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Preliminary Information on the Federal
Government's Response to Recent Natural
Disasters

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Oversight
Committee on Public Works and Transportation
U.S. House of Representatives



Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss our ongoing work regarding the federal government's response to recent natural disasters.

We are conducting a broad-based review of the federal government's response to Hurricane Hugo in September 1989 and the Loma Prieta earthquake in October 1989. In addition to your request, which we received in March of this year, several other committees and subcommittees as well as individual Congressmen have asked us to review the Federal Emergency Management Agency's (FEMA) performance in responding to these disasters. While each request expressed concern about the overall federal response, most requests also asked that we specifically examine issues such as the breakdown of law and order that occurred in the U.S. Virgin Islands shortly after Hugo struck, and whether FEMA is better structured and staffed in responding to nuclear attacks than to natural disasters.

After Hurricane Hugo and the Loma Prieta earthquake, federal, state, and local agencies were challenged to their limits to provide the services and supplies needed to help victims and to rebuild housing and public facilities. Once the President declared the disaster areas, FEMA assumed its authorized role for coordinating the relief efforts of the various federal agencies. This is a major undertaking for any disaster.

Historically, FEMA has responded to an average of 23 disasters a year. In an "average" disaster, about 2,000 individuals and families seek federal disaster assistance, and FEMA spends about \$10 million. In contrast, during the Hurricane Hugo and Loma Prieta earthquake disasters, about 400,000 individuals and families sought disaster assistance. According to FEMA, estimated expenditures from the President's Disaster Relief Fund for these disasters alone amounted to \$2 billion. This does not include

amounts spent by other federal agencies such as Department of Transportation and Small Business Administration, and state, local, and volunteer agencies.

I would now like to summarize the results of our work to date.

I would like to emphasize that we are not in a position at this time to give a final opinion about the federal relief efforts we are reviewing. We plan to issue a report in September 1990 that will include overall evaluations and identify actions that need to be taken to improve the federal responsiveness to natural disasters. At this time, numerous issues have emerged which we will share with you today.

Overall, we see a common theme running through the work we have performed so far. In these disasters, there seems to have been coordination difficulties and uncertainty about the roles and responsibilities among the agencies involved in disaster relief. This has become apparent as we obtained information on activities during the three major phases of emergency management: preparedness, immediate response, and recovery.

- In the preparedness phase, FEMA provides guidance and funds for state and local emergency planning and training. The state plans we reviewed vary widely in specificity, and we are exploring whether FEMA needs to provide more specific guidelines to help ensure that emergency plans are comprehensive and complete. In addition, State officials have questioned the currency and relevance of some of FEMA's training courses.

- During the immediate response phase after Hurricane Hugo, local, state, and federal agencies were confused about their roles, and communications system inadequacies and breakdowns contributed to delays in relief efforts. The

extent of damage in the Virgin Islands, where water and power systems were down for a long period, meant that FEMA had to carry out responsibilities normally done by the state and local governments. Federal forces were also flown to the Virgin Islands to restore law and order. Because of the geographic isolation of Puerto Rico and the Virgin Islands and the frequency of disasters in the Caribbean, FEMA is examining the potential for prepositioning staff, equipment and supplies in these areas.

- The recovery phase involves such activities as repairing housing and public facilities and providing grants and loans to individuals and businesses for damages incurred. In California, issues have emerged concerning the adequacy of federal housing assistance, particularly for low-income earthquake victims. Also, we are studying FEMA's administration of individual and public assistance programs and the roles of other federal agencies in these programs. Specific areas of interest include problems with applicant registration procedures, adequacy of FEMA's computer system, timeliness and sufficiency of FEMA's inspection of damaged properties, and overlapping federal responsibilities for some relief activities.

In addition, we are studying several issues dealing with FEMA's overall organization and management. These are the adequacy of agency staffing to deal with major disasters; the implications of numerous vacant high level positions in FEMA; and the results of several activities undertaken by FEMA officials to evaluate their disaster relief efforts and make recommendations for improving the federal response to future disasters.

BACKGROUND

The major objectives of the various requests are to review FEMA's

- implementation of its responsibilities under the Stafford Act;
- timeliness, efficiency, and competency in responding to state and local governments and disaster victims;
- capability to coordinate and direct the activities of other governmental and nonprofit relief organizations;
- relationship and coordination with state and local disaster assistance agencies; and
- ability to fulfill its disaster relief mission in light of the number of vacant or unconfirmed top positions.

Our work has been done at the FEMA disaster field offices--where federal, state, and volunteer agencies are to coordinate their response efforts, FEMA's regional offices, and disaster application centers where disaster victims apply for assistance. We are also surveying state and local agencies and governments involved in disaster assistance activities in Alabama, California, North Carolina, Puerto Rico, South Carolina, and the Virgin Islands to collect information on their experiences in disaster preparedness, response, and recovery.

In addition, we have contacted other agencies involved in disaster response and recovery in an effort to determine the adequacy of the overall federal response. These agencies include the Departments of Agriculture, Defense, Education, Housing and Urban Development (HUD), and Interior; General Services

Administration; Small Business Administration (SBA); and volunteer organizations, such as the American Red Cross.

When a disaster strikes or threatens, responsibility for protection, relief and recovery resides with the individuals and institutions affected, aided by local and state governments and volunteer organizations. When these resources are inadequate, however, the governor of the affected state can request federal assistance. The disaster relief program, managed by FEMA, is the primary means of federal aid--but not the only one.

The program is designed to supplement the efforts and available resources of state and local governments and volunteer relief organizations. FEMA is not primarily a first response agency. FEMA's predisaster activities include assisting, reviewing, and providing funds for state emergency preparedness activities. In the immediate response phase, FEMA monitors potential or actual disasters, assesses damage, and prepares a recommendation for a disaster declaration after the governor determines that the magnitude of the situation is beyond the capabilities of the state.

When the President declares a major disaster, a variety of federal assistance may become available. FEMA is responsible for coordinating all of this aid. Federal agencies involved in responding to the disasters are included in the appendix. Disaster relief activities may be accomplished under FEMA's authority, or under the agencies' own authorities.

After the declaration, a FEMA-state agreement is executed, which describes the manner in which federal assistance is made available. It lists the counties eligible for assistance; stipulates any division of costs among federal, local and state governments and other conditions of assistance; and specifies the

period officially recognized as the duration of the major disaster.

A presidential declaration of a major disaster can make a broad range of assistance available--for both individuals and public entities. Individual assistance may include temporary housing, disaster unemployment assistance, individual and family grants, legal services, crisis counseling and loans to individuals and businesses. Public entities, including state and local governments and private nonprofit facilities, are also eligible for assistance, which includes debris removal and repair or replacement of roads, bridges, water control facilities, public buildings and related equipment, public utilities, recreational facilities and parks, and eligible private nonprofit facilities. Additional public assistance available includes community disaster loans, hazard mitigation assistance, and repairs and operating assistance to schools.

Stafford Act

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (November 23, 1988) made substantial changes to the disaster relief legislation. These changes expanded eligibility and increased funding in both the individual and public assistance categories and included:

- increasing the temporary housing assistance eligibility period from 12 to 18 months,
- increasing individual and family grant assistance from \$5,000 to \$10,000, adjusted annually,
- amending the definition of private nonprofit organizations to include those that provide essential governmental services,

- authorizing the federal government to pay 10 percent of total public assistance expenditures for hazard mitigation measures which are determined to substantially reduce the risk of future damages caused by a natural disaster,
- reducing the amount of funds provided to public or private nonprofit facilities that should have had flood insurance, but did not, and
- allowing the President to direct Department of Defense to use its resources prior to the disaster declaration--for a period not to exceed 10 days--to perform work on public and private lands deemed necessary for the preservation of life and property.

PREPAREDNESS, RESPONSE, AND RECOVERY AREAS BEING EXAMINED

Several issues have emerged in our work concerning the adequacy of disaster preparedness, response, and recovery activities.

Natural Disaster Preparedness

State and local governments have emergency preparedness programs with ongoing activities designed to ensure that they are ready to respond to disasters. Their programs include the preparation of emergency response plans and participation in training and disaster exercises that simulate actions taken before and after a natural disaster. FEMA provides funds for emergency preparedness programs.

Although FEMA does not formally approve state or local emergency response plans, it provides overall guidance and technical assistance on plan preparation to state emergency preparedness officials. FEMA also reviews emergency plans for counties receiving federal emergency preparedness funds.

FEMA criteria for emergency plans require that plans follow a multihazard format--generic plans that can be applied to any disaster a state or local jurisdiction might face. The planning criteria provide general guidance as to how the plan should be organized and the emergency response elements that must be included.

According to some state officials, multihazard plans are broad authority and policy documents that should be supplemented with specific procedures to be an effective tool for responding to disasters. The six plans we examined varied widely in their specificity.

In addition to planning, other important aspects of preparedness include training and participating in exercises for disaster response. Exercises conducted in the Virgin Islands several months before Hugo struck showed that disaster managers had not received adequate training for their roles. In South Carolina, limited participation in training and exercises by local officials

may have contributed to coordination difficulties after Hugo struck.

Some state officials have questioned whether FEMA training courses are current or relevant as they pertain to natural disaster preparedness. For example, North Carolina emergency preparedness officials said the FEMA disaster recovery course has not been revised to include Stafford Act changes to disaster assistance programs. California officials said some FEMA courses need to be modified to include up-to-date emergency response principles; and in their view, courses that emphasize civil defense are not relevant.

Immediate Response

Several issues have emerged concerning the adequacy of the immediate response by government and volunteer agencies. During the first days after Hugo struck the Caribbean and South Carolina, the activities of various agencies were characterized by confusion and uncertainty about roles and responsibilities. In the Virgin Islands and Puerto Rico, state and local governments and volunteer organizations were unable to adequately perform their roles, and FEMA did not have the personnel, supplies, and equipment to coordinate the response effectively. In several disaster locations, state and local officials made requests for assistance to federal agencies and legislators outside the established chains

of command, making it difficult to establish accountability for actions taken or assistance requested but not provided.

Prior to Hurricane Hugo, predeployment of resources such as personnel and equipment varied by location. In the Caribbean, FEMA did not predeploy staff or resources. In the Carolinas, FEMA assigned a limited number of personnel to state and local emergency operating centers before the hurricane, but no equipment or supplies.

Communications problems existed in several places, making it more difficult to assess local needs and provide assistance. In South Carolina, some local emergency preparedness offices could not communicate with each other because of damaged communication equipment. In the Virgin Islands, most communications between the islands, and with the mainland, were cut off, contributing to a delay of several days in the disaster declaration.

In the Virgin Islands, the local police and National Guard were unable to maintain law and order during the first days after Hugo struck, and federal forces were sent to restore law and order at the request of the Governor. We understand that steps are now being taken to improve the readiness of the National Guard.

Although there were several indications of environmental hazards in the Virgin Islands, Environmental Protection Agency (EPA)

officials did not arrive to assess damage and provide technical assistance for several weeks after the hurricane struck. Coordination problems between FEMA and EPA seem to have contributed to this situation.

Recovery

Once the immediate disaster response is underway, federal agencies begin the recovery phase. Among the issues we are reviewing are housing and the administration of individual and public assistance programs.

Housing

The Loma Prieta earthquake and Hurricane Hugo showed the difficulties of dealing with the temporary and long-term disaster-related housing needs of low-income victims in areas with shortages of affordable housing.

In California, HUD estimates that 4,000 low-income units have been destroyed or severely damaged, and they will probably not be rebuilt without government aid. FEMA, however, did not believe it was authorized to provide funds to restore or replace these units. A lawsuit led to a partial resolution in that FEMA has now agreed to provide funds for some units under section 403 of the Stafford Act, which authorizes FEMA to provide funds for emergency shelter.

According to FEMA officials, the Congress needs to clarify federal responsibilities for housing assistance in future disasters.

FEMA's temporary housing program may not address the needs of low-income earthquake victims who lived in single room occupancy units or shared housing. Many of these people could not meet FEMA's eligibility requirements for temporary housing aid. For example, FEMA required applicants to prove 30-day tenancy. Of those that did qualify, many were unable to meet their temporary housing needs with the 2-months' rent checks provided. FEMA did not initially provide mobile homes for earthquake victims in Watsonville, California, to help meet this need because it did not understand that affordable housing could not be rented.

Housing for disaster victims has also been a major issue in the Caribbean. More than 600 families were made homeless by Hurricane Hugo in St. Croix, Virgin Islands. We are reviewing alternatives FEMA is considering to provide for the temporary and long term housing needs of these families.

An emerging issue is whether FEMA should work more closely with local, state, and federal agencies to develop a strategy for effectively meeting the housing needs of low-income disaster victims.

Administration of individual assistance programs

Individual assistance programs include temporary housing aid, disaster loans, and individual and family grants. These programs are administered by FEMA, the Small Business Administration (SBA) and state agencies. Applicants for this assistance were uncertain about the status of their applications, and delays occurred as cases were forwarded from one agency to another. Emerging issues concern applicant registration, information systems, and inspections.

FEMA accepted individual assistance applications in person at disaster application centers and over the telephone. While telephone registrations may have been helpful in handling the large volume of applications, SBA and state officials said that telephone registration, in some cases, resulted in inadequate service to applicants and an increase in duplicate registrations.

In California, there was a backlog of 10,000 telephone registrations by the time FEMA's computer system was set up at the disaster field office. In addition, FEMA initially had difficulties with its registration control numbers, and its computer system was not designed to check duplicate addresses or social security numbers. California officials reported that, as a result of these problems, FEMA forwarded hundreds of duplicate cases to them for individual and family grants.

Since FEMA did not integrate its computer system with those of SBA and the states, duplication of effort existed in entering individual assistance application data.

To assess the extent of damage to residences, FEMA arranges for inspections either by its own inspectors or by Corps of Engineers or contract inspectors. These inspections were found to be inadequate for accurate grant determinations by California and Puerto Rico officials. In South Carolina, temporary housing aid was delayed for up to 6 weeks in some cases because of an insufficient number of inspectors to verify housing damage.

As a result of FEMA's registration and inspection problems, California officials estimated they issued 4,000 grants that were either duplicate, excessive, or given to the wrong persons. In addition, the South Carolina disaster field office referred about 300 instances of potential fraud to FEMA's Inspector General.

Administration of public assistance programs

Public assistance programs involve the repair, restoration, and replacement of damaged public and private nonprofit facilities. Several issues have emerged in administering these efforts, including overlapping federal authorities, and eligibility of nonprofit organizations.

Responsibility for disaster assistance to schools is divided between the Department of Education and FEMA. This split responsibility caused duplication of inspections and contributed to delays in making needed repairs to schools in California, North Carolina, and the Virgin Islands.

Similarly, responsibility for removing debris from drainage ditches is split between FEMA and the Soil Conservation Service. These agencies disagree over who should pay for this service in South Carolina.

FEMA's regulations implementing the Stafford Act broadened the criteria used to determine the eligibility of nonprofit organizations for public assistance funds to include organizations providing "essential governmental type services to the general public." These criteria caused uncertainty among FEMA and state officials as to what organizations qualify for funds to repair or restore their facilities. According to FEMA officials, they will seek additional guidance from the Congress on this issue.

OTHER ISSUES BEING EXAMINED

Two other issues have emerged--the adequacy of staff resources available to FEMA to respond to several major disasters within a

short time frame and the impact of vacancies in high level positions.

Adequacy of staff resources

FEMA experienced problems in securing sufficient numbers of staff to meet all of its needs during the disasters that struck in the fall of 1989. Consequently, we are reviewing how FEMA obtains the personnel it needs to staff its disaster field offices and disaster application centers. We are reviewing the numbers of staff needed and how these needs are filled using permanent staff from FEMA or other federal agencies, paid disaster reservists from around the nation, or local hires. Our work includes an assessment of any impediments to training and using non-disaster assistance personnel when needed to respond to natural disasters. In addition, we are studying whether federal agencies' disaster relief personnel have adequate bilingual skills.

High-level FEMA vacancies

We are assessing the impact of political appointee and Senior Executive Service vacancies on FEMA's ability to respond to major disasters. In September 1989, there were at least 6 vacant positions that involved disaster assistance activities, including FEMA's Director and the Director of the New York office. We want

to bring to your attention, however, that two key disaster assistance positions in FEMA headquarters were not vacant.

FEMA'S POST-DISASTER EVALUATIONS

FEMA has several efforts underway to examine the federal capability and performance in responding to natural disasters. FEMA officials are incorporating lessons learned from federal, state, and local experiences with recent natural disasters. For example, OMB requested FEMA to prepare a list by April 1st of modifications and changes to legislation and programs that should be considered as a part of the fiscal year 1991 budget process. However, we have been advised that its effort will not be completed for several weeks.

In another effort to evaluate the federal response, FEMA prepared a report in compliance with the Stafford Act to develop proposals for improving federal delivery of disaster assistance. Among the report's findings were the need to streamline individual assistance programs for large-scale disasters and to continually work with state and local emergency management organizations to improve response capabilities.

At the April 1990 National Hurricane Conference, FEMA officials cited the need for improvements in four areas of disaster relief management.

- Roles and responsibilities: there is a need for more clearly defined federal roles, responsibilities and procedures, and better public information.

- Organization and staffing: FEMA lacks the optimum organizational structure to conduct and coordinate response efforts.

- Immediate response: FEMA needs to rapidly deploy staff and resources on-site when a possibility of a major disaster exists.

- State and local government capabilities: State and local elected officials must be knowledgeable about disaster assistance programs, and tests and exercises should be expanded.

To further improve the overall federal response, FEMA officials are meeting with federal agencies to examine the federal response in recent disasters. A meeting in the Caribbean was held last month, and another will be held later this month in Baltimore. These meetings will address issues such as the types of support that agencies provided in Hugo and Loma Prieta and the changes the agencies are considering or will adopt in response to lessons learned from the recent disasters.

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Mr. Chairman, this concludes my prepared statement. I welcome the opportunity to answer any questions that you or Members of the Subcommittee may have.