

**2011 SPRING STORMS: PICKING UP THE  
PIECES AND BUILDING BACK STRONGER**

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**HEARING**

BEFORE THE

AD HOC SUBCOMMITTEE ON DISASTER RECOVERY  
AND INTERGOVERNMENTAL AFFAIRS

OF THE

COMMITTEE ON  
HOMELAND SECURITY AND  
GOVERNMENTAL AFFAIRS  
UNITED STATES SENATE

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## 2011 SPRING STORMS: PICKING UP THE PIECES AND BUILDING BACK STRONGER

TUESDAY, JULY 19, 2011

U.S. SENATE,  
AD HOC SUBCOMMITTEE ON DISASTER RECOVERY  
AND INTERGOVERNMENTAL AFFAIRS,  
OF THE COMMITTEE ON HOMELAND SECURITY  
AND GOVERNMENTAL AFFAIRS,  
*Washington, DC.*

The Subcommittee met, pursuant to notice, at 2:34 p.m., in Room SD-342, Dirksen Senate Office Building, Hon. Mark L. Pryor, Chairman of the Subcommittee, presiding.

Present: Senators Pryor, McCaskill, and Paul.

Also present: Senators Cochran, Blunt and Boozman.

### OPENING STATEMENT OF SENATOR PRYOR

Senator PRYOR. I am going to call our Subcommittee to order. I want to thank my colleagues who are either here or who are on the way. We are just finishing the various caucus lunches, and it sounds like we have several people heading over here.

What I would like to do is thank all of you for being here today. I know that this is a very busy time for everyone and I really appreciate you coming here and spending your day with us.

We are here to assess the progress being made in recovering from this spring's devastating tornados, storms, and floods. We will also discuss how to pick up the pieces from these recent disasters and build back better.

The panelists we have convened here today represent some of the States and communities that were the hardest hit by these events. I would like to start by thanking them for taking time to be here. You have had your hands full, and have had a lot of tough work back home to do. We appreciate your public service, your expertise, and all the things that you are doing for your home States and also for the Nation.

Today's witnesses will provide us with a better understanding of the disasters' impact on communities and economies. We hope to get a better understanding of the collaboration and communication across all levels of government and the private sector, and get insights into how individuals and businesses are picking themselves back up and restoring their communities.

This was an especially tough spring for my State of Arkansas, as it has been for many others, and the fight is not over yet. There are currently in our State two active disasters with 60 of the State's 75 counties eligible for Federal assistance. Beginning in

April, historic flooding affected over 1,000 homes and completely destroyed 130. Nineteen people were killed and many are still homeless.

Before my constituents got the chance to assess the full scope of the damage, a series of devastating tornados tore through two Arkansas counties, killing eight people, damaging and destroying nearly 400 homes, and causing an estimated \$4 million in damages.

Unfortunately, the situation I have described is not unique to Arkansas. The Federal Emergency Management Agency (FEMA) and the President have declared 53 major disasters this year, and each one represents the same emotionally devastating loss of life and property, expensive damages to small businesses and critical infrastructure and costly disruptions to an already fragile State and local economies.

Recovering from a major disaster is expensive. In these challenging economic times, the impact of repetitive disasters threatens the fiscal health of State and local governments. We cannot rely on the Federal Government to fill the gaps left by insufficient State and Federal funds. We are all facing tight budgets and difficult spending decisions, and FEMA is not immune to this reality.

In addition to a tighter budget for its day-to-day operations, the scope and frequency of major disasters has led to the projected \$3 billion shortfall in FEMA's disaster relief fund. In light of these economic realities, we must ask ourselves how we can do more with less and how we can improve the efficiency of our response and recovery efforts in the wake of these disasters. Moreover, how can we build back smarter, stronger, more resistant and resilient to future storms, tornados, and flooding?

We are all familiar with the facts about mitigation. For every one dollar invested in mitigation, four dollars is saved. Mitigation creates safer communities by reducing the loss of life and property, while also lessening the financial impact on Federal, State, and local governments. Effective mitigation projects such as tornado shelters and safe rooms can also improve evacuations when a community is struck by disaster.

Again, I want to thank all of my colleagues for being here today and I would like to turn it over to Senator Paul for an opening statement.

#### **OPENING STATEMENT OF SENATOR PAUL**

Senator PAUL. Thank you. Good afternoon. I would like to thank all of you for coming today and thank Chairman Pryor for having these hearings. I have great sympathy and condolences for those from Joplin for the horrible disaster there. Our State has also been hit by storms, not to such a great extent, but we have had storms recently and flooding in Kentucky and have had declaration of a disaster area.

In today's hearings, I think it is important for us to learn a lesson from these recent storms. One of the lessons, I think, may be that we get involved in so many routine storms that maybe we do not have enough money when we have truly catastrophic storms. I think that may be one of the lessons of Hurricane Katrina.

Like Senator Pryor, I think there have been increasing numbers of declarations of disaster, and it is kind of hard to be against declaring disaster, so we always declare disaster. And I think not every disaster is created equally.

There are catastrophes like Hurricane Katrina or like what happened in Joplin, and then there are some other disasters that people need help with, but the question is, can the Federal Government keep doing it? Does the Federal Government have enough money to keep supplying endless amounts of money through FEMA?

The President has requested large increases in the budget and the President has requested \$46 trillion worth of spending over the next 10 years. Unfortunately, we do not have \$46 trillion. That will add \$11 trillion to our debt. So we do have to make difficult choices, and even in things where people are in need, we have to decide, can we take care of every natural occurrence that goes on, or should we be reserving, the Federal Government's involvement for the catastrophic times when entire communities are wiped out and need help like Hurricane Katrina or in Joplin's case.

But I welcome these hearings and I look forward to learning more from the panel.

Senator PRYOR. Thank you, Senator Paul. I was planning on going to the panelists and letting them give their opening statements. I would like each one of these witnesses to just take 5 minutes, or hopefully less, on your opening statement.

Again, I want to thank all of you all for being here. I am going to do a very brief introduction. We have one panelist, Mr. O'Brian, who needs to catch a flight before the hearing ends, so we will try to direct our early questions to you, if that is possible.

But what I would like to do is go ahead and introduce all five together, and then we will start with you, Mr. Serino. The Honorable Richard Serino is Deputy Administrator at FEMA. He will discuss FEMA's role in assisting State and local governments in their recovery efforts.

Next is the Honorable Chris Masingill. He is the Federal Co-Chairman of the Delta Regional Authority (DRA), which operates in the area that we are going to talk about today. Next is David Maxwell. He is the Director of the Arkansas Department of Emergency Management (ADEM). You have been here many times before. We thank you again for being back.

Next is Mike Womack. He is the Director of the Mississippi Emergency Management Agency (MSEMA). You have had your hands full so thank you for being here. Our fifth witness is Mr. Rob O'Brian. He is the President of the Joplin Area Chamber of Commerce (JACC). We certainly have been pulling for you and your community very strongly.

We have a timing system. If you could keep an eye on that, and if you could keep your opening statements to 5 minutes each, that would be great. Mr. Serino.

**TESTIMONY OF HON. RICHARD SERINO,<sup>1</sup> DEPUTY ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY, U.S. DEPARTMENT OF HOMELAND SECURITY**

Mr. SERINO. Thank you, Chairman Pryor, Senator Paul, distinguished Members of the Subcommittee. It is a pleasure to be here today representing FEMA, and also to discuss our response and our recovery efforts during the recent severe storms.

As I have mentioned, I had the opportunity to be in many of these disaster areas shortly after they happened, sometimes within hours. In Georgia, when the tornados went through, the next day in Mississippi, spent some time with Mike looking at the areas, back in D.C., then in Alabama for awhile, both in rural as well as in Tuscaloosa, and then unfortunately, just a few weeks later, on the ground in Joplin within literally hours after the tornado went through Joplin. And most recently, about a couple of weeks ago, up in Minot, North Dakota with the floods that are happening there.

Through that period of time, one of the things that I have been able to see is not only FEMA's response, but also really the whole community response that we have seen throughout the areas. The work that has been done by the people on the ground, both Dave and Mike and the people that they work for, as well as the Governors and the mayors and the first responders, the police officers, the firefighters, the emergency medical technicians (EMTs), have saved lives.

And I think that is probably one of the most important things, is the work that they have done on the ground has saved lives. And some of the mitigation efforts, especially an example is in Minot, North Dakota, is the levees and the temporary levees and the flood fight that they put up with 5,000 structures literally under water and 4,000 homes under water, no lives were lost. I think that is important to note, that the work that people did, in this example, no lives were lost through mitigation efforts.

The whole community, as Administrator Fugate says time and time again, is not just the government, not just FEMA, not just the Federal Government, the State government, the local government, the tribes, but it is also bringing together the non-profit organizations. It is bringing together the faith-based community. I will have some examples of that I will touch on a little bit later.

Also, the great work that the private sector has done during some of these disasters that have struck. And probably the most important part of the team is the public and what they have been able to do. This is not something that FEMA is the lead on.

Somebody asked me a question, I think in Joplin, How is FEMA going to be able to respond to all this? And if it was just FEMA, we would not be able to. It is really about bringing the whole team together, the folks that I mentioned. There are examples after examples.

In Joplin, for example, looking at what the faith-based community was able to do, the Southern Baptists were cooking food to be distributed in a Red Cross shelter, delivered by Red Cross people in a Red Cross shelter, as well as Salvation Army shelters, to help thousands and thousands of people.

<sup>1</sup>The prepared statement of Mr. Serino appears in the appendix in page 39.



Things that, as the government is working together as part of the team, is very important to bring together all members of that team. I look forward to answering any questions as we go forward, and in the interest of time, I will stop there.

Senator PRYOR. Thank you. I see that we have been joined by Senator Boozman. We would like to ask Senator Boozman to come and have a seat up here if you would like to. Thank you very much for joining us, Senator Boozman. Mr. Masingill.

**TESTIMONY OF HON. CHRISTOPHER MASINGILL,<sup>1</sup> FEDERAL CO-CHAIRMAN, DELTA REGIONAL AUTHORITY**

Mr. MASINGILL. Thank you, Senator Pryor. Thank you, Members of the Subcommittee, my fellow panelists. Senator, again, thank you for the opportunity to be with you today and share a different perspective with my role as the Federal Co-Chair of the Delta Regional Authority, which comprises 8 States, 252 counties and parishes, and approximately 10 million people in our region.

During the month of April, the Mississippi River Basin received 600 percent of its annual rainfall in a 3-week period. This unprecedented amount of rain would lead to a flood of historic proportions along the Mississippi River and tested a levee system that protected millions of families in the Delta as never before.

In late April and early May, the Governors of the States along the river declared states of emergency to prepare for the impending flood and Deltans began making preparations to protect their lives, homes, and properties as best they could.

Over the next 2 weeks, the Mississippi River rose to levels unseen since the 1927 flood, and in many locations, surpassing those levels by several feet. The high water forced the Army Corps of Engineers to make the difficult decision to breach the New Madrid levee system at Birds Point, Missouri, and later opening the Morganza spillway in Louisiana.

Throughout the ordeal, the Corps of Engineers and local level districts worked tirelessly to inspect, maintain, and repair any levee issues that arose. Throughout their diligence and hard work, the levee systems as designed and no failures of main line levies occurred. Unfortunately, the levies along many of the tributaries of the Mississippi did not fair as well.

Due to the massive quantities of water flowing down the main river channel, as well as the significant rainfall across the region, many of the numerous rivers, lakes, and streams that feed into the main river channel were unable to drain and left their banks to overtop or break the levies that were designed to contain them.

The backwater flooding that resulted was the cause of the majority of the flood damage to many of the DRA States. While a number of our member States were struck by devastating tornados for which the DRA offered its support and assistance, the majority of the damage in the DRA territory caused by these storms manifested itself in this flooding that I just mentioned. So my statements will primarily, Senator, focus on that event.

Throughout the disaster, DRA attempted to maintain two-way communications with local, State, and Federal partners to the full-

<sup>1</sup>The prepared statement of Mr. Masingill appears in the appendix on page 48.

est extent possible. We saw great work from our Federal partners and local partners, and in the course of trying to maintain these communications, did develop and hear and collect some unique challenges and feedback that I would like to share.

The significant loss in our agriculture production is a serious challenge facing our region. Agriculture is one of the leading industries in the Mississippi Delta and as a result of the flooding of a large percentage of that farmland, producers and others in an Agriculture-related industry are facing significant economic burdens.

Additionally, the efficiency of the response, the public outreach and information sessions that were held across the region by FEMA and the Small Business Administration (SBA) were very well attended and received. There were numerous avenues used to access those who had been flooded to ensure that there was sign-up for appropriate programs and aware of the assistance for which they were qualified.

FEMA and SBA representatives are still manning stations at home, improvement and hardware stores across the region assisting with disaster filing processes. The Corps of Engineers also received high praise from numerous entities across the region.

However, overall local opinion seemed to feel that the Federal response was well-managed, but there are areas of concerns and a few things, complaints, that I would like to stress. One, the first touch on government contracting process. With so many displaced workers in the region, residents were displaced and displeased to see contracts being awarded by FEMA to companies located outside of the disaster-affected State.

While it is understood that the urgency of the response necessitates FEMA having pre-negotiated contracts, we would like to see the recovery phase of long events allow for more local participation, particularly like through our local planning and development districts.

Second, the DRA has heard suggestions that groups assisting with recovery might adopt additional processes and plans to set up response tents by need, not necessarily by agency. When families in Poplar Bluff or Sikeston or New Madrid had questions about housing, the answers were often sufficient, but somewhat incomplete, and that answer might be determined by which government agency, like the U.S. Department of Agriculture (USDA), RD, or Non-Governmental Organizations (NGO's) like the Red Cross, an applicant visited first.

Comprehensive coordination between the government and relief organizations during a relatively quiet time might allow each of us to do a better job on this front. DRA would be willing to help with that.

Third, States have noticed that the rapid pace with which individual assistance was granted was not matched by the equal, rapid public assistance response. We all recognize that while housing needs addressed throughout individual assistance are important, public assistance programs designed to help counties, States, and non-profits repair their public infrastructure are particularly important to the Mississippi Delta region.

Finally, the DRA heard information concerning the mitigation activities undertaken by private residents and businesses. Under

FEMA and SBA guidelines, residents and businesses that were flooded are eligible for assistance either through grant or loan mitigation funding to prevent damage from adverse weather events.

States have noticed numerous citizens and businesses spent their own money to build levies around their property, new equipment and furniture, relocate livestock, et cetera. Despite the fact that these precautions prevented more claims for Federal disaster aid, these mitigation activities are not eligible for any type of Federal assistance in the form of a grant or a loan.

Alternating this regulation could have the added benefit of saving the Federal Government money without burdening property owners with significant costs for protecting their property.

A couple of quick recommendations. Communications between agencies, State government, and locals can always be improved upon during and after our after-action. Instituting a task force approach to communication between all involved parties allows everyone to be on the same page, have the same information, and a clear understanding of the mission at hand.

One particular note. In dealing with long-term recovery, the DRA strongly emphasizes my Federal partners to look at the work with small businesses and the business and industries as a whole for whom a disaster could mean a loss of income, job reduction, elimination, and even foreclosure.

Although the SBA did a great job publicizing its disaster loans to the public, we feel that a stronger emphasis on spreading that information on their Economic Injury Disaster Loans (EIDL) as a life support for many of our small businesses.

At that same token, finally, in keeping with the small business theme, in disaster situation, it is important that we as government think about how best to coordinate responses and stronger ways for our businesses and industries to get them up and running again as quickly as possible.

As a model, I would suggest us all to study the Louisiana Business Emergency Operations Center (LA BEOC), a joint partnership between the Louisiana Economic Development, the Governor's Office of Homeland Security and Emergency Preparedness, the National Institute Management System and Advanced Technology Institute, and the Stephenson Disaster Management Institute.

This program works with businesses to improve their disaster preparedness, improve communication with business and industries before, during, and after disaster events; rapidly develops sound economic impact estimates—which is an issue that we are dealing with now in this disaster—to support decisions making a request for business assistance; help coordinate response effort; help coordinate post-disaster economic recovery.

During this recent round of spring storms, the Mississippi Delta small business owners would certainly have, I think, benefited with a coordinated system of this nature to help them to get back to where they are.

In conclusion, I applaud my Federal partners for the work and the local partners for the diligence in dealing with these storms, and we particularly stand ready to assist them in any way possible. Again, thank you, Senators and Chairman, for the opportunity.

Senator PRYOR. Thank you. Mr. Maxwell.

**TESTIMONY OF DAVID MAXWELL,<sup>1</sup> DIRECTOR, ARKANSAS  
DEPARTMENT OF EMERGENCY MANAGEMENT**

Mr. MAXWELL. Thank you, Chairman Pryor, and distinguished Members of the Subcommittee for this opportunity to testify today.

Arkansas has experienced numerous challenges over the past few years, including 11 Presidentially declared disasters since 2008. We continue to share the vision of Governor Mike Beebe, which is to coordinate resources, expertise, and leadership for mitigation, preparedness, response, and recovery while protecting lives, environment, and property of the people of Arkansas.

Last week I had the opportunity to sit down with several of my counterparts, with the Central U.S. Earthquake Consortium, and all of those States—Arkansas, Kentucky, Missouri, Indiana, Illinois, Tennessee, and Alabama—had all experienced disasters this spring. And we noticed a common thing that I thought was very important to bring out.

Outside of commodities and a few other items, none of the States had requested resources from FEMA, and I think that is a big deal and I think we can attribute that to, one, the Emergency Management Performance Grant (EMPG) which has helped that preparedness efforts at local level so that it starts there at the local level and can continue to be there.

We have several examples of the State—Homeland Security Grant Program, equipment purchases, that assisted both with search and rescue, certainly in Arkansas within Interoperable Communications, none of which would have been available to us without those grants.

Continuing to utilize the Emergency Management Assistance Compact (EMAC), has assisted the States to bring in other States and local entities to assist with our equipment and other resources, rather than asking FEMA to provide those. So I think those are three very important programs that are out there.

Of course, today we are trying to look at mitigation as much as possible. A few examples from Arkansas. Safe rooms. We found, in our tornados, that a number of citizens had safe rooms that we know save lives. Arkansas puts \$1.25 million every year, State money, into offsetting the cost of safe rooms, \$1,000, or half the cost of the safe room, whichever is least, and within 10 days after the start of the State fiscal year, we had already expended all of that money. So we know people are building safe rooms.

The Vilonia School District was awarded a FEMA mitigation grant for a million dollars to build a safe room for their high school. Very important. And the other part is West Memphis, Arkansas, several years ago had bought out 18 repetitive loss structures. Those are structures that did not flood this year because they no longer exist. West Memphis is talking to us about continuing that program and buying out additional properties.

While I have just another minute, I will say that from our standpoint, our relationships with FEMA and the other parts of the Federal family, the Corps, certainly was very seamless in these disasters. Region VI, FEMA Region VI, had a liaison in our Emergency Operations Center (EOC) from almost day one, and we had JFO up

<sup>1</sup>The prepared statement of Mr. Maxwell appears in the appendix on page 53.

and running very quickly, and money out on the streets very quickly.

In the last disaster, although it took quite awhile to get the declaration, we got it on a Friday evening and by Monday, we already had individual assistance money out on the street. So I think that is important to note.

With that, Mr. Chairman, I will be happy to take any questions at the proper time.

Senator PRYOR. Thank you.

**TESTIMONY OF THOMAS M. "MIKE" WOMACK,<sup>1</sup> DIRECTOR,  
MISSISSIPPI EMERGENCY MANAGEMENT AGENCY**

Mr. WOMACK. Good afternoon, Chairman Pryor, and Senator Paul, and the distinguished Members of the Subcommittee. I have been a senior employee of the Mississippi Emergency Management Agency since 2002 and have observed the progression of my State's ability to respond to large-scale events, as well as the development of the Federal Government's response capability.

As you are aware, the State of Mississippi was greatly impacted by tornados, severe storms, and flooding that occurred in April, and Mississippi River flooding that occurred in May. Mississippi received two Federal disaster declarations and an emergency declaration for those events. Nearly 11,500 households requested assistance from FEMA. More than 2,750 families received housing assistance grants, and more than 300 homes were deemed destroyed by FEMA Individual Assistance Inspections.

Individual Assistance grants for both disasters totaled more than \$19 million. I will briefly summarize the response to these events, and primarily my focus will be on how Mississippi has and continues to reduce property damage and reduce the risk to the life of our citizens.

First, I totally agree with Mr. Maxwell that the Homeland Security Grant Program and the Emergency Management Performance Grant Program over the past 10 years has made the Nation a much stronger and safer place. I echo exactly what he said. The response was handled by State and local, a lot of mutual aid on the State level, some on the intrastate level, but we have very capable first responders and they were trained and exercised and equipped, somewhat, by these Homeland Security and Emergency Management grant funds.

As we get into a discussion about what the Nation can afford, I would simply say that in my opinion, the money we spent over the last 10 years has been effectively used, for the most part.

The second thing I would like to focus on is the work of FEMA during the recent response. I thought it was exceptional. Due to the devastation in the State of Alabama and ongoing disasters in Tennessee, Georgia, North Carolina, FEMA Region X from the Pacific Northwest led the group and strong leadership was provided by Terry Charles, the Federal Coordinating Officer from Region IV, our region here in the Southeast.

The coordination between key Federal agencies, FEMA, U.S. Army Corps of Engineers (USACE), National Weather Service

<sup>1</sup>The prepared statement of Mr. Womack appears in the appendix on page 58.

(NWS), and the U.S. Geological Survey (USGS) was also outstanding.

As far as the recovery is concerned, overall it was very good. I do feel there are some areas that need improvement. The Individual Assistance Preliminary Damage Assessment process was swift and efficient and showed great flexibility by the FEMA staff. The Home Inspection and Individual Assistance grant disbursement process for the vast majority of the disaster survivors was excellent as well.

However, an area that can be improved is coordination between individual assistance, the Hazard Mitigation Grant Program (HMGP), and the National Flood Insurance Program's Substantial Estimation Program. I have addressed these concerns to senior FEMA leadership and they are very receptive to the concerns that I have, and that other States have, and I will followup with those with the leadership.

In the last 10 years, Mississippi has received 21 Federal disaster declarations, including Hurricane Katrina. Thanks to the leadership of both Governor Barbour and great local elected officials, we have truly rebuilt devastated areas both better and safer. We in Mississippi have learned the importance of using Hazard Mitigation Grant Program funds to help prepare our residents for the potential impact that future storms and disasters may have on their lives.

After Hurricane Katrina, Governor Barbour established the following priorities and funding levels for Hazard Mitigation projects resulting from that disaster. Funding levels fluctuated as jurisdictions established the critical needs and submitted applications based on those needs.

Hazard mitigation planning, retrofit of critical facilities, acquisition of flood-damaged structures, upgrades of codes and standards, group and individual shelters to include safe rooms, generators for critical facilities, and then the coastal wind retrofit for residential structures.

All of these programs have been tremendously effective in the State of Mississippi. We have examples of how the safe room program has actually saved lives, not just in this set of severe storms and tornados, but others. I have specific examples in my written testimony that speak to this success.

While the use of HMGP funds were a major source of the State's mitigation efforts, allocation of other Federal grant funds tied to stronger standards as well as increased adoption of codes, have also made Mississippi safer and more resilient. Many jurisdictions have adopted international building code standards, some because it was tied to Federal funding, some because they knew it was the right thing to do.

As I have previously stated, Mississippi has seen many disasters in the last decade, some catastrophic on the local level and one catastrophic to the State, region, and nation. We Mississippians are proud to say that we have used our resources and those provided to us by the Nation to rebuild by using proven mitigation and stringent code standard measures to build a much safer and more resilient State. Thank you.

Senator PRYOR. Thank you. Mr. O'Brian.

**TESTIMONY OF BRIAN "ROB" O'BRIAN III,<sup>1</sup> PRESIDENT,  
JOPLIN AREA CHAMBER OF COMMERCE, MISSOURI**

Mr. O'BRIAN. Thank you. Good afternoon, Chairman Pryor, Ranking Member Paul, and Members of the Subcommittee. Thank you for the opportunity to be with you this afternoon and to talk about the May 22 tornado, its impact, and our response, particularly regarding the business sector.

Regardless of the level of devastation that you may have seen on the news, the reality is, frankly, much worse. The tornado to date has claimed 159 lives. That makes it the worst tornado, in terms of fatalities, in more than six decades, and the eighth worse in United States history.

The storm, which had winds close to 300 miles per hour in some locations, carved a path nearly 8 miles long and averaging three-quarters of a mile wide through Joplin and the adjoining village of Duquesne. More than 4,000 housing units were destroyed or damaged beyond repair; 9,000 people as a consequence are displaced for the long term.

Also, hundreds of businesses were in its path. More than 450 businesses in the direct path were destroyed or damaged beyond repair. That is approximately 20 percent of all businesses in our two communities.

One of the largest employers, St. John's Medical Center, along with several big box retailers and hundreds of mom and pop operations were destroyed. Collectively, around 5,000 people worked at those firms. While it is a blow to our residents, we also know it is important to make sure that our businesses are back in place and providing jobs as quickly as possible.

As a bit of background, our Chamber of Commerce is the leading economic development entity for the Joplin region. As part of our development efforts, we also operate a Business Innovation Center in an adjoining building which became an important asset in our response.

By the end of the day on Monday, following the tornado, we had arranged for additional volunteer staff to answer the hundreds of calls and walk-ins that we were getting. That allowed our employed staff to be in the devastated area checking on all businesses. Without landmarks or street signs, our team used GIS maps and often just memory to find business locations.

Often, at those locations we found the owners or senior management in the debris. While there, we could help assess their situation, and as we learned more about these businesses, we continually updated information to hand back to them to make sure they were most current on the resources available to them.

In addition to the team on the streets, we also had staff calling or texting business owners not found onsite. Of the 450 firms, our staff had personally communicated with 420 of them by the end of the third week. By the end of week four, we had also talked with our other 800 Chamber members, a total of more than 1,2000 contacts in that first month.

Also, on the Monday after the tornado, we were contacted by the SBA Business Recovery Team. We had already arranged for coun-

<sup>1</sup>The prepared statement of Mr. O'Brian appears in the appendix on page 63.

selors from the Small Business and Technology Development Center (SBTDC) at Missouri Southern State University to be at our Innovation Center to assist businesses, and then we invited the SBA team to locate there as well.

By Thursday, the Business Recovery Center was in full operation. We understand the SBA Business Recovery Team does not often co-locate with Chamber or with SBTDCs. However, this approach has worked very well for us and for our businesses, and we highly recommend that others implement this strategy.

We were also contacted immediately by FEMA's Private Sector Support Group. We understand that this is a relatively new approach, since it does not have direct funding for businesses. FEMA, instead, has partnerships with regional and national firms that provide resources. Through one of those connections, we are receiving laptops for small businesses and for the school's technology program, which provides training for students and company employees.

As their time permitted, members of both the SBA and the FEMA Private Sector Teams joined our staff members to go to devastated areas and meet with businesses onsite. They have also been present at a number of Chamber events to reach out to companies. Our ability to provide quality assistance to the business sector is greatly enhanced by having this collaboration.

As of today, if more than 200 of the 450 businesses are back in operation, even it is a temporary location. Companies have gone to extraordinary lengths to retain their employees. We estimate nearly 3,500 of the 5,000 employees impacted are still on the payroll.

Joplin will recover, stronger than ever. We appreciate your interest and look forward to your questions. Thank you.

Senator PRYOR. Thank you. And I want to thank all the panelists for being here and for sharing their great testimony. I am going to exercise the prerogative of the Chair here and change our order a little bit. I am going to defer my questions to the end. What I would like to do is to start with one round of 5 minutes each. I will turn to Senator Paul first, who is our Ranking Member, and then go in the order in which Senators arrived, which is Blunt, Cochran, Boozman, and McCaskill.

Then, we will do a second round, if folks want to stick around. I want the panel to know that we have four Senators here today who are not actually Members of this Subcommittee, and three are not even members of the full Committee, but they wanted to come and hear your testimony and ask questions. So, Senator Paul, why don't you lead off?

Senator PAUL. Thank you. Mr. Serino, when you give out FEMA payments, do any payments go to people who have private insurance to cover their damage, or how does that work?

Mr. SERINO. For people—what we do is we actually look and see what the needs of the individual are, and depending on what they have, if they have private insurance, we do not cover for what is covered by private insurance. If there are some other needs that they may have, some short-term housing needs that are not covered by insurance, obviously we will take care of that. But if they have insurance, we do not cover that.



Senator PAUL. So if their building is covered, you would not cover to rebuild their building, basically?

Mr. SERINO. Correct.

Senator PAUL. And is there a mechanism for checking whether they get government assistance from another plan, like if you have flooding and you have agricultural assistance versus FEMA?

Mr. SERINO. Right. What we do is we actually aggregate the information that comes in through our National Processing Service Centers, when people go through that, and look and see what other things that they have. But on the flip side of that, also see what else they may qualify for if they do not have that, if they do not qualify for any FEMA grants, and to make sure they are not getting from somewhere else, double-dipping, if you will, but also to make sure that there are other things that may be available.

Senator PAUL. The GAO reported in 2006 that there was a billion dollars worth of improper payments. Has that been addressed? Who were those given to? I remember reading about prisoners in Baton Rouge getting paid for being displaced to prison. That was probably one of the most egregious ones I heard. But what were most of these payments for and what has been done to make that better?

Mr. SERINO. Over the last 9 or 10 years, what we have done is put a lot of controls in place after the GAO report and actually determine our error rate. It was then 10 percent, but we have been able to do lower it. With a lot of the controls that we have put in place through our National Processing Service Centers and working with a number of folks within and outside of FEMA, we have actually gotten our error rate down to .3 percent.

Senator PAUL. Some people have reported that part of our problem is that we have a shortage of money, and we have a lot more FEMA disasters declared than before. I think under Reagan there were 28. Under the first Bush Administration, 44. It went up to about 130 under his second term, and now we are up to 140. We are already at 137 this year and we have not hit hurricane season yet.

I guess some of the concern is that we are declaring everything a disaster and that some of this should be maybe taken care of at the State level. We should not turn these events as catastrophic, but rather save our resources for things like Hurricanes Katrina and Rita and Joplin and Tuscaloosa. I mean, those were definitely disasters.

But it is hard. It is hard to say no, and so I think everybody keeps saying yes. Is there any direction toward trying to control the numbers? Are we going to have 200 disasters? I think the President's plan takes us from \$11 billion to \$30 billion over the next 10 years. We just do not have the money to keep doubling and tripling programs. Is there any kind of plan in place to limit and direct our resources better?

Mr. SERINO. Currently, a number of things that we are doing are in place. First off, we have had some record-setting weather in this calendar year. For example, tornados have reached their highest number and the Mississippi and Missouri River are at record high flood stages. So, we are seeing a higher number of disasters because of the shifts in weather patterns; and also seeing what we

have been able to—what we have seen for disasters over the past—within certainly the past year.

We have been very busy, but at the same time, we have also been going back and looking at some of our previous disasters and seeing how we can reallocate money and de-obligate ourselves from financing previous disasters. If we are able to free up some dollars we will be able to meet and take care of some of the issues now with current disasters.

As we continue to move forward, we certainly do look at disasters. We actually follow what our regulations state and what the law states, and in the Stafford what we can and when we cannot declare certain disasters.

Senator PAUL. And I have one final quick question. In Kentucky, the complaint I have heard is that it seems that the money has been dispensed. To my understanding, it gets dispensed and goes to the States, then the States dispense it again or make further decisions. Some seem to think that the money is locked up in our State capital somehow. I do not know.

Do you keep tabs on the money once it gets to the States, or are you then pretty much done with the process?

Mr. SERINO. Usually when it goes to the States, the State is the responsible party, but we also work with the States and we work with the locals as well to try and ensure that the money goes through to continue on to where it is distributed.

Senator PAUL. Thank you.

Senator PRYOR. Thank you. Senator Blunt.

Senator BLUNT. Thank you, Mr. Chairman. Thanks for holding this hearing. Senator McCaskill and I are both here. We have probably had as many disasters in Missouri this year as in any year that anybody recalls. We had the spring flood of the Mississippi that Mr. Masingill mentioned and still there are challenges because of that. The Black River at Poplar Bluff flooded.

The Missouri River looks like it will be in flood stage through the entire State, from the Iowa border to St. Louis for all of August. And then a number of tornados, including one that hit the St. Louis Airport and the area around that, and the tornado that Mr. O'Brian described so well. So, we have had lots of FEMA experience.

And flooding in Branson, the Taneycomo with the lake there, created lots of problems. I think that we have tried to deal with those in the best way I could, but, Rob, I know you have to leave. Mr. O'Brian, you have to leave at 3:30 or so. I am going—4pm, good. We have a time for second round of questions then, and I am glad to have that.

Just to start with Mr. O'Brian, you have been in the middle of this every day now since late May. Do you have any recommendations that FEMA and the private sector could do individually or collectively, how could they improve what we do to respond to these disasters?

Mr. O'BRIAN. Well, we have dealt most specifically with the private sector side of FEMA, as mentioned, working on business recovery, and FEMA does not have dollars for businesses, but they do have resources. What I would say, Senator, is while they have been great partners in this, there is perhaps an issue of speed in

response. I noted one which I think is a very good example of them working with a national partner.

As we sat down and talked, we talked about laptops for small businesses. They brought that national partner in early in the second week and then said, We can expand this to the schools as well, which is terrific. The issue in that is probably in those first 2 weeks is when we had a number of businesses who really needed laptops because their computer systems were in the wreckage at some point in time.

So here we are coming up on the 2-month mark and these laptops are just beginning to arrive. So I think some of that could be addressed, and I know every disaster is different, every situation is different, but I think on the private sector side of FEMA, if they could work with those national and regional partners and define, up front, what the resources are, or at least basic resources are, and make those available in a much more rapid fashion, it would benefit the business sector tremendously.

Senator BLUNT. Of the businesses you talked about that are damaged or out of business that are trying to recover, is there any private sector—I am not sure what the response is to like the florist shop that almost exclusively dealt with the hospital that is now essentially not there. Is there a disruption of business? Is there really any way that a business can plan for this kind of thing? Have you got some stories of businesses that have faced challenges that are different than you would expect?

Mr. O'BRIAN. Well, I think there would be certainly all kinds of stories out there, Senator, in terms of how businesses have responded. I think a key, just in general that we have found, many businesses were not adequately prepared for was the loss of information. We are so computer driven in this age that unless the records are adequately backed up, preferably offsite, we had businesses that lost their records.

Then in looking to the SBA for a loan, they had to retrieve some of those records, and then they found out that their accountant was done, and oftentimes it was difficult to retrieve those records. Now, we did have good support from the Small Business and Technology Development Center counselors and from the Secretary of State's Office, and others, to help retrieve those records, but that was probably one of the unifying things with many of the businesses.

Senator BLUNT. And just as an aside to that point, the hospital, the 2,500-employee hospital that really is, I think, going to have to be totally rebuilt and maybe we will even choose to relocate somewhere else in the community, they had just backed up all of their health records at the end of the preceding month. So they were 22 days away from having completed the project so that everybody who had health records at that hospital still has them, but they were that close to not having them.

And it is an interesting point, that people lose records, their accountants lost the records as well. As a matter of fact, maybe even if you have not lost your business, your accountant may have lost. So backing up and access. Thank you, Chairman.

Senator PRYOR. Thank you, Senator Blunt. Senator Cochran, we are thrilled to have you here today. Thank you for being with us.

Senator COCHRAN. Mr. Chairman, thank you very much for inviting us to join you and participate in this hearing. Appreciate the opportunity of working with you in the Senate. I look forward to joining forces with you in trying to help make sure we do everything we can here from the Federal level to help restore these communities that have been so heavily damaged, and to continue plans for protecting this region that is so important, economically in terms of people who reside in the region, from disasters such as we have seen recently.

It is good to see Mike Womack again. Of course, every time I look up, I know we have had an accident or something bad has happened. He is there. I do not know what we would do without him. Hailey Roberts relies on him very closely and calls on him very regularly for his leadership and management skills. I am glad you are here to provide some insight.

This recent flooding was something that confirmed the fact that the Mississippi River is huge and we have invested a lot of money in protecting the adjoining landowners and people who live in the region from flooding of the Mississippi River. And I do not want this to sound like a joke, but it looks like we may have overdone it in that all the water now in this recent flood basically stayed in the Mississippi River.

The damages that were caused were backwater flooding, small streams, tributaries that lead into the Mississippi River, but the prevention of main stem flooding kept the water within its banks of this historic, huge, terrible flood.

Do you have any comments to make about that, and whether or not we ought to go back to the drawing board and see what else we need to do now?

Mr. WOMACK. Senator, I do not think the system is broken, but it certainly needs a few modifications. There are flood control structures on the Yazoo Basin, but they do not protect all of the basin. There are no pumps that pump the water out that collects behind those flood control structures.

And it is not just Mississippi that has this problem. Other States have it as well. Dave Maxwell and I were talking about that much of their flooding was where the Mississippi backed up other rivers. So I think we do need to continue to look at what we could do to further protect those smaller streams such as the Yazoo River and the tributaries, because you are right. A lot of the flooding did not occur on the mainline Mississippi, but on these smaller rivers that do have some limited flood control structures, but not enough to fully protect the citizens.

Senator COCHRAN. Thank you, Mr. Chairman, for having the hearing and inviting us to participate.

Senator PRYOR. Thank you for your questions and thank you for being here. Senator McCaskill.

Senator MCCASKILL. Thank you, Mr. Chairman. I thank you all for being here. As Senator Blunt said, we have had a rough year in Missouri. I know he and I share the opinion we are both blessed to be from a State we love, but man oh man, has it been a rough year.

I am interested to find out from you, Mr. O'Brian, whether you think that what FEMA provided in terms of really hooking you up,

since there are no direct dollars through FEMA for businesses, but hooking you up with other resources that FEMA was aware of. Did it feel more like a scavenger hunt, or was there a menu of available resources that you could draw upon immediately in the days after the disaster?

Mr. O'BRIAN. Senator, thank you, and that, as a follow-on to my response to Senator Blunt, we believe that there are a number of resources out there in the FEMA private sector side. Part of the problem for business and for us as advocates for business is that we really do not know what those are.

I think the best example of that is, when you think about our community, when you think about the residents of the community and the businesses and business owners in the community, there is a period of time in there when everyone is essentially in shock.

Senator MCCASKILL. Right.

Mr. O'BRIAN. Everyone is working very hard to recover, but it is so overwhelming and there is so much information overload that goes on, that when we go to a business—we found very early on. When we would go to a business and say, What do you need, they would just—

Senator MCCASKILL. Shrug.

Mr. O'BRIAN. Yes, shrug. They did not know. They did not know exactly what they needed, or they would say, I do not need anything, go help someone else, which is very typical in our community.

Senator MCCASKILL. Right.

Mr. O'BRIAN. But once you could put something forward and say, Well, here are some examples of resources we have available, then that started the thought process for them. And even if they did not need those resources, at least they were able to tell us more definitively what it was that they felt they needed at that point in time.

I think this is some of the issues, again, we have with the private sector support with FEMA, is that we know that they have wonderful resources there, and their team keeps asking us, What do you need, and we are in much the same position. We are not sure what our businesses need.

Senator MCCASKILL. So you are saying, What have you got?

Mr. O'BRIAN. So we say, What do you—yes, what have you got, what do you have? Let us see a list. Even again if it is very basic, and I think one of the things that they have tried to do is be in a position to be creative, again, because every disaster is different.

Senator MCCASKILL. Right.

Mr. O'BRIAN. And be able to bring some different resources to the table. But I think there is also commonalities, and even a basic shopping list, if you will, of resources, even if they do not necessarily, for confidentiality sake, at the first pass want to divulge who their regional and national partners are, if they can say, We can get you laptops, we can get you a structural engineer to come look at your building, we can get you—and just have a list of examples, that begins a process then, I think, for us and our businesses to respond.

Senator MCCASKILL. It is one of those which comes first, the chicken or the egg, because I am sure from FEMA's perspective, if you go out and you put on a list, We have free laptops, a lot of peo-

ple are going to ask for laptops that may not need laptops. On the other hand, they want to make sure and get laptops to businesses that do actually need them.

So I think that there is probably—but I think you are right, that there is a way that maybe we could work on a list like, Do you need business equipment, do you need engineering consulting, do you need somebody—legal help, whatever.

Because I know one of the problems we had is a great problem to have, but candidly, when I was down there right afterwards and then when I was down there the next time, there were so many people wanting to help that, I was offered like 14 bottles of water within 5 minutes of when I arrived in Joplin because people were just stopping on the streets and wanting to do something.

And I think a lot of the money and resources that flow in—and that is one of the questions I have for you. I know that you have started the Business Recovery Fund and the Joplin Tomorrow Fund, and we just got a grant that Senator Blunt and I were able to announce, from Commerce that is going to help fund a regional and local coordinator for the business recovery effort.

But I am a little worried about all the money flowing in to help and is it getting to the right place and is it accessible by the business community, or are there charities that have popped up saying, We are taking assistance for Joplin that maybe is not getting to Joplin? Do you see a problem there that we need to be aware of that we could help with?

Mr. O'BRIAN. Well, first, thank you both, Senators, for your support on those grants. We appreciate that. Senator, I would say that whether it is Joplin or Cape Girardeau or Smithville, Mississippi, or any place, there is always concern about the response, especially with dollars, and are the dollars going to the right place.

And we know there are some very strong national organizations that provide immediate response such as Red Cross that can be very beneficial. What we did in our community, and actually it was a group that was working with the schools on a Web site to encourage connection between the faith-based community, social services, and the business community to support the schools, was reroute that Web site with dialogue, and really it was a dialogue amongst these entities, said, For the long term, there are about six funds that we can all get behind.

And as people would call, we really tried to direct them to those six funds. It is on a Web site called rebuildjoplin.org, along with a whole list of what people need and what people have to give as a way of coordinating that effort.

But I think it is, to your question, very important, probably early in the process, to make sure that communities think about the long term and think about the entities that they have or that they may need to create, such as these foundations, in order to bring dollars in and essentially have them in the bank for the future, because people talk about returning to the status quo. SBA, FEMA, insurance, my bank will get me to the status quo. The reality is, there is no longer a status quo.

Senator MCCASKILL. Right. Well, I think it is terrific. I am very proud of the Joplin community because of the way you did this, and as always, the best solutions are solutions that are done on a co-

ordinated basis at the local level, rather than from Washington. Certainly I do not think anybody in Joplin would argue that FEMA was very, very important to the Joplin community, and the Federal agencies and the State agencies that came in to help.

But for the long haul, I am glad the solutions are being crafted at the local level, and thank you for being here. Hopefully I will have time for some other questions. I would love to get into Birds Point.

Senator PRYOR. Thank you. Let me go ahead and ask just one question this round and then I will start the second round. Before I do, I want to say that one of the things that made me proud of my State was seeing lots of folks from the corridor of Fort Smith, Fayetteville, Springdale, Rogers, Bentonville, Bella Vista, and other parts of the that whole corridor that went right up Joplin to try to help.

They were probably the folks handing you water because they just wanted to do something to help a neighbor in need. Sometimes it was organized by churches, sometimes it was just spontaneous, just folks going on their own, but they went up there to help and reciprocate because you have helped us many times when we have had our troubles. I know that Mr. Maxwell and Mr. Masingill can testify to that.

Mr. Serino, let me ask you a question, if I can take a little bit broader view here. I hear stories and read articles in the paper that the Disaster Relief Fund may be running out of money. I am curious to know if this is true, what you anticipate for the rest of this fiscal year, and what we are going to do in the event that it does run out of money.

Mr. SERINO. Sure. Currently, the Disaster Relief Fund (DRF), we have \$1.24 billion in the DRF currently, and we have been able to actually keep that somewhat stabilized over the last few weeks, few months actually, through, as I was talking a little bit earlier, how we are able to go back and look at de-obligating a number of previous disasters. By doing that, we have been able to keep it somewhat level.

It is going down a little bit, obviously, with the disasters that we have been talking about across the country. Right now we are on pace. We look to when we may or may not get below a billion dollars, I would say, where we are projecting is sometime between now and possibly sometime early August, is where we are going.

Senator PRYOR. And so what do you do come early August? What arrangements do you have to make? Do you have to come back to the Congress?

Mr. SERINO. If necessary, we could, but right now we look at what we do. We had something in the past called immediate needs funding, which we did last year, that I am sure both Dave and Mike are familiar with.

If necessary, we could do that, and that leaves the money in place for life-safety, life-saving issues, that if something were to happen, we will have the money to do that, and we will put actually on hold funding some of the other long-term projects that may be in place, construction of some public buildings longer-term, some roads that are longer-term down the line.

We may actually put a hold on that until a new budget comes through. So that is sort of—we have done that in the past. We had to do that last year. If necessary, we may go to that again this year.

Senator PRYOR. We had a situation recently in Arkansas where we had two counties that we thought should easily have qualified for disaster assistance, but they were rejected and we had to go through an appeal process. That appeal process took a couple of weeks, and I got asked a few times about whether FEMA's decision making process was impacted by the fear that they might run out of money with all of these other disasters. Is that a factor in your consideration?

Mr. SERINO. Not at all. That does not enter into it at all as to how much money is currently in the DRF fund, as to whether a State or a county gets qualified. That does not enter into the equation for us at all.

Senator PRYOR. OK, great. Now, we will go to our second round. Senator Blunt.

Senator BLUNT. Thanks, Senator. It happens that both Joplin and St. Louis are both served by for-profit utility companies. Mr. Womack, I do not know if you were in this position during Hurricane Katrina or not, but we waived a provision for Mississippi, at least, in Hurricane Katrina so that any utility company that had replacement costs because of the disaster qualified for the same level of FEMA assistance.

And my point on this always is, which as Governor Barbour well explained it at the time, everybody who is served by this particular company pays taxes just like the person pays Federal taxes that has a municipal utility or an associated electric co-opportunity utility who automatically qualified for reimbursement.

But like the city of Joplin, Mr. O'Brian, is all served by Empire Electric. I do not know if you have had discussions about this or not. I suspect you have. What do you see as the long-term impact on utilities in a community that their utility provider does not automatically—is not allowed, frankly—we would have to change the law to allow it—is not allowed to participate in the cost-share for disaster recovery?

Mr. O'BRIAN. Well, Senator, I think you raise a good point with that in the Mississippi experience. Our electric utility is Empire District Electric. It is locally headquartered. It serves approximately 10,000 square miles in four States, most of that in southwest Missouri. And certainly, year in and year out they do anticipate that there will be some level of damaging storms.

What they do not necessarily anticipate is an Efficient-5 tornado that cuts through 14 miles of their service area, including some of the most densely populated part of that. And their estimate in terms of the damage done is, today, somewhere around \$25 million. It could go higher as they continue on that.

What that means for our community and, frankly, for our surrounding neighbors who are served by Empire is since they do not fit into the qualification, Stafford Act, is that eventually there will have to be a rate increase on that. And that is the only means that they have to recover those dollars.



And I think the element of that, when we think about the long term, is that when you have a community like Joplin, or any other community that is served by investor-owned utilities that have had catastrophic disasters, you want them to recover. You want them to recover as quickly as they can.

And if you placed utilities in a position, just because they are investor-owned utilities, where they eventually have to raise their rates to recoup that, essentially what you are doing is making it harder for the residents, and you are making it harder for the businesses that are still in operation, and you make it more difficult to attract new business investment in the community.

And so, instead of incenting recovery, you have disincented recovery by now allowing them to take part in that funding.

Senator BLUNT. Mr. Womack, do you remember this situation when it came up in Mississippi?

Mr. WOMACK. I do, but it was not managed through my agency. It was not Stafford Act funding.

Senator BLUNT. Right.

Mr. WOMACK. As you said, it required a special act to allow the tax dollars to be able to help the for-profit utilities. So I do not have the details on it, but I do know that it was in an effort to try to make sure that the rates for the two big providers in Mississippi, Entergy and Mississippi Power, and of course, Entergy was heavily invested in Louisiana as well.

But I do not know the details on it, but I do know that it hurt.

Senator BLUNT. Mr. Maxwell, have you had any experience with this kind of thing?

Mr. MAXWELL. We have not.

Senator BLUNT. All right. Mr. Serino, I would just say, I am going to continue to work on this. And, Chairman, I would love to talk to you about it. Senator McCaskill and I have been talking about it. If this community would have happened to have had a municipal provider, let us say they would pay 10 percent under the Stafford Act, they would be passing along \$2.5 million to the ratepayers instead of \$25 million.

Or if they have a 75–25 share, they would be passing along \$6 million to the ratepayers instead of \$25 million. Those ratepayers pay Federal taxes in exactly the same way that the neighboring community of Carthage, that has a municipal utility, pays Federal taxes. We have had, frankly, a little more experience with this, with devastating ice storms.

We would have miles and miles of poles broken off, and the mileage that is in the electric co-opportunity, Federal taxpayers come in and say, We are going to help you keep your future rates low, or if it is a municipal utility, they say, We are going to help you keep your future rates low.

But if it happens to be in a for-profit we say, You are going to go to the PSC, or whatever you call the commission in any State, and you are going to ask them and they are going to tell you, Yes, we may not give you exactly the timeframe, but I think inevitably, they let you pass this cost along to the taxpayer, the ratepayer, who just happens to be served by a different kind of utility.

I think it is one of the great inequities in the way we look at this particular problem, and I just hope you will think about it with me,

too. I know it is not something you can do right now, but I do think it is an area in the Stafford Act where we really could bring greater equity to people, neighbors, who suffer the same kind of calamity.

One of them, at the end of the day, winds up, when their business—maybe in their business or their home—with a much higher utility rate than the other one did just because of who provides their utility to them.

It is not that the for-profit absorbs that loss. The for-profit goes to the public service entity, whatever it is, and they inevitably say, Sure, you can pass those costs along to, as Mr. O'Brien pointed out, all of your—everybody who happens to be served by your utility. In this case Joplin is a big part of what that utility does as a provider.

Senator PRYOR. Thank you. Senator Cochran, before you begin with questions, I want to thank you and Senator Landrieu for signing onto my FEMA Recoupment Bill. Thank you and it is your turn if you would like to ask.

Senator COCHRAN. I have no other questions, Mr. Chairman. Thank you very much.

Senator PRYOR. Thank you. Senator McCaskill.

Senator MCCASKILL. Thank you, and I want to second Senator Blunt's conversation about the utilities. What is particularly worrisome to me, and I know it is to you, Mr. O'Brien, is that if Empire goes to the PSC and the PSC says, Yes, you can pass those along to your ratepayers, what does that do for your business recovery?

If somebody is making up their mind whether they want to come to Joplin or stay in Joplin and looking at a huge investment, if they know at the end of that investment, to rebuild in Joplin or to come to Joplin, I do not think a lot of people realize that Joplin is a Mecca for that entire region, even though the population of Joplin, people who lay their head down at night, may be around 50,000 people.

There are over 200,000 people that travel to Joplin for school and for work and for shopping. And what would that do to that Mecca status if your utility rates were two or three times higher than surrounding communities, which you could envision happening with this. So we will continue to work on this and hopefully make some progress on it.

I want to ask about housing. I know that we have 1,500 people that are still on the list for housing in Joplin, and I know that you all have done so much in Missouri after the disasters. Can you update the Subcommittee on the efforts for the 1,500 that are still on the waiting list for housing, and what are the hang-ups? Two months is a long time and what do we need to do to make sure we clear that waiting list?

Mr. SERINO. One of the things that we are doing is we are working as a State-led housing task force, because one thing we do not want to do is come in and, say, FEMA to tell Joplin, This is the housing needs that you need. We are working with the community and with the State to see what their needs are and then what we can provide.

We do not want to come in and say, You need X, Y, and Z. We want to make sure that we are meeting their needs. And one of the

first things we do is look for rental assistance, look for renters, what is available for people to rent throughout the area.

Unfortunately, as you just said, Joplin is sort of the hub and there is not a lot of rental assistance or even homes to buy in the area, even prior to this happening. So I think that is one of the challenges, and then on top of that, just seeing what is available throughout the area.

One of the things that we looked at was the expedited debris removal that we have been doing, and I think that has helped us. Actually one of the first things we do, aside from rental housing for the short-term, is also look at trying to put people on their own property, where they are at, and looking to do that. Getting the expedited debris removal has actually helped us to look at that.

Also, working with the leaders in Joplin and in the State is also looking to see what else they need in the area. We have had our Federal coordinating officer down in Joplin working with them to determine what is the best way and working with the people to look at some of the best options that kind of suit them, and we have been working through a lot of those now.

Senator McCASKILL. Well, what is the prospect for the 1,500 people? I know the rumor was that the Chairman had a lot of trailers in Arkansas, and Joplin is not that far away.

Mr. SERINO. I will get the exact numbers of the housing units that we actually have in Joplin now. In Mississippi, there is already—there is 117 temporary housing units there now. Looking to actually bring some more to the area as necessary, but we are bringing them in at the request of the State and the request of the cities.

Senator McCASKILL. So should I talk to the State about this?

Mr. SERINO. We have been working together. It is the task force that has been working together to get through these solutions that we want to get together. We do not want to come in and say, We are going to bring in 1,500 trailers when that is not what they want.

Senator McCASKILL. OK. I just want to make sure that we take care of the 1,500.

Mr. SERINO. Right. And we have been working on that.

Mr. MAXWELL. Senator, I might add, we have plenty of rental property down in Benton County.

Senator McCASKILL. Now, be careful. We do not want to turn any of these people into Soovie Pig fans. We want them to stay up on our side of the line, so we have to be a little careful about having them come down to Arkansas.

Let me ask you, Mr. Masingill, about the Delta Regional Authority and Birds Point. We are working hard. The entire delegation has been really united on all of these issues, and we are particularly united about getting Birds Point rebuilt.

What are you hearing from where you sit about the rebuilding of the Birds Point levee, is there anything that you want to share with the Subcommittee about that situation, what the Corps is telling you, and how quickly can those farmers expect to be able to get back in production with the levee that is replaced?

Mr. MASINGILL. Senator, thank you for that question. The estimates continue to change. In fact, I would be leery to tell you, but

I have heard estimates as big as \$10 billion for a total impact as it relates to our flooding, Senator Cochran, along the Mississippi, to anywhere to the \$2.2 billion in your neck of the woods as it related to the New Madrid.

One thing to keep in perspective is that 44 percent of all the American water that flows, flows through the Mississippi, and 31 States are touched by the Mighty Mississippi in the course of this. And it has a huge economic impact and it is an economic engine. It is a highway for commerce and business impact in the country.

In fact, if I may touch a little bit on that business perspective that we talked about a little bit earlier by Mr. O'Brien, the key thing for us as an independent Federal agency that tries to do community and economic development in this part of the region, this is a real opportunity for us, as Federal Government and stakeholders at the local and State levels, to take some lessons learned from what we are seeing in Joplin and that coordination and that planning.

In the midst of this terrible tragedy, we have a real opportunity to change the model. Our national framework for response is effective, and our counterparts are working hard every day to make sure these programs are in place and that we are utilizing the programs in a very efficient and effective manner.

But this is a real opportunity to change the model, because the one thing, from what we see from our perspective, the one real gap is that focus on business and industry in a time of a natural disaster. This co-locating is an awesome idea. These business recovery teams that are on the ground, there are no mechanisms in place to really elevate that focus, to really put an attention on creating mechanisms and resources, not new money, but existing money to put an emphasis on how do we respond and how do we deal with it.

One quick example. In small, little, southwest Arkansas, which is part of our region, the Southwest Arkansas Planning and Development District, is using current technologies, GIS, to map every business in a multi-county fashion so we have an inventory of every business in that part of the State, Senator Pryor, that we know in the course of a natural disaster we have that information.

Can you imagine what it would have been like if Joplin had that inventory where we could coordinate both at the Federal, local, and State levels so we can make these kind of decisions to really put an emphasis on sharing this information?

SBA does a good job and our system works well for individual and public assistance, but the one area that we need to think about ways, not necessarily new money, but with the existing structure, particularly with our Small Business Disaster Loans. Those are good, but what we are doing is that we are putting an emphasis and we are advocating for certain programs over another depending on what the situation is or disaster is.

What the DRA is advocating or trying to get attention to, additional public awareness, is how do we take something like the Louisiana Business Emergency Operations Center and expand it in a way that FEMA can use that same type of structure, same information to coordinate and integrate with the Small Business Administration.

Or when a disaster happens in the DRA region, they can come in and say, Hey, DRA, we know that you have 45 local development districts or COGs or PDDs or whatever they may be called, that has the ability to touch 3,000 elected officials, with a delivery system that has already been proven to make sure that we are utilizing all the local and State and Federal resources in a coordinated fashion as it relates to supporting, rebuilding, and making sure that our businesses and industries that are impacted.

Individual assistance is effective. It is there. It works for the most part. So does the public assistance for our local counties and cities. But the one thing that needs additional attention is the system in place to help address our small businesses. We have seen that in this disaster as it relates to the flooding.

Senator PRYOR. Let me ask a few questions, if I may. Let me say that Senator McCaskill is correct in that we did have a few mobile homes and trailers in Hope, Arkansas. We had about 15,500, according to my staff. So it was not FEMA's finest hour when they did that.

But nonetheless, I think that FEMA, under Administrator Fugate, has been doing a good job. What I have seen from my vantage point here is an agency that has been trying very, very hard to get it right. I am not saying FEMA gets it right 100 percent of the time, but I think they get it right many more times than they get it wrong. We appreciate FEMA and the difficult jobs you have.

Now let me ask a question of the rest of our panel about the disaster declaration process. I know we had an experience in Dumas, Arkansas 4 or 5 years ago. David, you would have to tell me. It had a really bad tornado and I do not think we ever got FEMA to grant a disaster declaration there. We tried and tried and tried.

It was frustrating because we could never get a real handle on the criteria. Who was saying no, their reasons, and why it was difficult. So I am curious to hear the perspectives of the other four panelists on the disaster declaration process. Can we streamline it? Can we make it more transparent or more navigable in some way? Mr. Masingill, I do not know if you have a lot of first-hand experience with it. Why don't we start with you and go on down the line.

Mr. MASINGILL. OK. Thank you, Senator Pryor. It is interesting that you actually mentioned the Dumas scenario. At the time, I was still working for Governor Beebe, but I sat on the board of the Delta Regional Authority on behalf of him with the other Governors in the region.

One of the things that we recognized during that process is that although we never received the declaration for several reasons, and we tried to mitigate that as much as possible. David was leading the way doing it and still does that today, and a great job, I might add. Mr. Maxwell, thank you for your leadership on that.

But one of the things that we were able to do, because the response framework that we have did not necessarily have structures in place or programs in place to be as responsive to business and industry, we had the one plant that makes pet food that served almost 200 or 300 employees that was going to relocate.

But we were able to cobble State resources together and also DRA resources together to help them in that rebuild above and beyond what they already had the insurance for. But there was not

a Federal mechanism in our response structure to say, Hey, look, this is an operation that employs almost 300 people that we have already made investments in when they were an economic development project, trying to be recruited many, many years ago.

So we already have an investment in it. But the system in place did not allow for it to fit into the current structure. So you took a round—a square peg in this case, trying to fit it into a round hole in terms of our current system that is in place to deal with business and industry.

So from our perspective, luckily we had DRA resources and we were able to use some State resources with Governor Beebe's leadership, and we invested back into that industry to keep that up. And the process currently does not allow for that kind of flexibility.

Senator PRYOR. Mr. Maxwell.

Mr. MAXWELL. Yes, sir, thank you. I wish Senator Paul was here for this discussion, because I think we are going to talk a little bit about the number of disasters and some of the implications there. Arkansas really does not ask for disaster declarations from the President unless we think we have them. Arkansas has our own individual assistance programs, our own public assistance programs for those that we feel are under the threshold or the criteria for Presidential disaster declarations.

We want to take care of our own people as much as possible. I was surprised this year when we received the denial on the one request, and I, frankly, will take some of the blame for that. I think in our zeal to get the assistance out to the people quickly, we may have gotten out too quickly to do the preliminary damage assessment and did not show all of the damage, did not see all the damage.

There was some communication problem. I should have known that they did not see all the damage or we would not have asked at that time. But anyway, we eventually got it and we are very appreciative of the efforts that you, Senator Boozman, and the entire Arkansas delegation put in on that.

It is the President's prerogative and I really do not want to meddle in his business, but any—and we have had, actually, when Administrator Fugate was State Director, he worked on a task force from NEMA's standpoint with FEMA looking at individual assistance criteria, and we thought we had an agreement just about ready and it fell apart.

But I think that is one of the things. If we had some idea, especially if we have an idea on public assistance, we had that same sort of idea on individual assistance, we could manage the expectations of the citizens a little better.

Senator PRYOR. Mr. Womack.

Mr. WOMACK. As Mr. Maxwell stated, under public assistance, there is a specific set of numeric indicators. We do not use the term thresholds because they are not hard and fast. But generally speaking, if you do not meet the State numeric indicators, or a local government does not meet those dollar amounts, then it is very difficult to get a public assistance declaration.

By the same token, if you just meet those thresholds and there was not an overall heavy impact to the State, you may still not get the declaration. But the fact that there is a monetary amount that

is tied to each county and tied to the State, it gives us a better method of determining whether or not we have a reasonable chance of getting a declaration.

Under individual assistance, Dave and I have been involved in this for 5 years or more talking about, Do we want standards based on the community's population, based on the community's income? Do we want a specific standard that says, If you have this level of damage in a county and if a State has this level of damage, then you should reasonably expect to receive a declaration.

Or do we really want it where the President has the flexibility to make the decision based on a number of factors? And that is currently what the Stafford Act says. It talks in terms of number of homes destroyed or major damage, but it also talks about all these other factors.

I would tell you that I would like to see more structure to it, but I would not like to see the structure be quite as defined as public assistance, and I hope that helps.

Senator PRYOR. Mr. O'Brian, do you want to comment on that?

Mr. O'BRIAN. I think our only comment would be that we obviously had a disaster of great magnitude and there was already an existing disaster declaration in the State of Missouri for the flooding. So it was the decision to tag us on to that so assistance could begin immediately, which we greatly appreciated.

That put us about 2 weeks short of the typical window and it did take a little time to put those other 2 weeks on there, but we did receive immediate aid because of that ability to link us into the existing declaration.

Mr. MAXWELL. Senator, could I add to that? In our first disaster this year, we have ended up with over 10,000 applicants for individual assistance. That process went—on larger disasters, the process goes very smoothly, very quickly. FEMA is working outside the box with us a lot on flying over flooded areas to get estimates of the damage, those kind of things.

We had people going out in boats to do damage assessments. We tried a lot of alternatives there and it worked well. But when we get to the smaller disasters, those that we feel are above, especially after experiencing a really large disaster, I think the thresholds or the indicators have to go down some because the State and local governments have lost a lot of capability after fighting a really large disaster.

Mr. WOMACK. And you could literally have one small community, Smithville is the town that got hit the hardest in Mississippi. Eight hundred citizens lived in Smithville. Probably two-thirds, three-fourths of the homes were totally wiped off their slabs. It would be difficult to tell that one community, you do not qualify for Federal disaster assistance because the rest of the State was not hit very hard.

So this is probably the most difficult thing, is what should be the criteria for individual assistance declarations.

Senator PRYOR. That is very helpful. Let me ask one last question then. If my colleagues have any other questions, we will take those. I want to talk about the Emergency Management Assistance Compact (EMAC). I would like to hear from Mr. Womack and Mr. Maxwell about how that has been working. I am actually getting

ready to introduce the legislation to re-authorize the program. I am interested in your experiences with it and how that works. So, Mr. Womack, do you want to go first?

Mr. WOMACK. Well, as I tried to state in my testimony, because of a great system of mutual aid, both in the State of Mississippi and with other States under EMAC, we do not have to rely on Federal resources. In fact, I had a conversation with Craig Fugate and he said that if they had to deploy Federal urban search and rescue teams to maybe Tuscaloosa or to Joplin, they may not have been available for other types of incidences.

And so, I think it works tremendously effectively. In Mississippi, our reimbursement to other States for Hurricane Katrina for EMAC-related costs—police, fire, emergency medical, commodities, equipment costs—was \$80 million, \$80 million for EMAC services. And it was tremendously, tremendously effective.

That is another great success story over the last 10 years since September 11, 2001, is the fact that we have built great capability at the State and local level and we can deploy that throughout the Nation. So it is a tremendous system; it needs to be continued.

Senator PRYOR. Good. Mr. Maxwell.

Mr. MAXWELL. We have been more of a supplier of assistance than a requestor of assistance. We have, I think, back in the ice storm of 2000, we got some generators from Missouri and Louisiana. In the ice storm of 2004, I believe, or whenever the last ice storm was, I have lost track, we got some water tankers from Louisiana.

But we have sent National Guard soldiers to Mississippi and Louisiana in Hurricane Katrina. This year we sent a search and rescue team from northwest Arkansas to Joplin almost immediately, followed up with the paperwork. So it does get those needed equipment, needed people out there quickly.

And the important thing with your bill and the steady stream of funding is that we keep improving it. It gets better every year.

The current Chair of the NEMA EMAC Subcommittee is from Kentucky, and is a techno whiz, and he is looking at ways to—our counterpart in Kentucky—is really looking at ways to improve how we identify where resources are so if there is a disaster, you can draw a ring and immediately know what kind of resources that you need are within that ring so you can get them closest, quickest, fastest.

Senator PRYOR. Great. Now, Senator Blunt, did you have other questions?

Senator BLUNT. I just had two more questions, if you do not mind.

Senator PRYOR. Go ahead.

Senator BLUNT. Chairman, thanks again for putting this hearing together and thanks to the panel for sticking with us for all the time we had scheduled, and that does not happen sometimes.

But, Mr. Masingill, I am going to ask you about crop insurance and other things that relate to how the Agriculture Committee responds to these disasters. And while you are thinking about that, Mr. Serino, what about the funding for the safe rooms? And is that available to public facilities principally?



Mr. SERINO. Yes. It is available to public facilities. There are actually some good stories. We were funded for—in Oklahoma we funded safe rooms in a school that cost \$144,000. The Federal share was about \$110,000 of that. And with that, when the tornados came through earlier this spring, that not only did the school department folks went in there, but firefighters went in there, public safety. Citizens were able to go in there. Two hundred people were able to go into that safe room that directly saved their lives for a cost of about \$144,000. Of the Federal share, we picked up about \$110,000 of that.

Senator BLUNT. We are rebuilding lots of public facilities in Joplin, Missouri, and obviously had people that had nowhere to go and lots of stories about thinking they were going to a safe place that turned out not to be a safe place. And how about the funding for that?

Mr. SERINO. Specifically in Joplin, for example, we are actually working with them through that. There will be safe rooms, for example, in the schools that meet code, and that is one thing that is important, that these are going to meet the code, the regulations that are set forth to make sure that they are, in fact, safe rooms.

And not only are we going to be doing that in the buildings permanently, but for the temporaries. Some of the schools were lost in Joplin and with some of the temporary schools that we are putting up, we are going to make sure that there are safe rooms in the temporary schools—

Senator BLUNT. Really?

Mr. SERINO [continuing]. Even for the short term to make sure that people will have somewhere to go that is safe in the short term that they will be safe, but also, I think, it is going to be important for the community to know that there will be somewhere safe for the children while they are in schools, psychologically as well.

Senator BLUNT. Mr. Maxwell.

Mr. MAXWELL. More than that, more than just that the kids are safe, those school safe rooms can be equipped with either an electronic keypad or a keybox that the law enforcement or fire have access to. They can open it up in the evening times for the community to then go to.

Senator BLUNT. Right. Good point. Mr. Masingill, talk to me a little bit about the government agriculture programs and how they have worked during crop loss and other ag disasters that you have seen this year.

Mr. MASINGILL. It seems from our perspective, or at least the information that we get back, is that the key point. More information the better. I think there was an initial point where if USDA was going to, in this particular case, the farmers that were going to be impacted, because the government decided to make the decision to blow the levee, and I know there was a great deal of conversations and contention with that.

I think that the final verdict, which we need to get confirmation on, is that they are going to be included.

Senator BLUNT. It was. The Birds Point verdict, for instance, since that was technically man-made—

Mr. MASINGILL. Right.

Senator BLUNT [continuing]. And Senator McCaskill and I both worked with the Secretary and he made that determination, actually at Birds Point, before they blew the levee, that even when they blew the levee, that the crop—but what if you did not? Did enough people have it? I mean, in the Delta, you have such a low water table that some of the upper plains, for instance, and other places in our State where you would normally get crop insurance, you may not have it in the Delta. Is it too late? What did you see happen there?

Mr. MASINGILL. Well, you are right on point. In fact, some of the information that has been given to us is that it is projected that the crop loss in Missouri alone will be over \$42.6 million. That is after insurance payments from this one piece of information. The domino effect that it is having, the Secretary might have made that decision, but from the information that we got back, it was not until a good separation of time before people at the local level knew that was the case. The rumor mill was an issue for us, that we kept on trying to get information, what was the right information, how do we disseminate that? And then at this point, too, how do we repair those crop lands? Because now we are seeing from the river water the damage that we will have on the crop lands for a long time. What mechanisms can we put in place to help do that? So that coordination of information was key, and I think there are still questions about that information now.

Senator BLUNT. Well, there is a lot of discussion right now about all these ag programs. Do you want to say anything about direct payments or crop insurance, either one, while you are talking about it?

Mr. MASINGILL. I am not sure I am qualified to address that, Senator, but other than obviously agricultural economy in the Mississippi Delta Region is important. It is still a major economic driver for our region. The other thing that we have not mentioned and that is the impact, again, to our inland waterway ports.

The Seymour Port and others had significant damage to the dolphins. Those are investments that we have even made in previous cycles before. So now we have to take a look, it is like, Well, what do we do now? That waterway channel is a major economic driver and that infrastructure investment and protection of that is just as important.

Senator PRYOR. Senator McCaskill.

Senator MCCASKILL. I just want to thank everyone for being here and thank you for all your hard work. They always say, there is a little tiny silver lining in every cloud, and if you were on the ground in Joplin in the days and weeks following that disaster, you saw the silver lining. It was glowing and that was the sense of community and the way everyone was working together, including the Federal agencies and all the municipalities that showed up.

So thank you all for being here and thanks for all of your work. And thank you, Mr. Chairman, for holding the Subcommittee hearing.

Senator PRYOR. Thank you. I want to thank both of our Senators from Missouri for being here, and all of our Senators who participated today. I especially want to thank the panel. We are going to leave the record open for 15 days, until August 3, it is likely that

some Senators will submit either followup questions. I know Senator Landrieu was trying to come, but she had a couple conflicts she could not get out of she may have questions for the panel.

We will leave the record open and all of you will probably get some additional questions. Thank you all for being here. This has really been an informative and helpful hearing. With that, we will adjourn it. Thank you very much.

[Whereupon, at 4:09 p.m., the hearing was adjourned.]



# A P P E N D I X

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**Hearing before the Subcommittee on Disaster Recovery and Intergovernmental  
Affairs of the  
Homeland Security and Governmental Affairs Committee**

“2011 Spring Storms: Picking Up the Pieces and Building Back Stronger”

July 19, 2011

2:30 pm

**Chairman Mark Pryor  
Opening Statement**

I'd like to welcome our witnesses, fellow Senators, and guests to this hearing. We are here to assess the progress being made in recovering from this spring's devastating tornadoes, storms, and floods. We'll also discuss how to pick up the pieces from these recent disasters and build back better.

The panelists we have convened here today represent some of the States and communities that were the hardest hit by these events. I would like to start by thanking them for taking the time to be here. You all have a lot of tough work on your hands and your efforts and expertise are critically important during this time.

Today's witnesses will provide us with a better understanding of the disasters' impact on communities and economies. We hope to get a better understanding of the collaboration and communication across all levels of government and the private sector, and get insights into how individuals and businesses are picking themselves back up and restoring their communities.

This was an especially tough spring for Arkansans and the fight isn't over yet. There are currently two active disasters in Arkansas, with 60 of the state's 75 counties eligible for Federal assistance. Beginning in April, historic flooding affected over 1000 homes and completely destroyed more than 130. Nineteen people were killed and many are still homeless. Before my constituents got the chance to assess the full scope of the damage, a series of devastating tornadoes tore through two northeast Arkansas counties, killing eight people, damaging and destroying nearly 400 homes, and causing an estimated \$4 million damages.

Unfortunately, the situation I have just described is not unique to Arkansas. FEMA and the President have declared 53 major disasters this year and each one represents the same emotionally-devastating loss of life and property, expensive damages to small businesses and critical infrastructure, and costly disruptions to already-fragile State and local economies.

Recovering from a major disaster is expensive. In these challenging economic times the impact of repetitive disasters threatens the fiscal health of State and local governments. We can't rely on the Federal government to fill the gaps left by insufficient State and local funds. We are all facing tight budgets and difficult spending decisions, and FEMA is not immune to this reality. In addition to a tighter budget for its day to day operations, the scope and frequency of major disasters has led to a projected \$3 billion shortfall in FEMA's Disaster Relief Fund.

In light of these economic realities we must ask ourselves how we can do more with less. How can we improve the efficiency of our response and recovery efforts in the wake of these disasters? Moreover, how can we build back smarter, stronger, more resistant and resilient to future storms, tornadoes, and flooding?

We are all familiar with the facts about mitigation: for every \$1 invested in mitigating risk, \$4 is saved. Mitigation creates safer communities by reducing the loss of life and property while also lessening the financial impact on Federal, State and local governments. Effective mitigation projects such as tornado shelters and safe rooms can also improve evacuations when a community is struck by a disaster.

The concept of mitigation is re-emerging as a result of successful cost-saving preparedness efforts. For example: Arkansas ranks 16<sup>th</sup> in the nation for tornado risk but ranks 3<sup>rd</sup> in the nation for tornado deaths and 5<sup>th</sup> in the nation for tornado injuries. In an effort to address this discrepancy and protect against loss of life in future tornadoes and other disasters, FEMA Hazard Mitigation grant dollars were recently approved for the construction of three large safe rooms in Arkansas schools and communities.

I look forward to hearing from all of today's witnesses about your experiences and lessons learned in recovering from this spring's disasters. I know that some of you have been working on mitigation activities and projects for years, and I am grateful for the expertise you bring to this discussion of how to build back better and stronger. I hope we can continue to follow your examples of how to get more bang for our buck.

Subcommittee on Disaster Recovery and Intergovernmental Affairs  
Of the  
Senate Homeland Security and Governmental Affairs Committee  
*2011 Spring Storms: Picking Up the Pieces and Building Back Stronger*  
June 19, 2011

Senator Mary Landrieu  
Opening Statement

Thank you, Mr. Chairman, for holding this timely and very important hearing on the devastating storms that swept across the country this spring and the status of ongoing recovery efforts.

I recently hosted an event through the Congressional Hazards Caucus on this subject along with my co-chairs Sen. Ben Nelson and Sen. Murkowski, where we heard from the head of the National Windstorm Impact Reduction Program at the National Institute for Standards and Technology (NIST), the director of the National Weather Service's office in Birmingham, and the American Society of Civil Engineers, about improving forecasting, warnings, and structural resistance to tornadoes. I'm very pleased to have the opportunity today to hear from members of the communities that have been affected by these storms and from our federal partners who have helped support response and recovery in their aftermath.

As you all know, this has been a particularly active year of violent tornadoes. From April 26<sup>th</sup> to 28<sup>th</sup> alone, 312 tornadoes touched down in 8 southeastern states, causing 347 confirmed deaths and an estimated \$2 billion in damage, including more than 10,000 homes destroyed. Then on Sunday, May 22<sup>nd</sup>, Joplin, Missouri experienced a deadly tornado that killed 153 of its citizens and caused an estimated \$1-3 billion in damage, including 2,000 destroyed structures.

Of the 53 disaster declarations that have been issued so far this year, 30 of them resulted from the devastating storms that swept across the country this spring. The federal government has disbursed \$180 million in Individual Assistance payments to more than 40,000 households and another \$50 million in Public Assistance payments to state and local governments, including \$1.3 million to Louisiana, which experienced several weeks of severe floods beginning on April 25<sup>th</sup>.

We are here today to learn more about the physical, economic, and human toll of these disasters, to find out what went right and what went wrong during the response phase, to assess recovery progress and challenges, and to consider ways we can better protect our families, property, and communities through smarter, safer building practices, as well as effective alert and warning procedures. Developing and enforcing strong building codes, constructing safe rooms, distributing NOAA weather radios, and using traditional and social media technology to communicate with the public, are just a few of the ways we can help reduce our vulnerability to tornadoes and their consequences.

It is also critical that we address the shortfall in FEMA's Disaster Relief Fund to avoid stalling out recovery and mitigation projects in these communities, and that the Senate reject irresponsible House-passed cuts to preparedness grants, which helped save lives and reduce human suffering in the aftermath of these storms. Furthermore, government at all levels must engage the private sector during the recovery phase, utilize our Small Business Development Centers, and accelerate the disbursement

of SBA disaster loans and USDA crop insurance payments to help our business owners and farmers get back to work.

There are some very encouraging signs that FEMA's partnerships on the ground with state and local emergency managers have been robust, and that communities are taking advantage of opportunities to mitigate their risk, through such means as storm cellars, safe rooms, building codes, and hazard insurance. With the assistance of FEMA subsidies from the Hazard Mitigation program, Mississippians have constructed 1,165 storm shelters, 1,105 of which are individual shelters (with an average cost of \$3,072 and average reimbursement of \$2,304). Another 10,000 shelters have been built in Oklahoma through the State's safe room rebate program that also leverages FEMA Hazard Mitigation dollars.

However, significant populations in American lack sufficient hazard insurance for their home or business, and the uninsured victims of these disasters will face significant rebuilding challenges. The Southern United States, where many of these storms hit, has the lowest hazard insurance absorption rate of any region in the country, at 82.6% compared to 96% nationwide, and in many parts of the South, poverty and unemployment rates vastly exceed the national average. It is critical that our nation find a sustainable method to finance disaster risk for all segments of the population.

I look forward to the witnesses' testimony and the opportunity to examine these issues in greater detail during the course of today's hearing, and I thank the Chairman for his ongoing commitment to improving our nation's emergency management system.



July 19, 2011

Opening Statement on the "2011 Spring Storms: Picking Up the Pieces and Building Back Stronger"

Senate Committee on Homeland Security and Governmental Affairs: Subcommittee on Disaster Recovery and Intergovernmental Affairs

Senator Roy Blunt

Thank you Chairman Pryor and Ranking Member Paul for inviting me to participate in this hearing today.

This is a great opportunity to examine our disaster policies and how best to equip the government on all levels, specifically the federal level, to be better prepared for disasters. Bringing together Senators from states that are all experiencing the challenges of a wide variety of disasters will provide context of what is being done correctly and where there is room for improvement.

Additionally, I would like to thank all the witnesses for appearing before us today. Your perspectives will give us a unique glimpse into our nation's disasters needs at the local, state, and federal levels. By doing so, we can gain a more accurate understanding of the system's deficiencies, and proper levels of communication between layers of government. Your stories will help us develop a better insight into how disaster dollars are best spent and will allow us to examine how we can be more prepared in the future.

I would especially like to thank Rob O'Brian of the Joplin Chamber of Commerce for being here today. He has been an invaluable resource for Joplin and my office in the wake of the terrible Joplin tornado. He will give the committee great perspective on the challenges for businesses and communities in both the short and long term after a disaster.

As you know, this year's natural disasters have posed significant problems for our whole state and for many communities throughout Missouri. Areas along the Missouri and Mississippi River, as well as in Joplin, still face unprecedented emotional and financial challenges.

Rebuilding and restoring after disasters are the responsibility of the federal government. The devastation and destruction throughout Joplin and along the Mississippi and Missouri Rivers are unprecedented, and the federal response must meet that level of need.

Disasters in all forms present unique challenges to states, communities and families. One of the most important aspects of any federal, state or local response to those challenges is the need to provide certainty and clarity before, during and well after a disaster.

For example, the flood in progress parameters set by FEMA in regards to flood insurance. We need to establish a clear set of guidelines for when a flood event starts, and if and when flood insurance will no longer cover damages. The last thing we should be doing in the midst of a crisis is inserting uncertainty. If clear parameters are set, confusion can be avoided.

Our annual budgeting needs to take disaster preparedness into account. FEMA's disaster relief fund can play an important in disaster recovery but often times much more is needed to address recovery. In Missouri alone, we will need money to repair and rebuild our levees, to fund emergency Community Development Block Grants, and to make sure that our farmers are able to get back on their feet. In the past we have relied on a broken supplemental appropriations process to address disaster concerns. It is time to rethink how best to address the financial demands of disaster in this country and to work to assure communities across the country that we will always rebuild.

We have difficult decisions before us, but understanding the challenges ahead and establishing a clear path forward can help us make more informed and more effective decisions.

Again, I thank the chair and the witnesses for their hard work. I look forward to working together to provide a better coordinated, well-funded response to disasters that will provide some certainty in times of great uncertainty.

**Written Statement of  
Richard Serino**

**Deputy Administrator  
Federal Emergency Management Agency**

**2011 Spring Storms: Picking Up the  
Pieces and Building Back Stronger**



**FEMA**

**Before the  
U.S. Senate Homeland Security & Government Affairs  
Committee**

**Subcommittee on Disaster Recovery and Intergovernmental  
Affairs**

**Washington, DC**

**July 19, 2011**

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**Introduction**

Good afternoon Chairman Pryor, Ranking Member Paul and distinguished Members of the Subcommittee. My name is Richard Serino, and I am the Deputy Administrator of the Federal Emergency Management Agency (FEMA). It is an honor to appear before you today on behalf of FEMA and the Department of Homeland Security to discuss the recent severe spring storms.

As you know, many states across the nation have dealt with a disaster of one type or another ranging from wildfires in the West to tornadoes in the South and floods in the Northeast and Midwest. My testimony today will focus on the ongoing response and recovery efforts related to recent severe weather. Specifically, I will discuss how those efforts will provide communities with a solid foundation to rebuild and become stronger, safer, and better prepared to respond to, recover from and mitigate future disasters.

The devastating effects of the recent severe storms continue to serve as a solemn reminder of the importance of maintaining a robust and efficient national emergency management capability. FEMA will continue to support the affected states and the regions throughout the recovery process.

**A "Whole Community" Approach to Emergency Management**

Our planning and preparedness efforts translate into action through FEMA's "Whole Community" approach. This approach recognizes that FEMA is only *a part* of the team, and not the entire emergency management team. In order to successfully prevent, protect against, respond to, recover from, and mitigate all hazards, we must work with the entire homeland security community and the public. The "Whole Community" includes FEMA and our partners at the federal level; our state, local, tribal and territorial governmental partners; non-governmental organizations (NGOs) like faith-based, volunteer and non-profit groups, the private sector and industry; and most importantly, individuals, families, and communities, who continue to be our greatest assets and the key to our success.

As part of the team, FEMA, as the federal government's coordinator for disasters and emergencies, focuses our work on supporting our citizens and first responders to ensure resilience to all hazards. In order to fulfill this mission, we must leverage the resources and capabilities of all aspects of the emergency management team, both governmental and non-governmental. As a result, a "Whole Community" framework means thinking about FEMA programs and policies in conjunction with how we work to support other aspects of the emergency management team. I would like to discuss FEMA's "Whole Community" framework in the context of the recent severe storms, tornadoes and floods.

***Federal Agency Partners***

Through mission assignments, interagency agreements and advance contracts for commodities, our federal partners bring to the table a great amount of expertise and resources that support disaster-affected communities. These partnerships are essential to FEMA's ability to carry out

its mission by leveraging the full capacity of the federal government. FEMA responsibilities, strengthened by the Post-Katrina Emergency Management Reform Act of 2006, have allowed FEMA to develop stronger relationships and pre-scripted mission assignments as we plan in advance of disasters and emergencies.

We continue to work closely with our federal agency partners to help the states affected by the recent severe storms, tornadoes, and floods get back on their feet. One of the ways we do this is through the use of mission assignments. Mission assignments are work orders issued by FEMA to other federal agencies that direct the completion of a specific task and are intended to meet urgent, immediate and short term needs. Mission assignments allow FEMA to quickly request federal partners to provide critical resources, services or expertise. A few recent examples of the specific support these mission assignments have provided include:

- Coordinating with U.S. Northern Command to establish an incident support base in Maxwell, Alabama, enabling FEMA to move supplies (such as water, infant/toddler kits and tarps) closer to the affected areas;
- Activating the U.S. Army Corps of Engineers to conduct debris clearance and removal, infrastructure protection, restoration and emergency repair;
- Working with the U.S. Department of Housing and Urban Development to help support housing operations under Emergency Support Function #6 - Mass Care, Emergency Assistance, Housing, and Human Services; and
- Activating U.S. Environmental Protection Agency personnel to perform the functions of Emergency Support Function #10 – Oil and Hazardous Materials Response, by conducting response efforts relating to oil and other hazardous materials and conducting short- and long-term cleanup.

These are just a few examples of how the federal family works together to support survivors and state and local governments during disasters. We continue to work closely with our federal government partners to leverage the resources they bring to various aspects of our preparedness, response and recovery efforts.

*State, Local, Tribal and Territorial Governmental Partners*

Coordination with state, local, tribal and territorial governments is an essential part of our effort to integrate the entire emergency management community. FEMA's leadership comes from diverse backgrounds, but we share on-the-ground experience in state and local emergency management. Our experiences have helped us realize and appreciate the important role that state, local, tribal and territorial governments play in disaster preparedness, response and recovery. FEMA's success is heavily dependent upon our ability to work closely with these entities.

FEMA has been and continues to be in constant contact with the impacted states recovering from the devastating storms, tornadoes and floods of Spring 2011. Our Regional Administrators and Federal Coordinating Officers have been working closely with the affected states to assist them in meeting the unique needs of their residents. Administrator Fugate and I have visited with state and local officials throughout the Southeast, surveying damage and assisting in response and

recovery efforts. Secretary Napolitano also has traveled to the region to view the damage first hand and provide her support. President Obama, in addition to visiting impacted areas, has issued major disaster declarations related to severe storms and tornadoes in the Southeast for the states of Alabama, Arkansas, Georgia, Kentucky, Mississippi, and Tennessee. The states of Tennessee, Missouri, Kentucky, Arkansas, Mississippi, and Minnesota have also been granted disaster declarations related to the Mississippi Valley flooding, with the President issuing an Emergency declaration for 22 Louisiana Parishes. There are also major disaster declarations in place in several Midwestern states (Kansas, Indiana, Nebraska) due to flooding, in Alaska, and in Vermont, Massachusetts, and New York. Only a few weeks ago, I visited Minot, North Dakota to review response and recovery operations there, to meet with State and local officials, as well as the FEMA team on the ground.

*Engaging Private Citizens & Non-Governmental Organizations (NGOs)*

We recognize that a government-centric approach to disaster management will not be enough to meet the challenges posed by a catastrophic incident. That is why we must engage entire communities, leveraging voluntary and faith-based organizations, private industry, trade associations and social and fraternal organizations. These are the organizations that provide the bulk of services in their communities every day, and to the extent that they are able, should continue to be the primary provider of such services following a disaster. The quicker these entities are able to get back on their feet, the faster communities as a whole will be able to recover.

We are working closely with NGOs in response and recovery efforts related to the flooding and severe weather events of recent weeks. We will continue to leverage the private sector and NGOs, ensuring that they are fully engaged in all of our efforts.

We also work with the individuals, families and communities who are our nation's 'first' first responders. Our state and local emergency management experience has taught us that, in the event of a disaster, individuals and communities are our greatest resource and the key to our success.

FEMA's Individual Assistance Division helps disaster survivors with housing, crisis counseling, legal services, disaster case management, and unemployment assistance, among other services. In addition to supporting the individuals, families and communities we serve through Individual Assistance, we also work to engage the public as a valuable resource through personal preparedness, citizen and community training, and two-way communication that helps us understand the greatest needs in a disaster environment.

In addition to focusing on personal preparedness, FEMA also relies on the public to look out for friends and neighbors in a disaster. In approximately 95 percent of all emergencies, a survivor or bystander provides the first immediate assistance on the scene. Because family members, neighbors or fellow employees are often the first to provide assistance, it is important that all members of the community have access to the training they need to make a difference during an emergency situation.

**Specific Partnership with the Agricultural Community**

One of the partnerships I would like to discuss in the context of recent severe weather in the Southeast is FEMA's work with the U.S. Department of Agriculture (USDA). Many of the Senators on this Subcommittee represent states with large agriculture sectors that have been severely impacted by these recent events. As you know, many of the areas impacted by these spring disasters are rural and agricultural lands.

Emergency Support Function #11 (ESF #11) of the National Response Framework deals with Agriculture and Natural Resources, with USDA as the lead coordinator. Specifically, ESF #11 is activated by DHS/FEMA upon notification of a potential or actual incident that requires a coordinated federal response and support to help ensure one or more of the following: the availability and delivery of food products; food safety; appropriate response to an animal or plant disease or pest; the protection of natural and cultural resources and historic properties; and the safety and well-being of household pets.

Administrator Fugate has worked with Secretary Vilsack on numerous issues, most recently regarding the opening of the Morganza Spillway in Louisiana. The Administrator and Secretary issued a joint statement in May that stated that USDA had ruled that Morganza Spillway producers who purchased crop insurance and whose crops have been damaged by the flooding will be eligible for crop insurance indemnities in accordance with the provisions of their crop insurance policies. Secretary Vilsack and Administrator Fugate also spoke after the Secretary's tour of Midwest flooding to discuss Federal assistance that may be available following a Presidential disaster declaration in impacted states.

Since the start of the historic floods that have affected the Mississippi River Basin, USDA and FEMA have been providing updates on the situation and working closely with state and local officials to assist impacted communities and help get people back on their feet. While FEMA is not authorized to provide Public Assistance funds to assist with recovery of land used for agricultural purposes, FEMA is proud to partner with USDA and state and local agencies to provide support and assistance to farming communities damaged by disasters.

**Transition from Response to Recovery**

Recovery is at the heart of disaster response. FEMA's ability to assist a community in their recovery process depends on our many partners and continues to be based on disaster survivors' needs. Successful recovery depends on all stakeholders having a clear understanding of pre- and post-disaster roles and responsibilities. FEMA is just one part of the team and the success and speed of recovery depends heavily on the whole community's involvement.

Once lifesaving and life sustaining operations have ceased, it is critically important to rapidly restore basic services and community functionality. As part of the National Response Framework, FEMA has recognized that recovery needs to begin immediately following a disaster. During response operations, FEMA will align with other federal agencies, such as

Housing and Urban Development and the Small Business Administration, to begin to scope the recovery challenges.

The length of the recovery phase varies for each individual community and for each individual disaster. Emergency Support Function (ESF) #14 – Long-Term Community Recovery provides a mechanism for coordinating federal support to state, tribal, regional, and local governments, NGOs, and the private sector to enable community recovery from the long-term consequences of extraordinary disasters. ESF #14 accomplishes this by identifying and facilitating the availability and use of sources of recovery funding, and providing technical assistance for community recovery and recovery planning support. Activating this ESF in the earliest stages of response has allowed states, local communities and FEMA to see how the community was structured prior to the incident and enables them to better understand where the community needs to get back to in order to feel “normal” again. Assisting states and communities to take the time and effort to evaluate their recovery options together as a community also encourages a holistic approach to restoration and redevelopment that may enhance opportunities for improving the community's resilience and economic viability.

As destructive and heart-wrenching as these recent storms have been, they also provide us with an opportunity. In the process of recovering from these storms, these communities have the opportunity to rebuild stronger and safer and become better prepared to respond to future disasters.

#### **Rebuilding Stronger, Safer and More Prepared**

In the aftermath of a disaster, the whole community has the opportunity to re-evaluate its functionality and services in order to improve resilience across the full spectrum of all-hazards threats.

For example, under the Public Assistance program, FEMA may provide funds to build certain temporary facilities, such as schools. Following the severe storms in the south, FEMA evaluated and expanded the funding of these temporary facilities to include the construction of safe rooms in schools. This provision allows parents to feel confident that their children are safe while attending school in the event of similar storms.

While communities recover from disasters, we also have a chance for the whole community to come together to discuss how to be more prepared for future disasters. With these thoughts in mind, FEMA hosted a Sustainable Communities Workshop from June 28 – 29, 2011, in Greenburg, Kansas. Greenburg sustained the most severe level of tornado on the “Enhanced Fujita” (EF) scale, i.e., an EF-5 tornado on May 4, 2007, that resulted in more than 90 percent of the structures in the community being severely damaged or destroyed, thereby giving leaders there a unique perspective on the challenges currently facing their counterparts from around the country.

Workshop participants discussed and learned from one another about the recovery process, coordination, management, incorporating sustainability and many other lessons, successes and



challenges experienced by Greensburg, Kansas, Chambers County, Texas and others. Recently impacted communities including Smithville, MS, Cordova, AL and Joplin, MO sent representatives.

Communities in the process of recovery can receive additional assistance on sustainable community approaches to recovery and preparedness through a Memorandum of Agreement (MOA) signed by FEMA and EPA in 2010. The MOA will make it easier for the two agencies to work together to help communities become safer, healthier, and more resilient by rebuilding in ways that create long-term economic prosperity, enhance neighborhoods, and protect the environment.

The aftermath of a disaster also allows us to assess the efficacy of our mitigation practices. Shortly following the outbreak of deadly tornadoes in the Southeast, FEMA deployed three Mitigation Assessment Teams (MAT) to impacted areas of AL, MS, TN and GA. Their goals were to: (1) investigate and assess the performance of safe rooms and shelters, and document damages observed; (2) investigate and assess residential building performance, with a focus on newer construction where possible; (3) investigate and assess the performance of critical and essential facilities (e.g., hospitals, schools, emergency operation centers, fire stations, communication towers, etc.); (4) evaluate operational issues resulting from damage of critical facilities (e.g., effect of the damage on response and recovery); and (5) evaluate and provide field evidence to determine the tornado ratings on the EF Scale for those locations where the MAT engineers perform building evaluations.

#### **Disaster Mitigation Outside the Response and Recovery Context**

Obviously, we do not and should not wait for disaster to strike before we prepare for a future catastrophic event. FEMA has an active disaster mitigation component that works diligently with a variety of partners from state and local government as well as non-governmental organizations and the private sector both before and after disasters.

Mitigation focuses on breaking the cycle of disaster damage, reconstruction, and repeated damage. Mitigation efforts provide value to the American people by creating safer communities and reducing loss of life and property. These efforts include such activities as:

- Complying with or exceeding National Flood Insurance Program floodplain management regulations.
- Enforcing stringent building codes, flood-proofing requirements, seismic design standards and wind-bracing requirements for new construction or repairing existing buildings.
- Adopting zoning ordinances that steer development away from areas subject to flooding, storm surge or coastal erosion.
- Retrofitting public buildings to withstand hurricane-strength winds or ground shaking.
- Acquiring damaged homes or businesses in flood-prone areas, relocating the structures, and returning the property to open space, wetlands or recreational uses.

- Building community shelters and tornado safe rooms to help protect people in their homes, public buildings and schools in hurricane- and tornado-prone areas.

In this area as in all other areas of emergency management, FEMA is a partner and not the sole provider of mitigation support or assistance. Under the Stafford Act, state, local and tribal governments are required to develop a hazard mitigation plan as a condition for receiving certain types of non-emergency disaster assistance as well as pre-disaster mitigation grants. Mitigation plans form the foundation for a community's long-term strategy to reduce disaster losses and break the cycle of disaster damage, reconstruction, and repeated damage. The planning process creates a framework for risk-based decision making to reduce damages to lives, property, and the economy from future disasters.

FEMA has five Hazard Mitigation Assistance (HMA) grant programs that it can utilize to provide funds to state and local communities to reduce the loss of life and property from future disasters. For example, the Hazard Mitigation Grant Program (HMGP) provides grants to states and local governments to implement long-term hazard mitigation measures after a major disaster declaration. The purpose of HMGP is to reduce the loss of life and property due to natural disasters and to enable mitigation measures to be implemented during the immediate recovery from a disaster. FEMA's Pre-Disaster Mitigation (PDM) Program provides funds to states and communities, including tribal governments, for hazard mitigation planning and implementation of mitigation projects prior to a disaster event. The PDM Program provides applicants with an opportunity to raise risk awareness and reduce disaster losses through cost effective hazard mitigation activities. FEMA's HMA grant programs provide funds to assist States and communities implement measures that reduce or eliminate the long-term risk of flood damage to buildings, manufactured homes, and other structures. These grant programs are part of FEMA's mitigation work and rely upon a strong partnership with our state and local partners.

Mitigation activities can take many forms and vary by region. What does not differ, however, is the value these initiatives can hold. The effectiveness of FEMA's mitigation projects has been repeatedly confirmed, including by two independent studies commissioned by Congress. One study, conducted by the National Institute of Building Sciences in 2005, reported that for every \$1 spent on various mitigation activities, \$4 in response and recovery costs are saved<sup>1</sup>. In September 2007, the Congressional Budget Office evaluated the Pre-Disaster Mitigation Program and found that for every \$1 spent on mitigation projects, losses from future disasters are reduced by \$3.<sup>2</sup> While these studies are valuable and very effective in accurately analyzing facts and figures, the success of mitigation projects are often best seen in pictures of property improvements, and in personal stories of community survival.

One family in Moore, Oklahoma, after being hit with tornados in 1998 and 1999, decided to construct an above ground safe room on the back patio rather than continue to risk riding out the storm in their house. When the warning sirens sounded on May 8, 2003, the family took shelter in the safe room. When they emerged from the shelter, they found the house in shambles with

<sup>1</sup> Multihazard Mitigation Council, *Natural Hazard Mitigation Saves: An Independent Study to Assess the Future Savings from Mitigation Activities*, 2005

<sup>2</sup> Congressional Budget Office, *Potential Cost Savings from the Pre-Disaster Mitigation Program*, September 2007

the roof ripped off. Other houses on the street were also heavily damaged or destroyed. This family's home was among the more than 300 homes destroyed in the city that day. Whereas a severe tornado hit the city in May of 1999 claiming 44 lives, there were no deaths in the 2003 tornado. The absence of fatalities was attributed to community preparedness, improved early warning systems and the many safe rooms and shelters that have been built. One family member summed up well the benefits of mitigation, stating "The safe room saved my life, it came through with flying colors. It's worth a million bucks to me."

Several families in Joplin, Missouri have credited saferooms with saving their lives. One Joplin family bought a home several years ago that had a saferoom in the garage. They always thought of the saferoom as a large eyesore until the recent storms. The homeowner was home alone when the tornado sirens sounded. He hurried inside the safe room. "Right when I shut the door, put the pin in and sat down in the chair, I could hear my roof leaving," he said. Another family in Joplin built the saferoom into the design of their home that they were constructing, turning the space under the front porch into a safe room. The family of five spent the duration of the storm in the saferoom and all survived unharmed.

In today's difficult economic times, we must make the most of every recovery dollar. FEMA's mitigation programs have allowed the agency to work with its state and local partners to reduce property damage, personal and commercial hardship and long lasting monetary burdens.

#### **Conclusion**

FEMA remains committed to working with the whole community to rebuild communities devastated by disaster and working with all communities so they are prepared to respond to future disasters. We also understand that we must adopt a whole community approach to response and recovery in order to be successful. FEMA works hard to ensure that our response and recovery efforts serve to save life and property as well as improve local communities' abilities to respond to and recover from future disasters. We will also continue to work with our state and local partners to undertake mitigation efforts that will reduce disaster losses and break the cycle of disaster damage, reconstruction, and repeated damage. There will be a long road to recovery for many of the communities ravaged by this spring's storms. So, while I am proud of the progress that we have made together, I know that there is still more work to be done. I look forward to working with you, Mr. Chairman, Ranking Member Paul and the other Members of this Subcommittee, as we continue to build our nation's capability to prevent, protect against, respond to, recover from, and mitigate all hazards.

Thank you again for the opportunity to appear before you today. I am happy to answer any questions the Subcommittee may have.

**Statement of Christopher Masingill, Federal Co-Chairman of the Delta Regional Authority  
before the Ad Hoc Subcommittee on Disaster Recovery and Intergovernmental Affairs  
hearing "2011 Spring Storms: Picking Up the Pieces and Building Back Stronger",  
2:30 PM, July 19, 2011**

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Chairman Pryor, Senator Paul, esteemed Members of the Committee: it is a privilege for me to be here today and to testify before the Subcommittee on the effects of the recent weather disasters on the Delta Regional Authority's territory and its people. The DRA has a unique relationship with the Governors of our eight state region, and because of the work we do year-round with local development districts, we were positioned to see the storms (and the recovery efforts that followed) through their eyes. While a number of our member states were struck by devastating tornadoes, for which DRA offered its support and assistance, the majority of the damage in the DRA territory caused by those storms manifested itself in the catastrophic flooding along the Mississippi River, so my statement will focus primarily on that event.

**Overview of Situation**

During the month of April, the Mississippi River Basin received 600% of its annual rainfall in a three week period. This unprecedented amount of rain would lead to a flood of historic proportions along the Mississippi River and test the levee systems that protect millions of families in the Delta as never before. In late April and early May, the governors of states along the river declared states of emergency to prepare for the impending flood and Deltans began making preparations to protect their lives, homes, and property as best they could. Over the next two weeks the Mississippi River rose to levels unseen since the 1927 flood, and in many locations surpassing those levels by several feet. The high water forced the Army Corps of Engineers to make the difficult decision to breach the New Madrid levee system at Birds Point, MO and later opening the Bonnet Carre' and Morganza spillways in Louisiana. Throughout the ordeal, the Corps of Engineers and local levee districts worked tirelessly to inspect, maintain, and repair any levee issues that arose. Through their diligence and hard work, the levee systems worked as designed and no failures of mainline levees occurred. Unfortunately, the levees along many of the tributaries of the Mississippi did not fare as well. Due to the massive quantities of water flowing down the main river channel, as well as the significant rainfall across the region, many of the numerous rivers, lakes, and streams that feed into the main river channel were unable to drain and left their banks to overtop or break the levees that were designed to contain them. The backwater flooding that resulted was the cause of the majority of flood damage to many of the DRA states.

Total damage throughout the Delta Region is still being assessed, but countless homes, businesses, and public property have been impacted. Moreover, floods have damaged millions of acres up and down the river.

### **DRA Involvement**

Throughout the disaster, DRA maintained two-way contact with local, state, and federal contacts to the fullest extent possible. Hearsay and misinformation were rampant across the region and I wanted to make sure that any information that DRA passed along was accurate and up to date. DRA received daily status updates from several Corps districts and made numerous phone calls to local development districts; local, state, and federal elected officials; and non-profits in order to offer assistance and gather information. DRA staff took part in meetings of state and federal disaster taskforces and state legislature committee hearings and helped provide information to leaders and the public on the many steps that need to be taken in the wake of a disaster. Many people do not think of DRA when it comes to disaster response and recovery, but I hope that our involvement during this time of need as well as DRA's being a part of the Emergency Support Function - 14 Long-Term Community Recovery Annex to the National Response Framework will bolster the fact that DRA stands ready to assist state, regional, and local entities by coordinating long-term community recovery; assist in streamlining response; identify responsibilities for recovery activities; and provide a coordinating entity to maintain continuity of deliverability to those negatively affected by any disasters that may affect our region.

### **Committee Questions**

#### *Unique Challenges*

The significant loss in agricultural production is a serious challenge facing our region. Agriculture is one of the leading industries in the Mississippi Delta, and as a result of the flooding of large percentages of that farm land, producers and others in Ag-related industries are facing significant economic burdens. For example, there was significant agricultural damage to Southeast Missouri following the Corps of Engineers' decision to lower the flood stage on the Mississippi River by breaching the Birds Point – New Madrid levee system on May 2<sup>nd</sup>. While this disaster happened early enough for some planters to get a crop in the ground, it wasn't necessarily the crop they wanted or the crop in which they specialize. Several DRA member states also have casinos on the river which were forced to close, resulting in thousands of jobs furloughed and millions lost in tax revenue to states and counties.

#### *Efficiency of Response*

The public outreach and information sessions that were held across the region by FEMA and SBA were very well attended and received. There were numerous avenues used to access those who had been flooded to ensure that they were signed up for the appropriate programs and aware of the assistance for which they were qualified. FEMA and SBA representatives are still manning stations at home improvement and hardware stores across the region assisting people with the disaster filing process. The Mississippi Development Authority highlighted to me how helpful the SBA was in assisting businesses in the wake of the tornados and floods that hit Mississippi. The Corps of Engineers also received high praise from numerous entities across the

region. The opening of the spillways was a point of contention with some states, however the Corps did an exemplary job of maintaining a transparent decision making process for the opening of these structures, as well as keeping the public informed of any relevant information. As previously mentioned, the Corps' work with the local levee district was highly praised as well.

Overall, local opinion seemed to feel that the federal response was well managed; however, the DRA did hear several complaints, universal across the region.

The first touched on the government contracting process. With so many displaced workers in the region, residents were displeased to see contracts being awarded by FEMA to companies located outside the disaster-affected state. While it is understood that the urgency of the response necessitates FEMA having pre-negotiated contracts, I hope to see the recovery phase of a large event allow for more local participation.

Second, the DRA has heard suggestions that groups assisting with recovery might adopt a plan wherein they set up response tents by need, not by agency. When families in Poplar Bluff, Sikeston, or New Madrid had questions about housing, the answers given were often sufficient, but incomplete. Answers might be determined by which government agency (like USDA RD) or NGO (like the Red Cross) an applicant visited first. Comprehensive coordination between the government and relief organizations during a time of relative quiet might allow each to better perform during a time of crisis.

Third, states have noted that the rapid pace at which Individual Assistance was granted was not matched by an equally rapid Public Assistance response. We all recognize that while the housing needs addressed through Individual Assistance are important, Public Assistance programs designed to help counties, states, and non-profits repair their public infrastructure are particularly important to the Mississippi Delta region, where communities can be isolated and extremely self-reliant. While I understand that Individual Assistance was easier to assess, there was an obvious frustration on the ground with the slow approval of Public Assistance.

Finally, DRA heard numerous states criticize mitigation activities undertaken by private residents and businesses. Under FEMA and SBA guidelines, residents and businesses that were flooded are eligible for assistance either through grant or loan for mitigation funding to prevent damage from adverse weather events. States have noted numerous citizens and businesses spent their own money to build levees around their property, move equipment and furniture, and relocate livestock and incurred significant expense doing so. Despite the fact that these precautions undoubtedly prevented more claims for federal disaster aid, these mitigation activities are not eligible for any type of federal assistance in the form of a grant or loan. Altering this regulation could have the added benefit of saving the federal government money without burdening property owners with significant costs for protecting their property. We

suggest a closer working relationship between state and local governments and FEMA, to ensure that work is complementary and maximizes available resources.

### **Recommendations**

In addition to the recommendations above, DRA has several others that I feel could improve future responses to disasters such as this.

Communication between agencies, state government, and locals could be improved upon. During this disaster, some states had excellent communications between all the parties with daily conference calls and meetings organized by the governor's office or state emergency management agencies. However, if these activities were not instituted by the state, it often didn't happen. Instituting a "task force" approach to communication between all involved parties allows everyone to be on the same page, have the same information, and a clear understanding of the mission at hand.

In dealing with long-term recovery, the DRA recommends that agencies begin to think about how they might best work with small businesses, for whom a disaster could mean a loss of income, job reduction or elimination, and even foreclosure.

Although the SBA did a great job at publicizing its disaster loans to the public, I feel that the Economic Injury Disaster Loan program was not publicized as strongly or often as the Home and Personal Property and Business Physical Disaster Loans. The Economic Injury Disaster Loans serve as life support for many small businesses, which have suffered economically from the disaster, by providing low interest loans to cover every day operating expenses, such as payroll and utilities, while the business gets back on its feet. While SBA includes EIDL on press releases and fact sheets, many business owners I spoke with, including those who had attended SBA Business Disaster Meetings, were unaware that this type of loan was available to them. I would recommend putting more emphasis on this unique program that could save numerous small businesses in a disaster area.

Finally, and keeping with the small business theme, in disaster situations, it is important that the government think about how best to coordinate response efforts in order to get small business up and running again as quickly as possible. As a model, I suggest looking at the Louisiana Business Emergency Operations Center (LA BEOC), a joint partnership between Louisiana Economic Development, the Governor's Office of Homeland Security and Emergency Preparedness, the National Incident Management Systems & Advanced Technologies Institute at the University of Louisiana at Lafayette, and the Stephenson Disaster Management Institute at Louisiana State University. The LA BEOC works with businesses to improve their disaster preparedness; improve communication with business and industry before, during and after disaster events; rapidly develop sound economic-impact estimates to support decision making and requests for business assistance; coordinate response efforts; and help coordinate post disaster economic recovery. During this recent round of spring storms, the Mississippi Delta's

small business owners would have certainly benefitted from a federal agency directed to coordinate the same across state lines.

#### **Conclusion**

Because disasters affect more than one family and more than one community, it will take a coordinated response from all of us to make sure that long-term recovery is a success. The governors and emergency coordinators of our states went above and beyond during this April's flooding, and no doubt their mitigation efforts and quick response after the catastrophic events saved lives, livelihood, and property. While FEMA and SBA have made great progress on this front, federal agencies would do well to adopt a more coordinated planning effort by incorporating improved communications plans that specifically address small businesses and empowering an agency with the capabilities to get small businesses quickly on their feet.

The Corps of Engineers behaved exemplary, as did FEMA and many other agencies charged with quick response. Now, we must act as professionally as we move to long-term recovery. It will take close coordination and intense focus from all the agencies in FEMA's ESF-14 Annex to recover from the damage done to countless homes, businesses, infrastructure, and public property. The Delta Regional Authority stands ready to do its part.

Again, thank you for extending an invitation to me today. I welcome any questions, and look forward to working with the Committee on improving quality of life for those living along our great Mississippi River.



**MR. DAVID MAXWELL**

**Director and State Homeland Security Advisor  
Arkansas Department of Emergency Management**

**TESTIMONY**

**Before the Ad Hoc Subcommittee on  
Disaster Recovery and Intergovernmental Affairs**

***2011 Spring Storms: Picking Up The Pieces and Building Back Stronger***

**July 19, 2011**



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**Introduction**

Thank you Chairman Pryor and distinguished members of the Subcommittee for the opportunity to testify today relating to "Picking Up the Pieces and Building Back Stronger" after the 2011 Spring Storms. This is a critical topic, and the storms and floods that have devastated parts of the South and Midwest in recent months have certainly been felt in Arkansas.

The Arkansas Department of Emergency Management (ADEM) has experienced numerous challenges over the past few years, including 11 Federal Declarations since 2008. Our agency is tasked with disaster preparedness, mitigation, response, and recovery of the State of Arkansas. The lessons that we have learned over the years from responding to these and other disasters have been invaluable to our efforts to prepare Arkansans for future disasters. The Arkansas Department of Emergency Management is committed to utilizing these lessons as we re-examine our plans and procedures to helping our citizens "pick up the pieces and build back stronger."

We continue to share the vision of Governor Mike Beebe which is to coordinate resources, expertise and leadership for mitigation, preparedness, response and recovery while protecting the lives, environment and property of the people of Arkansas.

The ADEM provides 24/7 coverage and stands ready to respond to the state in the event of a natural or man-made emergency or disaster. We work daily with our colleagues in counties, state agencies, federal agencies and volunteer agencies coordinating a myriad of programs, education and activities to better prepare our state for the next emergency.

The various programs must stand ready to evolve as new information and lessons are learned. Our rapid adaption to Social Media is but one example.

While I am extremely proud of the ADEM, we all know that it takes all of our partners to have the response that our citizens expect. The spring flooding was record setting in many cases and near record setting in others. For the first time in history Interstate 40 between Little Rock and Memphis had to be shut down because of flooding. The joint effort between the Arkansas Highway and Transportation, Arkansas State Police, local law enforcement, the Arkansas National Guard and others made the difficult detours work. A joint effort between the local levee board, the County Judges, Sheriffs, Mayors, National Guard soldiers, Arkansas Game and Fish Commission staff, Arkansas Forestry Commission staff, Army Corps of Engineers, volunteer agencies and the Department of Emergency Management kept a possible catastrophic failure of the levee from occurring on the Mississippi River Levee system in southern Arkansas.

FEMA has been with us all the way. We had near constant communication with FEMA Region VI. A Region VI liaison was quickly assigned to the State Emergency Operations Center to ensure seamless coordination of information and any needed federal resources. After the disaster was declared by the President a Joint Field Office was quickly established and disaster assistance began flowing to those affected by the disasters. The trust established between the Federal

Coordinating Officer and ADEM enabled Arkansas to make the important decision to continue our long planned participation in the 2011 National Level Exercise. With this partnership and trust we were able to take full advantage of the exercise to continue improvement in preparations for a New Madrid seismic event as well as manage the ongoing disaster.

It is also important to note that the close coordination between those many agencies at the Local, State and Federal levels would not have been possible without the Arkansas Interoperable Communication Network. This interoperable communication system would not have been possible without the State Homeland Security Grant Program. With this system, we were able to ensure sandbags arrived at the proper place at the proper time. Communication between those locating sand boils on levees could quickly communicate the size and location to get sandbags, workers, heavy equipment or other needed resources to the scene to quickly stabilize the levee and prevent the need for massive evacuations. I stress that this would not have been possible without the grant program.

Planning and preparing for disasters or emergencies does not happen the day of the event—it is a daily challenge. As new hazards appear, ADEM must be prepared to provide leadership in preparedness efforts. Partnerships are formed and collaborative efforts are employed in an ongoing commitment to saving lives and protecting property. I offer the following examples:

#### **Mitigation Program Success Stories**

##### **West Memphis**

I want to share with you today details about the highly successful Auburn Avenue Acquisition in West Memphis, Arkansas. FEMA purchased and then demolished 18 houses located on the north side of Auburn Street, a flood-prone area. Here is why the project happened: The depreciated value of these houses due to past flooding had convinced the city that any structural improvements would only have a “Band-Aid” effect. All of the homes were built on slabs, making them poor candidates for elevation. Additionally, the clay/gumbo soil in the area was not conducive to elevation. Overall, this project eliminated 18 repetitive loss properties and reduced costs to the National Flood Insurance Program, the city of West Memphis, and the residents in that area who had to buy flood insurance. Purchase and demolition proved much more economically feasible than to keep applying those Band-Aids frequently.

##### **Safe Rooms Save Lives**

Tresia Crymes lives in Vilonia, Arkansas. Eight years ago, she had installed a \$3,800 safe room with help from a \$1,000 grant from the Arkansas Department of Emergency Management. Crymes said she decided to invest her own money in the project because her then-11-year-old daughter feared storms. Throughout the years, the family had sought safe haven in the 6-foot-by-8-foot concrete shelter during tornado warnings, but no storm system had ever really tested the shelter until April 25 of this year when a deadly tornado ripped through their Vilonia neighborhood. That night, four adults, four children and two dogs huddled in fright in that underground safe room after warning sirens went off in their town. “It saved our lives that night,” Crymes has said.

When they emerged from the safe room, Crymes saw widespread destruction. Winds had ripped away much of her home's roof and ceilings and torn apart its outer walls. A neighbor who is the mother of two young children who were also in the safe room, discovered many shattered windows in her home. Falling trees had split the roof, and nearly 50 big trees had been uprooted or snapped.

The EF-2 tornado that day carved a 51-mile path of destruction across Pulaski, Faulkner and White counties, killing four people. The same day 17 more tornadoes as well as straight-line winds ripped through western and central Arkansas, causing three more fatalities. More than 40 tornadoes occurred in Arkansas from April 14 to early May.

Crymes has since moved to a new home in Vilonia. She has arranged for a contractor to dig up her safe room and relocate it to her new home.

"It was a good investment," she said. "I believe it could save my life again, but this time with my new neighbors. They know it is coming and they don't have one."

ADEM's grant program reimburses 50 percent of the cost of a safe room or storm shelter or up to \$1,000, whichever is less, to help pay for the cost of safe shelter.

#### **Vilonia High School Safe Room**

It was recently announced that FEMA has awarded more than \$1 million to the state of Arkansas for construction of a tornado safe room at Vilonia High. The community began the grant application about a year ago (before the April tornado). FEMA's Hazard Mitigation Grant Program will pay 75 percent, or \$1,000,440, of the more than \$1.3 million project. The school district is the 38<sup>th</sup> in Arkansas to receive a safe room grant in the last five years.

The stand-alone safe room, to be built on campus, will measure more than 6,500 square feet and should accommodate nearly 1,150 people during a severe storm or tornado.

Work is expected to begin soon on the new structure, which will double as a physical education facility.

Though the recent storm was not the original reason for the safe room, it certainly underscores the need. It would have been a great place for people to go the evening of April 25th. We expect a lot more people will use it now that they've seen the consequences.

#### **Conclusion**

In conclusion, Arkansas is home to the distinct possibility of almost any kind of disaster. Earthquakes, pandemic, severe weather, tornadoes, floods, ice storms, drought, terrorism, and hazardous materials are many of the threats in our state. As part of our planning process, we strive to create an awareness of these potential disasters and plan to lessen the effects they will have on our state. We are faced with numerous challenges in that planning process, most revolving around funding.

We are continually working to ensure that Arkansas is ready for the threats we face and will be able to better handle the aftermath of disaster, including the all-important recovery process. We define recovery as the rapid restoration of normal routines following a disaster. We carry out this task in the following manner: Informing people of disaster assistance programs; encouraging counseling for victims and their families; and providing local and state agencies. Therefore, it is through understanding and creating an awareness of preparedness, mitigation, response and recovery, that we can better prepare Arkansans for disasters.

We welcome and appreciate the help of our Federal, State and local partners in this mission as well as the many volunteer groups and individuals.

Thank you for the opportunity to provide testimony today and I look forward to any questions the Subcommittee members may have.

**Thomas M. "Mike" Womack  
Executive Director  
Mississippi Emergency Management Agency**

**"2011 Severe Spring Storms: Picking up the pieces and building back stronger."**

**Testimony before the Senate Subcommittee on Disaster Recovery & Intergovernmental Affairs  
U.S. Senate Homeland Security & Governmental Affairs Committee**

Good afternoon Chairman Pryor and Ranking Member Paul and distinguished members of the committee. My name is Mike Womack and I am the executive director of the Mississippi Emergency Management Agency. I have been a senior employee of the Mississippi Emergency Management Agency since 2002 and have observed the progression of my state's ability to respond to large scale events as well as the development of the federal government's response capability.

As you are well aware, the state of Mississippi was greatly impacted by tornadoes, severe storms and flooding that occurred in April and Mississippi River flooding that occurred in May. Mississippi received two federal major disaster declarations and an emergency declaration for those events. Nearly 11,500 households requested assistance from FEMA; more than 2,750 families received housing assistance grants and more than 300 homes were deemed destroyed by FEMA Individual Assistance inspections. Individual assistance grants for both disasters total more than \$18.8 million.

I will briefly summarize the response to these events and primarily, my focus will be on how Mississippi has and continues to reduce property damage and reduce the risk to the lives of our citizens.

**FEDERAL PREPAREDNESS GRANTS HAVE BEEN EFFECTIVE**

First, I believe much of the Homeland Security and Emergency Management grant funds provided to state and local governments have been well spent as demonstrated by the excellent response to the recent storms and tornadoes. I personally have observed the deployment of responders trained and equipped by both the State Homeland Security Program and the Emergency Management Performance Grant in Mississippi. I have read reports and discussed with other state directors of emergency management concerning how well the teams of state and local responders met the challenges during the last four months.

The concepts of the National Incident Management System and the Incident Command System have consistently proven to be an excellent framework for managing emergencies involving governments at all levels as well as the private sector. Let me emphasize that the response to all of these events this spring went well because of the funding sources and training that were made available to state and local first responders. Anyone who says that grant funds should not be

provided to rural areas or states need to study just how these areas were able to handle their response activities and save lives due to grant funding.

Second, the work of FEMA during the response was exceptional. Due to the devastation in the state of Alabama and ongoing disasters in Tennessee, Georgia and North Carolina, FEMA Region X, from the Pacific Northwest, was tasked with supporting Mississippi. FEMA Region IV Federal Officer Terry Quarles led the group and provided strong leadership and showed a complete understanding of FEMA's role in support of state and local governments. The coordination between key federal agencies, FEMA, U.S. Army Corps of Engineers, National Weather Service and U.S. Geological Survey was also outstanding.

#### **RECOVERY EFFORTS THAT NEED IMPROVEMENT**

The recovery efforts lead by FEMA have been very good overall, but I do feel that there are some areas that need improvement.

The Individual Assistance Preliminary Damage Assessment process was swift and efficient and showed great flexibility by the FEMA staff. The home inspection and Individual Assistance grant disbursement process for the vast majority of the disaster survivors was excellent as well.

However, I feel that an area that can be improved is coordination between the Individual Assistance program, the Hazard Mitigation Grant Program and the National Flood Insurance Program's Substantial Damage Estimation program.

By better coordination between these programs, disaster survivors can be much better served and overall disaster cost can be reduced by eliminating repetitive flood loss structures. I have addressed my ideas to key members of FEMA's leadership: Associate Administrator, Response and Recovery – William "Bill" L. Carwile, III, Deputy Associate Administrator, Response and Recovery - Elizabeth Zimmerman, and Assistant Administrator, Recovery - Deborah Ingram and have scheduled follow up meetings to communicate my thoughts. I want to emphasize that all three of these senior FEMA leaders have been very receptive and open to my suggestions and I commend them for their willingness to listen to suggestions on ways to potentially improve the disaster assistance process. I will note, however, that some of the proposals would require changes to current laws or regulations.

#### **MITIGATION FUNDS HELP PREPARE OUR COMMUNITIES**

In the last 10 years, Mississippi has received 21 federal disaster declarations including Hurricane Katrina. Thanks to the leadership of both Governor Haley Barbour and our local elected officials, we have truly rebuilt devastated areas both better and safer. We in Mississippi have learned the importance of using Hazard Mitigation Grant Program funds to help prepare our residents for the potential impact that future storms and disasters may have on their lives.

After Hurricane Katrina, Governor Barbour established the following priorities and funding levels for Hazard Mitigation projects resulting from that disaster. Funding levels fluctuated as jurisdictions established their critical needs and submitted applications based upon those needs:

- Hazard Mitigation Planning: \$2.6 million.
- Retrofit of critical and essential facilities: \$55.5 million.
  - Upgrade critical and essential public facilities to IBC 2003 or to FEMA 361 standards.
- Flood damaged structures in SFHA: \$21 million.
  - Acquisition and demolition, relocation, elevation, mitigation reconstruction and drainage improvements.
- Codes and standards: \$1 million.
  - Adopt or upgrade building codes, hire building officials & inspectors, and training & certification.
- Group and individual shelters (FEMA 320): \$32 million.
- General population safe rooms and upgrades (FEMA 361): \$150 million.
- Warning systems: \$5 million.
- Generators for critical facilities: \$24 million
  - Dedicated generators for large facilities such as general population shelters and emergency operation centers.
  - Trailer-mounted generators for use at multiple locations when larger units are not required.
- Coastal wind retrofit for residential structures: \$20 million.

Type of Safe Room	Structure Standards	Number of Projects Funded	Shelter Capacities
Residential <i>Built into a home's structure; interior or exterior above or in ground.</i>	FEMA 320	6,422	16 or fewer persons per shelter
Small Community	FEMA 320	236	16 or fewer per shelter
Large Community	FEMA 361	3 completed	8,213 among the three completed shelters.
		44 in progress	30,450 among the 44 shelters when completed.



Large Community First Responder <i>Designated for use by first responders.</i>	FEMA 361	2 completed	630 between the two completed shelters.
		7 in progress	860 in the seven shelters.
Large Special Medical Needs	FEMA 361	1 in progress	400 when completed.

One of these programs that we are extremely proud of in Mississippi is our “A Safe Place To Go” initiative that reimburses residents or local governments for a portion of costs to install a safe room or storm shelter. This program began after a series of tornadoes struck the state in 2001 that killed eight people. Since 2001, MEMA has administered HMPG funds to partially reimburse installation costs for more than 6,400 safe rooms or storm shelters for residential structures. The program has become so popular, that since it was announced following our tornado this spring, more than 5,500 people have applied.

Senators, this program saves lives. Take the story of Reverend Coy Fulgham of Eupora, Mississippi who installed a safe room near his family home in November of 2010 through the “A Safe Place to Go” program. Just six months later on April 26, an EF 2 tornado with winds of 120 miles per hour tore through his neighborhood damaging his home and destroying his son’s home. Thanks to the family heeding weather warnings, seven members of the Fulgham family took refuge in their new safe room. Thanks to their participation in “A Safe Place to Go,” not one member of the Fulgham family was injured.

While the use of HMGP funds were a major focus of the state’s mitigation efforts, allocation of other federal grant funds tied to stronger standards as well as increased adoption of codes have also made Mississippi safer and more resilient. All construction of new government facilities utilizing Community Development Block Grant funds required that jurisdictions adopt International Building Code standards.

Many county and municipal governments have adopted IBC standards without receiving supplemental federal funding. Recently, I discussed the adoption of building codes with a local official representing a northwest Mississippi county that has a high potential to receive damage from an earthquake. He was proud of his county for adopting IBC 2006 standards because a few years earlier, the leadership of that particular jurisdiction was, unfortunately, not willing to even acknowledge the potential of earthquake damage.

While we plan for repairing and rebuilding following our current disasters, we have already begun to incorporate the lessons from previous disasters to rebuild better. Already, we have offered our safe room grants program to the counties impacted by the recent tornadoes and severe storms, with priority going to those households that had homes destroyed. In the counties impacted by the record flooding on the Mississippi and Yazoo rivers, we have begun the process

of helping families elevate their homes as they rebuild, if practical, and if not, help them relocate with acquisition projects. The local officials have demonstrated the willingness to enforce flood plain ordinances, therefore making their communities safer.

As I have previously stated, Mississippi has seen many disasters in the last decade - some catastrophic on the local level and one catastrophic to the state, region and nation. We Mississippians are proud to say that we have used our resources and those provided to us by the nation to rebuild by using proven mitigation and stringent code standard measures to build a much safer and resilient state.



**Joplin EF 5 Tornado Recovery  
 Brian "Rob" O'Brian, CEcD, President  
 Joplin Area Chamber of Commerce  
 Written Testimony**

Thank you for the opportunity to describe the devastating tornado that struck Joplin and the neighboring village of Duquesne on May 22. I know you have seen the news video and photographs. While horrendous, none of them do justice to the sheer level of devastation in our two communities.

The fourteen mile long tornado cut a swath nearly eight miles long, and at times almost one mile wide, from the far west side of Joplin through the city, into Duquesne, then back into Joplin. For more than half of the path, through the most densely developed residential and business part of Joplin, the tornado was an EF 5, with sustained winds of more than 200 miles per hour. On the original Fujita scale, used until 2007, an F-5 tornado had winds of 260 to more than 300 miles per hour. It has been determined a good portion of the tornado in Joplin had wind speeds of approx. 300 miles per hour. In creating the EF scale, it was determined that winds greater than 200 miles per hour resulted in total destruction, so the EF 5 designation is anything over 200 miles per hour. If the new scale, like the old, recognized winds in excess of 260 miles per hour, Joplin would have the distinction of reaching EF 6 or EF 7 status.

Nearly 8,000 housing units, about 1,000 of them in apartment complexes, were impacted by the tornado. 4,250 of those units were destroyed or severely damaged. The storm did not discriminate, destroying some of the highest priced homes in Joplin as well as those in low and moderate income neighborhoods. Unfortunately, those lower income neighborhoods are also some of Joplin's oldest with small houses on small lots, 14 to 16 homes in a block. These are very densely developed and populated areas. The tornado devastated those neighborhoods. In all around 18,000 people, 35% of the population in our communities were immediately displaced. Around 9,000 were displaced for the long-term. Of those, 1,500 are still on the lists for FEMA housing.

Also in the direct path of the storm were nearly 500 places of employment, from the news media's icon of the storm, St. John's Regional Medical Center with more than 2,000 employees, to scores of mom and pop operations. Overall, nearly 5,000 job positions were impacted directly. Hundreds of other businesses in our area have also been touched by the storm, from being physically damaged, to being without power for days, to being completely unharmed, yet losing a good portion of their customer base.

I have been asked to give you our thoughts on our response, and that of the Federal and state agencies, to the destruction in the business sector. It is important to note that our Chamber is also the economic development focal point for our community and region. The Chamber has direct programs marketing our area, aiding existing businesses and supporting small business. Through contract with economic development partners, we also developed and manage two business parks, construct speculative buildings and run an innovation center with an emphasis on small business and entrepreneurs. On the Monday following the storm, we needed to assess staff available, since several were dealing with

damage to or loss of their homes. We were fortunate to be in operation, but were swamped by calls and drop-ins by residents, business owners and the first wave of volunteers seeking information. Thanks to our neighboring chambers who volunteered their staff, as well as some of our own volunteers, we were able by Tuesday to have two to three people in the office just to address questions. That allowed our staff to focus on our impacted businesses.

From Tuesday on, we had two to three of our staff in the devastated area each day, including Saturdays, using addresses, GIS maps, memory and other means to find the wreckage of businesses. There we often found the owners or top management on the site. Several other staff members were working the phones, including texting cell phones when we had numbers, to check on the businesses. By the end of the third week, our team had made direct contact with nearly 420 businesses of the 450 in the devastated area, about 200 of them Chamber members. By the end of week four, we had contacted our other 800 business members, just to check on their status.

As noted, we have an innovation center next to our Chamber. On Monday afternoon we had our first contact with the SBA Business Recovery team. We strongly encouraged the team to locate in our innovation center, since our Chamber is the focal point for the business community. In addition, we asked them to share the space with counselors from the Small Business and Technology Development Center at Missouri Southern State University, with whom we were already working.

We understand it is rare for the SBA to place a business recovery center with a Chamber and even more rare for SBTDC counselors and the SBA team to be in the same place. We found, and continue to find, this to be an excellent arrangement. Businesses could not only apply for SBA assistance, but also visit with SBTDC staff about how to retrieve records, key issues they needed to consider immediately and, for many, just someone to listen to their story and lend support. As time has gone on, the state of Missouri has realigned two of its small business loan programs to be accessible through application to the SBTDC staff. These loan programs are first directed at those businesses that were not able to qualify for SBA support.

In addition to being able to direct business people to the Business Recovery Center, our team on the streets also had packets of information, including lots of lists. As our team heard from businesses, we found a critical need for basic information, including available space, contractors, building supplies, sources for computers and cell phones and much more. There were also evolving needs that often required research to find good sources for the goods or services. Our staff in the office added that research to their efforts. These lists were also available to the internal staff, including volunteers, to assist them in answering the questions of callers and walk-ins.

In the first few days, we also received support from the U.S. Chamber's disaster help desk and from local chambers in communities that had previous natural disasters. Based on the input offered, one of our immediate actions was to form a Business Recovery Fund within our existing Chamber Foundation. We heard from numerous sources that having such a fund would help in leveraging needed state and Federal assistance. In addition, many communities indicated they found businesses still struggling years after a large scale disaster. A general fallacy seems to be that business's insurance, SBA support and

good bank relationships are sufficient to return businesses to the status quo. But the status quo is gone. Demographics change, markets change, traffic patterns are disrupted, the list of new challenges is overwhelming and even previously strong businesses need additional technical and financial support to stay afloat until the overall economy stabilizes.

Our Business Recovery Fund is already being used to leverage additional SBA resources to enhance the SBTDC counseling staff. In addition, we also formed the Joplin Tomorrow fund. This fund is focused beyond recovery to helping local firms expand or to help attract new firms. New jobs and new investment is the focus of Joplin Tomorrow.

As these two funds were put in place, we also did an analysis of the organizations that play a role in our local/regional economic development efforts. We looked at what each organization does currently, as well as what each has capacity to do under its specific charter or bylaws. (attached). This analysis is being used as we move forward to assess which organization is best suited to expand its current mission to aid in recovery or to be the focus of new resources or programs that we determine are needed. The leadership of each of these eleven organizations, as well as other stakeholders, comprise the advisory board for the Joplin Business Recovery and Expansion Initiative. Although most of these organizations have a long history of working together, and many are managed by the Chamber, this advisory body creates a mechanism for all the entities to discuss issues and opportunities and implement a coordinated approach to business recovery. While focused first on the immediate recovery and establishing a series of strategic plans to sustain businesses over the next several years, this Initiative is also looking at how our community and our region repositions to attract new, higher skilled and higher paying jobs in the future.

As noted above, we were greatly aided in our initial and continued recovery efforts by the personnel from the Small Business Administration Business Recovery Team. By the third day after the tornado, we were introduced to FEMA's private-sector recovery team. The FEMA private-sector support is a relatively new approach, since the organization has not typically supported the business sector and still does not have funding directly for firms as does the SBA. However, the FEMA team has been a good conduit in keeping us and, consequently, the business community aware of the larger recovery efforts. All of the people representing these organizations are professionals that have a sincere desire to help our businesses and our community. All of these people do an excellent job of representing their organizations. We have seen, however, some instances where the organizational structure of FEMA itself is a problem.

As noted, we understand the FEMA private-sector support team is a relatively new concept. The idea, as we understand it, is to help businesses with resources since FEMA does not make loans or grants to businesses. Often, these resources are regional and national corporations with which FEMA has partnered. In our case, FEMA staff was able to make a connection with Microsoft that is leading to a number of laptops for small businesses and for the Joplin Schools technology programs. This is a good example of what is working. On the larger scale though, when we ask what resources are available, the response is "tell us what you need and we'll see if we have a partner". Our experience is that business people are overwhelmed by what has happened. They are overloaded with information. When our

team asks what they need, they just don't know. But when given a few examples of what we have locally, they can focus in and are much better able to tell us the resources they are lacking.

The same is true when it comes to the regional/national resources FEMA has available. Even if FEMA's private sector partners are not named, it is important to at least be able to convey examples of available resources for business. We have asked for such a list several times and not received it. Our business people consistently ask us what resources FEMA has but we can not tell them.

I believe most of the issues we see are within the system itself. Large-scale disaster requires a large-scale response, and both SBA and FEMA, especially FEMA, have a lot of people on the ground, with many more supporting them from afar. Coordination of information is often difficult and consistency and accuracy of information these organizations are disseminating is imperative. At times, though, the ability to share information internally seems to be difficult. There are basic pieces of information, such as examples of available private sector resources, which the people on the ground should have and be able to share with the citizens of a community. The SBA and FEMA teams have experience with large scale disasters, which most communities do not. We understand that the FEMA team members want to ensure they respond to our needs and not be, in reality or perception, running over us. However, FEMA personnel have the experience and resources to share with those of us without disaster experience. As part of that process, we consider ourselves experienced and professional enough to evaluate the FEMA input and resources and make a determination of what works for our communities.

Again though, I want to stress that our experience with the teams from SBA and FEMA have been professional and beneficial to our businesses. As the initial impact of the disaster has been replaced with recovery, the team members from SBA business recovery and FEMA private-sector have worked closely with our staff and SBTDC counselors. They have, as schedules permit, accompanied our Chamber team in going to the devastated area to meet with business people. They have taken every opportunity to attend Chamber and other events where a number of business people will be present to better determine how they can provide assistance.

Along with the above, the FEMA Long-Term Recovery team has been of great help in organizing our city, chamber, schools and the broader community to begin the recovery process. This also includes arranging a trip, on which one of our staff members participated, to Greensburg, KS to discuss the issues and opportunities for long-term recovery.

We believe the Federal effort in the recovery of our community and, in particular, the business sector, have and continue to be of great benefit. While there are always areas for improvement in any organization, the speed and focus of the recovery in Joplin and Duquesne would not be possible without this assistance.

Thank you again for the opportunity to tell you our approach to our disaster and business and community recovery.

**Joplin Area Tornado Numbers  
May 22, 2011**

<b>Number of fatalities to-date:</b>	159. Greatest death toll from a single tornado in six decades; eight worst in recorded U.S. history
<b>Length of storm path:</b>	Fourteen (14) miles on ground
<b>Path of storm in Joplin:</b>	Six (6) miles
<b>Path at EF 4 and EF 5:</b>	Five (5) miles
<b>Path at EF 5:</b>	Four and one-half (4.5) miles
<b>Path of storm in Duquesne:</b>	One (1) mile
<b>Path at EF 4 and EF 5:</b>	Three-quarters (3/4) miles
<b>Path at EF 5:</b>	One-half (1/2) miles
<b>Width of EF 4/5 path:</b>	One-half (1/2) to one (1) mile
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<b>Population of Joplin:</b>	50,150
<b>Population of Duquesne:</b>	2,000
<b>Estimated number of structures destroyed or damaged:</b>	8,545+. 8,000+ in Joplin; 545 in Duquesne
<b>---</b>	
<b>Total number of housing units:</b>	20,995. 20,171 in Joplin; 824 in Duquesne
<b>Residential units destroyed or damaged:</b>	8,000 7,500 in Joplin; 500 in Duquesne
<b>Residential units destroyed or severely damaged (uninhabitable)</b>	4,250 4,000 in Joplin; 250 in Duquesne
<b>Population immediately displaced:</b>	18,400 (based on 2.3 people per household)
<b>Population displaced long-term:</b>	9,775 (as above)

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Population still awaiting housing: 1,495 (650 households on FEMA list, does not include those living with family, friends)

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Total number of businesses: 2,259 2,147 in Joplin; 112 in Duquesne

Number of businesses destroyed, damaged or disrupted: 970 925 in Joplin; 45 in Duquesne

Number of businesses destroyed or severely damaged: 470 425 in Joplin; 45 in Duquesne

Number of business reopened: 200 (7/15)

Estimated employment base impacted: Businesses destroyed or severely damaged: 5,000

Estimated employees being kept on payrolls: 3,500

Number of disaster-related unemployment claims filed: 1,200

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Insurance claims paid (as of 6/30) \$ 509,000,000

Anticipated total insurance claims: \$2 Billion "the largest insurance event in Missouri's history", John Huff, Insurance Comm.

Estimated housing not insured: 40%

Joplin anticipated first year revenue loss: Sales tax, franchise tax and sewer fees: \$ 5,000,000. Approx 7% of budget

Joplin School District facility loss: Destroyed: Joplin High School, Franklin Technology Center, East Middle School, Irving Elementary School, Emerson Elementary School, old South Middle School (not in use). Significant Damage: Cecil Floyd Elementary School, Administration building. Minor Damage: two additional elementary schools.

Estimated replacement/repair: \$170,000,000



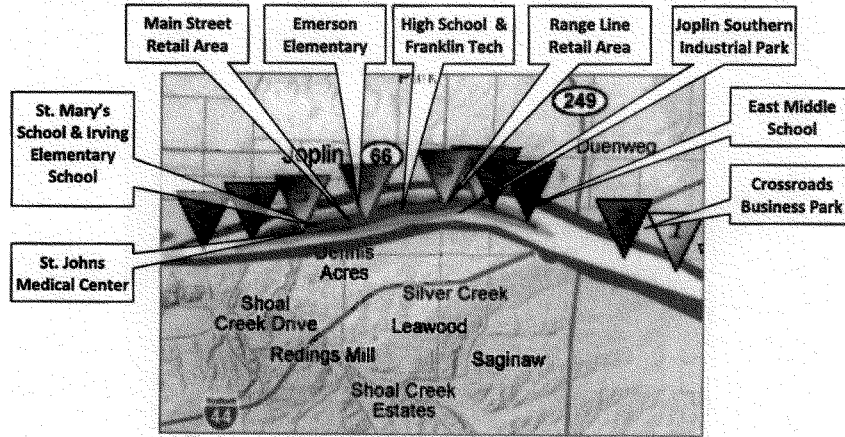
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<b>Number of miles of Joplin city streets in tornado's path:</b>	107 miles
<b>All streets open one-lane for emergency services:</b>	Before dawn on Monday morning May 23
<b>All streets open two-lane, except for downed power lines:</b>	Before midnight on Tuesday evening, May 24
<b>Amount of debris in path area:</b>	2-million cubic yards. This is equivalent to the size of a football field, including end zones, packed solid to nearly the height of the Empire State Building.
<b>Amount of debris picked up to-date:</b>	1.2-million cubic yards.
<b>Estimated amount of debris yet to be generated by demolition:</b>	1-million cubic yards.
<b>Number of registered volunteers:</b>	58,944
<b>Number of hours volunteers worked to-date:</b>	278,067 hours. The equivalent of nearly 32 years.

*\*Information in some categories is drawn from numerous sources and averaged for the purposes of this document.*

### Joplin EF 5 Tornado Graph and Map Information

EF Scale	Wind MPH	Fujita Scale	Wind MPH	Fujita Freq.
EF0	65-85	F0	40-72	38.9%
EF1	86-110	F1	73-112	35.6%
EF2	111-135	F2	113-157	19.4%
EF3	136-165	F3	158-206	4.9%
EF4	166-200	F4	207-260	1.1%
EF5	Over 200	F5	261-318	<0.1%



**Joplin Business Recovery and Expansion Initiative**

- Premise:** Based on the experiences in other communities that have faced large-scale natural disaster, the typical sources of recovery for businesses are not sufficient over the long-term. SBA direct loan programs, insurance, banking relationships and ownership resources are geared to returning to the status quo. Unfortunately, the status quo has changed and many communities find companies small and large continue to struggle for months and even years after the disaster event. By that point, traditional financial resources are expended. Other communities have also found that, beyond financial support, companies need additional real-time data, technical assistance and guidance throughout their recovery process to deal with the geographic and demographic shifts, including workforce, in their markets.
- However, disaster also creates opportunities. Regardless of support, some businesses decide to close immediately or months later, creating opportunities for new firms to fill the market niche. Other companies successfully find new markets that allow them not only to recover, but to expand. And a concern and focus on ensuring the job and economic base remains intact creates a greater emphasis on finding new companies and other new opportunities that those communities want to pursue to not only recover but enhance; to be a better place than they were before.
- Need:** As other communities have found, full recovery of the business sector can take months, even years. The speed and success of that recovery, as defined by 1) stable firms and returned job base and 2) capacity to add new capital investment and new jobs over time is contingent on having resources available for intermediate and long-term financial support, continued technical assistance and mentoring and new capacity to help companies expand and attract new firms to the community. There is also a need to ensure that businesses have an adequate and trained workforce with an on-going effort to adjust to changing demographics. It requires a multi-faceted and flexible effort that is more than just having a revolving loan fund.
- Proposed Initiative:** Joplin is fortunate that it has had a dynamic economic development program in place for more than 25 years. Over that time, the Chamber and City have developed a number of partner entities that can fill almost any typical economic development requirement. In addition, there is an active Small Business & Technology Development Center at MSSU, with support from its sister entity at PSU, that has the base capacity to provide hands-on guidance and technical assistance to small and mid-sized businesses. All of these create a platform for the long-term recovery of the Joplin area business sector. The key is to expand and strengthen the already existing partnerships to create a more coordinated, focused and flexible response as well as give opportunity to involve other entities and organizations as needed. It is vital that all of stakeholders and organizations work in a coordinated fashion to maximize limited resources.

**Advisory Board:**

To create better coordination and a quicker, more flexible response for business recovery and economic development, the JBREI Advisory Board will be comprised of representatives from all key organizations including, but not limited to:

Chamber of Commerce (3):	Chairman and/or designees among Vice-Chair Economic Development, VC Business Development, VC Workforce Development
Chamber Foundation (1):	Chairman or Treasurer
City of Joplin (2)	Mayor, CM or designees
JBIDC (JREDC) (1):	Chairman or designee
Joplin Capital Corp (1):	President or designee
Joplin Industrial Development Author. (1):	President or designee
Joplin Redev. Corp. (1):	President or designee
Joplin Tomorrow (2)	Chairman and/or designees
SBTDC (1)	Director
Truman Council	Director
Workforce Invest Brd (1)	Director
Ex-officio:	State DED, WFD, MoDOT, others as needed

The initial goal of the board is to develop intermediate and longer-term goals for business recovery and expansion of the economic base, including strategic steps and organizational support for achieving the goals. In the near-term, the board will also serve as a reporting and discussion forum for all entities, creating better interaction and coordination of resources. Advisory board guidance does not supersede any legally or bylaws required actions by the individual entities.

Initial meetings of the Advisory Board will be chaired by the Chairman of the JACC or, in his/her absence, the Chairman of the JACC Foundation Board. In Oct., the Board will evaluate its progress and discuss a more permanent structure and leadership.

The JACC staff will provide day to day coordination.

- Roles of Entities:** Most of the organizations have a long track record of success in their respective economic development roles. It is anticipated they will continue to play those roles, while assessing their structural ability to take on additional tasks for recovery. A brief summary of those organizations and actions follows.
- Chamber:** Since 1917, the Chamber has been the lead business organization in the Joplin area. The Chamber has direct contact with more than 1,000 of its own members as well as the rest of the existing business community. The Chamber has programs and staff addressing small business, business retention and expansion, education and workforce development, transportation and infrastructure and new business attraction. The Chamber also is the key driver of the Joplin Regional Prosperity Initiative, a five county, multi-faceted economic development program that began in 2010. The Chamber provides staff and financial services for its partner entities including the Foundation, JBIDC, JCC and JIDA.
- Foundation:** The Foundation is a nearly twenty-year old, 501-c-3 organization. The Foundation was initially formed to support education and workforce program needs and interface between the business and education communities. More recently, the Foundation also has been the resource for entrepreneurial and innovation programs, including the Newman Innovation Center. The Foundation has taken initial steps to create the restricted Business Recovery Fund to raise financial support for long-term recovery of the business sector. The Foundation can accept contributions from private for-profit and not for profit organizations and utilize state/federal tax credits. It is anticipated this Fund will provide the matching/leveraging support for other programs with most, if not all, of the economic, workforce and community development entities.
- City of Joplin:** The City has been the lead in the rapid actions taken in rescue, relief and recovery in the community. While the City will maintain focus on the clean-up and rebuilding, it also is the key player in planning, land reuse, building codes and licensing important to the business sector. In addition, the City has economic development assistance including the Enhanced Enterprise Zone incentives and small CDBG grants for new job creation. The City also provides funding, through contract with the Chamber, to support marketing for new companies and support for existing business programs.
- JBIDC:** The Joplin Business & Industrial Development Corporation (now in transition to Joplin Regional Economic Development Corp) is a 26-year old 501-c-3 economic and community development organization. JBIDC has traditionally provided the local, private-sector funds for economic development. These funds have been used to construct and market spec buildings, local and regional marketing and to provide seed money for feasibility studies on key economic and community development initiatives. JBIDC is also the focal point for the Regional Prosperity Initiative and its marketing arm, the Joplin Regional Partnership. Along with buildings, JBIDC has the ability to acquire land and, as a non-foundation c-3, accept state/federal funds for a revolving loan fund for firms in and outside of Joplin.

**Joplin Capital**

**Corporation:** JCC is a private, community development corporation bank. As a CDC, its shareholders are ten banks, which place funds in JC under their Community Reinvestment Act criteria. These funds are used to provide gap financing on business loans. While focused, to-date, on business the JCC can also acquire land and make loans for housing. It can have other private sector for-profit and not for profit investors and utilize state/federal tax credits.

**Joplin IDA:** The Industrial Development Authority was originally created under Missouri statute to issue and monitor private-sector, tax-exempt and taxable bonds. While the main tool is the industrial revenue bond, the IDA may also issue bonds for medical facilities. The IDA is also the developer of the Joplin-Webb City Park and the Crossroads Business Park. The IDA may acquire and hold land for business purposes and may contract to any not-for-profit entity to pursue its mission.

**Joplin Redevelop Corp.**

The Redevelopment Corporation may declare an area or individual property "blighted" for the purposes of redevelopment. For redevelopment the Corporation may acquire and hold land, develop a redevelopment plan and contract to other entities to execute its mission. The Corporation has the power to implement tax abatement on real and personal property within the boundaries of state statute. The Redevelopment Corporation may utilize state/federal tax credits.

**Joplin Tomorrow:**

A new Missouri not-for-profit, with 501-c-3 application in place. The fund was created by Senator Jack Danforth and has a local board of trustees of five business people. The monies generated may be used to support that create new jobs and new opportunities for the Joplin area including, but not limited to, expanding existing business, supporting entrepreneurs and assisting in the attraction of new firms. The funds may be used as no or low interest loans or as equity investments in companies. Joplin Tomorrow may also leverage its funds with other 501-c-3 entities to pursue new opportunities that expand the economic base of Joplin.

**SBTDC:** The Small Business & Technology Development Center has served the Joplin region for nearly 25 years. It is funded by the Small Business Administration and MSSU. Staff provide hands-on counseling, training and support for companies as well as general and topic-specific training events. The SBTDC also works with the MU Extension program in the area and houses the extension staff person. Since May 25, SBTDC and Extension staff have been at the Business Recovery Center. The SBTDC is currently working to expand its staff to create long-term capacity to provide one-on-one counseling and assistance for companies impacted by the storm.

**Truman Council:**

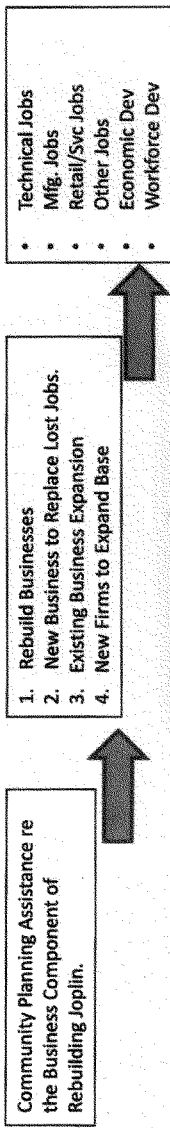
The Harry S Truman Coordinating Council is a four-county regional planning group. The Council typically works on transportation, housing and solid waste issues. It is a contracted to the City of Joplin on housing projects. The Council has a regional economic development plan approved by the Federal Economic Development

Administration, allowing it to access funds from EDA for planning, recovery staff support, purchase of buildings and revolving loan funds.

**WIB:** The Workforce Investment Board is the private-public partnership addressing the workforce development and training needs in the area. The WIB was created by Federal law and receives funding from the state and federal government. It serves as the coordinating entity with the state Career Center and a number of agencies that conduct training and/or help with re-employment. The WIB may also do direct training. The WIB may apply for, receive and distribute, through contract, Federal grants for general and sector specific workforce training.

**Ex-officio:** The Board may also have ex-officio participants as needed to help in the recovery and expansion of the business sector. These may include, but are not limited to, key state and federal entities.

Joplin Business Recovery and Expansion Initiative



Advisory Board

	JACC	JACCF	CITY	JBIDC	JCC	JIDA	JRC	JT	SBTDC	TC	WIB
Overall Coord.	NIC	Entrep.	Planning Codes	Spec Bid Lease Bldgs	Biz Gap Finance	Indus/Com parks	Biz tax incent for blight areas	Biz loans/equity for new jobs, exist & new firms	Biz asst. and training	Planning Housing	Labor market info
Fin Mgt	Small Biz	Recovery Fund	Licenses	JRP	Direct Loan Fund	IRBs	Land acq incent for housing	invest in key new projects	Larger staff, 1-1 support	Housing	Training coord/grants
Staffing	Recovery Fund	MPO/Trans	MPO/Trans	Land purchase	Housing credits/finance	Land acq in storm area	Access to state biz loan program	EDA plan funds	EDA staff funds	EDA RLF	New sector training grants
BRE	WFD	Recovery Fund	CDBG \$	Loan Fund							
Biz Attrc			Recovery Comp Plan								
Biz Recov Plan											

Cross Coordination and Support

Red denotes new and potential new programs



**Post-Hearing Questions for the Record  
Submitted to the Honorable Richard Serino, Deputy Administrator**

**From Senator Mark L. Pryor**

**“Spring Storms 2011: Picking up the Pieces and Building Back Stronger”  
July 19, 2011**

- 1) While the main focus of this hearing was on recovery efforts and mitigation opportunities, we briefly touched on the complexities of the disaster declaration process. One witness commented that the process is less transparent and more difficult to navigate in disasters that are smaller in scope and area, as opposed to a far-reaching catastrophic disaster such as Katrina. Please respond to this assessment and provide your opinion(s) about if and how this process could be improved upon and made more transparent. Please also provide any guidance you might have for State and local emergency managers navigating this process.

**Response:** The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) authorizes the type and amount of supplemental federal assistance that can be provided before, during, or after a disaster. In order to receive assistance, a Governor must submit a request to the President, certifying that the response to and/or recovery from the disaster is beyond the capacity of the state, territory, tribal, and affected local governments. FEMA reviews the request and in turn makes a recommendation to the President.

FEMA evaluates a number of factors when determining whether a disaster is beyond the capacity of state, territory, tribal, and affected local governments to respond and recover, including the amount and type of damage; the impact on the infrastructure of the affected areas or critical facilities; imminent threats to public health and safety; impacts to essential government services and functions; dispersion or concentration of damage; level of insurance coverage in place for homeowners and public facilities; assistance available from other sources (federal, state, territory, tribal, and local governments and voluntary organizations); state, territory, tribal, and local resource commitments from previous, undeclared events; and frequency of disaster events over recent period of time. FEMA evaluates all declaration requests using these factors regardless of the size of the disaster, but the information to support a declaration for a catastrophic disaster like Katrina is easier for States to provide and FEMA to assess than for a smaller incident.

In an attempt to provide more information and transparency on the process, FEMA offers training to assist Governors and their staff with the preparation of emergency and major disaster requests. To ensure FEMA receives all pertinent information needed to make an informed decision, it is imperative that a Governor's declaration request explain why the incident is beyond the capabilities of the state and impacted local governments to respond and recover. In addition, FEMA's Regional Administrators and their staff are available to provide assistance in developing a declaration request, and to answer any questions that state, territory, tribal, and local emergency managers may have. FEMA also maintains a dedicated webpage to inform and assist state, territory, tribal, and local emergency managers in navigating the disaster declaration process: [http://www.fema.gov/rebuild/recover/dec\\_guide.shtm](http://www.fema.gov/rebuild/recover/dec_guide.shtm).

- 2) What is the status of the National Disaster Recovery Framework? When will the Framework be finalized and released to the public? What changes, if any, can we expect to see in the disaster recovery process once this framework is made public?

**Response:** The National Disaster Recovery Framework (NDRF) was presented to Congress and released to the public on September 23rd.

The NDRF represents a paradigm shift in the way we think about disaster recovery. The NDRF acknowledges that disaster recovery is not the responsibility of any single entity and recognizes that resilient recovery takes the involvement of many different agencies and organizations from all levels of government, community groups, and the private sector. The NDRF establishes coordination structures, defines leadership roles and responsibilities, and provides guidance for inclusive participation that will be in place prior to a disaster's occurrence. Now that the NDRF has been released, disaster recovery at all levels will begin to be organized around the concepts and structure outlined in the NDRF.

- 3) In your oral testimony you cited examples of immediate mitigation efforts in Minot, North Dakota, specifically the temporary levees erected in the flood site. Similarly, in Co-Chair Masingill's written testimony he identified a concern that numerous citizens and businesses spent their own money to mitigate just before disaster struck ( e.g. -- building levees around their property, move equipment and furniture, and relocate livestock, etc.). However, Co-Chair Masingill noted that these mitigation activities were not eligible for any type of federal assistance in the form of a grant or loan. Can you explain to this subcommittee why this barrier to reimbursement exists in FEMA and/or SBA guidance? Has FEMA and SBA reviewed their policies in this area to provide great incentives for mitigation?

**Response:** FEMA's Public Assistance Program provides grants to State, Tribal, local governments and certain private non-profit organizations for costs associated with the response to and recovery from major disasters. As a part of the Public Assistance Program, eligible applicants may be reimbursed for the cost of emergency protective measures, such as flood fighting activities, which are actions taken by a community before, during, and after a disaster to save lives, protect public health, and safety, and prevent damage to improved public and private property. Under FEMA's authorities established by the Stafford Act, individuals and for-profit businesses are not eligible to receive funding from the Public Assistance Program. Businesses may wish to apply to the Small Business Administration for financing to address their disaster related costs.

FEMA's Individuals and Households Program (IHP) provides "*if necessary, direct services, to individuals and households in the State who, as a direct result of a major disaster, have necessary expenses and serious needs in cases in which the individuals and households are unable to meet such expenses or needs through other means.*" Stafford Act, Section 408(a)(1). Under the Housing provision of IHP, assistance is limited to disaster-related damage or destruction of an applicant's primary residence. Under the Other Needs provision of IHP, assistance is limited to necessary expenses and serious needs. This authority is broad enough to allow the potential awarding of assistance for preventative measures. If such loss avoidance

measures were considered, it would have to be on a reimbursement basis and done in concert with the affected State, which bears a 25% cost share. In general the Other Needs provision provides assistance only for expenses incurred on or after the date of the incident period for a declared disasters (44 CFR 206.110(d)).

If individuals had a flood insurance policy in effect at the time of the event, they may be able to submit claims for certain loss avoidance measures. Such coverage is available when either a general or temporary condition of flooding occurs near the location even if the flood did not reach the insured building, or if the individual is subject to an evacuation order which calls for measures to preserve life and property from the peril of flood. Limited coverage is provided for expenses incurred to protect the insured building from a flood, including sandbags and supplies fill for temporary levees and pumps. Coverage is also provided for expenses incurred to move an insured property to alternate location to protect it from flood or the imminent danger of flood.

- 4) Your written statement discussed the deployment of Mitigation Assessment Teams (MATs) to four affected states in order to assess the efficacy of mitigation practices. Please provide more information about the MATs, including if and how they have been used in past disasters. What were the results of the assessments completed in the aftermath of the 2011 spring storms, floods, and tornadoes? Is there a standard after-action report process for MATs? Is information collected and analyzed during the assessment and if so, is it stored for reference purposes?

**Response:** In support of FEMA's larger response and recovery efforts, FEMA deployed Mitigation Assessment Teams (MAT) to both Tuscaloosa and Joplin, as well as several other communities in Alabama, Tennessee, and Georgia, that were impacted by the tornado outbreak of April 2011. The mission of the MAT is to conduct forensic engineering in the immediate aftermath of a disaster in order to collect perishable impact data to inform near-term Recovery Advisories and long-term building guidance. The MAT worked closely with other teams, such as the National Institute of Standards and Technology; a research team from the University of Florida; a team from the American Society of Civil Engineers; and the National Weather Service, which also conducted analysis in the affected areas. With the field investigations complete, the team will now analyze its findings as well as damage reports and studies conducted by other government agencies or private firms. Once complete, the team will prepare conclusions and develop recommendations that will inform future building guidance, codes, and policy. In the meantime, the team has already released several Recovery Advisories, which provide initial guidance on building issues and best practices that can be used during the initial stages of rebuilding. The MAT report is scheduled to be completed in December. While in the field, the MAT also issues short daily reports available on the MAT webpage.

For 30 years, FEMA has completed MAT reports for many different events including hurricanes, tornadoes, flooding, and terrorism attacks. Additional information about the MAT and previous reports can be found on the MAT webpage at <http://www.fema.gov/rebuild/mat/index.shtm>

The MAT operates under a standard operating procedure. MAT reports have resulted in improved reconstruction and changes to building codes and practices. As part of the after-action report process, FEMA produces a comprehensive report, recovery advisories, and PowerPoint presentations.

Information collected and analyzed by the MAT is included in the MAT report. Other information, including photographs that could not be included in the report, is made available to researchers upon request. MAT reports make use of an extremely large amount of information from other government agencies and researchers that is clearly identified and referenced.

- 5) It appears that mitigation efforts are fragmented across all levels of government, with different responsibilities and programs in place at different Federal, state, and local agencies. Given these complexities, is a national mitigation strategy needed? Do we have a set of overarching goals and objectives that all agencies and levels of government can use to move forward in a collaborative and coordinated fashion?

**Response:** FEMA agrees that a National Mitigation Strategy is important, and FEMA has worked with the National Emergency Management Agency and 14 other partners in developing such a strategy. The attached White Paper, "Recommendations for an Effective National Mitigation Effort," offers strategic themes and elements of a national mitigation strategy, identifies some initial steps for the near term, and asserts a truly National Mitigation Strategy that is grounded in themes of partnership, total hazard awareness, and requirements driven by local and community needs. This paper establishes a set of overarching goals and objectives that all agencies and levels of government can use to move forward in a collaborative and coordinated fashion.

This strategy embraces FEMA's whole community approach to emergency management. The whole community approach is based on the recognition that it takes all aspects of a community to effectively prepare for, protect against, respond to, recover from, and mitigate against any disaster. Accordingly, the foundation of the agency's national mitigation strategy is forming and strengthening partnerships among all levels of government and the private sector to empower all Americans to fulfill their responsibility for ensuring safer communities.

FEMA is also leading a team of interagency partners and other stakeholders in the development of a National Mitigation Framework in accordance with Presidential Policy Directive 8. PPD-8 is aimed at "strengthening the security and resilience" of the United States through "systematic preparation for the threats that pose the greatest risk to the security of the Nation." PPD-8 requires that a National Preparedness Goal be developed which includes Frameworks for Prevention, Protection, Response, Recovery, and Mitigation. The Mitigation Framework will assist the agency in further development of its national mitigation strategy by focusing on the steps necessary to prepare to deliver capabilities, align key roles and responsibilities, and be scalable, flexible, and adaptable coordinating structures. Each framework will also describe how actions taken in the framework are coordinated with relevant actions described in the other frameworks, and develop state and local planning guidance based on the framework.

- 6) One of the ways that I believe we can streamline the recovery process after a natural disaster strikes is to have less damage to begin with. A study by the Louisiana State University Hurricane Center estimated that stronger building codes would have reduced wind damage from Hurricane Katrina by 80%, saving \$8 billion. The study also conducted a comparative analysis of the economic loss in Mississippi due to Katrina, showing savings of \$3.1 billion if tougher

building codes had been in place. Several states have adopted stronger building codes since 2005. Can you describe for us some of the benefits you have seen from stronger building codes?

**Response:** The adoption and enforcement of disaster-resistant model building codes is a very effective way to reduce the impact of disasters and to create resilient communities. In disaster after disaster, communities that had an effective building regulation process in place suffer less damage than those without it. FEMA strongly supports the adoption and enforcement of a building code as a way for communities to make themselves safer and more resistant to the effects of disaster of all types.

As the studies cited suggest, strong building codes save lives and property and reduce the amount of disaster aid otherwise needed. Our observations after many disasters have been that the adoption and enforcement of a model building code does save lives and property and reduce the need for federal disaster aid.

Since 2000, the voluntary, private sector consensus model building codes known as the *International Codes* have been available and updated every 3 years for states and communities across the nation to adopt. FEMA has participated in the development process so that these codes represent the latest in multi-hazard, disaster-resistant design and construction requirements for residential and commercial buildings. These codes are substantially equivalent to the National Earthquake Hazard Reduction Program *Recommended Seismic Provisions for New Buildings and Other Structure*, consistent with the building standards contained in the National Flood Insurance Program (NFIP) regulations and incorporate the wind and other hazard-resistant provisions contained in the American Society of Civil Engineers *Minimum Design Loads for Buildings and Other Structures* (ASCE 7) standard.

At FEMA, our Strategic Plans have guided us to actively promote the development of national, consensus-based building codes and standards, and encourage their adoption by governmental entities. Some of the benefits realized by governmental entities taking these actions include:

- One set of comprehensive, coordinated and contemporary building code regulations available nationwide.
- Fully endorsed by stakeholder groups and organizations such as American Institute of Architects, National Council of Structural Engineer Associations, National Homebuilders and Multi-Housing Homebuilders Associations, Building Owners and Managers Associations and others.
- Performance-oriented to stimulate economic development through acceptance of innovative design and construction methods and to encourage new materials and new construction technologies.
- Saves contractors/builders time and money now spent complying with a multitude of different regional or jurisdiction level building codes.
- Ease of providing products and services that will be accepted across state boundaries.
- Recognition by some insurance companies and state insurance pools that building to the latest codes will yield insurance discounts or premium reductions. For example, in 2009, Alabama passed legislation (Alabama Act 2009-500, now codified as Ala. Code §§ 27-31D-1), which requires Alabama-admitted insurance companies to provide a premium discount or

insurance rate reduction to owners who build, rebuild, or retrofit certain residential properties in accordance with specified standards to better withstand hurricanes and other catastrophic windstorm events. These standards include the International Codes.

- After Hurricane Andrew, Florida adopted and enforced a statewide building code based on the International Codes. The codes were tested in the Hurricanes of 2004 and 2005 and resulted in far less catastrophic destruction than that experienced in Hurricane Andrew.
- All hazard-related building design and construction requirements are in one place which minimizes conflicts between codes and ordinances and strengthens enforcement and routine inspections.
- There is improved treatment of existing buildings as the codes address repairs, alterations and additions.
- By making freeboard a mandatory requirement, the codes exceed the minimum elevation requirements of the NFIP. This has saved countless buildings from flooding and destruction during actual flood events.
- The codes now incorporate, for any buildings containing a storm shelter, the consensus standard ICC 500 Standard for Design and Construction of Storm Shelters, which is largely based on FEMA's authoritative Safe Room guides FEMA 320 and FEMA 361. The FEMA guides have existed since 2000, and over the last decade lives have been saved in actual tornado events when people were sheltered in FEMA Safe Room compliant shelters.
- Today's codes are integrated with energy conservation measures that contribute along with disaster-resistant provisions to create sustainable, resilient communities.
- Two recent international earthquakes spanned the opposite ends of the spectrum of how a building code impacts the sustainability of a country. In the January 2010 Haiti M7.0 earthquake, the primary lesson was one of what can happen in a country where there are no building codes or government regulation of the building process, as most of the 316,000 fatalities were from collapsing concrete construction. In comparison, the February 2010 M8.8 earthquake off the coast of Chile, while larger in magnitude, only resulted in 577 fatalities. The primary reason for the differences is that Chile adopted and enforced a modern building code with seismic provisions very similar to those in the United States.

**Post-Hearing Questions for the Record  
Submitted to Richard Serino  
From Senator Mary L. Landrieu**

**“Spring Storms 2011: Picking up the Pieces and Building Back Stronger”  
July 19, 2011**

1. FEMA’s Disaster Relief Fund is on a course to run out of money for recovery and mitigation projects as early as next month, and the President’s budget request for FY12 is \$3 billion short of estimated costs. If the President continues to ignore requests from lawmakers to request emergency supplemental funding for this account, FEMA would consequently be forced to place a moratorium on recovery projects as they did for six months last year when faced with a similar fiscal situation.
  - a. How would such a freeze impact reconstruction of damaged facilities in communities that were affected by these disasters?
  - b. How would it affect communities’ plans to build new safe rooms and storm shelters using Hazard Mitigation dollars to protect people from future tornadoes and floods?

**Response:** When the Disaster Relief Fund (DRF) balance falls between \$1 billion and \$800 million, FEMA imposes certain restrictions on the DRF called immediate needs funding (INF). INF is intended to meet the urgent needs of the agency as we prioritize funding until the DRF is replenished. FEMA’s top priority, in preparation for all potential disasters we might face, is to make sure we have all of the necessary resources on hand to support the states in their efforts to carry out life-saving and life-sustaining activities and to meet the immediate needs of disaster survivors. Accordingly, under INF, disaster survivors will continue to receive individual disaster assistance payments from FEMA. These payments are used to replace or repair their damaged properties and cover other personal losses. Eligible states will continue to receive reimbursement funding for emergency response and protective measures taken to prepare for or respond to a disaster under the Public Assistance program (Categories A & B). In other words, when INF is activated, disaster survivors and states will not see any day-to-day change in how they receive resources for those categories of assistance.

However, what will be impacted under INF are permanent work projects (Category C-G) under the Public Assistance program as well as projects under the Hazard Mitigation Grant Program. Under INF, payment for these projects would be withheld, so those projects could possibly be delayed.

2. With assistance from the National Commission on Children and Disasters, a list of essential shelter supplies for infants and toddlers was provided to FEMA to help ensure

that there would be adequate supplies of formula, baby food and diapers to families affected by disasters. In the aftermath of spring floods and tornadoes, FEMA deployed these items to backstop local and state caches.

- a. Was there an effective mechanism in place to receive these items from FEMA and distribute these essential supplies to families in need?

**Response:** Infant and Toddler Kits are pre-staged at designated Incident Support Bases to support projected shelter population requirements or in response to the State's request through the Federal/State Joint Field Office to support shelter operations.

Although shelters had sufficient supplies, there was a recognized need for infant and toddler supplies within the communities affected by the Tuscaloosa tornado. FEMA, the American Red Cross, Save the Children, and the State of Alabama collaborated and coordinated to distribute infant and toddler supplies throughout the community. This is only one example of how FEMA, our Federal/State partners, and non-governmental organizations are proactively working together to address children's disaster-related needs.



**Post-Hearing Questions for the Record  
Submitted to Honorable Christopher Masingill, Federal Co-Chairman  
Delta Regional Authority**

**From Senator Mark L. Pryor**

**“Spring Storms 2011: Picking up the Pieces and Building Back Stronger”  
July 19, 2011**

1. In your testimony you noted that overall the response has been well managed, but you identified some areas for possible improvement. One of your concerns was the lack of contracting opportunities for the regions’ businesses during disaster response and expressed hope that more opportunities will exist during the recovery phase. Given the types of disasters we are recovering from, what types of contracting opportunities do you see DRA-based businesses providing?

The recovery phase of this disaster holds a number of opportunities for businesses located within the disaster region. These include repair and reconstruction of public and private property that has been damaged, waste and debris cleanup and removal, and opportunities for contracting with the Army Corps of Engineers for levee maintenance and repair. An emphasis should be placed on finding better ways to utilize existing local business operations, as their involvement not only speeds the recovery effort, but helps to keep local small business afloat.

2. You recommended improvements to the SBA’s Economic Injury Disaster Loan program, especially in the outreach and advertising of this program. What are some of the steps we can take to make better use of this recovery tool?

As I stated in my testimony, the SBA did a wonderful job of holding numerous informational meetings across the region. However, many people I spoke with were unaware of the EIDL program for various reasons. I feel that increasing emphasis on public information about the program and making sure that the program is clearly described to potential applicants will aid in public awareness of the program. One way to do accomplish this is through the utilization of existing delivery systems, like the Delta Regional Authority, local development districts, municipal and county Chambers of Commerce, and local banking and financial institutions that have an existing small business portfolio and healthy relationships with local business owners. Additionally, the government may want to consider advertising about EIDL and other programs via TV and radio.

3. Your written testimony identified a concern that before the disasters struck, numerous citizens and businesses spent their own money on mitigation activities including building levees around their property, moving equipment and furniture, and relocating livestock. You noted that these types of mitigation activities are not eligible for any type of Federal assistance. In your view, do we need to

modify FEMA and SBA policies to include, promote and incentivize these types of substantive mitigation activities?

Absolutely. The citizens and businesses that undertook mitigation activities ahead of the disaster undoubtedly saved the federal government millions of dollars in disaster payments. Unfortunately, the costs associated with these activities do not qualify for any type of disaster assistance. By providing and promoting a financial incentive for businesses and homeowners to safely protect their property, the government could help numerous families and businesses get back into their property much sooner after a disaster, while also saving money in the long run.

**Post-Hearing Questions for the Record  
Submitted to Christopher Masingill  
From Senator Mary L. Landrieu**

**“Spring Storms 2011: Picking up the Pieces and Building Back Stronger”  
July 19, 2011**

1. Mr. Masingill, you mentioned the Louisiana Business Emergency Operations Center as a useful model for helping small business to prepare and recover from disaster using formalized coordination structures and economic impact assessments during an event.

- a. Can you elaborate on some of the unique features of the Louisiana model that have paid dividends thus far and the merits of replicating such a model?

As an annex of Louisiana’s Emergency Operations Center, the Louisiana Business Emergency Operations Center (LA BEOC) promotes coordination of private sector involvement during emergencies by better facilitating communication and planning between the state’s major industries, small business owners, critical infrastructure operators, and resource holders.

The merits of such a program include: a) direct and timely notification in case of emergency (allowing industry and small business to adapt business plans), b) the stimulation of local economies through advertisement of state needs, and c) the avoidance of duplication of efforts through online postings on the LA BEOC website.

2. In your testimony you stated that slow approval of Public Assistance projects has been a challenge for many communities during the response phase. I have proposed legislation that would allow state and local government to receive a portion of their Public Assistance grants on an advanced basis, using an estimate of eligible damage, as opposed to running this program strictly on a reimbursement basis.

- a. Do you think this approach would help to address the problem you referenced in your statement?

Based on my interactions with many state and local officials, allowing them to receive a portion of Public Assistance on an advanced basis would be a welcomed improvement. Many of these officials were hesitant to expend significant resources on cleanup and repair activities with no guarantees that they would be reimbursed, leading to damaged road, bridges and other public areas being out of service for even more extended periods of time. Additionally, the cost of overtime for security personnel in flood damaged areas was an expense many communities couldn’t bear on the front end, leading them to utilize typical staffing levels in areas that demanded higher levels of public safety. Providing communities

upfront with funding to address some of these situations that require immediate attention would improve the safety and speed of the recovery process.

3. When the Corps of Engineers made the decision to open the Morganza Floodway in Louisiana to help relieve the swollen Mississippi River, USDA announced that it would pay farmers with crop disaster insurance policies that lived in the affected area and experienced losses.

- a. What is your sense of the scale of agricultural damage that occurred in the Delta Region as a result of the Mississippi River floods?

According to Delta Council in Stoneville, MS, the 2011 Flood impacted a total of 4.3 million acres, 1.08 million acres of cropland, and \$933 million in crop damages.

- b. Do you believe that farmers who have lost crops as a result are receiving timely and sufficient insurance payments through this program to restore their farmlands and re-plant?

It is my understanding that farmers who had crop insurance have received indemnities in accord with their policies, whether they had loss coverage at the 50%, 60%, 70% coverage. However, there are no insurance policies which are available to a farmer that offer full recovery costs/expenses for a disaster such as that experienced in a Federally-designed floodway which is operated according to impound/release policies that have been adhered to for more than 60 years, so farmers in the Morganza spillway will only be paid up to the loss coverage of their crop insurance policies.

**Post-Hearing Questions for the Record  
Submitted to Mr. David Maxwell, Director  
Arkansas Department of Emergency Management**

**From Senator Mark L. Pryor**

**“Spring Storms 2011: Picking up the Pieces and Building Back Stronger”  
July 19, 2011**

- 1) While the main focus of this hearing was on recovery efforts and mitigation opportunities, we briefly touched on the complexities of the disaster declaration process. One witness commented that the process is less transparent and more difficult to navigate in disasters that are smaller in scope and area, as opposed to a far-reaching catastrophic disaster such as Katrina. Please respond to this assessment and provide your opinion(s) about if and how this process could be improved upon and made more transparent. Please also provide any guidance you might have for State and local emergency managers navigating this process.

Answer: The State of Arkansas agrees the declaration process is less transparent for smaller disasters and in some cases larger events that are not defined as catastrophic. We have recently experienced this process with our most current disaster declaration (FEMA 4000-DR-AR) that impacted to Franklin and Johnson counties and hundreds of Arkansas citizens. The disaster occurred on May 24, 2011 with a major request being submitted on May 31, 2011. Arkansas received a denial for this event on June 17, 2011. The appeal was submitted on June 24, 2011 or one month from event and a disaster declaration was approved on July 8, 2011. This process took six weeks and the transparency of our major request was nonexistent. When inquiring about the status of our request, it was determined to be in process. The states need to be transparent with its customers and citizens and be upfront with the process of the declaration. We are asking for the same courtesy from our Federal partners. We need a time frame for answers whether it's an approved or denied declaration. Getting a timely status updates of our request allows state and local governments to effectively respond and recover from any type of disaster. We also recommend a timeframe for a decision to be made once a request is submitted.

The Public Assistance (PA) program has required thresholds that must be met to receive a disaster declaration for this type of assistance. The declaration process for the Individual Assistance (IA) program can be improved by streamlining the criteria declaration and defining thresholds that must be met. The 44 CFR outlines criteria that need to be addressed in the Governor's major request letter, but it does not give defined thresholds for a declaration. The scope of information needed and supplied is interpreted differently by each state and very broad. Understanding the exact type of information that is needed should be consistently applied for each disaster request.

- 2) Our Subcommittee is interested in better understanding how mitigation is integrated into the recovery process. To what extent are mitigation resources discussed with disaster victims in the aftermath of an event, such as during the intake process at a Disaster Recovery Center?

How can recovery and mitigation processes be made more effective and provide appropriate incentives for mitigation?

Answer: In this past disaster, ADEM coordinated with FEMA to work on Community Outreach during the recovery phase. The majority of the mitigation efforts toward individuals were working with them on how to rebuild smarter, stronger, and safer. Groups of FEMA staff were sent to home improvement stores in the affected areas in order to reach individuals during their rebuilding phase. How to elevate utilities and provide shelter from tornadoes are two examples of the types of mitigation measures that were discussed with victims. After every disaster, ADEM contacts the affected jurisdictions to inform them of possible funding opportunities for mitigation projects. This way, we continue our mitigation goal of reinvesting in communities that were the reason funding was awarded to the State.

- 3) Do you have any data on the percentage or number of existing homes in your state that contain safe rooms? Is there a community or demographic where you are seeing a lot of unmet needs in terms of safe rooms/storm shelters? How do your state and local communities plan to use Federal mitigation funds to repair, rebuild or harden these environments so they can provide "safe rooms" to protect vulnerable populations during disasters?

Answer: The State has funded over \$16,616 residential shelters through the Shelter Rebate Program. We understand that there were several already present in the state previous to the program's inception in 1999, and that there are some individuals that have installed a shelter, but not applied for the rebate. Due to this fact, it is difficult to estimate exactly how many are in the State. Through federal mitigation grants, the State has been involved in over 160 community shelter projects. Roughly 100,000 individuals have access to protected space throughout these shelters when severe weather strikes. After a disaster, the State works with local jurisdictions through emails, conference calls, meetings, and presentations to provide as many funding opportunities as possible. A large number of cities, counties, and school districts have received grants funds to protect their community members. In answer to the question about the demographics, residential and community shelters have been constructed in all types of social and economic communities.

**Post-Hearing Questions for the Record  
Submitted to David Maxwell  
From Senator Mary L. Landrieu**

**“Spring Storms 2011: Picking up the Pieces and Building Back Stronger”  
July 19, 2011**

1. You mentioned in your testimony that homeland grant funds improved the baseline capability of your state to manage the response to the devastating tornadoes that struck your citizens this spring. You mentioned that Arkansas Interoperable Communication Network which was funded through the State Homeland Security Program, and Mr. Womack indicated that the State Homeland Security Program and Emergency Management Performance Grants helped rural communities in your state to “save lives due to grant funding.” As chairman of the Homeland Security Appropriations Subcommittee, I appreciate the fact that you have helped to remind us of the very real benefits to life and property provided by these grant dollars and the consequences of slashing these programs. The Homeland Security Appropriations bill passed by the House of Representatives for the upcoming fiscal year would cut first responder grants by \$790 million, including a 35% cut to the State Homeland Security Program.

- a. How would these proposed cuts impact preparedness in your state?

Answer: The cuts in the Homeland Security Program will have a direct and immediate impact on preparedness not only in Arkansas but across the nation. The States recognize we have a responsibility to insure, to the best of our abilities with or without federal funding, that we and our local partners are as prepared as possible to respond to any disaster or emergency. The federal programs have enabled us to purchase equipment that has, as mentioned, had the direct effect of saving lives. Without the funding to continue to equip first responders with equipment that might not be used on a daily basis but does have great use in disaster/emergencies will reduce our ability to 1) respond locally and 2) respond under EMAC to help other States. Preparedness is, of course, more than just equipment. We must continue to plan, train and exercise and repeat that process continually to keep the improvements we have made to the program consistently reviewed. We will never be able to say we are fully prepared and sit back and wait for the next disaster. We must always be in the position of continuous preparation. It would be helpful to Arkansas and our local jurisdictions if we had some knowledge of a funding stream that would enable us to do the long range planning and preparedness efforts and not be in the position of having to plan each year based on the funding available that year.

2. NEMA issued a position paper in 2009 suggesting that FEMA modify its rules to allow Hazard Mitigation funds to be used for a wider variety of emergency shelters. For instance, FEMA has denied requests from the State of Louisiana to use Hazard Mitigation funds to construct general population evacuation shelters, and the State Homeland Security Program prohibits use of funds for construction in excess of \$1 million, frustrating the efforts of many Gulf states to increase their in-state sheltering capacity,

reduce their reliance on other states, and reduce the overall expense associated with future hurricane evacuations.

- a. Please explain this issue to the committee and tell us about the position that the National Emergency Management Association has adopted, as well as your own personal perspective on this issue as an emergency manager.

Answer: In 2009, the National Emergency Management Association approved a position paper that outlined our response to FEMA Mitigation Interim Policy MRR-2-09-1. The policy was written to establish Hazard Mitigation Assistance (HMA) for safe rooms and was designed in a manner to support life safety evacuations for any threat. NEMA believes, however, the policy is restrictive and counterproductive in its current format. If states are trying to increase life safety capability, reduce evacuation timing, and cut costs associated with executing evacuation plans, FEMA policy and Directorate goals should be better aligned to support these efforts. For example, as the Preparedness Directorate assists states to identify gaps such as shelter capacity, then all other policies and funding should be designed to help states and locals overcome these deficiencies to ultimately improve emergency management at all levels.

Shelters and safe rooms for any citizen are in great demand at the local level. Often the amount of Hazard Mitigation Grant Program (HMGP) funding after an event does not come close to the amount needed to fulfill all safe room applications and the demand. Pre-disaster Mitigation (PDM) funding is also limited and must compete with other mitigation priorities (both PDM and HMGP are part of the HMA suite of grants). Unfortunately, many states must experience a large-scale disaster, such as a major hurricane, before adequate funding becomes available to build retrofit buildings with safe rooms or construct shelters. Additionally, many inland local emergency management offices must ask for hurricane event HMGP funds to build severe weather or tornado safe rooms. NEMA believes this is a very reactive strategy and prohibits advance planning that can save lives and prevent costly damage.

State and local governments have an obligation to meet the increase in shelter demand; however, building shelters and retrofitting for safe rooms is expensive and cannot be done alone. While we are sensitive to budget concerns on all levels of government, federal support is necessary to help states overcome identified shelter gaps. The emergency management community must have an effective mechanism and appropriate levels of funding to build stand-alone and multi-purpose safe rooms to protect lives and reduce evacuation costs. NEMA believes greater flexibility within the suite of hazard mitigation grants is the best way to achieve this effective solution.

Over the past two years, NEMA has engaged FEMA and Capitol Hill as they continue to determine the best method for overcoming the legal challenges associated with utilizing HMA funding for shelters. We believe increased flexibility in using HMA funds for this purpose would alleviate the often unnecessary and expensive evacuation of residents during a disaster and improve the retention rates by allowing shelters to be built close to the affected citizens.

In Arkansas, our main focus when it comes to sheltering is community and residential tornado safe rooms. Due to our geographical location, we do not experience mass evacuations of our citizens as a result of hurricanes. We do, however, experience the devastating effects of tornadoes on a yearly basis. In order to utilize our Hazard Mitigation funding effectively, we work with the public to make sure that our projects meet their mitigation needs.



**Post-Hearing Questions for the Record  
Submitted to Mr. Mike Womack, Director  
Mississippi Department of Emergency Management**

**From Senator Mark L. Pryor**

**“Spring Storms 2011: Picking up the Pieces and Building Back Stronger”  
July 19, 2011**

- 1) While the main focus of this hearing was on recovery efforts and mitigation opportunities, we briefly touched on the complexities of the disaster declaration process. We heard that the process is seemingly less transparent and more difficult to navigate in disasters that are smaller in scope and area, as opposed to a far-reaching catastrophic disaster such as Katrina. Please respond to this assessment and provide your opinion(s) about if and how this process could be improved upon and made more transparent.**

Under the current regulations and policy, there are specific “numeric indicators” that guide state and local governments in determining if they might potentially qualify for a Major Disaster Declaration for Public Assistance. A yearly updated per capita dollar amount is established at both the state and county level. FEMA emphasizes that this is only one of the factors that are considered by the President in the declaration process. For the Individual Assistance program, there is no equivalent “numeric indicator” and the FEMA leadership has consistently stated that any such specific set of guidelines would have an adverse effect on the overall declaration process for Individual Assistance. The Stafford Act states that the President shall declare a Major Disaster for a state when “...the effective response is beyond the capabilities of the state and affected local government....” This standard gives the President great flexibility, but doesn’t really define what level of damage warrants a disaster declaration. While I feel that a set of numeric indicators for Individual Assistance would greatly help the process, I do not feel that there is agreement among states or Congress as to what these indicators should be.

- 2) In your formal statement you noted that improvements could be made in the coordination between the Individual Assistance program, the Hazard Mitigation Grant Program and the National Flood Insurance Program's Substantial Damage Estimation program. You also stated that some of the proposals for improvement would require changes to current laws or regulations. Can you please provide more information and clarification on these recommended improvements?**

During a flooding disaster, survivors can have as many as four inspections of their property to determine the level of damage. First, an Individual Assistance damage inspector, usually a contractor for FEMA IA, inspects the home for damage. This inspection determines the amount of an IA grant, if any. If the survivor has flood insurance, an insurance adjuster employed by an insurance company will inspect the property and determine the potential insurance proceeds. Finally, at the request of the local government, a FEMA contractor from the NFIP may inspect the property to do a Substantial Damage Estimate. In some cases, FEMA IA refers survivors to

the Small Business Administration for a disaster loan in lieu of an IA grant. It is probable that all four programs will result in a different damage estimate for repair costs.

In our recent flood disaster, I asked why these programs could not be combined into one or two inspections or at least share data. I was told that the NFIP is not a Stafford Act Program and was not required to coordinate with disaster programs. We have many survivors who were denied a FEMA IA grant pending resolution of an NFIP claim or told that they could not repair their home due to NFIP requirements, but were not provided a FEMA IA home replacement grant. If the state of Mississippi had a smaller recovery staff or less knowledge of the programs, many survivors would have not received the assistance that they were eligible for. With the help of the Federal Coordinating Officer and his staff, we were able to resolve many of these issues.

- 3) **Our Subcommittee is interested in better understanding how mitigation is integrated into the recovery process. To what extent are mitigation resources discussed with disaster victims in the aftermath of an event, such as during the intake process at a Disaster Recovery Center? How can recovery and mitigation processes be made more effective and provide appropriate incentives for mitigation?**

The traditional model for HMGP projects is for the state to provide grants to city or county governments that are then provided to individuals. We have worked directly with individuals in our safe room and our wind retrofit programs. I feel that in some cases, direct interaction with individuals is more effective than working through local governments. We plan to explore how we can potentially expand the number and type of projects that we can manage at the state level that directly interface with individuals, while maintaining traditional local governmental based projects such as retrofit of critical facilities and drainage projects.

The use of mitigation staff in DRCs can be effective in developing public awareness for potential mitigation projects. In our recent tornado disaster, mitigation staff worked in DRCs to assist individuals with applications for our safe room program, "A Safe Place to Go."

Concerning how we can more effectively coordinate recovery and mitigation, our focus in Mississippi is to eliminate the lack of interaction at the program level. Further, we are working with FEMA to determine if there are more effective ways of providing HMGP grants, such as the state run grant programs mentioned above. One of the biggest problems with rapid deployment of HMGP grants is the time required for the cost benefit process and the environmental assessments. For HMGP to be a true partner with FEMA IA, a different approach would have to be taken on the method of delivering the grant. If FEMA IA can provide a grant of up to \$30,000 for home replacement, why could there not be provisions for a similar grant approval process for individual HMGP projects?

- 4) **Do you have any data on the percentage or number of existing homes in your state that contain safe rooms? Is there a community or demographic where you are seeing a lot of unmet needs in terms of safe rooms/storm shelters? How do your state and local communities plan to use Federal mitigation funds to repair, rebuild or harden these**

**environments so they can provide “safe rooms” to protect vulnerable populations during disasters?**

We have found that the higher the level of poverty and disabilities, the higher the level of need for safe rooms. Many of these families live in substandard housing that is particularly vulnerable to high winds and tornadoes. We have previously been able to obtain other funds to assist low income families in the cost share associated with the HMGP grant, which is normally 25 percent. For households that have the financial resources to pay for their own safe room we have encouraged them to not wait for a potential grant.

To date, we have processed and completed 5,028 residential safe room projects in our state and currently have a total of 6,236 applications that are being processed. While we think this is a significant accomplishment, we recognize that this only represents approximately 1.5 percent of the eligible homeowners in Mississippi.

In addition, Mississippi has 53 government structures that were either constructed or hardened using HMGP funds and meet FEMA 361 or 320 standards. These structures will shelter an estimated 153,230,548 individuals as pre-landfall hurricane or tornado safe rooms.

**Post-Hearing Questions for the Record  
Submitted to Mike Womack  
From Senator Mary L. Landrieu**

**“Spring Storms 2011: Picking up the Pieces and Building Back Stronger”  
July 19, 2011**

1. **You mentioned in your testimony that homeland grant funds improved the baseline capability of your state to manage the response to the devastating tornadoes that struck your citizens this spring. Mr. Maxwell mentioned that Arkansas Interoperable Communication Network which was funded through the State Homeland Security Program, and you indicated that the State Homeland Security Program and Emergency Management Performance Grants helped rural communities in your state to “save lives due to grant funding.” As chairman of the Homeland Security Appropriations Subcommittee, I appreciate the fact that you have helped to remind us of the very real benefits to life and property provided by these grant dollars and the consequences of slashing these programs. The Homeland Security Appropriations bill passed by the House of Representatives for the upcoming fiscal year would cut first responder grants by \$790 million, including a 35% cut to the State Homeland Security Program.**

- a. How would these proposed cuts impact preparedness in your state?

The State Homeland Security Program and Emergency Management Performance Grants were initially established to assist state and local governments in the prevention of and response to a terrorist attack. Following Hurricane Katrina, changes were made in the grant program to allow funds to be used for an all hazards approach including terrorism and natural hazards. State and local governments have built capabilities based on local threat assessments and have use SHSGP funds to enhance their ability to prevent or respond to these threats. Since the peak funding in FY 2003-2005, most states have seen a substantial drop in SHSGP funds. Mississippi, as well as most other states, have consolidated and eliminated programs that were grant funded. Overall, state grant funding for homeland security and emergency management has reached the level in Mississippi where they basically support the maintenance of preparedness levels that have been reached with the assistance of funds provided in FY 2003-2005. Most of the funds are used to maintain the readiness of prevention and responder personnel with training and exercise dollars as well as purchase of equipment to replace aging and obsolete items. The excellent response to this spring’s severe storms and flooding would not have been possible without the funding sources and training that were made available to state and local first responders. Lives were saved due to grant funding. Further reductions will demand more reductions in programs that will increase potential response times and prevention activities.

2. **NEMA issued a position paper in 2009 suggesting that FEMA modify its rules to allow Hazard Mitigation funds to be used for a wider variety of emergency shelters. For instance, FEMA has denied requests from the State of Louisiana to use Hazard Mitigation funds to construct general population evacuation shelters, and the State Homeland Security**

**Program prohibits use of funds for construction in excess of \$1 million, frustrating the efforts of many Gulf states to increase their in-state sheltering capacity, reduce their reliance on other states, and reduce the overall expense associated with future hurricane evacuations.**

- a. Please explain this issue to the committee and tell us about the position that the National Emergency Management Association has adopted, as well as your own personal perspective on this issue as an emergency manager.

FEMA and U.S. Department of Homeland Security have restricted the use of grants to build shelters in large part, I believe, to insure that a large percentage of the grants funds are used to fund the core functions of these organizations.

I have discussed with the FEMA leadership NEMA's concerns about the current shelter policy. FEMA leadership has stated that there is a specific section of the Stafford Act that prohibits the construction of shelters. They believe legislation prohibits them from funding construction of shelter outside of their current policies: "Therefore, for hurricane threats, FEMA will only consider funding extreme wind mitigation projects that are designed for a specific population that cannot remove themselves from harm's way during a land-falling hurricane." This text is quoted from *Mitigation Interim Policy, MRR-2-09-1, "Hazard Mitigation Assistance for Safe Rooms."* As I have read the legislation, I see no requirement to provide funds to construct only structures that meet these guidelines: I believe that it would be valuable to ask FEMA what specific section of legislation they believe restricts the use of HMGP funds to this narrow use.

In the case of the Homeland Security Grant Funds, I assume that there is a concern that hurricane and tornado-prone states would use a very high percentage of their grant to build shelters in lieu of other prevention, protection and response activities. However, I do not know of any legislative restriction that would prohibit the use of the funds for building shelters costing more than \$1 million.

The NEMA position paper fully documents the need for hurricane evacuation shelters. The Stafford Act Section 404 (a) specifically states that Mitigation funds will be used to ... "substantially reduce the risk of future damage, hardship, loss or suffering." I would argue that to have safe shelters as close to the evacuees home as possible substantially reduces both hardship and suffering.



Testimony

Of the

**Build Strong Coalition**

Submitted to the

Senate Homeland Security and Government Affairs

Subcommittee on Disaster Recovery and Intergovernmental Affairs

Hearing on

**“2011 Spring Storms: Picking Up the Pieces and Building Back Stronger”**

July 19, 2011, 2:30 p.m. EST



## **Introduction**

The Build Strong Coalition thanks Chairman Mark Pryor, Ranking Member Rand Paul and the Homeland Security and Government Affairs Subcommittee on Disaster Recovery and Intergovernmental Affairs for holding today's hearing "2011 Spring Storms: Picking Up the Pieces and Building Back Stronger".

The coalition shares the subcommittee's goal of helping communities recover from major natural disasters while saving taxpayers money at the same time. Our thoughts and prayers go out to the victims of recent tragedies caused by natural disasters – events which compel us to advance vital legislation to help mitigate future devastation.

According to the Insurance Information Institute and Munich Re, severe natural catastrophes have already made 2011 the highest loss year for global catastrophes on record. Approximately \$265 billion in economic losses have accumulated through June, easily exceeding the total figure for 2005, previously the costliest year to date with \$220 billion for the year as a whole. Most of the 2011 losses were caused by the earthquake in Japan on March 11. The insured losses, around \$60 billion, were also nearly five times greater than the average since 2001.

In the United States, where insurance penetration is relatively higher than other parts of the world, 100 events in the first half of 2011 produced \$27 billion in overall losses and \$17.3 billion in insured losses, which is well above the 10-year averages of \$11.8 billion and \$6.6 billion, respectively. A very active thunderstorm and tornado season resulted in insured losses exceeding \$16 billion, far above the 2001 to 2010 January to June average thunderstorm loss of \$6.4 billion (in 2010 dollars). It was also the deadliest thunderstorm season in over 50 years. The National Oceanographic and Atmospheric Administration currently predicts 16 named storms for the current hurricane season, much higher than the 9.6 annual average.

For its part, more than \$5.2 billion has been obligated by FEMA for Major Disasters, including more than \$18 million for Emergency Declarations; and more than \$26 million in Fire Management Assistance Grants (FMAGs).<sup>1</sup>

## **Building Codes Save Lives, Property and Taxpayer Money**

Overwhelming evidence exists to demonstrate that the adoption and enforcement of statewide building codes saves lives and greatly reduces property damage and the need for federal assistance resulting from disasters. The Louisiana State University Hurricane Center estimated

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<sup>1</sup> FEMA Office of Public Affairs, as of July 13, 2011. *Note:* These amounts are subject to change; and include obligations for open disasters (i.e., including disasters from past years for which grant funding continues to be processed and obligated) as well as obligations for declarations that have occurred during FY 2011.



that stronger building codes would have reduced wind damage from Hurricane Katrina by 80%, saving \$8 billion.

In 2005, FEMA commissioned a study by the National Institute of Building Sciences' Multihazard Mitigation Council. The goal of the study, based on the work of more than 50 national experts, was to "assess the future savings from hazard mitigation activities." According to the study, every \$1 dollar spent on hazard mitigation (actions to reduce disaster losses) provides the nation with about \$4 in future benefits.

A study done for the Insurance Institute for Business & Home Safety (IBHS) found that losses from Hurricane Andrew, which struck south Florida in 1992 and caused more than \$20 billion (in today's dollars) in insured damage, would have been reduced by 50 percent for residential property and by 40 percent for commercial property if those structures were built in accordance with Florida's 2004 statewide building code. Another IBHS study following Hurricane Charley in 2004 found that modern building codes reduced the severity of property losses by 42 percent and the frequency of losses by 60 percent.

More valuable research is currently being conducted by the IBHS at their brand new lab in Richburg, South Carolina. This research already has clearly demonstrated how the human and financial costs of natural disasters can be greatly reduced by building stronger homes. With relatively simple upgrades in construction such as strapping to create a continuous load path from the roof, through the walls, and into the foundation, thicker roof decking, and textured, rather than smooth nails, test homes were built to withstand 110 mile-per-hour winds with little damage. Test homes with the same floor plan that were not upgraded, were completely destroyed at wind speeds of only 95 mph to 100 mph. Taking steps to prepare in these ways before a disaster has a real effect.

Despite this correlation, most states have not enacted statewide building codes and related inspection and enforcement measures. State standards for construction, code-related inspection, and enforcement vary widely across the country. Where statewide codes exist, it is not uncommon to allow individual jurisdictions (e.g., cities of a particular class, or counties) to deviate from the state standards, occasionally resulting in a weakening of the model minimum standards.

Model building codes govern all aspects of construction and help to protect homes and buildings from the devastating effects of natural catastrophes. Uniform, statewide adoption and enforcement of model building codes by states helps to significantly reduce long-term risks affecting people, property, the environment, and ultimately the economy. The model codes, developed nationally in the U.S. by a consensus process involving construction experts and local building officials working together, are adopted and enforced at the state level to mitigate effects of natural disaster perils inherent to each state.





#### **FEMA and the Stafford Act**

Billions of dollars are routinely paid by the federal government and the private sector for disaster relief and rebuilding communities. FEMA's stated mission of leading "America to prepare for, prevent, respond to and recover from disasters" is well embodied in the pre and post mitigation programs available to states under the Stafford Act and the Disaster Mitigation Act of 2000. These programs help states assess how to alleviate or eliminate long-term risks affecting people, property, the environment, and ultimately the economy. Under the Hazard Mitigation Grant Program (HMGP), states are required to submit a Standard Mitigation Plan for approval by FEMA as a condition of receiving monetary disaster assistance. According to the HMGP, one of the permissible uses of funding includes projects associated with "Post-disaster building code related activities that support building code officials during the reconstruction process."

Further, a state may elect to prepare a more comprehensive plan (Enhanced Mitigation Plan) which would qualify the state for additional funding up to 20 percent of the estimated aggregate amount of grants to be awarded. One example of projects a state could consider to demonstrate its commitment to implementing a strong mitigation program is as follows: "To the extent allowed by State law, the State requires or encourages local governments to use a current version of a nationally applicable model building code or standard that addresses natural hazards as a basis for design and construction of State sponsored mitigation projects."

Requiring states to enact a statewide building code and provide mechanisms for active enforcement as an added criterion would serve as an appropriate federal incentive to qualify for greater amounts of funding. This would allow FEMA to work within its statutory authority without seeking additional appropriations for the program. And, this could be accomplished through rulemaking instead of enactment of legislation.

#### **The Safe Building Code Incentive Act**

The Build Strong Coalition strongly supports *H.R. 2069, The Safe Building Code Incentive Act*, legislation providing states with additional disaster relief funding if they enact modern building codes. While not yet introduced in the Senate in 112<sup>th</sup> Congress, we urge this committee's members to offer and pass this responsible measure that will protect Americans and save taxpayer money.

*The Safe Building Code Incentive Act* would create a financial incentive for states that have adopted and enforce statewide building codes. Under the proposed law, states that adopt and enforce nationally recognized model building codes for residential and commercial structures would qualify for an additional 4-percent of funding available for post-disaster grants. The program would be administered by the Federal Emergency Management Agency.

Sixteen states currently enforce building codes that would already qualify for the additional 4-percent funding. Another fifteen states would qualify with minor changes to current laws and regulations. (Table 1 attached)



As stated prior, this legislation will not require any additional appropriation to FEMA since it draws funds from the existing Disaster Relief Fund. In addition, the nature of the incentive does not mandate the adoption of statewide building codes on any states that wish to maintain their current patchwork structure.

The evidence supporting mitigation benefits proves this incentive to be a fiscally responsible method of enabling FEMA to assist in natural disaster recovery while working to prevent future damage.

While mitigation will not prevent natural catastrophes, stronger homes and businesses will save private property, federal funds, environmental damage and insurance claims paid. Further, building codes contribute to the resiliency of a community and the ability of a community to “bounce-back” from a hazard event. As a community begins the recovery process, the quicker businesses can return to full operation and citizens can return to their daily lives, the greater ability the local economy has to recover and lessen the burden on assistance providers. Most importantly, stronger homes and businesses save lives. The Safe Building Code Incentive Act is a forward-thinking, mitigation-focused legislative proposal that will display Congress’s leadership in the midst of a heightened natural catastrophe year.

The Build Strong Coalition respectfully urges the Homeland Security and Government Affairs Subcommittee on Disaster Recovery and Intergovernmental Affairs to introduce and expeditiously pass *The Safe Building Code Incentive Act*.



**Table 1: Safe Building Code Incentive Act – States Qualifying for Incentive**

**Current Qualifying States\***

California	New Jersey
District of Columbia	New Mexico
Florida	New York
Louisiana	Pennsylvania
Maine	South Carolina
Michigan	Utah
Minnesota	Virginia
New Hampshire	Washington

\*Qualification based on legislative requirement for statewide adoption and enforcement of structural model building codes for residential and commercial construction without weakening amendments.

**States That Could Qualify with Minor Legislative Modifications (varies by state)**

Connecticut	North Carolina
Delaware	Oregon
Indiana	Rhode Island
Maryland	Wisconsin
Massachusetts	

**States That Have Adopted Statewide Codes, but Lack Enforcement Authorization**

Arkansas	Ohio
Georgia	Tennessee
Kentucky	West Virginia



**Table 2: Build Strong Coalition Membership**

Allstate Insurance Company  
 The American Institute of Architects  
 American Insurance Association (AIA)  
 Council of Insurance Agents and Brokers (CIAB)  
 Farmers Insurance Group of Companies  
 Federal Alliance for Safe Homes (FLASH)  
 Financial Services Roundtable (FSR)  
 Insurance Institute for Business and Home Safety (IBHS)  
 Independent Insurance Agents and Brokers of America (IIABA)  
 International Code Council  
 Liberty Mutual Insurance  
 MetLife  
 National Association of Mutual Insurance Companies (NAMIC)  
 National Fire Protection Association  
 National Institute of Building Sciences  
 National Ready Mixed Concrete Association  
 Nationwide Insurance  
 NeighborWorks America  
 Professional Insurance Agents (PIA)  
 Property Casualty Insurers Association of America (PCIAA)  
 Reinsurance Association of America  
 Simpson Strong-Tie Co  
 Solutia  
 Travelers  
 State Farm Insurance Companies  
 The Hartford  
 USAA

