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Resources, Community, and
Economic Development Division

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The Honorable Fred Thompson
Chairman
The Honorable Joseph I. Lieberman
Ranking Minority Member
Committee on Governmental Affairs
United States Senate

Subject: Observations on the Federal Emergency Management Agency's Fiscal Year 1999 Performance Report and Fiscal Year 2001 Performance Plan

As you requested, we have reviewed the 24 Chief Financial Officers (CFO) Act agencies' fiscal year 1999 performance reports and fiscal year 2001 performance plans required by the Government Performance and Results Act (GPRA) of 1993. Annual performance plans establish performance goals and measures covering a given fiscal year and provide the direct linkage between an agency's long-term goals and day-to-day activities. Annual performance reports subsequently report on the degree to which those performance goals were met. This report contains two enclosures responding to your request concerning key program outcomes and major management challenges at the Federal Emergency Management Agency (FEMA). Enclosure I to this report provides our observations on FEMA's fiscal year 1999 actual and fiscal year 2001 planned performance for the key outcomes that you identified as important mission areas for the agency. These key outcomes are to (1) minimize human suffering and property losses after natural disasters, (2) provide timely responses to disaster aid requests, and (3) prevent or reduce harm and losses from future disasters through mitigation efforts. Enclosure II lists the major management challenges facing the agency that we and FEMA's Inspector General identified, how the agency's fiscal year 1999 performance report discussed the progress it has made in resolving these challenges, and the applicable goals and measures in the fiscal year 2001 performance plan.

Results in Brief

Overall, FEMA's fiscal year 1999 annual performance report shows that the agency is making progress in addressing its key outcomes, as the agency generally met its performance goals. However, in some cases, the agency did not explain why some performance goals that support the outcomes were not met, nor describe a strategy

designed to help the agency meet those goals in the future. FEMA also did not typically provide an explanation for why certain goals and measures were revised between fiscal years 1999, 2000, and 2001. While the reasons for some changes were apparent, such as increasing the performance measure targets (numbers and percentages) for subsequent fiscal years, the reasons for other changes could not be determined. However, the agency is making a concerted effort to manage itself for results, through the development and the implementation of a quarterly reporting system that tracks its progress in meeting its performance goals and measures. Agency officials stated that the system is used to influence senior management decision-making within the agency. Additionally, the agency's fiscal year 2001 annual performance plan shows a number of improvements the agency is making. For example, the agency is increasing its use of baselines for measuring future progress in reaching a number of the agency's goals, demonstrating that FEMA is getting better at capturing performance data. However, FEMA could strengthen the fiscal year 2001 annual performance plan by better identifying any significant limitations that potentially affect the credibility of data used to measure its performance and by providing additional descriptions of the procedures the agency uses to verify and validate performance data.

Agency Outcomes

- Minimize human suffering and property losses after natural disasters. FEMA's fiscal year 1999 annual performance report generally indicates that FEMA is making progress in minimizing human suffering and property losses after natural disasters. The agency met the majority of its goals for this key outcome, which included efforts to train fire and emergency response personnel and to institutionalize an agencywide formal strategic planning and evaluation system that helps ensure that FEMA is making progress toward achieving all of its annual performance goals. Additionally, FEMA provided an explanation for the goals the agency did not meet. For example, FEMA did not meet a goal that included identifying the most critical 10 percent of weaknesses in the states' capabilities to respond to disasters. The agency explained that it was waiting on a biennial assessment of the states' capabilities that was not due out until fiscal year 2000. In contrast, FEMA did not generally provide explanations for variations in its performance goals and measures for fiscal years 1999, 2000, and 2001. For example, one fiscal year 1999 goal of increasing the number of National Flood Insurance Program policies in force was modified from an "annual average of 5 percent for a total of 30 percent over the fiscal year 1998 baseline" to a fiscal year 2001 5-year operational objective that calls for increasing the policies by an "average 5 percent per year" by fiscal year 2007.

However, while most of the performance goals for this key outcome have at least one measurable or quantifiable performance measure that helps demonstrate progress toward reaching their goals, some of the goals also have measures that use more qualitative terms, thus making it more difficult to determine the full extent to which the goals were met. For example, while qualitative terminology, such as "timely" publication and continued "support" does allow some assessment

of progress toward FEMA's stated goals, more specific and meaningful terms would allow FEMA's progress in reaching the goals to be more easily measured. The use of a specific time period for assessing a "timely" publication or an explanation of the levels of "support" would be helpful in this respect.

- Provide timely responses to disaster aid requests. FEMA's fiscal year 1999 annual performance report generally indicates that FEMA is making progress toward providing timely responses to disaster aid requests. The agency met one-half of its goals for this outcome, which included performance measures that addressed timelines for setting up disaster field offices, issuing temporary housing payments, and paying invoices and travel vouchers. The agency did not offer a specific explanation for its inability to meet all of its performance goals and measures. For example, no explanation was offered for FEMA's inability to meet the goal of processing disaster declaration requests within approximately 8 days—the average for processing all requests in fiscal year 1999 was around 10 days. It is possible that FEMA did not make this goal because the time required for processing appeals for denied requests was lengthening the average processing time for all of the other requests. Although implied, this possible explanation was not provided. FEMA also did not generally provide the reasons for any variations among its fiscal year 1999, 2000, and 2001 performance goals and measures, although the agency did make changes to some of them, including revising certain goals and measures and incorporating some goals into different goals. For example, a number of performance measures for FEMA's fiscal year 1999 goal to improve mobile operations and planning response capabilities were incorporated under the "means and strategies" section of a fiscal year 2001 goal to improve the agency's response operations.
- Prevent or reduce harm and losses from future disasters through mitigation efforts. FEMA's fiscal year 1999 annual performance report generally indicates that FEMA is making progress in preventing or reducing harm and losses from future disasters through its mitigation efforts. The agency met the majority of its goals for this outcome, which included performance measures that addressed providing a module for evaluating vulnerability to earthquakes, increasing the use of public education materials on fire prevention, and providing technical and procedural assistance to help states develop more effective multihazard plans. Although a number of the goals were oriented toward outputs (e.g., the number of Project Impact communities) as opposed to outcomes (e.g., the degree to which these communities were preventing or reducing harm and losses from future disasters through their mitigation efforts), they generally indicated some level of progress towards the performance goals. However, the agency did not generally provide a specific explanation for its inability to meet its performance goals and measures under this key outcome. For example, under the goal of supporting state and community mitigation, FEMA did not provide information that would help determine if the agency had met three of its performance measures, including publishing model mitigation guidelines and having clear mitigation performance agreements with the states. Thus, it is impossible to determine what progress the agency made in regard to these measures. Another goal that included efforts to

increase the use and the effectiveness of mitigation information and tools included a performance measure to complete five hurricane evacuation studies. While FEMA mentions that it completed one of the studies, no explanation is provided for why the other four studies were not completed (though the plan does explain that data from the other four studies was available for the states to use).

Management Challenges

A number of management challenges, including financial and grants management and the growth in federal disaster assistance costs, could affect the agency's future performance. However, FEMA's fiscal year 2001 performance plan generally indicates that the agency is attempting to address its major management challenges, as the agency established goals or measures that were directly applicable to 10 of the agency's 12 management challenges, as previously identified by GAO and FEMA's Inspector General. For example, all three of the agency's strategic goals have performance goals and measures that address the need to reduce federal disaster assistance costs. One strategic goal includes a number of performance goals that are directed at mitigating future damages within the nonfederal public sector and private sector, thus reducing the future costs of federal disaster assistance. One of the measures under the goal of supporting nonfederal public sector mitigation efforts involves developing a strategy that will promote the local adoption of international building codes. Together, these and other goals and measures represent a reasonable approach to reduce federal disaster costs. The remaining management challenges (the lack of clear, documented criteria for presidentially declared disasters and the need to attain year 2000 computer system compliance) have been resolved by FEMA, as the agency published disaster declaration criteria in September 1999 and attained compliance with year 2000 computer system deadlines.

Objectives, Scope, and Methodology

Our objectives concerning selected key agency outcomes were to (1) identify and assess the quality of the performance goals and measures directly related to each key outcome, (2) assess the agency's actual performance in fiscal year 1999 for each outcome, and (3) assess the agency's planned performance for fiscal year 2001 for each outcome. Our objectives concerning major management challenges were to (1) assess how well the agency's fiscal year 1999 performance report discussed the progress it had made in resolving the major management challenges that we and the agency's Inspector General had previously identified and (2) identify whether the agency's fiscal year 2001 performance plan had goals and measures applicable to the agency's major management challenges. As agreed, in order to meet the Committee's tight reporting time frames, our observations were generally based on the requirements of GPRA, guidance to agencies from the Office of Management and Budget (OMB) for developing performance plans and reports (OMB Circular A-11, Part 2), previous reports and evaluations by us and others, our knowledge of FEMA's operations and programs, and our observations on FEMA's other GPRA-related efforts. We did not independently verify the information contained in the

performance report or plan. We conducted our review from April through May 2000 in accordance with generally accepted government auditing standards.

Agency Comments and Our Evaluation

We provided FEMA with a copy of a draft of this report for its review and comment. FEMA generally agreed with our observations, noting that the agency would consider them as the agency develops future annual performance plans. The agency mentioned that subsequent plans will be strengthened, including efforts to revise the plans toward fewer outcome-oriented and quantitative goals and to develop a second-tier planning effort that will continue the agency's efforts to produce more operational plans. The agency added that it is supplementing its quarterly GPRA performance reporting system by developing an evaluation system that could be applied to program activities related to the agency's goals. However, FEMA noted that these evaluations (such as business practice reengineering studies) along with future efforts to externally verify and validate performance data, will depend largely on the availability of funding resources. FEMA also provided technical clarifications that were incorporated as appropriate. FEMA's comments are in enclosure III.

As agreed, unless you announce its contents earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time, we will send copies to the Honorable James L. Witt, Director, Federal Emergency Management Agency, and make copies available to others on request.

If you or your staff have any questions, please call me on (202) 512-7631. Key contributors to this report were Pat Moore, Thom Barger, and R. Tim Baden.



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Enclosures - 3

Observations on the Federal Emergency Management Agency's Fiscal Year 1999 Actual Performance and Fiscal Year 2001 Planned Performance Related to Key Outcomes

This enclosure contains our observations on the Federal Emergency Management Agency's (FEMA) fiscal year 1999 actual and fiscal year 2001 planned performance for key outcomes identified by the Senate Governmental Affairs Committee as important mission areas for the agency. The key outcomes for FEMA are: (1) minimize human suffering and property losses after natural disasters, (2) provide timely responses to disaster aid requests, and (3) prevent or reduce harm and losses from future disasters through mitigation efforts. As requested, we have identified the goals and measures directly related to a selected key outcome. Our observations are organized according to each selected key outcome and follow the goals and measures.

Key Agency Outcome: Minimize Human Suffering and Property Losses After Natural Disasters

Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome of Minimize Human Suffering and Property Losses After Natural Disasters

P.1.1, State and local preparedness

- Fiscal year 1999 goal: (1) identify the most critical 10 percent of weaknesses in state capability and (2) maintain the current capability of states and localities to respond to disasters.
- Reported actual:
 - (1) expected in fiscal year 2000.
 - (2) 2,800 state and local leaders trained; 55 programs broadcast over the Emergency Education Network; 60,063 students completed independent study courses; and five emergency management degree programs added.

(goal not met)

P.2.1, Training and education

- Fiscal year 1999 goal: (1) provide training and education opportunities for fire and emergency response personnel by delivering about 647 courses and reaching 18,512 students and (2) increase the number of students reached through new technology-based approaches.
- Reported actual: (1) delivered 1,182 courses to 52,600 personnel and (2) no performance data provided.

(goal met)

Enclosure I

P.4.1, Continuity of government

- Fiscal year 1999 goal: ensure and improve the ability of the executive branch to operate under emergency conditions.
- Fiscal year 1999 measures: (1) 70 to 100 percent satisfactory ratings on content, relevance, and presentation of training and orientation sessions and (2) timely publication of comprehensive continuity of government guidance.
- Reported actual: (1) 82 percent satisfactory rating and (2) published and distributed operations plan and 5-year test, training, and exercise program.

(goal met)

RR.2.2, Emergency Food and Shelter Program

- Fiscal year 1999 goal: (1) support and fund the National Emergency Food and Shelter Board in providing grants, (2) allocate funds to Board within 30 days of appropriation, and (3) monitor effectiveness of activities of local boards and recipient organizations.
- Reported actual: (1) continued to chair the National Board and program funded 11,000 nonprofit and local government agencies, (2) no performance data provided, and (3) tracked and monitored the \$100 million awarded.

(goal met)

RR.3.1, Flood insurance policies in force

- Fiscal year 1999 goal: increase by an annual average of 5 percent or a total of 30 percent by fiscal year 2007.
- Reported actual: 1.7 percent.

(goal not met)

E. 14.1, Strategic planning

- Fiscal year 1999 goal: institutionalize a formal agency strategic planning and evaluation system that ensures that FEMA is making progress toward achieving its strategic goals.
- Reported actual: developed and implemented a quarterly GPRA reporting system that measures progress toward annual goals.

(goal met)

GAO Observations on FEMA's Fiscal Year 1999 Actual Performance for the Key Agency Outcome of Minimize Human Suffering and Property Losses After Natural Disasters

For this key outcome relating to minimizing human suffering and property losses after natural disasters six goals were selected for coverage. FEMA met or exceeded performance for four goals. The performance measures generally provide an adequate indication of FEMA's progress towards goals. However, performance goals generally focus on outputs rather than outcomes. With one exception, the six goals have at least one measure that is based on the accomplishment of a specific number or percentage without referencing the expected results to be achieved by attaining the goal. For example, the goal for state and local preparedness implies, but does not state, that the outcome would be a "measurable" improvement in the states' and local governments' capabilities to provide adequate and timely responses to natural disasters within their areas of responsibility.

The performance goals and their related measures are somewhat measurable and quantifiable. However, three goals have measures that lack specific definitions for items that are measured. For instance, three of the goals use imprecise such terms as "critical" weaknesses, "timely" publication, "comprehensive" guidance, continued "support," and "effective" activities. FEMA does not describe what it means by these terms. Definitions, explanations, or criteria for determining criticality, timeliness, comprehensiveness, or effectiveness of a measure could and should be specified to better determine actual performance.

FEMA's progress toward achieving this key outcome was less than clearly articulated. Half of the goals (3 of 6) did not clearly articulate progress in fiscal year 1999 towards the achievement of all of their measures. Two goals were somewhat clear in articulating their progress. However, although both were reported as fully achieved, each had measures for which no performance data was offered. No explanation was given for the missing data. In addition, one of these two goals with the less than specific measure of "timely publication of comprehensive guidance" did not make reference to the "timeliness" or "comprehensiveness" of the publication of the referenced document. Finally, the goal that most clearly articulated progress toward achieving its measures did not offer any specific measures and instead called for the institutionalization of a system to ensure FEMA was making progress.

Overall, the information provided to help ensure the reasonableness of the performance data was somewhat credible. The performance information for the goal of increasing the number of National Flood Insurance Program (NFIP) policies in force by 5 percent annually was credible because it provided specific numbers (baseline and year-end policy counts) and additional explanatory information regarding sales for the previous and current year. The lack of specific measurable and quantifiable targets hampered two other goals that were somewhat credible. For instance, for the goal relating to the continued support and funding of the Emergency Food and Shelter Program, FEMA did not provide evidence regarding the timeliness of the provision of those funds nor for the "effectiveness of activities of local boards and recipient organizations."

The agency's performance report did not provide discussions of the verification and validation procedures for reported performance data. Some performance goals did refer to

independent surveys as data sources, however. FEMA's Inspector General has reported on problems with the agency's information systems for capturing performance data for annual performance goals. Users of the performance report would benefit from a discussion of whether data limitations exist and how they affect the accuracy, the completeness, and the availability of performance measurement data. FEMA states that it is establishing such systems. The agency established a strategic planning goal during fiscal year 1999 to develop and implement a quarterly reporting system that tracks performance toward the achievement of annual goals. We believe this is an important step for the agency, although we have not reviewed the data the system is collecting to determine if it adequately captures the performance data necessary to measure the agency's progress in reaching its annual performance goals.

As with FEMA's fiscal year 2000 performance plan, the fiscal year 2001 plan discusses crosscutting issues and coordination with other federal agencies. However, the plan presents only a limited discussion of the agency's efforts and plans to coordinate with the programs and activities that complement FEMA's. The fiscal year 2001 plan would be enhanced if it included a discussion of the specific actions that FEMA plans to carry out such coordination.

Additionally, the agency's performance report did not include a discussion of program evaluations completed in fiscal year 1999. Such evaluations should be playing an increasingly important role in program improvement as FEMA is making a concerted effort to manage itself for results.

Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome of Minimize Human Suffering and Property Losses After Natural Disasters

P.1.1, State and local preparedness:

- Fiscal year 1999 goal: identify the most critical 10 percent of weaknesses in state capability and maintain the current capability of states and localities to respond to disasters.

RR.3.1, Flood insurance policies in force

- Fiscal year 1999 goal: increase by an annual average of 5 percent or a total of 30 percent by fiscal year 2007.

GAO Observations on FEMA's Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome of Minimize Human Suffering and Property Losses After Natural Disasters

In acknowledging that all goals were not met, FEMA's annual performance report generically states that (1) some required measurement systems did not evolve, (2) some goals changed, and (3) some goals had to be reprioritized due to reduced funding or

Enclosure I

personnel resource levels. For the two unmet goals under this outcome, the report provided some specific rationale, including external factors. For the first unmet goal—"identify the most critical 10 percent of weaknesses in state capability,"—FEMA noted that the tool to be used was a biennial assessment due to be issued in fiscal year 2000. FEMA noted that the second unmet goal of increasing the number of NFIP policies in force by an annual average of 5 percent was not met because "many of the policies written in fiscal year 1998 were not renewed by people who no longer felt threatened by such forces as El Nino." These explanations seemed reasonable.

Fiscal Year 2000 Performance Goals and Measures for the Key Agency Outcome of Minimize Human Suffering and Property Losses After Natural Disasters

P.1.1, State and local preparedness:

- First measure (i.e., identify the most critical 10 percent of weaknesses in state capability) was revised.

P.2.1, Training and education

- The target for the first measure (i.e., provide training and education opportunities for fire and emergency response personnel by delivering about 647 courses, reaching 18,512 students) was increased.

P.4.1, Continuity of government

- Second measure (i.e., timely publication of continuity of government guidance) was revised.

RR.2.2, Emergency Food and Shelter Program

- The third measure (i.e., monitor effectiveness of activities of local boards and recipient organizations) was revised.

E.14.1, Formal strategic planning and evaluation system

- This goal was incorporated into Goal E.1.1.

GAO Observations on FEMA's Fiscal Year 2000 Planned Performance for the Key Agency Outcome of Minimize Human Suffering and Property Losses After Natural Disasters

In general, FEMA did not give reasons for variations between its fiscal year 1999 and fiscal year 2000 measures, nor did it offer an assessment of the effect of its fiscal year 1999 actual performance on its fiscal year 2000 estimated performance. However, it did revise measures associated with four of the six goals supporting this agency outcome. One goal, that of identifying the most critical 10 percent of weaknesses in state capability, was revised from using the Capability Assessment for Readiness (CAR) to assist in identifying "the critical weaknesses in state capability" to using the CAR to determine if those weaknesses were addressed. The target numbers (course and students) for one measure in another goal (i.e., provide training and education opportunities for fire and emergency response personnel by delivering about 647 courses, reaching 18,512 students) were increased and revised to include a measure of student days. Another goal's second measure (i.e., continuity of

Enclosure I

government guidance) was updated from calling for timely publication to publication of a specified number of documents during the fiscal year. Additionally, a measure in another goal (i.e., monitor effectiveness of activities of local boards and recipient organizations) was revised from the less than specific measure of "continue to support and fund" to the somewhat more definitive measure of "monitor the effectiveness of activities." Finally, the goal of institutionalizing a formal system to track progress in attaining strategic goals was incorporated as a measure in another goal.

GAO's report on FEMA's fiscal year 1999 performance plan (GAO/RCED-98-207R) identified five key weaknesses. Specifically, the plan should:

- More thoroughly discuss FEMA's efforts and plans to coordinate with other agencies whose programs and activities complement FEMA's.
- Identify more of the external factors that could affect the agency's ability to achieve its performance goals and discuss actions that FEMA can take to mitigate the effects of these factors.
- More explicitly link the annual performance goals to program activities in FEMA's budget.
- Discuss whether any significant limitations affect the credibility of the agency's data that will be used to measure performance.
- More fully describe FEMA's procedures for verifying and validating performance.

In our review of FEMA's fiscal year 2000 performance plan, we noted the following improvements in those key weaknesses:

- Use of established baselines to measure FEMA's progress in meeting its performance goals.
- General listing of federal agencies with missions and activities that complement FEMA's.
- Linkage between budget accounts and annual performance goals.
- Reduction in the number of operational objectives and annual performance goals.

Fiscal Year 2001 Performance Goals and Measures for the Key Agency Outcome of Minimize Human Suffering and Property Losses After Natural Disasters

P.2.1, Training and education

- The target for the first measure (i.e., provide training and education opportunities for fire and emergency response personnel by delivering about 647 courses, reaching 18,512 students) was increased.

The following goals were incorporated into different goals (or their goal numbers were changed) without explanation:

P.4.1, Continuity of government

Enclosure I

RR.2.2, Emergency Food and Shelter Program

RR.3.1, Flood insurance policies in force

E.14.1, Formal GPRA strategic planning and evaluation system

GAO Observations on FEMA's Fiscal Year 2001 Planned Performance for the Key Agency Outcome of Minimize Human Suffering and Property Losses After Natural Disasters

FEMA seldom provided reasons why variations occurred. In general, the revisions to the goals supporting this agency outcome were minor. For example, for one goal the target numbers (course and students) for one measure (i.e., provide training and education opportunities for fire and emergency response personnel by delivering about 647 courses, reaching 18,512 students) were increased without explanation. In addition, the measures in the other four goals were not modified, but the four goals were incorporated into different goals, without explanation.

GAO's report on FEMA's fiscal year 2000 performance plan (GAO/RCED-99-266R) identified four key weaknesses. Specifically, the plan:

- Presents only a limited discussion of FEMA's efforts and plans to coordinate with other agencies whose programs and activities complement FEMA's.
- Does not identify the external factors that could affect FEMA's ability to achieve its performance goals and the actions FEMA can take to mitigate these factors.
- Does not identify significant limitations potentially affecting the credibility of data used to measure performance.
- Provides only a limited description of FEMA's procedures for verifying and validation performance data.

As part of our analysis of FEMA's fiscal year 2001 performance plan, we noted improvements in that the plan identifies the external factors that could affect the agency's ability to achieve its goals and in some cases, discusses actions that can be taken to mitigate these factors.

Key Agency Outcome: Timely Responses to Disaster Aid Requests

Enclosure I

Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome of Provide Timely Responses to Disaster Aid Requests

RR.1.1, Disaster declarations

- Fiscal year 1999 goal: 8.3 days for processing disaster declaration packages.
- Reported actual: average was 10.09 days.

(goal not met)

RR.1.2, Mobile operations

- Fiscal year 1999 goal: improve mobile operations' capabilities.
- Fiscal year 1999 measures:
 - (1) set up a Disaster Field Office operation within 40 hours;
 - (2) 80 percent of regional directors satisfied with the *Community Relations Operations Manual and Field Operations Guide*;
 - (3) 75 percent of customers satisfied with Situation Update Reports, and 60 percent satisfied with Assessment and Analysis Homepage; and
 - (4) 90 percent of National Urban Search and Rescue Task Forces meet operational standards.
- Reported actual:
 - (1) average setup time was 35 hours;
 - (2) 90 percent of the responding regions provided a positive assessment;
 - (3) 90 and 75 percent satisfaction rates, respectively; and
 - (4) exceeded 90 percent.

(goal met)

RR.1.3, Human services

- Fiscal year 1999 goal: improve delivery of human services.
- Fiscal year 1999 measures:
 - (1) 85 percent customer satisfaction with Helpline services;
 - (2) human services maintenance of 90 percent index of satisfaction and ability to recover; and
 - (3) 75 percent external customer satisfaction with the adequacy of guidance and the operation system for the new Public Assistance Program.
- Reported actual:
 - (1) 74.5 percent,

Enclosure I

- (2) 85.3 percent, and
- (3) 80.5 percent external customer satisfaction.

(goal not met)

RR.2.1, State and local response efforts

- Fiscal year 1999 goal: augment state and local response to disasters when needed through measurable improvements in the conduct of exercises.
- Reported actual: conducted 74 training activities for 2,030 permanent and disaster assistance employees; trained 12,138 individuals in 43 standard courses in 25 Disaster Field Office operations; and held, in role as chair, two federal radiological interagency training meetings.

(no percentage reported on level of goal achievement)

E.10.1, Payment processes

- Fiscal year 1999 goal: streamline payment processes.
- Fiscal year 1999 measures:
 - (1) pay 95 percent of travel vouchers within 5 days,
 - (2) pay 95 percent of invoices within 30 days of receipt of complete documentation,
 - (3) issue 95 percent of temporary housing payments within 24 hours of receipt,
 - (4) make available 98 percent of grants for drawdown within 24 hours' notification to the Financial Services Branch,
 - (5) post 95 percent of grant expenditures quarterly in agency's Information Financial Management System, and
 - (6) ensure that corrective action is taken on 95 percent of questionable actions regarding terms of loans.
- Reported actual:
 - (1) 98 percent,
 - (2) 98 percent,
 - (3) 100 percent, and
 - (4) no performance data provided for remaining three measures.

(goal met)

CS.3.1, National Flood Insurance Program

- Fiscal year 1999 goal: receive positive responses to the National Flood Insurance Program's assessment instruments and constructive support in pursuing insurance sales and other goals.

- Reported actual: increases in awareness and favorable responses.

(goal met)

GAO Observations on FEMA's Fiscal Year 1999 Actual Performance for the Key Agency Outcome of Provide Timely Responses to Disaster Aid Requests

This key outcome relating to timely responses to disaster aid requests includes 6 goals and 16 measures. FEMA met or exceeded performance for three goals, did not meet two goals, and for the remaining goal, it did not report the achievement level. The performance measures generally provide an adequate indication of progress towards goals. However, the goals are usually output oriented rather than outcome oriented. All but one of the six goals has at least one measure that is based on the accomplishment of a specific number or percentage. For example, one measure is the number of days needed to complete a declaration review package and another is the number of hours required to set up a Disaster Field Office (DFO). However, none of the goals references the expected results to be achieved with the attainment of the goal.

The performance goals and their related measures are mostly measurable and quantifiable. Four of the six goals documented at least one specific measure (e.g., a number, percentage, or time frame). For example, "getting up a DFO in an identified facility within 40 hours;" "85 percent customer satisfaction with Helpline services;" and "98 percent of grants available for drawdown within 24 hours' notification to the Financial Services Branch." However, two of the goals had measures that either did not offer specific measures or lacked baseline numbers against which performance could be measured. For example, one goal's measure was the receipt of positive responses to the NFIP assessment instruments and constructive support in insurance sales rather than a specific measure, such as the percentage of positive results or a numerical increase in positive responses. Also, no performance data is provided to support progress towards the achievement of providing constructive support in pursuing insurance sales and other goals. Another goal, augment state and local responses to disasters had a specific measure but lacked a baseline number. It called for a measurable improvement as indicated by formal evaluation, but never specified what levels had been obtained in the past.

Overall, the goals supporting this outcome were mostly clear, which is attributable, in large part, to the fact that four of the six goals had at least one specific measure against which the results could be assessed.

The performance information provided for this outcome was mostly credible. Only one goal's performance was not credible. The goal relating to augmenting state and local responses to disasters lacked baseline data and, therefore, its cited actual performance could not, and did not, demonstrate "measurable improvement in the conduct of exercises." Also, FEMA did not provide information regarding the "formal evaluation and analysis of results and follow-on training survey results" as called for in the estimated performance.

Enclosure I

As discussed above, FEMA's performance report did not include a summary of the findings and recommendations of any program evaluations completed or ongoing in fiscal year 1999.

Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome of Provide Timely Responses to Disaster Aid Requests

RR.1.1, Disaster declarations

- Fiscal year 1999 goal: 8.3 days for processing disaster declaration packages.

RR.1.3, Human services

- Fiscal year 1999 measures:
 - (1) 85 percent customer satisfaction with Helpline services and
 - (2) human services maintains 90 percent index of satisfaction and ability to recover.

GAO Observations on FEMA's Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome of Provide Timely Responses to Disaster Aid Requests

Two of the goals supporting this agency outcome were not met. No explanation was provided for the first one, and the unavailability of complete survey results was offered as the rationale for the other.

No explanation was provided to explain why the first unmet goal (i.e., increase by 10 percent (to 8.3 days) the timeliness for processing disaster declarations) was not met. Rather than a decrease in the number of processing days there actually was an increase from the established baseline of roughly 9.2 days to an average of 10.09 days for all requests. However, based on other processing days provided (e.g., 30 days for rejected requests and 5.3 days for requests resulting in declarations) it appears that the reason for not making the goal may be attributable to the time required to process appeals for denied requests. FEMA did not present a plan of action nor a time frame for achieving this goal in the future. In fact, although FEMA had failed to meet the fiscal year 1999 goal, the goal was changed to 8 days for fiscal year 2000.

The second goal had three measures. For the first measure, FEMA achieved a 74.5 percent satisfaction for its Helpline services, 10 percent short of its goal of 85 percent satisfaction. FEMA also did not achieve a second measure, attaining an 85.3 percent satisfaction, nearly 5 percent short of its goal of 90 percent satisfaction. Only the third measure was met or exceeded, receiving 80.5 percent external customer satisfaction with the adequacy of guidance and the operation system for the Public Assistance Program—more than 5 percentage points over its goal of 75 percent. It should be noted that although FEMA reported in its Fiscal Year 2001 Annual Performance Plan (i.e., in the Cross Walk of Goals and Resources) that it achieved 96 percent of this goal, FEMA did not meet two of the goal's three measures. FEMA achieved 33 percent of this goal, as it reported in its Fiscal Year 1999 Annual Performance Report.

Enclosure I

As part of its 1999 actual performance reporting, FEMA noted that complete survey results would not be available until February 2000. It is possible, but not stated, that the final survey results will yield customer satisfaction percentages that achieve established goals.

Fiscal Year 2000 Performance Goals and Measures for the Key Agency Outcome of Provide Timely Responses to Disaster Aid Requests

RR.1.1, Disaster declarations

- Fiscal year 1999 goal: 8.3 days for processing disaster declaration packages was revised to reflect new target (8 days).

RR.1.2, Mobile operations

- Fiscal year 1999 goal: improve mobile operations' capabilities. Third measure (i.e., 75 percent of customers satisfied with Situation Update Reports, and 60 percent satisfied with Assessment and Analysis Homepage) revised to reflect increases in targeted percent of satisfaction.

RR.1.3, Human services

- Fiscal year 1999 goal: improve delivery of human services. The third measure, (i.e., 75 percent external customer satisfaction with the adequacy of guidance and operation system for the new Public Assistance Program) was replaced with a new measure and the goal was incorporated into another goal—RR.1.2.

RR.2.1, State and local response efforts

- Fiscal year 1999 goal: augment state and local response to disasters when needed through measurable improvements in the conduct of exercises was revised to include increases in targeted numbers and percentages.

E.10.1, Payment processes

- Fiscal year 1999 goal: streamline payment processes was incorporated into Goal E.2.1.

CS.3.1, National Flood Insurance Program

- Fiscal year 1999 goal: This goal was revised and incorporated into goal CS.1.1.

GAO Observations on FEMA's Fiscal Year 2000 Planned Performance for the Key Agency Outcome of Provide Timely Responses to Disaster Aid Requests

In general, FEMA did not give reasons for variations between its fiscal year 1999 and fiscal year 2000 measures, nor did it offer an assessment of the effect of its fiscal year 1999 actual performance on its fiscal year 2000 estimated performance. However, measures in each goal were either revised and/or incorporated into other measures in fiscal year 2000. For example, three goals were revised to reflect new or increased outcome targets or measures of achievement. The target for one goal, the average number of days needed to complete a declaration package, was reduced from 8.3 to 8 days. Also, the satisfaction targets to measure other goals (i.e., 75 percent of customers satisfied with Situation Update Reports and 60 percent satisfied with Assessment and Analysis Homepage) were increased. The

Enclosure I

third goal, (i.e., augment state and local response to disasters when needed through measurable improvements in the conduct of exercises) was revised to develop strategies to address the states' and local communities' five most critical shortcomings.

The three remaining goals were incorporated into other measures without explanation. In addition, two were revised. For example, one goal was revised to focus on broader outcomes, which resulted in the complete replacement of one of its measures from 75 percent satisfaction with guidance and operation of the new Public Assistance Program, to 50 percent of the recipients of FEMA's services indicate that these services reduced their suffering. Another goal (i.e., the receipt of positive responses to the National Flood Insurance Program) was revised from that single measure to three distinct measures of performance. The remaining goal was incorporated into another goal without explanation.

Fiscal Year 2001 Performance Goals and Measures for the Key Agency Outcome of Provide Timely Responses to Disaster Aid Requests

RR.1.2, Mobile operations

- Fiscal year 1999 goal: improve mobile operations' capabilities was incorporated, as a means and strategy, in RR.1.3.

RR.1.3, Human services

- Fiscal year 1999 goal: improve delivery of human services was revised and incorporated into two other goals—RR.1.1 and RR.1.2.

E.10.1, Payment processes

- Fiscal year 1999 goal: streamline payment processes was incorporated into Goal E.1.1 (from Goal E.2.1).

CS.3.1, National Flood Insurance Program

This goal was listed as not applicable.

GAO Observations on FEMA's Fiscal Year 2001 Planned Performance for the Key Agency Outcome of Provide Timely Responses to Disaster Aid Requests

FEMA did not provide reasons or explanations for variations between its fiscal year 2000 and 2001 goals. The most common change was the incorporation of three fiscal year 2000 goals into different goals in fiscal year 2001, but in each case this was done without an explanation. For instance, the activities of one goal (i.e., improve mobile operations' capabilities) were incorporated as a means and strategy for another goal. The measures of another goal (i.e., improve delivery of human services) were revised without an explanation and were split between two other goals. Also, the goal to streamline the payment process, which had been E.10.1 in fiscal year 1999 and was incorporated into goal E.2.1 in fiscal year 2000, was incorporated into goal E.1.1 in fiscal year 2001, all without an explanation. Additionally, one goal (i.e., the receipt of positive responses to the National Flood Insurance Program), which had been revised from a single measure in fiscal year 1999 to three distinct

Enclosure I

measures of performance in fiscal year 2000, was without an explanation, labeled "not applicable" and not carried forward to fiscal year 2001.

Key Agency Outcome: Prevent or Reduce Harm and Losses From Future Disasters Through Mitigation Efforts

Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome of Prevent or Reduce Harm and Losses From Future Disasters Through Mitigation Efforts

M.1.2, Hazard assessment tools

- Fiscal year 1999 goal: develop new or improve existing assessment tools for evaluating the nation's vulnerability to natural hazards.
- Fiscal year 1999 measures:
 - (1) have earthquake module available for federal, state, and local use and for distribution to universities and appropriate agencies and
 - (2) continue development of the wind module from 30 to 50 percent completion and the flood module from 30 to 45 percent completion.
- Reported actual:
 - (1) 7 federal agencies received module, 700 copies were distributed nationwide, model available to all requestors, and 350 federal, state, and local managers trained.
 - (2) average 15-percent completion rate for the two modules.

(goal met)

M.2.1, Multihazard mitigation planning

- Fiscal year 1999 goal: provide and promote mitigation planning.
- Fiscal year 1999 measures:
 - (1) provide technical and procedural assistance to help states develop more effective multihazard plans;
 - (2) provide and promote planning grants for state and local governments to assess risks and identify high-priority mitigation activities, and
 - (3) provide a tool for implementing state and local mitigation planning programs.
- Reported actual:
 - (1) produced state mitigation planning checklist and developed procedural guidance;
 - (2) held mitigation workshops and a national all hazards conference; and
 - (3) produced and distributed the document *Planning for Post-Disaster Recovery and Reconstruction*.

(goal met)

M.2.2, Hazard mitigation standards

- Fiscal year 1999 goal: incorporate hazard mitigation standards into state operations.

Enclosure I

- Fiscal year 1999 measures:
 - (1) standards and performance measures for state mitigation programs will be developed in partnership with emergency management associations;
 - (2) FEMA regional offices will use standard criteria for review and approval of state mitigation plans;
 - (3) Hazards United States (HAZUS)-based reports reflect reduced annualized loss.
- Reported actual:
 - (1) revised Capability Assessment for Readiness (CAR) to include new standards and measures;
 - (2) CAR scheduled to be available to regions beginning January 2000; and
 - (3) no performance data provided.

(goal met)

M.3.1, Project Impact communities

- Fiscal year 1999 goal: increase the number of Project Impact communities in each state by at least one.
- Reported actual: increased number by about 70; however, no data on how many states added a community.

(goal met)

M.3.2, Mitigation information and mapping

- Fiscal year 1999 goal: increase the use and effectiveness of mitigation information and tools and reinvent the floodplain-mapping program.
- Fiscal year 1999 measures:
 - (1) facilitate the development and adoption of model building codes by states and communities;
 - (2) increase the percentage of Project Impact communities requesting and receiving FEMA's guidance, training, and/or technical support;
 - (3) complete 60 percent of work towards congressionally mandated review of community flood map needs and initiate action to improve floodplain mapping based on the availability of funds;
 - (4) complete five hurricane evacuation studies;
 - (5) implement criteria for digital mapping standards;
 - (6) complete congressionally mandated coastal erosion study; and
 - (7) develop a portfolio of products promoting appropriate mitigation planning and activities and distribute them through electronic and traditional media.
- Reported actual:

Enclosure I

- (1) standards developed;
- (2) 120 Project Impact communities have signed agreements with FEMA;
- (3) 100 percent complete for first 5-year cycle;
- (4) one hurricane evacuation study completed;
- (5) comments received from user groups on two graphic prototypes and an initial version of the digital database;
- (6) coastal erosion study scheduled for completion in January 2000; and
- (7) portfolio of mitigation-related products available electronically and through traditional media.

(goal not met)

M.3.3, State and community mitigation

- Fiscal year 1999 goal: support states and communities in their mitigation activities.
- Fiscal year 1999 measures:
 - (1) have results of state Capability Assessments for Readiness available;
 - (2) publish mitigation annex to State and Local Guide-101 (i.e., Guide for All-Hazard Emergency Operations Planning);
 - (3) publish model mitigation guidelines;
 - (4) include clear mitigation performance agreements in all 56 annual state and U.S. territories comprehensive agreements;
 - (5) include and emphasize mitigation materials the 1999 edition of *Compendium of Exemplary Practices in Emergency Management*;
 - (6) have mitigation modules in all 22 planned integrated emergency management courses; and
 - (7) offer 16 mitigation courses, 2 Emergency Education Network broadcasts on mitigation, and 1 independent study course.
- Reported actual:
 - (1) Capability Assessments for Readiness reviewed and revised;
 - (2) no performance data provided;
 - (3) no performance data provided;
 - (4) no performance data provided;
 - (5) published vol. IV of the *Compendium of Exemplary Practices in Emergency Management* with 34 replicable community initiatives;
 - (6) offered 23 courses with mitigation modules; and
 - (7) offered 42 mitigation courses, 10 network broadcasts on mitigation, and 2 independent study courses.

(goal not met)

M.4.2, Fire prevention

Enclosure I

- Fiscal year 1999 goal: educate the public on fire prevention.
- Fiscal year 1999 measures:
 - (1) increase use of public education material by 2 percent (30,601) and
 - (2) increase hotel/motel master listings by 10 percent (2,000).
- Reported actual:
 - (1) increased distribution by 35,598 and
 - (2) increased listings by 3,000.

(goal met)

E.1.1, Flood mitigation planning

- Fiscal year 1999 goal: 70 percent of the states and communities having received Flood Mitigation Assistance Program planning grants in fiscal year 1997 and fiscal year 1998 will have FEMA-approved flood hazard mitigation plans.
- Report actual: 55 percent of fiscal year 1997 grants have led to approved plans. Results for fiscal year 1998 grants expected in fiscal year 2000.

(goal not met)

GAO Observations on FEMA's Fiscal Year 1999 Actual Performance for the Key Agency Outcome of Prevent or Reduce Harm and Losses From Future Disasters Through Mitigation Efforts

This key outcome relating to preventing or reducing harm and losses from future disasters through mitigation addresses eight goals. FEMA met or exceeded performance for five of these goals. The goals for achieving this agency outcome generally provide an adequate indication of progress towards goals. Of the eight goals, all but one has measures that are based on accomplishing a specific number or percentage. However, most of the goals are output oriented, without referencing the expected results to be achieved with the attainment of the goal, rather than outcome oriented.

Seven of the eight goals have measures that are objective, measurable, and quantifiable. For example, increase the number of Project Impact communities in each state by at least one; increase from 40 to 60 percent the work completed towards review of community flood map needs; and increase the public's use of fire prevention-related education materials by 2 percent or 30,601. Some measures, however, are not very specific and, therefore, it is difficult to measure progress towards their achievement. For instance, the measures for the goal relating to providing and promoting mitigation planning do not provide a mechanism to establish progress towards completion. Neither the first measure (i.e., the provision of technical and procedural assistance to states) nor the second measure (i.e., provide and promote the use of planning grants) are measurable or quantifiable.

Enclosure I

Although FEMA was somewhat clear in articulating its performance goals for this agency outcome, it did not clearly articulate measures in half of the goals. For instance, one measure—availability of the HAZUS earthquake module for federal, state, and local use and its distribution to universities and appropriate agencies—did not identify a specific target for the number of entities that were to receive the module.

On the other hand, half of the goals had one or more measures that were clearly articulated. For example, there were specific measures to add at least one new Project Impact community in each state; complete five hurricane evacuation studies; and increase the number of hotel/motel master listings for facilities that meet fire safety standards by 10 percent (2,000) over the fiscal year 1998 baseline.

FEMA was somewhat credible in its attempt to provide assurances regarding its performance towards cited goals. However, for four goals the evidence it provided regarding its actual performance was not credible. For one goal's measure (i.e., provide and promote the use of planning grants) FEMA cited workshops and a national conference as actual performance. There was no mention of FEMA providing planning grants. Without specific defined measures and full reporting, it is difficult to determine the full extent to which this measure was met. In addition, several of the cited performances indicate the production or development of items but provide no indication as to whether that "guidance" was ever distributed to the states.

For a second goal in which the actual performance was not credible, no specific usable measure was provided regarding one measure (i.e., HAZUS-based reports reflecting reduced annualized loss). Also, it appears that another measure could not have been met because the standard criteria for regional offices to use in reviewing and approving state mitigation plans was expected in fiscal year 2000.

For a third goal (i.e., mitigation information and floodplain mapping), FEMA reported that it met 70 percent of the goal. Of the goal's seven measures, FEMA indicated that two measures would be completed in fiscal year 2000. Additionally, three measures appear to have been partially met. For example, the performance report indicates that new model building codes were developed but it does not indicate that states and communities have adopted them. Also, while FEMA reported that it met its target for reviewing floodplain maps, there is no indication that any actions were initiated to improve floodplain mapping (the second half of the measure). For another measure (implement criteria for digital mapping standards), reported actual performance suggests that criteria are in the comments' phase of development. For the fourth goal (i.e., supporting states and communities in their mitigation activities), performance data was not provided for three of its seven measures.

On the other hand, performance data on four of the goals did provide credible assurances that FEMA was making progress towards cited goals. For example, the measures of one goal, (i.e., increase use of education material on fire prevention and increase hotel/motel master listings) were specified as increases in numbers over baselines and actual performance achieved numbers that could be used as measures against the established goals.

As discussed above, FEMA's performance report did not include a summary of the findings and recommendations of any program evaluations completed or ongoing in fiscal year 1999.

Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome of Prevent or Reduce Harm and Losses From Future Disasters Through Mitigation Efforts

M.3.2, Mitigation information and mapping

- Fiscal year 1999 measures:
 - (1) adopt model building codes by states and communities;
 - (2) initiate action to improve floodplain mapping based on the availability of funds;
 - (3) complete five hurricane evacuation studies;
 - (4) implement criteria for digital mapping standards; and
 - (5) complete congressionally mandated coastal erosion study.

M.3.3, State and community mitigation

- Fiscal year 1999 goal: support states and communities in their mitigation activities.

E.1.1, Flood mitigation planning

- Fiscal year 1999 goal: 70 percent of the states and communities having received Flood Mitigation Assistance (FMA) planning grants in fiscal year 1997 and fiscal year 1998 will have FEMA-approved flood hazard mitigation plans.

GAO Observations on FEMA's Unmet Fiscal Year 1999 Performance Goals and Measures for the Key Agency Outcome of Prevent or Reduce Harm and Losses From Future Disasters Through Mitigation Efforts

Three of the eight goals supporting this agency outcome were unmet. FEMA did not provide an explanation for not achieving the unmet measures in any of these goals. Although five of seven measures for one goal were not completed, no explanation was given for any of those unmet measures. For example, one measure called for the completion of five hurricane evacuation studies, of which only one was completed, "leaving the remaining four studies to be completed in fiscal year 2000." Although it was noted that the data from the incomplete studies were available to state and local governments, no reason was given for not meeting this goal. For another measure, FEMA stated that it made significant progress towards meeting the measure and noted that two graphic prototypes and an initial database were distributed and comments were received from user groups. However, FEMA offered no explanation for not having achieved this measure. Other than noting that several measures would be completed during fiscal year 2000, no plans, actions, or time frames for achieving this goal were given.

Enclosure I

FEMA did not provide evidence to indicate that three of the seven measures in the second goal were met. It offered no indication as to whether it published the mitigation annex to the state and local guide or the model mitigation guidelines. In addition, there was no specific reference indicating whether or not all "comprehensive agreements" included "clear mitigation performance agreements" as required by one of this goal's measures.

The third goal had a specific measure of 70 percent of the states and communities having received Federal Mitigation Assistance planning grants in fiscal years 1997 and 1998 will have FEMA-approved flood hazard mitigation plans." FEMA did note that there was a "2-year performance period" for such planning grants, implying that there should have been no expectation that states and communities that received grants in fiscal year 1998 would have approved flood hazard mitigation plans. However, FEMA failed to meet the established goal for fiscal year 1997 grants having approved plans in 55 percent of those states. FEMA noted that considerable emphasis had been placed on working with state and local governments to identify and list repetitive loss properties and those lists would serve as the basis for state plans. In addition, the goal was revised from 70 percent of states and communities with Federal Mitigation Assistance have approved flood hazard mitigation plans to "the majority of state governments and participating Project Impact communities [having] identified mitigation activities."

Fiscal Year 2000 Performance Goals and Measures for the Key Agency Outcome of Prevent or Reduce Harm and Losses From Future Disasters Through Mitigation Efforts

M.1.2, Hazard assessment tools

- Fiscal year 1999 goal: develop new or improve existing assessment tools for evaluating the nation's vulnerability to natural hazards was revised.

M.2.1, Multihazard mitigation planning

- Fiscal year 1999 goal: provide and promote mitigation planning was rewritten with three measures.

M.2.2, Hazard mitigation standards

- Fiscal year 1999 goal: incorporate hazard mitigation standards into state operations was not brought forward to the fiscal year 2000 plan.

M.3.1, Project Impact communities

- Fiscal year 1999 goal: increase the number of Project Impact communities in each state by at least one, was revised to reflect new targets.

M.3.2, State and community mitigation

- Fiscal year 1999 goal: support states and communities in their mitigation activities was revised to reflect new and modified measures.

M.3.3, Mitigation information and mapping

- Fiscal year 1999 goal: increase the use and effectiveness of mitigation information and tools and reinvent the floodplain-mapping program was rewritten with five new measures.

M.4.2, Fire prevention

- Fiscal year 1999 goal: educate the public on fire prevention was revised with new targets (numbers and percentages to be achieved).

E.1.1, Flood mitigation planning

- Fiscal year 1999 goal: 70 percent of the states and communities having received Flood Mitigation Assistance planning grants in fiscal years 1997 and 1998 will have FEMA-approved flood hazard mitigation plans was revised to a single measure with two targets.

GAO Observations on FEMA's Fiscal Year 2000 Planned Performance for the Key Agency Outcome of Prevent or Reduce Harm and Losses From Future Disasters Through Mitigation Efforts

All eight goals supporting this agency outcome were revised or updated between fiscal years 1999 and 2000. However, with two exceptions, FEMA did not give reasons for variations between its fiscal years 1999 and 2000 measures, nor did FEMA offer an assessment of the effect of its fiscal year 1999 actual performance on its fiscal year 2000 estimated performance. In one of the cases where an explanation for revising the goal was offered, FEMA noted that the goal was changed to base performance on actual expenditure of funds rather than the allocation of funds to develop new or improving existing assessment tools for evaluating the nation's vulnerability to natural hazards. In the other case where an explanation was provided (i.e., 70 percent of the states and communities receiving Federal Mitigation Assistance planning grants will have FEMA-approved flood hazard mitigation plans) the goal was revised to a single measure with two targets, the first calling for the majority of states and Project Impact communities to have identified mitigation activities, and the second streamlining the delivery of grants. The explanations for these changes were provided in notes to the fiscal years 1999 and 2000 estimated performance documentation.

FEMA made numerous revisions to three goals supporting this agency outcome. One goal (i.e., provide and promote mitigation planning) was rewritten with three measures instead of the two it had in fiscal year 1999. Two others (i.e., support states and communities in their mitigation activities and increase the use and effectiveness of mitigation information and tools and reinvent the floodplain mapping program), which had seven measures in the fiscal year 1999 plan were revised with three and four measures respectively. However, no explanation for any of the revisions was provided. In addition, FEMA changed the targets (numbers or percentages) to be achieved by two goals (i.e., increase the number of Project Impact communities in each state and educate the public on fire prevention) to reflect new higher goals in fiscal year 2000. Finally, without an explanation of why it was dropped, one goal (i.e., incorporate hazard mitigation standards into state operations) was not brought forward to the fiscal year 2000 plan.

It is important to note that in assessing FEMA's fiscal year 2000 performance plan, GAO cited a reduction in the number of annual performance goals as an improvement in the agency's plan. The number of goals was reduced from 60 in its fiscal year 1999 plan to 31 in its fiscal year 2000 plan. We believe this reduction in performance goals helps to focus attention on FEMA's more critical priorities.

Enclosure I

Fiscal Year 2001 Performance Goals and Measures for the Key Agency Outcome of Prevent or Reduce Harm and Losses From Future Disasters Through Mitigation Efforts

M.1.2, Hazard assessment tools

- Fiscal year 1999 goal: develop new or improve existing assessment tools for evaluating the nation's vulnerability to natural hazards was revised in the fiscal year 2001 plan.

M.2.1, Multihazard mitigation planning

- Fiscal year 1999 goal: provide and promote mitigation planning was rewritten from three to six measures and incorporated into Goal M.2.2.

M.2.2, Hazard mitigation standards

- Fiscal year 1999 goal: incorporate hazard mitigation standards into state operations was not included in the fiscal year 2001 plan.

M.3.1, Project Impact communities

- Fiscal year 1999 goal: increase the number of Project Impact communities in each state by at least one was incorporated as the fourth measure in Goal M.2.2 (as brought forward from Goal M.2.1).

M.3.2, State and community mitigation

- Fiscal year 1999 goal: support states and communities in their mitigation activities was incorporated into four measures in Goal M.1.1 and one measure in Goal M.2.2.

M.3.3, Mitigation information and mapping

- Fiscal year 1999 goal: increase the use and effectiveness of mitigation information and tools and reinvent the floodplain-mapping program was incorporated as three measures in Goal M.2.4.

M.4.2, Fire prevention

- Fiscal year 1999 goal: educate the public on fire prevention was incorporated as two measures in Goal P.3.2.

E.1.1, Flood mitigation planning

- Fiscal year 1999 goal: 70 percent of the states and communities having received Flood Mitigation Assistance planning grants in fiscal year 1997 and fiscal year 1998 will have FEMA-approved flood hazard mitigation plans was incorporated into the newly created Goal MP.1.1.

GAO Observations on FEMA's Fiscal Year 2001 Planned Performance for the Key Agency Outcome of Prevent or Reduce Harm and Losses From Future Disasters Through Mitigation Efforts

Although seven of the eight key goals supporting this agency outcome were revised in the fiscal year 2001 plan, FEMA did not provide reasons or explanations for any of the

Enclosure I

variations. The most common change was the incorporation of measures from four fiscal year 2000 goals, into different goals for fiscal year 2001. In fact, six of the eight goals were incorporated into other goals in the fiscal year 2001 plan. In one case, the measures in one goal were split into two separate goals.

The second most frequent change was to increase the targets (numbers and percentages) to be achieved in fiscal year 2001. This occurred in measures of three of the goals supporting this agency outcome, including one that was incorporated into a different goal. However, explanations were not offered to support revising measures or incorporating them into other goals. One goal was defined as not applicable in fiscal year 1999 and not carried forward to fiscal year 2000 or fiscal year 2001. Another measure was revised, without reason or explanation, from "development of the wind and flood module" to "average annualized loss statistics available...for mitigation planning." FEMA stated that the new information "aids planners by directing attention to historic data." However, it did not explain why it changed from the development of wind and flood modules to making statistics available to federal, state, and local governments.

Observations on the Federal Emergency Management Agency’s Efforts to Address Its Major Management Challenges

The following table identifies the major management challenges confronting the Federal Emergency Management Agency (FEMA). The first column lists the management challenges identified by our office and FEMA’s Inspector General (IG). The second column discusses what progress, as discussed in its fiscal year 1999 performance report, FEMA has made in resolving its major management challenges. The third column discusses the extent to which FEMA’s fiscal year 2001 performance plan includes performance goals and measures to address the management challenges that we and FEMA’s IG identified.

Major management challenge	Progress in resolving major management challenge as discussed in the fiscal year 1999 performance report	Applicable goals and measures in the fiscal year 2001 performance plan
<p>Addressing the Urgent Year 2000 Computing Challenge: Our January 1999 high-risk series update emphasized that resolving the Year 2000 (Y2K) computing problem was the most pervasive, time-critical risk facing federal agencies.</p> <p>(A January 1999 FEMA Inspector General report also identified this area as a concern.)</p>	<p>FEMA’s performance report stated that it attained year 2000 compliance for critical and noncritical systems and met all year 2000 compliance deadlines and delivered the requisite reports, business continuity plans, and day-one plans to OMB and Congress.</p>	<p>Not applicable because it is no longer deemed a major management challenge.</p>
<p>FEMA needs to establish that information security issues have been addressed within the agency.</p>	<p>The performance report did not address this issue, but on one specific security issue FEMA noted that it stopped almost all viruses before they reached its networks and systems.</p>	<p>Two of three annual performance goals under FEMA’s third strategic goal identify security-related performance measures that address recording intrusions through the Internet firewall and improving virus detection procedures.</p> <p>The performance plan also states that FEMA’s IG is currently auditing FEMA’s security management program.</p>
<p>Other areas identified by the FEMA IG:</p>		
<p>FEMA needs to find ways to reduce federal disaster assistance costs which have grown over the past decade.</p>	<p>FEMA’s performance report discusses a number of ways that the agency is reducing the costs of federal disaster assistance. For example, FEMA reported that various cost-saving measures—such as recycling items used at disaster field offices—resulted in almost \$22 million in avoided costs. The report also cited Project Impact, which assists communities in becoming more resistant to disasters, thus potentially reducing the need for federal assistance with future disasters.</p>	<p>All three of FEMA’s strategic goals have performance goals and measures that address disaster assistance costs. For example, FEMA’s third strategic goal includes a performance goal directed at improving the efficiency of its provision of services, while the first strategic goal includes a number of performance goals that are directed at mitigating future damages, thus reducing costs. These goals include specific efforts to enhance mitigation within the nonfederal public sector and</p>

Enclosure II

		private sector and they include measures, such as developing a strategy that will promote the local adoption of international building codes. Other measures include a 10-percent reduction over the fiscal year 2000 baseline of the total dollar value of assets remaining at closed disaster field offices.
Clear, documented criteria for presidentially declared disasters are lacking.	The performance report does not address this issue. However, FEMA published criteria for disaster declarations in September 1999 and FEMA's IG is satisfied that FEMA has addressed its concerns about the criteria.	None.
The emergency management culture needs to change from one that reactively responds to disasters to one that proactively assists communities in avoiding future damages and loss of life by emphasizing mitigation efforts.	FEMA's performance report mentions a number of efforts to emphasize a proactive approach to disasters. FEMA's Project Impact initiative works with communities to make them more resistant to disasters. The agency is conducting public fire education and awareness activities, training, research and technology efforts, and data collection and analysis, to help reduce losses from fires and related emergencies. Additionally, the agency is working to increase the public's awareness of flood hazards and the opportunities for mitigating losses.	Strategic goal 1 includes a number of performance goals and supporting measures that are directed at expanding FEMA's, other agencies', states', communities', and private sector mitigation efforts. For example, one goal addresses working with other federal agencies on a consistent federal mitigation policy and it includes a measure to formalize cooperative agreements with five other departments or agencies. Other goals call for providing incentives and support to the nonfederal public sector to increase disaster resistance and increasing private sector involvement in disaster resistance efforts. The goals include such measures as increasing the number of Project Impact communities to 200 and developing a strategy to promote the adoption of building codes.
FEMA needs to ensure the financial soundness of the National Flood Insurance Program (NFIP), which continues to carry debt.	FEMA's performance report discusses a number of studies and initiatives to help ensure the financial soundness of the NFIP. For example, studies of alternate financing methods for the program and the economic impact of eliminating subsidies for some flood insurance policyholders were completed. Initiatives, such as an effort to address properties with repeated flooding losses, were also noted.	FEMA established a number of 5-year operational objectives to modernize the operations of the NFIP and help enhance the program's financial soundness and equity. The objectives include broader initiatives intended to assess the impact and the effectiveness of the program and more specific initiatives, such as one that targets the reduction of repetitive flood losses in floodplains. One goal's performance measure involved making new projections to determine the program's historical average loss-year levels.
FEMA's ability to measure state grant performance and capability is limited. This ability is important because it could influence decisions on grant funding.	FEMA's report identifies that at least one staff person in each region is responsible for managing disaster grants, including analyzing state financial status reports. The agency has also conducted regional training on such issues as cash management and the monitoring of state recipients of funding.	FEMA's plan includes several performance goals that are focused on building the states' disaster response capabilities. One goal identifies using national baseline data from the capability assessment for readiness report to determine the level of emergency capability of states and localities and their progress in addressing their weaknesses. This goal's performance measure involves a

Enclosure II

		comparison of the progress made since the fiscal year 1998 baselines were established.
FEMA reports that the majority of the agency's flood hazard maps depicting 100- and 500-year floodplains are no longer accurate. These maps are important because they influence flood insurance needs and whether flood mitigation measures are used in communities.	The performance report discussed the agency's completion of the first 5-year cycle of review of community flood map needs. The agency also cited significant progress in developing new standards for the digital mapping of floodplains. However, it was unclear as to the extent to which the maps had been made more accurate.	The plan contains an annual performance goal for increasing the availability and the effectiveness of natural hazards information. The goal's strategies include efforts to improve FEMA's flood hazard-mapping program and performance measures, such as producing 3,000 updated flood-hazard map panels in digital format.
FEMA needs to improve financial management, accounting, controls, and reporting systems to fully support management decision-making.	The performance report mentions that FEMA's fiscal year 1998 consolidated financial statements were prepared for all activities and that it received an unqualified opinion from independent auditors. FEMA also has been working on an activity based costing methodology for use in its financial decision-making.	FEMA's plan includes an annual performance goal under its third strategic goal that addresses achieving the objectives of the agency's financial management status report and 5-year financial management plan. The performance measures include obtaining an unqualified audit opinion on financial statements and timely preparation, submission, and distribution of financial management reports.
FEMA needs to implement and maintain information systems that improve the agency's ability to manage its programs and operations.	FEMA's performance report discussed a number of areas in which information systems were used to capture performance information to help manage programs and operations. For example, the National Emergency Management Information System (NEMIS) is in use for over 40 major disasters and has exceeded 80 percent autodetermination of the disaster assistance claims in flooding and hurricane disasters. Also, NEMIS' optical imaging services make documents available to caseworkers within hours of receipt rather than days. Additionally, the U.S. Fire Administration transitioned 20 states to the enhanced data system that supports fire programs.	The plan contains several annual performance goals and related measures, including goals to direct NEMIS' remaining development activities and to operate a logistics program that provides timely and cost-effective resources to support the hazards emergency management mission of FEMA. The performance indicators include maintaining the fiscal year 2000 baseline of 97 percent on-time delivery of disaster assets.
FEMA needs to ensure that grantees use grant funds effectively, efficiently, and economically.	The performance report mentions that it is implementing recommendations contained in FEMA's grants management study. Although improvements are still needed, due to these and other initiatives, FEMA's IG is satisfied that FEMA is making a concerted effort to improve its grant management capability.	FEMA's plan includes an annual performance goal under the third strategic goal that addresses achieving the objectives of the agency's financial management status report and 5-year financial management plan. One of the performance measures is to implement the recommendations of the agency's grants-management improvement initiative within agreed-upon time frames. Additionally, the plan contains an annual performance goal that discusses the states' strategic goals and priorities, but it is not clear how this goal will help to better manage grant funding.

Enclosure II

<p>FEMA needs to develop or modify evaluation systems to capture necessary performance data.</p>	<p>The agency discussed a number of evaluation systems that it is using to capture performance information for its various programs. For example, FEMA's disaster field operations evaluation systems provide management information that assists the agency's efforts to improve the delivery of disaster assistance. Additionally, the performance report discusses the agency's development and implementation of a quarterly GPRA reporting system that measures progress toward FEMA's annual goals.</p>	<p>One of the performance goals under the plan's third strategic goal includes a performance measurement indicator that refers to quarterly program evaluations of GPRA performance. Additionally, the increasing use of baselines for measuring future progress in reaching a number of the plan's goals demonstrates that FEMA is getting better at capturing performance data.</p>
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Comments From the Federal Emergency Management Agency



Office of the Director
Federal Emergency Management Agency
Washington, D.C. 20472

JUN 14 2000

Stanley J. Czerwinski
Associate Director, Housing and Community
Development Issues
United States General Accounting Office
Washington, DC 20548

Dear Mr. Czerwinski:

Thank you for giving The Federal Emergency Management Agency (FEMA) the opportunity to comment on the GAO draft critique of FEMA's FY 1999 Annual Performance Report (Report) and FY 2001 Annual Performance Plan (Plan).

FEMA's FY 1999 Report reflects the agency's first efforts at annual performance planning and was very ambitious. With good intent, the agency set goals expecting that baselines and quantifiable measures would be achievable. Nonetheless, as GAO's comparison with the FY 2001 Plan indicates, we have reset our sights based on our FY 1999 performance efforts and anticipate that each subsequent year will show a stronger and more outcome-oriented Plan. The constructive criticism we have received from GAO and others will certainly be considered as we develop future Plans.

We have only one correction to make to the draft report: (Page 5, end of first continued paragraph). The goal of institutionalizing a formal GPRA-goal-achievement tracking system (E.14.1) remains in the Office of Policy and Regional Operations. It was the environmental review system goal (E.16.1) that was deleted when this function was moved to the Mitigation Directorate mid-year and after current-year goals had been established for that Directorate.

In response to earlier recommendations by GAO and OMB to streamline its Plan, FEMA reduced its goals during FY 1999 by collapsing its 16 efficiency goals into 2 goals and making the other efficiency goals into performance measures. This was reasonable as the outcome of all was to provide a more efficient service to the public. As the Office of Financial Management had several of the original efficiency goals, it was assigned its own goal; all other agency efficiency goals were combined into the second goal. This caused considerable reduction in goal numbers but made tracking in the out-years more complex. FEMA acknowledges that a more complete explanation of such changes would have facilitated analysis.

Enclosure II

GAO noted changes to performance measures that generally reflected progression toward the 5-year operational objectives found in both the strategic plan and the annual performance plans. Because this was the first year of collecting data and there are five years to achieve an objective, several organizations chose to leave measures that were met or missed until they could be sure that an achievement trend was being established. The final FY 2002 plan should show adjustments as organizations feel they are required.

In addition, as FEMA continues to work toward outcome goals, it will, through reduction of operational goals, continue to have changes in the goal numbering that may appear confusing. The goals are numbered consecutively, and dropping some resets the numbers of others. The extensive crosswalk in, for example, the FY 2001 Plan attempts to facilitate tracking and to briefly explain that a clearer focus on outcome has removed some operational goals from the Plan.

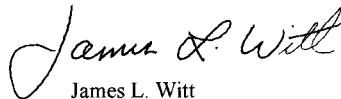
Such changes are a result of FEMA's progress in developing Plans. It is FEMA's eventual goal to revise its agency Plans to a very few outcome-oriented, quantitative goals and to develop a second-tier planning effort that continues the more operational Plans that have been developed thus far.

FEMA is currently developing an evaluation system that could be applied to program activities related to GPRA goals. This will supplement our current quarterly GPRA performance reporting system now used by senior staff to assess achievement toward annual goals. A list of additional evaluations for the current year will be included in our FY 2000 Report. As funds are available, evaluations, including business practice re-engineering studies, will be undertaken and acknowledged in the future.

External verification and validation of data also depend largely on funding resources that currently are unavailable for most of FEMA's goals. As FEMA produces a smaller, more outcome-oriented Plan with quantifiable measures, it is hoped that additional funding for verification and validation will be provided.

We will continue to discuss our planning efforts with the Hill, OMB, and GAO and believe that FEMA will succeed in producing a clear, informative Plan that reflects its deep commitment to its mandates and to the public it serves.

Sincerely,



James L. Witt
Director

(385849)