery

FEMA must be survivor-centric in mission and program delivery. We must streamline and simplify disaster services for individuals and communities. Moreover, FEMA will focus on improving the clarity of and access to actionable information and ensuring that survivors receive disaster assistance quickly and conveniently. We are emphasizing improving services for individuals during initial contact, whether it involves individual registration assistance, referral resources, or reporting critical unmet needs. FEMA is also working to improve and streamline community recovery services, including grant processing, and strengthen community resilience and recovery capabilities by providing tools and resources local leaders can use before, during, and after disaster events.

Strategic Priority 5: Strengthen FEMA's Organizational Foundation

To realize any of our strategic priorities, FEMA must have a strong organizational foundation. Our workforce must be engaged, qualified, and effective. Our business processes must be transparent, agile, and streamlined. Our decisions must be data-driven, and our resources must align with strategic priorities. The objectives within this priority are fundamental in strengthening our organizational foundation while being accountable, transparent, and responsible stewards of taxpayer dollars. For example, we have committed in our Strategic Plan to reduce the administrative costs of disaster operations by five percentage points, and we are attacking that goal on multiple fronts – by working smarter through data analytics. Further, we have automated our Common Operating Picture, so employees have a shared understanding of our disaster operations and progress.

In addition, we are launching a new Deployment Tracking System (DTS), and we continue to promote transparency with the general public through our Open FEMA initiative, which now includes a data visualization platform on FEMA.gov. To support these efforts, we are establishing standards, policies, governance structures, tools, and training to connect our people to the information they need to be effective. Moreover, to effectively partner with our whole

community partners, we are harnessing the wealth of information, talent, and technological resources to improve FEMA's ability to forecast resource requirements, plan contingencies, evaluate performance, and increase the overall effectiveness and efficiency of Agency operations.

FEMA is focused on strengthening the connections among strategy, budget, execution and performance through a comprehensive resource management system. Through these efforts, FEMA identified and executed a number of organizational and programmatic changes to achieve overall efficiencies including: (a) consolidation of facilities within the National Capital Region through workplace transformation; (b) strategically reducing non-disaster travel; and (c) reducing the reliance on contracts through a more balanced workforce. These efficiencies have allowed FEMA to reinvest resources to maintain critical staffing levels and systems support.

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 and effective use of available resources to achieve its five priorities.

Conclusion

We have made real, material progress over the years in carrying out our mission and becoming a more efficient and responsive agency. However, there is still work to be done in the coming years to continue improving how we better support our citizens and first responders.

We have an obligation to serve disaster survivors during times of crises while being good stewards of taxpayer dollars. I will remain steadfastly committed to ensuring our agency continues down this path so that we are better able to prepare for, respond to, and recover from disasters.

Again, thank you for the opportunity to testify today. I look forward to any questions this Subcommittee may have.