

**THE FEDERAL EMERGENCY MANAGEMENT
AGENCY'S FISCAL YEAR 2015 BUDGET
REQUEST: ENSURING EFFECTIVE PREPARED-
NESS, RESPONSE, AND COMMUNICATIONS**

HEARING

BEFORE THE

**SUBCOMMITTEE ON EMERGENCY
PREPAREDNESS, RESPONSE,
AND COMMUNICATIONS**

OF THE

**COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES**

ONE HUNDRED THIRTEENTH CONGRESS

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**THE FEDERAL EMERGENCY MANAGEMENT
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Tuesday, March 25, 2014

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EMERGENCY PREPAREDNESS,
RESPONSE, AND COMMUNICATIONS,
COMMITTEE ON HOMELAND SECURITY,
Washington, DC.

The subcommittee met, pursuant to call, at 10:05 a.m., in Room 311, Cannon House Office Building, Hon. Susan W. Brooks [Chairwoman of the subcommittee] presiding.

Present: Representatives Brooks, Palazzo, Sanford, Payne, Clarke, and Higgins.

Also present: Representative Jackson Lee.

Mrs. BROOKS. The Subcommittee on Emergency Preparedness, Response, and Communications will come to order. The subcommittee is meeting today to receive testimony from administrator Craig Fugate on the President's fiscal year 2015 budget request for the Federal Emergency Management Agency. I now recognize myself for an opening statement.

The House Homeland Security Committee recently held a hearing on the President's fiscal year 2015 budget request for the Department of Homeland Security at which time Secretary Johnson testified. This subcommittee will continue that oversight today with a more in-depth review of the President's request for the Federal Emergency Management Agency known as FEMA.

The President's fiscal year 2015 budget requests \$10.3 billion for programs and operations at FEMA. This is a 3 percent increase from fiscal year 2014 enacted level. It is important in these difficult fiscal times that FEMA can fulfill its mission while at the same time be a good steward of taxpayer money.

We need to ensure that our Nation is equipped to prepare for, respond to, and mitigate against disasters and ensure that our first responders have the training, tools, and resources needed in order to continue to do their important work.

Administrator Fugate, I am interested in hearing more today about how you propose to allocate the resources to sustain FEMA's current missions and what strategic priorities you will focus on in 2015. For the third year in a row, the budget request proposes some significant changes within the State and local programs ac-

count, consolidating a number of Homeland Security grant programs into a new National Preparedness Grant Program, NPGP.

I am pleased that FEMA has finally submitted a legislative proposal with this year's request. As our subcommittee continues to review the proposal, we do have quite a few questions about it. So I am interested in learning more about the many aspects of the proposal and how it will be implemented.

I have questions about the two funding pots, the sustainment and the competitive, and how these funds will be allocated to States, high-risk urban areas, port authorities, and transit agencies. I also have questions about and am concerned with the proposed elimination of the 25 percent set-aside for law enforcement terrorism prevention activities.

State and local prevention activities including the sustainment of the National network of fusion centers have played a vital role in our Nation's ability to disrupt a potential terrorist attack.

Moving forward, we need to remember that the purpose of these grants as detailed in the 9/11 Act are for preventing, preparing for, protecting against, and responding to acts of terrorism.

So I hope you will be able to provide us with greater clarity on this proposal and other questions as we have related to the NPGP proposal. I look forward to working with my fellow subcommittee and full committee Members and the many stakeholder groups as we continue to review and consider this proposal.

At this time, I ask unanimous consent to insert a letter from a number of stakeholder groups including the U.S. Conference of Mayors, the International Association of Fire Chiefs, the major cities chiefs, and the International Association of Emergency Managers regarding the NPGP proposal. Without objection, so ordered.

[The information follows:]

LETTER SUBMITTED BY HON. SUSAN W. BROOKS

MARCH 24, 2014.

The Honorable HAROLD ROGERS,
Chairman, Committee on Appropriations, U.S. House of Representatives, Washington, DC 20515.

The Honorable NITA LOWEY,
Ranking Member, Committee on Appropriations, U.S. House of Representatives, Washington, DC 20515.

The Honorable JOHN CARTER,
Chairman, Subcommittee on Homeland Security, Committee on Appropriations, U.S. House of Representatives, Washington, DC 20515.

The Honorable DAVID PRICE,
Ranking Member, Subcommittee on Homeland Security, Committee on Appropriations, U.S. House of Representatives, Washington, DC 20515.

DEAR MR. ROGERS, MS. LOWEY, MR. CARTER, AND MR. PRICE: As you begin development of Fiscal Year (FY) 2015 appropriations legislation, we write on behalf of local elected officials, emergency managers, port operators, police chiefs and colonels, sheriffs, and the major fire service organizations to urge you once again not to implement the Federal Emergency Management Agency's (FEMA's) National Preparedness Grant Program (NPGP) proposal through the appropriations process.

The NPGP proposal would convert the current suite of homeland security grant programs into state-administered block and competitive grant programs in which funding decisions are based on state and multi-state threat assessments without clear local involvement. We appreciate the fact that thus far Congress has rejected the Administration's proposed NPGP and agreed with us that any changes to the grant programs must be considered by the authorizing committees. We are confident

that the authorizing committees will give careful consideration to FEMA's specific proposals and any other proposals submitted.

As an alternative to the NPGP, our organizations have developed and agreed on a set of principles for reforming the homeland security grant programs: transparency, local involvement, flexibility and accountability, local funding, terrorism prevention, and incentives for regionalization. We look forward to working with Congress and the Administration to develop changes to the grant programs that are consistent with these principles, and that will improve the programs in the years ahead.

We also want to take this opportunity to thank you for including language in the FY 2014 omnibus appropriations bill that would prohibit FEMA from implementing the NPGP in FY 2014 without explicit congressional authorization. Thank you also for providing specific funding levels for each homeland security grant program, including the State Homeland Security Grant Program, Urban Areas Security Initiative, port security, and transportation security grant programs.

If we can provide further information or assistance, please contact us through the U.S. Conference of Mayors' Public Safety Director, or the International Association of Fire Chiefs' Director of Government Relations and Policy.

Sincerely,

AMERICAN ASSOCIATION OF PORT AUTHORITIES, BIG CITY EMERGENCY MANAGERS, CONGRESSIONAL FIRE SERVICES INSTITUTE, INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE, INTERNATIONAL ASSOCIATION OF FIRE CHIEFS, INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS, MAJOR CITIES CHIEFS ASSOCIATION, MAJOR COUNTY SHERIFFS' ASSOCIATION, NATIONAL ASSOCIATION OF COUNTIES, NATIONAL HOMELAND SECURITY COALITION, NATIONAL LEAGUE OF CITIES, NATIONAL SHERIFFS' ASSOCIATION, NATIONAL VOLUNTEER FIRE COUNCIL, THE UNITED STATES CONFERENCE OF MAYORS, U.S. COUNCIL OF THE INTERNATIONAL ASSOCIATION OF EMERGENCY MANAGERS (IAEM-USA).

Mrs. BROOKS. I also ask unanimous consent to insert a letter from the National Association of Realtors with respect to the Homeowner Flood Insurance Affordability Act. Without objection, so ordered.

[The information follows:]

LETTER FROM THE NATIONAL ASSOCIATION OF REALTORS

MARCH 24, 2014.

The Honorable SUSAN BROOKS,
Chairwoman, House Subcommittee on Emergency Preparedness, Response, and Communications, 1505 Longworth House Office Building, Washington, DC 20515.

DEAR CHAIRWOMAN BROOKS: Thank you for holding this important hearing on the Federal Emergency Management Agency's 2015 budget request. REALTORS® believe this is a critical and timely opportunity to learn more about FEMA's plans for implementing recently enacted flood insurance legislation.

As enacted, the Homeowner Flood Insurance Affordability Act (HR 3370) would resolve most of the unintended consequences of Biggert-Waters implementation. However, the effectiveness of this new law will depend on FEMA's ability to take quick action on a number of provisions:

(1) *Assumption of Current Policies/Rates.*—The law was designed to provide immediate rate relief to the home buyers, by allowing them to “assume” the policies and current rates of sellers. The purpose was to prevent skyrocketing flood insurance over the next year while FEMA works to implement the rest of the law. FEMA needs to act quickly to implement this critical provision so home buyers have the option to assume current policies and rates.

(2) *Refunds.*—The new law calls for an 8-month roll-out of new rate tables and guidelines for FEMA to issue refunds. In the interim, recent home owners need to know whether they will need to apply for a refund, what they can do to prepare, and what happens if they sell their homes before FEMA begins issuing those refunds. Also buyers of second homes will need to know whether they are eligible for refunds if they saw a rate increase that exceeded 25% per year. It would help to know how FEMA intends to meet the 8-month deadline and where to direct home owners to begin getting answers to these and other questions.

(3)*Flood Insurance Advocate.*—The Advocate will provide a single point of contact at FEMA to help home owners begin to answer refund and other questions about flood maps and rate increases.

(4)*Flood Map Certification.*—FEMA is required to certify when it has implemented a flood map program based on scientific review of a Technical Mapping Advisory Council. FEMA's plans and timeline to establish this Council in order to begin reviewing the accuracy of flood maps are crucial.

(5)*Flood Insurance Summit.*—FEMA agreed to participate in a flood insurance summit with affected stakeholders. As we work to implement this new law and look ahead to the next reauthorization, we hope to make this beneficial summit a reality for all involved.

REALTORS® thank you for the opportunity to submit these comments. It would be good to hear from Administrator Fugate to address these issues during your hearing. We look forward to working with you as FEMA continues to implement the new flood insurance law and address the rate affordability under the National Flood Insurance Program.

Sincerely,

STEVE BROWN

2014 President, National Association of REALTORS®.

Mrs. BROOKS. I am encouraged to see that the Department took advantage of the discretion provided by Congress for fiscal year 2014 Homeland Security grant program and expanded the number of cities eligible for the Urban Area Security Initiative or UASI funding. After falling off the list in 2013, Indianapolis is once again an eligible urban area.

The city of Indianapolis hosts many, many top-notch events including our upcoming Indianapolis 500 that require our public safety officials to have proper training, equipment, and strategic planning. Previous UASI funding has played a vital role in ensuring our first responders were prepared for these events.

As we continue to recover from disasters, such as superstorm Sandy, we must also evaluate how we are working to become more resilient and mitigate the damages caused by these storms. We also must ensure that we are always looking for ways to rebuild faster, stronger, and more efficiently.

So I was a bit surprised to see that the President's budget request again proposes to eliminate the Pre-Disaster Mitigation program. However, it is my understanding that through the Opportunity, Growth, and Security Initiative proposal, \$400 million would be allocated to a competitive grant program that would be administered through the Pre-Disaster Mitigation program.

So I would like to hear a bit more about the rationale behind this change. Finally, the use of social media has been a focus of this subcommittee and it has become a new reality for how first responders and survivors communicate before, during, and after a disaster.

The recent explosion in East Harlem, the Boston Marathon bombings, which happened about a year ago, and superstorm Sandy are just examples of how citizens are turning to Facebook and Twitter for information and to comfort survivors.

During two subcommittee hearings held this past year, we have heard from numerous stakeholders, including the private sector, on this new reality.

Two weeks ago, I, along with Ranking Member Payne, Vice Chairman Palazzo, and Mr. Swallow introduced a bill to authorize the Department's virtual social media working group. I am interested in learning more about what FEMA is doing to incorporate

social media into their preparedness response and recovery missions.

With that, I am very pleased to welcome Administrator Fugate here today. I look forward to your testimony. As always, thank you for your service.

[The statement of Chairwoman Brooks follows:]

STATEMENT OF CHAIRWOMAN SUSAN W. BROOKS

The House Homeland Security Committee recently held a hearing on the President's fiscal year 2015 budget request for the Department of Homeland Security (DHS), at which Secretary Johnson testified. This subcommittee will continue that oversight today with a more in-depth review of the President's request for the Federal Emergency Management Agency (FEMA).

The President's fiscal year 2015 budget requests \$10.3 billion for programs and operations at FEMA. This is a 3 percent increase from the fiscal year 2014 enacted level. It is important that in these difficult fiscal times that FEMA can fulfill its missions while at the same time be a good steward of taxpayer money. We need to ensure that our Nation is equipped to prepare for, respond to, and mitigate against disasters and ensure that our first responders have the training, tools, and resources needed in order to continue to do their important work.

Administrator Fugate, I am interested in hearing more about how you propose to allocate resources to sustain FEMA's current missions and what strategic priorities you will focus on in 2015.

For the third year in a row, the budget request proposes major changes within the State and Local Programs account, consolidating a number of homeland security grant programs into a new National Preparedness Grant Program (NPGP). I am pleased that FEMA has finally submitted a legislative proposal with this year's request.

As the subcommittee continues to review the proposal, we have a lot of questions. I am interested in learning more about many aspects of the proposal and how it would be implemented. I have questions about the two funding pots—sustainment and competitive—and how these funds will be allocated to States, high-risk urban areas, port authorities, and transit agencies.

I also have questions about, and am concerned with, the proposed elimination of the 25% set-aside for law enforcement terrorism prevention activities. State and local prevention activities, including the sustainment of the National Network of Fusion Centers, have played a vital role in our Nation's ability to disrupt a potential terrorist attack. Moving forward, we need to remember that the purpose of these grants, as detailed in the 9/11 Act, are for "preventing, preparing for, protecting against, and responding to acts of terrorism."

I hope you will be able to provide us with greater clarity on these, and other, questions we have related to the NPGP proposal. I look forward to working with my fellow subcommittee and full committee Members and the many stakeholder groups as we continue to review and consider this proposal. At this time I ask unanimous consent to insert a letter from a number of stakeholder groups, including the U.S. Conference of Mayors, the International Association of Fire Chiefs, the Major Cities Chiefs, and the International Association of Emergency Managers, regarding the NPGP proposal.

I was encouraged to see that the Department took advantage of the discretion provided by Congress for Fiscal Year 2014 Homeland Security Grant Program and expanded the number of cities eligible for Urban Area Security Initiative (UASI) funding. After falling off the list in 2013, Indianapolis is once again an eligible urban area. The city of Indianapolis hosts many top-notch events, including the upcoming Indianapolis 500, that require our public safety officials to have the proper training, equipment, and strategic planning. Previous UASI funding has played a vital role in ensuring our first responders were prepared for these events.

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The use of social media has become a new reality for how first responders and survivors communicate before, during, and after a disaster. The recent explosion in East Harlem, the Boston Marathon bombings, and Superstorm Sandy are just some examples of how citizens are turning to Facebook and Twitter for information and to comfort to survivors. During two subcommittee hearings last year, we heard from numerous stakeholders, including the private sector, on this new reality. Two weeks ago I, along with the Ranking Member Payne, Vice Chairman Palazzo, and Mr. Swalwell, introduced a bill to authorize the Department's Virtual Social Media Working Group. I am interested in learning more about what FEMA is doing to incorporate social media into their preparedness, response, and recovery missions.

With that, I am pleased to welcome Administrator Fugate here today. I look forward to your testimony.

Mrs. BROOKS. The Chairwoman now recognizes the gentleman from New Jersey, Mr. Payne, for any opening statement he may have.

Mr. PAYNE. Thank you, and good morning.

Mrs. BROOKS. Good morning.

Mr. PAYNE. I would like to thank Chairwoman Brooks for holding this hearing and giving this subcommittee the opportunity to learn more about the fiscal year 2015 budget request for Federal Emergency Management Agency. Earlier this month, Secretary Johnson testified before the full committee on the fiscal year 2015 budget submission for the Department of Homeland Security.

Members of this panel raised a litany of concerns ranging from how future budget caps will affect operations to whether resources are being allocated effectively to enhance security. There was one topic, however, that generated significant bipartisan interest—FEMA's proposal to consolidate 18 distinct Homeland Security grants into one.

This is not FEMA's first attempt at a wide-scale consolidation of these programs. It is the third attempt. In the past, when Members asked about the potential changes and how funding would be awarded under the consolidation proposal, FEMA stressed that it was not focused on the specifics of which cities would receive funding. Instead, it was concerned about building National capabilities.

So before we go down that road for the third time, I want to be clear about where Members on this panel, at least the Democratic side, are coming from. The attacks of September 11, 2001, shook America to its core. Prior to 9/11, we only saw disasters in terms of natural disasters—hurricanes, earthquakes, tornadoes, et cetera.

Mother Nature can be vicious. But over the years, thanks to investments in disaster preparedness and recovery, it is an enemy we can anticipate. The attacks of September 11, in contrast, we did not see coming. Unlike a natural disaster, we did not know, at least initially, when it would be over.

Despite our military strength, our intelligence, resources, and the first responder technologies, Americans has learned that day that we are vulnerable to terrorism. Unfortunately, last year, the Boston marathon bombings brought the unpredictable nature of terrorism into focus once again.

Americans have come to understand that the might of our military will not stop terrorists from trying to attack our streets. Fragments of intelligence only tell a full story if the information is shared with the right people. I represent northern New Jersey.

I have seen first-hand the death and destruction caused by terrorist attacks and natural disasters. Both the 9/11 attacks and

Hurricane Sandy were deadly, heartbreaking, and caused significant economic damage. The nature of terrorism demands a very different preparedness, response, and mitigation approach than approaching a storm or other natural disaster.

New Jersey's first responders were some of the first to attend to the aftermath of 9/11. They again were called to respond following Hurricane Sandy.

Depending on the type of disaster, what is asked of our first responders is vastly different.

Asking any firefighter, what is the demand of him in response to a traditional fire is vastly different from what is required to respond to a blaze caused by an act of terrorism where biological toxins may have been released or booby-traps may have been laid.

In recognition of the difference and the need to build core terrorism preparedness and response capabilities, Congress established the Homeland Security grant program.

So as we begin our discussion on grant consolidation today, you will find that the concerns expressed about your proposal are fundamental. What is at stake goes far beyond parochial considerations about who gets the money.

It is about how we take the lessons learned from 9/11 to make our communities more secure in the absence of a dedicated and discrete terrorism preparedness and response grant programs, which is exactly what would occur under your consolidation proposal.

How can we be assured that the funds we appropriate will be used to achieve interoperability, harden and protect critical infrastructure, and address the other vulnerabilities that were first identified by the 9/11 commission?

I want to thank Administrator Fugate for being here today. I look forward to his testimony. I yield back the balance of my time.

Mrs. BROOKS. Other Members of the subcommittee are reminded that opening statements may be submitted for the record.

[The statement of Ranking Member Thompson follows:]

PREPARED STATEMENT OF RANKING MEMBER BENNIE G. THOMPSON

As authorizers, we have a responsibility to understand the needs and priorities of the Department.

It is our duty to vet the various budget proposals included in the budget request, and to question the assumptions underlying conclusions that program and policy changes will increase efficiency and achieve savings.

The level of examination required of us goes beyond a full committee hearing on the entire DHS budget request.

In the past, subcommittees of this committee have held hearings to more closely review the budget request of the offices and components within DHS.

Unfortunately, that is no longer the common practice.

In light of restrictive budget caps, we need to understand what programs at DHS need resources, how we can invest funds more effectively, and whether components can sustain existing programs under budget limitations.

In short, we need to understand how adhering to the budget caps will cost homeland security.

So, I appreciate this subcommittee's effort to take a closer look at FEMA's budget proposal.

Administrator Fugate, for the third year in a row, FEMA proposes to consolidate 18 target grant programs into the National Preparedness Grant Program (NPGP).

The last two times FEMA submitted the grant consolidation proposal, Members of this panel expressed concern about the apparent lack of stakeholder outreach.

Members questioned whether FEMA requested sufficient funding for the program. And were the lack of detail.

This is the third time FEMA has proposed the NPGP, and it seems that we're about to have the same conversation we had 2 years ago when the program was first proposed.

The stakeholders who have contacted my office said that the limited "outreach" from FEMA has taken the form of briefings, rather than engagement, and that it has been sporadic, rather than on-going.

Indeed, Congress only gets roped into the discussion in the month or so following the budget submission.

FEMA requests about \$1.04 billion for NPGP for fiscal year 2015.

But when the Homeland Security Grant Program was funded at that level in fiscal year 2012, FEMA echoed the concerns raised by Democrats on this panel that that funding was not sufficient to address the vulnerabilities of State and local preparedness capabilities.

With State and local budgets stretched as thin as they are today, I find it hard to believe that State and local programs need less support today than they did 2 years ago.

I understand that \$300 million in additional funding for NPGP was requested in the President's Opportunity, Growth, and Security Initiative.

But the practical reality is that the OGSF funding is unlikely to come to fruition under the current House leadership.

And I have to believe that FEMA and the administration understood the OGSF funding to be a long shot when it was proposed.

So, I want to understand the rationale behind seeking a \$300 million reduction for State and local programs.

Finally, given the important role the Homeland Security Grant Program has played in strengthening information sharing and preparedness related to terrorist attacks, we wanted to understand how the NPGP would work.

This year, we received legislative language for NPGP.

We did not, however, get any more clarity about the structure of the program.

Indeed, depending on what document you read—the Congressional Budget Justification or the legislative proposal—it is possible to draw different conclusions. After 2 years, that is disappointing.

Mrs. BROOKS. We are pleased to welcome Administrator Fugate before the subcommittee.

Mr. Fugate was appointed by President Obama to serve as the administrator of the Federal Emergency Management Agency and was confirmed by the United States Senate on May 13, 2009.

Prior to coming to FEMA, Mr. Fugate served as the director of the Florida Division of Emergency Management, a position he held for 8 years. Mr. Fugate began his emergency management career as a volunteer firefighter, emergency paramedic, and finally, as a lieutenant with the Alachua County fire rescue.

Mr. Fugate and his wife hail from Gainesville, Florida.

Welcome, Administrator. Your entire written statement will appear in the record. We ask that you summarize your testimony. You are now recognized and welcomed before the subcommittee.

STATEMENT OF W. CRAIG FUGATE, ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY, U.S. DEPARTMENT OF HOMELAND SECURITY

Mr. FUGATE. Thank you, Madam Chairwoman, Members, Ranking Members. You have my written testimony. I think I want to go to leave as much time for questions. But I want to take on the National Preparedness Grants.

I think it is not our intention to divert them away from terrorism. It is not our intention to divert or set aside or exclude any group from that. If anything, it is following the Constitution of the United States.

Again, I know there are a lot of groups. I know that Congress ultimately has the authority to authorize and appropriate the

funds. But when disaster strikes, whatever the cause, including terrorism, our Constitution has divided the powers between Federal and State to give the State the primary responsibility to respond to domestic emergencies, including terrorist acts and the consequences of those acts.

Only the Governor can call out the National Guard. Only the Governor can request assistance from the Federal Government. To exclude the Governor from the planning process and allocation of funds literally goes around our Constitution, which sets up the responsibilities of the States. It also goes around State constitutions.

As a former local, State, and now Federal, I have worked at all levels of government. I can tell you that the original funding strands were not separated out by jurisdictions. Although they were in different pots of money, they all came to the State.

Because of the complaints and concerns of many local officials who felt the money wasn't reaching them, Congress made the decision to begin funding cities specifically. That probably makes sense in States where cities are the primary capability in response to disasters.

My State, Florida, counties are often bigger. We had a situation where we had funds going to smaller municipalities that set within the larger county and larger capabilities of the overall risk.

Because these funds did not reflect the State constitutions of who and how authorities distributed between State and local officials, some States are very much—very powerful home rule, where local officials would have the primary overall responsibility for direction.

In other cases, it is primarily at the State level. So again, this was not an intent to bypass or to eliminate any group from funding, but to better recognize the central role that States would have when disasters exceed the capabilities of local jurisdiction, including terrorist attacks, but also making sure as the authorizing language I hope is trying to get to, prioritizing those known areas, those urban security areas in preserving funding for that, but giving States better discretion, ensuring that funding is based upon the overall issue that the State faces, not jurisdiction by jurisdiction.

The reason we looked at this Nationally was probably when you look at the threats we face, when you look at things like improvised nuclear devices, we know that no one jurisdiction would ever have the capability to respond to that. We are going to have to bring resources from across the Nation.

So in looking at the various threats, some of which are terrorist-based, some of which are natural disasters, we started adding up the numbers, the casualties, fatalities, injuries, search and rescue, immediate recovery needs. In looking at that, we began identifying critical capabilities and gaps in that.

So part of this was to address the funding, not only hoping that by jurisdiction by jurisdiction, it adds up to National capability, but actually driving some of the bigger risks and threats as an overall National response, and how do you build that capability and direct that funding, part of this would remain by the 9/11 statute, grant funding based upon the division between the States.

Well the other has to be competitive so that we could see in some areas of this country where maybe sponsorship by one State or one

community could provide resources to an area versus each jurisdiction trying to build that capability. I know there are a lot of concerns about that distribution of funds.

I know there are concerns about our jurisdiction, my jurisdiction, getting what we need. I also hear this a lot—there is not a lot of trust out there.

Well, that also concerns me because in these types of large-scale events, if we can't agree upon our responsibilities and work together as a team, how does that work when a real disaster that exceeds that jurisdiction's capability and that requires all of our capabilities, not just the local jurisdiction, the State of impact, or Federal resources, but multiple States and multiple jurisdictions, responding to these types of events.

Whether they are natural, terrorist, or technological, the Nation needs to look at all these resources, to build capability just to face the threats we face. We can do it jurisdiction by jurisdiction. But our recommendation is to look at it as a Nation and base it upon the structures of our States, not taking away from the importance of local responders, local jurisdictions or those risks, but recognizing that when it does happen, it will be the Governor's primary responsibility on that State to coordinate all of that response with the Federal Government assisting. That is what is driving this request.

Thank you, Madam Chairwoman.

[The prepared statement of Mr. Fugate follows:]

PREPARED STATEMENT OF W. CRAIG FUGATE

MARCH 25, 2014

INTRODUCTION

Good Morning Chairman Brooks, Ranking Member Payne, and Members of the subcommittee. My name is Craig Fugate, and I am the administrator at the U.S. Department of Homeland Security's (DHS) Federal Emergency Management Agency (FEMA). It is an honor to appear before you today to discuss FEMA's fiscal year 2015 budget request.

FEMA's mission is to support our citizens and first responders to ensure that, as a Nation, we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards.

The fiscal year 2015 President's budget request provides the level of resources required, in a balanced and prioritized manner, to support the agency's ability to fulfill its emergency management mission, while recognizing the budgetary controls and needs of the agency.

The fiscal year 2015 budget request reflects FEMA's priority to manage resources effectively across the Federal Government while ensuring the Nation's resilience to disasters. Under my direction, the agency continues to re-examine its current allocation of resources to consider the relative return on investment and to better focus on those programs that have the most significant impact on the agency's ability to fulfill its overall mission. Moreover, FEMA will continue to build on its successful past efforts to streamline and enhance current business processes, while using smart and innovative technologies to better maximize the delivery of services and the efficient use of available resources.

The agency's budget request is guided by the Administrator's Intent for Fiscal Year 2015–2019 (Intent), and its five strategic priorities: (1) Be survivor-centric in mission and program delivery; (2) become an expeditionary organization; (3) posture and build capability for catastrophic disasters; (4) enable disaster risk reduction Nationally; and (5) achieve business and management excellence. FEMA is committed to leveraging our authorities and focusing our policies, programs, and budget choices to best support our citizens and first responders in working together to ensure our Nation's resilience to disasters. To deliver on this commitment, this Intent also provides two guiding principles to frame our thinking, build our budget request, guide

our decisions, and shape our approach to mission and program execution, which are: (1) A whole community approach to emergency management and (2) fostering innovation and learning.

This testimony will review the initiatives the agency hopes to pursue in fiscal year 2015 through the lens of the Intent and the strategic priorities.

DISASTER RELIEF FUND

The Disaster Relief Fund (DRF) provides individual and public assistance to help families and communities affected by declared disasters to rebuild and recover, as well as mitigation funds to reduce the impact of future disasters. The fiscal year 2015 DRF budget request is consistent with the Budget Control Act of 2011 (Pub. L. No. 112–25) and totals \$7.03 billion, in addition to carry-over and recoveries. The DRF request for fiscal year 2015 includes estimated costs for prior catastrophic events (including Hurricane Sandy), a 10-year average level for non-catastrophic disasters, and funds for DRF Base activities (i.e., Emergencies, Pre-disaster Surge Support, Fire Management Assistance Grants, and Disaster Readiness Support). The request also includes a \$1 billion set-aside for no-notice events, which should also support initial funding needs of a new catastrophic event. FEMA will continue to maximize the use of DRF resources by working closely with States, localities, and Tribes and through the use of its authorities and policies, including Strategic Funds Management, which is FEMA’s process for obligating Public Assistance project funding based on a subgrantee’s schedule to execute the eligible work. As in the fiscal year 2014 Omnibus, the DRF fiscal year 2015 request also includes a \$200 million rescission to Base balances in anticipation of unspent carry-over balances and expected additional recoveries.

CONTINUING TO IMPLEMENT MAJOR LEGISLATIVE CHANGES

Sandy Recovery Improvement Act of 2013

As part of the Disaster Relief Appropriations Act, 2013, on January 29, 2013, President Obama signed into law, the Sandy Recovery Improvement Act (SRIA) (Pub. L. No. 113–2) authorizing several significant changes to the way FEMA delivers disaster assistance. SRIA is one of the most significant pieces of legislation impacting disaster response and recovery since the Post-Katrina Emergency Management Reform Act of 2006. FEMA began implementing the provisions of SRIA while it was still helping survivors recover from Hurricane Sandy.

FEMA has developed and implemented pilot programs to use new authorities for Public Assistance (PA) Alternative Permanent Work and PA Debris Removal programs as part of its implementation of SRIA. When these pilots are completed, we believe the data will show that these programs speed recovery by empowering applicants with more choices, enabling better and timelier decisions that align with communities’ recovery priorities, putting applicants in the driver’s seat of their own recovery and reducing administrative costs.

Biggert-Waters Flood Insurance Reform Act of 2012

The agency is also implementing the Biggert-Waters Flood Insurance Reform Act of 2012, (Div. F, Subtitle C, of the “Moving Ahead for Progress in the 21st Century Act” or “MAP-21” (Pub. L. No. 112–141)), which aimed to make the National Flood Insurance Program (NFIP) more actuarially-sound and to make flood insurance rates better reflect real flooding risks.

The law requires changes to all of the major components of the NFIP, including flood insurance, flood hazard mapping, grants and floodplain management, and we are working to implement those provisions. These changes are being phased in over time and are consistent with the direction provided in the Department of Homeland Security Appropriations Act, 2014 (Division F of the Consolidated Appropriations Act, 2014 (Pub. L. No. 113–76)).

The Department of Homeland Security Appropriations Act, 2014 delays all work on implementing Section 207 of the Biggert-Waters Act, until Oct. 1, 2014. However, it neither amends nor changes the requirements in Section 207 and once funding is made available, FEMA will be required to continue with implementation. This means that flood map changes that increase risk and were adopted by communities after July 6, 2012, as directed by Congress, will eventually phase out of grandfathered rates retroactively once Section 207 implementation occurs. As part of the NFIP, FEMA identifies flood hazards, assesses flood risks, and partners with States, Tribes, and communities to provide accurate flood hazard and risk data, more accurately capturing flood hazard conditions now more than ever before with the Risk Mapping, Assessment, and Planning program.

FEMA estimates that it will take an additional 12–18 months to implement Section 207 once funding is restored.

The fiscal year 2015 request includes \$84.4 million to continue FEMA's Flood Map Modernization Fund and its long-term efforts to address existing gaps in the flood hazard data inventory and address changes that continue to occur over time.

STRATEGIC PRIORITIES

FEMA's budget request is consistent with the Administrator's Intent and its strategic priorities. Below we have focused on some of the high-profile programs, policies, and priorities that the agency hopes to continue, modify, or implement in fiscal year 2015.

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

As part of FEMA's effort and its stated strategic priority to be survivor-centric in mission and program delivery, the agency is proposing moving its Emergency Food and Shelter (EFS) program to the Department of Housing and Urban Development (HUD).

The fiscal year 2015 request is consistent with previous requests and reflects a focus on FEMA's primary mission of preparing for and coordinating disaster response and recovery efforts, while ensuring continued substantial support for the non-disaster EFS program. The budget proposes a transfer of the EFS program to HUD, as the core function of the program more closely aligns with HUD's primary mission and thus will provide the best service to survivors. This transfer will further reduce fragmentation and duplication of services among Federal homeless assistance programs, addressing a challenge highlighted by GAO and others.

Strategic Priority Two: Become an Expeditionary Organization

As part of FEMA's effort and its stated strategic priority to become an expeditionary organization, the agency is working to develop a leaner, more agile workforce that is well-equipped, educated, and trained. As part of this goal, FEMA is also working to ensure its workforce is appropriately-sized, organized, and distributed to rapidly mobilize, deploy, and conduct missions, while being fully supported by FEMA's technology and infrastructure.

Strategic Priority Three: Posture and Build Capability for Catastrophic Disasters

As part of FEMA's effort and its stated strategic priority to posture and build capability for catastrophic disasters, the administration is proposing the National Preparedness Grant Program (NPGP) and additional funding for NPGP in the Opportunity, Growth, and Security Initiative (OGSI). The fiscal year 2015 NPGP will work to build and sustain core capabilities in the National Preparedness Goal, recognizing that a secure and resilient Nation is one with the capabilities required, across the whole community, to prevent, protect against, mitigate, respond to, and recover from the threats and hazards that pose the greatest risk. The NPGP draws upon and strengthens existing grants processes, procedures and structures, emphasizing the need for greater collaboration and unity among Federal, State, local, Tribal and territorial partners.

National Preparedness Grant Program

NPGP proposes to maximize the impact and benefit of grants for the whole community's capacity to be prepared based on risks. The legislative language that would be required to fully implement the NPGP has been shared with FEMA's authorizers and appropriators, and we look forward to working with Congress as they consider these important legislative changes.

The NPGP would consolidate current State/local preparedness grant programs into one comprehensive and overarching program (excluding Emergency Management Performance Grants and Fire Grants), which eliminates redundancies and requirements for both grantees and the Federal Government based on the current system of multiple individual and often disjointed grant programs.

Consistent with Presidential Policy Directive 8, the NPGP prioritizes building and sustaining core capabilities to address high-consequence events posing the greatest risk to U.S. security and resilience. The NPGP will use the Threat and Hazard Identification and Risk Assessment (THIRA) process to guide the development of core capabilities.

State, Tribal, and local governments would be able to prioritize their need and maximize the use of grant funds for the greatest whole-community impact, with Tribal governments having the ability to receive direct funding. This process, and the creation of NPGP, will also ensure that grantees have the ability to build and sustain capabilities that can be deployed not just on the local level, but on the re-

gional and National levels as well—creating an interconnected network of local, Tribal, State, regional, and National capabilities to increase the security of the whole Nation.

Implementing the NPGP will also improve the efficiency of the grant programs by eliminating the burden on grantees to meet often redundant mandates from multiple individual grant programs. As the subcommittee is aware, the Redundancy Elimination and Enhanced Performance for Preparedness Grants Act identified the elimination of duplicative mandates as a priority.

Ultimately, creating this program would strengthen our ability to respond to evolving threats across the United States.

Opportunity, Growth, and Security Initiative

The Nation is already experiencing impact from climate change, and there is more to come. The budget strengthens America’s preparedness for and resilience to the effects of climate change by including base funding for investments specifically for identifying and analyzing critical infrastructure vulnerabilities, as well as funds for grants to support research and State and local level resilience planning. In addition to these base funding investments, the budget includes over \$1 billion in a Climate Resilience Fund within the President’s Opportunity, Growth, and Security Initiative to more fully prepare the Nation for existing and future threats from climate change. The investments supported by the Fund will arm us with a greater understanding of the impacts of climate change, provide tools and information to support community planning that accounts for the effects of climate change, and help reduce the risk to our communities, infrastructure, and natural resources in the face of climate change and extreme weather events. As part of the administration’s OGS, the FEMA budget includes a separate, fully-paid-for request to support further preparedness and pre-disaster planning and execution.

The OGS, which will be split evenly between defense and non-defense funding, shows how additional discretionary investments in 2015 can spur economic progress, promote opportunity, and strengthen National security.

The budget will include \$400 million for the Pre-Disaster Mitigation program in the Opportunity, Growth, and Security Initiative. This, combined with the \$150 million in base funding for National Flood Insurance Program mitigation grants, represent an increase of \$425 million over the 2014 spending level. These programs provide grants for eligible mitigation planning and projects that reduce disaster losses and protect life and property from future disaster damages. This includes support for adaptation planning and pilot projects for cities and communities through hazard mitigation assistance, building on administration efforts to implement the National Mitigation Framework. For mitigation funding provided through the Flood Insurance Program, this can include planning grants to prepare flood mitigation plans; cost-effective project grants to reduce flood losses, structure elevation, retro-fitting of existing buildings.

Strategic Priority Four: Enable Disaster Risk Reduction Nationally

As part of FEMA’s effort and its stated strategic priority to enable disaster risk reduction Nationally, FEMA will leverage its partnerships, programs, and risk information and tools to catalyze whole community efforts advancing risk-based decision making across the Nation. This effort will help to build community resilience through ensuring a common risk picture, better targeting of resources, and a joint/collaborative National effort to build the capabilities that will best address the identified/targeted risk areas.

Focus areas will include:

- Enabling greater risk-informed decision-making by improving the quality, accessibility, and use of risk information. For example: Through the continued modernization of flood maps and the continued implementation of the THIRA process.
- Building the appropriate preparedness capabilities to address the identified risks through continued implementation of the National Preparedness System. For example: Through the implementation of the National Mitigation Framework and National Disaster Recovery Framework, long-term disaster recovery planning, training and education, core capability development, and sharing of lessons learned.
- Leading greater Federal interagency collaboration around risk reduction and resilience, building on earlier efforts such as establishment of the Mitigation Framework Leadership Group and implementing a consistent Federal flood risk standard for Federal funds in Hurricane Sandy rebuilding. For example: Through the development and adoption of a Federal Flood Risk Reduction Standard under the President’s Climate Action Plan of 2013.

FEMA will also strive to reduce the risk associated with flood events via the Flood Mitigation Assistance Program. As a result of the unification of the Flood Mitigation Assistance, Repetitive Flood Claims and Severe Repetitive Loss grant programs under the Flood Mitigation Assistance Program, FEMA has been a more efficient delivery of flood-related grants to States, local, and Tribal communities, which has reduced future claims to NFIP. These grants provide funding to States, Federally-recognized Tribal governments, and communities for the reduction and elimination of the long-term risk flood damage poses. The grant also provides funds on an annual basis so that measures can be taken to reduce or eliminate risk of flood damage to buildings insured under the NFIP. These measures include the acquisition and demolition of flood-prone structures, elevation of homes above expected flood levels and construction of minor drainage projects to reduce the impact of storms.

FEMA requests \$150 million in fiscal year 2015, an increase in \$50 million over the fiscal year 2014 request, for this activity so that important loss reduction measures are completed.

Strategic Priority Five: Achieve Business and Management Excellence

As part of FEMA's strategic priority to achieve business and management excellence, the agency is undertaking several initiatives. Among them: Continuing to dramatically shrink its facilities footprint to save funds and apply taxpayer money wisely to higher priorities, leading the Federal Government in developing collaborative workplaces and improving security posture and resiliency, executing training curriculum and programs to ensure employee readiness to timely execute their responsibilities, and reviewing and maximizing the use of all technology spending for mission execution.

CONCLUSION

The fiscal year 2015 President's budget provides the level of resources required to support the agency's ability to fulfill its emergency management mission. The budget lays out a plan that effectively manages, efficiently uses and maximizes the impact of our resources, while ensuring the Nation's resilience to disasters. FEMA's proposed budget continues to streamline current business processes and harnesses the use of innovative technologies. The budget also shows a commitment to learning from each disaster and evolving our plans and processes to better serve survivors—our ultimate stakeholders—and meet the needs of the whole community.

We look forward to continuing to work with the subcommittee to ensure that our Nation is even more prepared and resilient moving forward.

Mrs. BROOKS. Thank you, Administrator Fugate, for your testimony.

I now recognize myself for 5 minutes for questions.

Keeping along the lines of what you have just talked about with respect to the National Preparedness Grant Program and the changes that you are proposing, I think one of the things that we remain concerned about and I am not certain that it is clear from what has been submitted thus far and has to do with the funding of the UASI jurisdictions. So the proposal and the legislative text are still not clear enough for us to understand as to how high-risk areas will be funded.

Obviously, we do believe in risk-based funding and so, appreciate that the same amounts of funding, you know, shouldn't be distributed equally across the country, but that there are high-risk areas.

So if authorized, would funding under the NPGP be set aside for UASIs with applications submitted through the States as is the current practice? Or will UASIs apply to the States in which they are located and the States determine the amount of funding their UASIs will receive?

Mr. FUGATE. It would be the urban areas applying to the State with the criteria that we built into the authorizing language that rather than setting aside specific funding would make those as part of the requirements the State would have to fund.

So in a term, what we would do is still identify in their threat hazard analysis those urban areas and the types of activities and capabilities they would need to build in that area.

But it would give the State the ability to make those final allocations. Part of this that what we wanted to go to was building this more as a collaborative so that we have both the local jurisdictions and the State working together to come up with these final allocations and recommendations using criteria to drive that decision.

Mrs. BROOKS. So I guess I am just a little bit confused as to with respect to the communities, and you have expanded it once again as I stated in my opening remarks to 39 communities. So are you saying that those are the 39 communities that will be eligible to apply to their States and others would not be?

Mr. FUGATE. No, it would be based upon, and in the case of some of the expansions that we looked at this year for the Secretary, last year, if you remember, we were capped at a hard 25.

That cap was lifted this year. Well, one of those concerns is some of the proximity that some communities either because of large terrorist venues or proximity to strategic military installations that didn't always factor into some of the other risks, but were significant enough to look at.

So when you take my home State of Florida, we have not identified every location that has a military presence. But if you look at Florida, between Tyndall Air Force Base, where we currently are, you know, getting the F-35 up and running, you have got Mayport, Jackson AS, where P-8 squadrons are at, none of these are necessarily on the urban security list.

But these would be areas the State could look at going if there are concerns about the threats, they could look at that, versus just looking at certain urban areas that were only designated.

Mrs. BROOKS. Moving onto another issue, the NPGP proposal seeks to change the focus of grants from terrorism to all hazards. Now, these programs were, in large part established in response to the 9/11 attacks, as the Ranking Member has eloquently pointed out. You know, I personally don't believe the terrorist threats to the United States has diminished significantly since 9/11.

There are a lot of incredible dangers around the world and a lot of terrorist threats that we still face. So what is the rationale for changing the focus of these grants to all hazards when we know we have so many natural disasters? So how is it that we will be able to keep our focus on terrorism threats?

Mr. FUGATE. Well, the prevention piece I don't think changes as much with the change in language. In the Homeland Security grants it always allowed for all hazard base, although terrorism is the focus. What we want to focus on are consequences of events.

The need for search-and-rescue teams in the recent mudslide that is occurring right now in Washington State or the search-and-rescue teams that were deployed in the State of New Jersey were built with Homeland Security funds.

It is more of a recognition that we need to build capability against potential consequences, not just for specific—one threat, but there are elements within that that are very germane to terrorism such as fusion centers and other activities.

Again, this is where we think that prioritizing that in the grant guidance ensures that funding, but it allows States to look at the consequences of the types of events they face. Mississippi got slammed with tornadoes several years ago. Many communities were literally, the proverbial term, wiped off the face of the map. It was the ability to deploy resources built with Homeland Security grants that allowed that initial response to establish public safety—again, the consequences of the event.

So it isn't just about the hazards. It is really about looking at the various consequences and that these are applicable across a variety of events. Just like the mass casualty in Boston—could have been an industrial accident producing a similar number of burn and traumatized patients. The capability respond to that in the aftermath is the consequence piece of it.

It doesn't detract them from the prevention piece.

Mrs. BROOKS. Thank you. I see that my time is up. I now turn to Ranking Member Payne for 5 minutes of questions.

Mr. PAYNE. Thank you, Madam Chairwoman.

Director Fugate, we hear what you are saying. But you know, I have repeatedly been told that the goals of your grant consolidation proposal are to improve oversight and enforce a better collaboration. Now, I am not convinced that achievement of these important goals warrants, you know, the fundamental changing of the program.

As the Chairwoman read into the record, stakeholders including the National League of Cities, the National Association of Counties and International Association of Firefighters, to name a few, have come up with a list of principles that, you know, in my view, are very constructive guideposts for any grant reform effort.

There are transparency, local involvement, flexibility and accountability, local funding, terrorism prevention, and incentives for regionalization.

Are you open to working with this committee and the stakeholders, you know, on the ways that the Homeland grant program could be refined to not only meet your goals but also to adhere to the principles outlined by the stakeholder groups?

Mr. FUGATE. Absolutely. Again, we are basing this upon looking at some of the large-scale threats this country faces. I always like to go, what is the worst thing that—what is our worst day in America?

If somehow an improvised nuclear device is ever detonated in any city, it will require the full capabilities, not only of the local jurisdictions and the State of impact, not only the Federal Government, but the non-impacted jurisdictions.

I think we have to look at this, again, what are the National gaps in capabilities based upon the most significant threats we face, while recognizing each jurisdiction has unique responsibilities. But I also have to go back to, when we bypass Governors, we set up the imbalance of dealing directly through jurisdictions, not involving the Governors in that process.

But I am willing to work to reach all of the concerns as best we can in building National capability.

Mr. PAYNE. Well, Director, I know there have been some concerns about people being parochial, but you know, you have pointed

out your experiences in Florida. So let me point out my experiences in New Jersey.

We suffered through Hurricane Sandy. There were still issues about how those funds that we allocated are being handled by our Governor, and whether he is using them, you know, sometimes in political ways.

So in New Jersey, we have a concern with that because we have seen—we still have communities that are still suffering after a year later, after, you know, Congress has put those funds out there.

Now I know a lot of it doesn't fall under you. But that is our concern. We are concerned about giving that power to certain people when we have seen the funds have not necessarily gotten where they should be or used in the proper manner.

Mr. FUGATE. I understand. I also understand that the Constitution, however, was not built around the individuals. It is built around the entire system. That is what I am proposing, is looking at the Constitutional structure, division of Federal and State responsibilities that Governors have under State constitutions.

Mr. PAYNE. Well, then why was this grant never set up the way it is?

Mr. FUGATE. The grants originally came to the States. Jurisdictions were concerned that they weren't getting the recognition and they have—funding directly. They went to Congress. Congress began funding and created the urban security areas.

The urban security areas came after the original Homeland Security funding. It was not the origination of that. It came about jurisdictions coming to you, looking to get funding more directly and bypassing the States. So they were given that capability.

Mr. PAYNE. Okay, all right, well, I see my time is up. I yield back.

Mrs. BROOKS. The Chairwoman now recognizes the Vice Chair of the committee, the gentleman from Mississippi, Mr. Palazzo.

Mr. PALAZZO. Thank you, Madam Chairwoman.

Administrator Fugate, thank you for being here today. I am going to just change the subject a little bit. A topic that is on my mind and in the mind of many communities around the Nation is flood insurance relief.

I know you were in front of a Senate panel, I believe, last year. We were discussing the affordability issues with Biggert-Waters 2012. You called on Congress to help you with that.

We responded and we did in a bipartisan and bicameral way. Just this past Friday, the President signed into law the Homeowner Flood Insurance Affordability Act. So the key word is affordability. We think we have given that to you.

We all know Biggert-Waters had a lot of unintended consequences. Our No. 1 priority for many Members of Congress from the coastal areas has been to make sure that flood insurance remains available and affordable to the homeowners that need it.

The law that was just recently signed by the President, it was paid for. It puts NFIP, continues to keep NFIP on the path to solvency. But it does so with a compassionate rate management, which is extremely important. So let me move quickly. Now, I know this law was just signed this past Friday. But has FEMA begun to plan for the implementation of this law?

Mr. FUGATE. Yes, sir, we were looking at the language prior to the Senate actually taking it up. We are looking at the time frames that you gave us to do refunds. Also, how to now change the rate increases. I believe there is certain language in there—shall not exceed 18 percent. So we are going back in that.

You have also have put in a fee structure. So that fee structure will have to now go back to Write Your Own so that we set a point at which they will begin collecting that. That collection will be—once that data is set, it will not be collected immediately on all policy. It would be collected, I believe, when they renew.

So once we set that debt with Write Your Owns, that date, we would see a year before everybody has paid a fee as they are renewing their policies. But we have already begun looking at this and are currently working on the language.

Again, as you can understand, we have to go look at this as implementation through Write Your Owns, with our two biggest priorities right now—the recovery of previously-paid fees and their insurance claims—or not insurance claims, but the insurance payments that will be retroactively reimbursed and then setting up for the Write Your Owns, the implementation rules and the time frames for the new increases and for the fee structure.

Mr. PALAZZO. Will you need specific funding to implement this law as you did in Biggert-Waters?

Mr. FUGATE. Again, we are still looking at what the cost will be and whether or not it will be within that program with those additional fee and what that would cost. But we are still running the analysis of what additional cost there would be.

One of our challenges is because the Write Your Owns receive a fee as a percentage. When we do the refunds, we still haven't addressed the percentage of fees they collected as far as their having to pay any of that back, what that means to the Write Your Owns, or whether we have to absorb that out of the program.

Mr. PALAZZO. Now, Congress added a provision also to provide immediate rate relief to the homebuyers and eliminate the home sales trigger. Under the assumption provision, buyers of property will be allowed to assume the policies of and the current rates of sellers.

This was to prevent homebuyers from seeing drastic flood insurance premium increases while FEMA works on implementing the rest of the new law.

Now, we understand, we hope that moves extremely swiftly because it's definitely thrown a wet blanket on real estate markets across the Nation, and caused homeowners a lot of grief.

Again, the law was just signed on Friday. Do you know when guidance is going to be sent out to the Write Your Own?

Mr. FUGATE. Congressman, I would have to get back to you. Part of this will be—since this will essentially be grandfathering a preferred risk to a new homebuyer, we have to make sure that the Write Your Owns have clear directions.

So when that transaction takes place, and this will also be for the mortgage industry that where you have the requirement to have flood insurance, that they are getting the preferred rate that was originally with the original seller.

So we will have to basically do both the—what was the current rate and make sure the Write Your Owns and the administration of that have that transferred to a new buyer. We still have some questions we are working out on what is the best way to do that and the training and time frames to get that implemented.

But we will report back to you on that.

Mr. PALAZZO. Thank you. I just want to continue to urge you to act swiftly on this. You touched on the refunds real quick. In the mean time, while all this is being implemented and worked out, is there any advice that you can give us to—that we can provide our constituents so they can begin getting answers to their questions?

Mr. FUGATE. I think probably, it is important to educate them that these new grandfather rates are transferable because it is going to take some time to get that out to every agent, and get that into the system. So I think you can help people advocate that the law has changed.

If they are still not getting what they need, work back with us because we may have to handle some of the most immediate ones, literally hand-walk it through the process until the system is fully up and running with the new changes.

Mr. PALAZZO. All right, my time has expired. I yield back. Thank you.

Mrs. BROOKS. Thank you.

At this time, I would recognize gentleman from New York, Mr. Higgins, for 5 minutes.

Mr. HIGGINS. Thank you, Madam Chairwoman.

Administrator, the Urban Area Security Initiative program originally started with 64 communities, was then reduced to 25, and then bumped back up to 39. The criteria that was built into the legislation, which was intended to determine eligibility, is something the community doesn't desire.

They don't want to be put into the program. They are put into the program based on an independent analysis that says you have high-impact targets. The Buffalo-Niagara region that I represent has the second-busiest Northern Border crossing between the United States and Canada.

It has the Niagara power project that produces the largest allotment of electricity in all of New York State. There is Niagara Falls that is a destination of tens of millions of people every year from every country in the world. It has Toronto, an international city.

It is home to the Lackawanna Six that were in an al-Qaeda training camp in Afghanistan and several other justifications for including the Buffalo-Niagara region in the UASI program. The last edition of *Inspire* magazine, which is a magazine that is distributed to Jihadists throughout the world to encourage home-grown terrorism, not only in the United States but throughout the world, that magazine identified the Buffalo-Niagara region as being vulnerable to terrorist attack.

That is not a distinction that we are proud of. I would think that Homeland Security would be very concerned about that specific reference because terrorism experts say regarding *Inspire* magazine as a threat in and of itself, and the magazine is intended to promote and encourage aspiring Jihadists in the United States and the world.

What is the Department of Homeland Security response for excluding a community that never asked to be included in this program in the first place and then was excluded and now, this new information, which is very, very alarming for anybody that lives in that community and should be alarming for everybody in this administration that is responsible for that program?

Mr. FUGATE. Again, we could fund jurisdiction by jurisdiction. But the capabilities respond as a Nation also have to be looked at. There are other jurisdictions who also have compelling reasons to think or justify them being on the list.

But it is a finite capability. It is prioritized. The Secretary reviews that list and makes the decisions based upon all threats, not just populations, not just critical infrastructure, not just threat intelligence, but looks at everything. So there is no one single factor that goes into that.

It is based upon an overall look at the Nation and those communities. So not being on that list does not mean we don't agree. But there are finite resources. The Secretary would have to prioritize which of those cities made that list.

Because there was not a limitation of 25, did expand the list.

Mr. HIGGINS. Claiming back my time. The new information that one region in the entire Nation is identified by a magazine that is intended to inspire Jihadist activity—violent Jihad against communities, attacks on the homeland, attacks on communities that have already been deemed eligible—again, the Buffalo-Niagara region didn't request to become part of the program.

It was brought into the program based on independent criteria that was established by Homeland Security officials.

Now, this new information is a Homeland Security official who is—who is put in place, takes on a responsibility to protect the homeland, does the reference of one community in this Nation, in *Inspire* magazine, that originates out of al-Qaeda in the Arabian Peninsula, that promotes violent Jihad against the homeland specific communities—does this new information cause concern on your part as a Homeland Security official for this Nation?

Mr. FUGATE. I am concerned about a lot of threats. I am concerned about terrorism.

Mr. HIGGINS. You are not answering the question.

Mr. FUGATE. The threats we look at have to be looked at—

Mr. HIGGINS. You run the program, I represent a community. The community that I represent was identified in *Inspire* magazine, which every terrorism expert recognizes is a threat in and of itself. You are telling me about, you know, wider jurisdiction.

What do I say to my constituency, sir?

Mr. FUGATE. That we fund the Nation. The State receives additional funds. We fund urban areas. We look at these threats across the Nation. It is not to say that a jurisdiction does not have a mention or may be specifically identified.

But it does say that the funding decisions are based upon States, Nation, threats-based. We try to look at all the information to make decisions about where we are going to fund and what we can fund.

Mr. HIGGINS. Will this new information play into a reevaluation of communities that are included or not?

Mr. FUGATE. It potentially can depending upon how the information or intelligence and analysis is looking at this, based upon other threat information that isn't public and looks at the intelligence community to verify what is in this. We have seen mismatches between what *Inspire* will state and what intelligence services will find out going on.

So we try to look at not only the publicly-available information, but the match that it gets the threat streams to make sure we are addressing these threats.

Mr. HIGGINS. I yield.

Mrs. BROOKS. Thank you. Thank you.

The Chairwoman now recognizes the gentleman from South Carolina for 5 minutes, Mr. Sanford.

Mr. SANFORD. Thank you, Madam Chairwoman.

Let me just say up front that I am a big fan, both in my previous role in Government services and frankly, as a reservist with the Air Force, grown to tremendously value your work over the years. Legitimately, there will always be differences of opinion. It is what makes the world go round. But I would say, in as much as you can keep a bias that maintains this larger notion of Constitutionally-enshrined Federalism, I think it to be very, very important.

One of the things that I saw in my past role was that there are a whole host of different perspectives based on geography. But the idea of having an overlay at the State level so that one can look at competing demands and competing needs I think essential to maximizing our effectiveness both from the standpoint of security and from the standpoint of watching out for the taxpayer. I guess I have two quick questions.

One is on flood insurance, going back to my colleague's questions, you know, I think that there was a real skepticism back home on the coast because if you are a conservative, you are naturally skeptical of where Government money might be coming from.

So the idea of saying through the "Jerry McGuire" fashion, you know, show me the money, over here, it is give me the money and then we will show you exactly how the flood map is going to fall out, exactly where the assumptions are because as you know, there is a big world of difference in ultimately damage, and by extension, you know, charges at a premium level on whether or not storms are going to hit at, you know, high tide or low tide, how many named storms, how many landfalls, go down all the different variables.

Is there a place or when will there be a place by which folks back home, whether on the Gulf Coast or the East Coast, might be able to look at some of those assumptions and say, well, I agree with them or I disagree with them, and then therefore, I can, you know, sort of come further up to speed with what I like or I don't like with regard to flood insurance?

That is one—well, let's hop into that one. We will come back to second one.

Mr. FUGATE. Well, I think there is a hyper-awareness because of the increases proposed under Biggert-Waters. But there is no such thing as a FEMA flood map. These are community-based maps. FEMA provides the funding, the criteria.

But ultimately, the local governments are part of that process. They adopt those maps by ordinance. They have to enforce building codes based upon those maps. So I think there is a hyper-awareness.

We need to make sure that the public is aware because when these maps are originally proposed, that is when public comment can come in. We will use the best available data. So oftentimes, there is a better day to finally get results.

Mr. SANFORD. Yes, if I might, understood, but at least the way the folks were telling what they felt back home to me, it was that the cart was before the horse because that flood map process had not been complete. They weren't quite sure from an actuarial standpoint where a lot of the assumptions were.

We are not—where will they be able to get a snapshot on that?

Mr. FUGATE. Well, the actuarial basis was actually looking at if we knew the base flood elevation. We knew that the risk was increasing almost exponentially for every 4 feet you drop down.

An example, we insure a maximum of \$350,000 contents and structure. If you are at base flood elevation, that is about \$3,200 policy. If you are a foot above it, it is a \$600 policy. If you are 4 feet below, it is a \$7,200 policy.

You drop down 8 feet, it doubles and it doubles again. So particularly in coastal Carolina, as we saw with Hurricane Hugo, we can have storm surge inland of 25 to 30 feet. Now, that is not what the flood maps are based on. But that is what the risk is.

So you could see, if you have got homes that are routinely up on stilts that are sitting 12 to 13, 15 feet in the air, you have got a pretty serious problem. So if you are slab on grade, and you haven't been elevated, you could expect those flood insurance premiums to be extremely high. That is part of the reason—

Mr. SANFORD. Is there a public place where folks might best look for that information?

Mr. FUGATE. We were putting that information at fema.gov and trying to put information about how the increases were going to affect. Now, that is now changed with the changed law. So we will be doing the calculations.

But again, if you are at base flood elevation, you basically are getting a neutral rate. If you are 1 foot above, you are getting the preferred rates. So if you are building to code, you are good. The question has always been, when you update the maps, what happens if you built with the previous codes and now, new data says that is not high enough?

Now, you get slapped with these increases. But you did what you thought you were supposed to do the right time. So again, I appreciate Congress trying to work this affordability issue. This was a concern we had previously. But it is reflected—

Mr. SANFORD. I see I have got 26 seconds or 25 now. When will that affordability study be coming out?

Mr. FUGATE. Based upon the guidance we have got, it is going to be a couple-year process working with the researchers to build that data and look at affordability and look at what those impacts are.

Mr. SANFORD. I will come back with my other question later.

Mrs. BROOKS. The Chairwoman now recognizes gentlelady from New York, Ms. Clarke, for 5 minutes.

Ms. CLARKE. Thank you very much, Madam Chairwoman and to our Ranking Member Payne.

I thank you Honorable Fugate for being here this morning. I have a question with respect to the Hurricane Sandy after-report. Clearly, Hurricane Sandy, which has devastated the East Coast, we are still trying to recover, we have seen FEMA really respond well.

You have improved since Hurricane Katrina. But we recognize that there was an after-report and that there is room for improvement. Could you give us a sense of what steps FEMA has taken to address the corrective actions identified in the Sandy after-action report of July 2013?

Mr. FUGATE. Well, a key one, and this is true across a lot of different disasters, is to make sure we are providing consistent information to the grantee, the States, and the sub-grantees about the requirement to follow Federal purchasing guidelines and contracting requirements.

This has been a systemic issue across all disasters where when that isn't clear, we oftentimes give bad information—or have given bad information to follow your State and local purchasing guidelines or contracting. Then the IT finds you weren't compliant with Federal.

So we are trying to make sure that on the front end, we are providing good information. Another example was we did some pilot programs. You gave us a lot more flexibility with the Sandy Recovery Improvement Act in addition to the supplemental funds.

So we are in the process of piloting several things that we hope will speed up the process, including doing an alternative project or instead of having to wait until projects are finished and only reimbursed actual cost, we can do an estimate on the front end and fully fund a project using authority you gave us. There are some very large projects, both in New York and New Jersey that are taking advantage of that.

So as we learned those lessons, hopefully we can speed up recovery process while maintaining responsibility to the taxpayers.

Ms. CLARKE. I hope that you will also give guidance that in that special pilot, where subcontracting is concerned, that that same practice should be applied?

Mr. FUGATE. This was one of the key findings from the IG was that there are many requirements in Federal procurement and contracting that would apply to subcontractors as well as to prime, and that FEMA had not done a good job of enforcing that.

So what we are doing is just putting people on the front end so that when grantees are working these projects and sub-grantees, we make sure that they understand all of the Federal procurement law that is applicable, that if you are taking Federal dollars, it is no longer just State or local procurement law. You have to adhere to Federal procurement law which would address those issues.

Ms. CLARKE. Outstanding. You spoke about grants. I want to turn your attention around the FEMA National Preparedness Grant Proposal. Can you provide specific examples of changes

FEMA made to address concerns raised by stakeholders with this consolidation?

Mr. FUGATE. Well, there are several. But we can provide more information. One of the very specifics is because we wanted to look at the consolidation, the 9/11 Act refers to specific Government entities.

That would potentially leave out certain port and transit groups that don't fall into the definition.

Ms. CLARKE. Exactly.

Mr. FUGATE. So we have included in the authorizing language to expand that definition. That is the only reason why we are putting the language in there. We are not trying to open the universe to anybody.

But there were some very specific groups that had previously received Homeland Security fundings that by consolidating this, would be limited, unless we have the authorizing language. So we cannot get a consolidated grant by appropriations without authorization or we would potentially have groups left out.

Ms. CLARKE. Okay, very well. Then just in closing, I have a question about NPGP. The draft authorizing legislation included with the budget request that NPGP would build a sustained core capabilities identified in the National Preparedness Goal.

But unfortunately, fire-fighting will be a key element of any response to a terrorist attack. DHS does not identify fire-fighting as one of its core capabilities. Would the administration's NPGP proposal eliminate funding for fire departments that historically have received UASI and SHSGP funds?

Mr. FUGATE. No, ma'am. In fact, two stand-alone grants that weren't tied to specifically 9/11, the SAFER and the AFG grants specifically for fire departments, for staffing and equipment are not touched. Again, this is not for the primary fire-fighting.

This is the enhancement of fire department, particularly things like search-and-rescue and Hazmat teams, which are oftentimes fire-department-based, to focus on those things that are not the day-to-day responsibilities or operations of a fire department. So this is really the Homeland Security grants would not preclude fire-fighting.

It doesn't speak to the day-to-day response as to your local tax base. It speaks to the enhancement of those teams for the Homeland Security threats.

Ms. CLARKE. So would you—would they still be—would fire-fighting still be eligible for UASI fund?

Mr. FUGATE. Yes.

Ms. CLARKE. Okay, very well. Thank you.

I yield back, Madam Chairwoman.

Mrs. BROOKS. The Chairwoman now recognizes the Ranking Member, Mr. Payne.

Mr. PAYNE. Madam Chairwoman, I ask unanimous consent that the gentlewoman from Texas, Ms. Jackson Lee, be permitted to participate in today's hearing.

Mrs. BROOKS. Without objection, so ordered.

At this time, I would turn it over to the gentlelady from Texas, Ms. Jackson Lee, for 5 minutes.

Ms. JACKSON LEE. Thank you, Madam Chairwoman.

Thank you, Ranking Member, for your courtesies and to my colleagues as well, thank you for your courtesies.

Mr. Fugate, it is good to see you again. Thank you very much. I have a series of questions. This is a very important subcommittee. But coming from Texas, we have seen you often or we have seen FEMA often.

We certainly thank them for their service. I want to start out with your mission which is to support our citizens and first responders as a Nation, work together to build, sustain, improve our capabilities. So my questions will follow along those lines.

Presently, Houston area is suffering a non-noticed devastating oil spill. I don't know whether or not, though we have requested that a request for a disaster status has been, and I would ask you whether you have received any inquiries from the State of Texas regarding the oil spill that is in the Galveston, Houston area.

Mr. FUGATE. No, Congresswoman, I am aware of it. I know that the Coast Guard and the EPA had to lead for the Federal response to the clean-up. I am not aware. We will have Region 6 reach out to NMCI I have not heard anything from the State of Texas about a declaration request.

But I do know that the Coast Guard and the EPA are coordinating the response to the clean-up.

Ms. JACKSON LEE. Yes, would you—as I left, it was creeping into local communities. So I would ask if Region 6 could contact my office as well—

Mr. FUGATE. Yes, ma'am.

Ms. JACKSON LEE [continuing]. Regarding this. To that point, I notice that—I would assume that the oil spill would be under the no-notice events.

Mr. FUGATE. Yes, ma'am.

Ms. JACKSON LEE. There is notice that it is \$1 billion. Did you use all of your no-notice funding for last fiscal year? Does it carry-over? Or is this going to be enough?

Mr. FUGATE [continuing]. Usually with oil spills, there is responsible parties. So it would depend upon if there is uninsured or uncovered losses. That would have to be determined. But because you have fully funded the Disaster Relief Fund, we are still able to maintain response to no-notice events as well as the on-going previous disasters.

Ms. JACKSON LEE. You feel in good—you are in good shape. Is that what you are saying? I am just—

Mr. FUGATE. Yes, Congresswoman. As you know previously, there was always a struggle to have the money. We many times would have to stop work—

Ms. JACKSON LEE. Right.

Mr. FUGATE [continuing]. In previous disasters. With the budget stabilization agreement in fully funding the Disaster Relief Fund, Congress has enabled FEMA to respond to our existing previous disasters as well as maintaining the capability for no-notice catastrophic disaster response.

Ms. JACKSON LEE. Thanks. I just want to continue to monitor this issue of the oil spill. I know that there is the self-reimbursement or reimbursement by those who are responsible. But I am also looking at the immediacy of the response.

So that is why I would like to be briefed.

Let me—let me publicly, Madam Chairwoman and Ranking Member, just thank the U.S. Coast Guard as they have done a stupendous job. I know this is not this hearing, I am certainly advocating for their full funding.

Quickly to the flood insurance, the biggest reform, as you well know—legislation was just passed. In times past, I have had the FEMA director in my town reworking the flood maps because they literally destroyed whole communities in terms of the value of their homes.

So are you all, including now, immediately the sort-of—I know it was, it was dealing with the insurance aspect of it. But does that legislation—the reform that was just passed, impact how you are doing your flood maps?

Mr. FUGATE. There are some key provisions both in Biggert-Waters and then in this that requires us to have a technical advisory committee and provide more validation of the methodology. So as we are implementing this and going through that, we will be providing reports back on the time frames.

But part of this was to have outside validation of the mapping criteria and also more clarity in the appeal process for communities to use when they are challenging maps.

Ms. JACKSON LEE. Can we, as Members of Congress, reach out when our communities, you know, en bloc and in large numbers, so that we can make sure, because when I had this issue in my district, we did have the FEMA director. He was frankly very helpful in saying this is not the interpretation.

So do we still have that latitude to be able to do so?

Mr. FUGATE. Absolutely, either through our regional staff or through headquarters staff it is always available to you.

Ms. JACKSON LEE. I want to move to—just to make mention of the tragedy in Washington State and hope that you will be heading there. Others, I know that obviously, you rely upon your region. But the disaster looks like it is growing. Again, I want to thank the first responders and join with my colleagues from Washington State.

Let me—let me just add my other question in, so then you can respond to both of them. My colleague from New York asked about firefighters. We are presently having a—just I think devastating brownouts in the State of Texas. I think you come from a firefighter community in terms of not having fire stations' equipment and personnel out on the streets.

Could we enhance our homeland security response because our homeland security responsibilities are being diminished? We have got the energy industry there. So what kind of grants could we utilize that would legally fit within utilizing more firefighters in the needs that we have in our community?

Mr. FUGATE. I will have staff brief you on the programs. But you have two that currently are funded by Congress—the AFG and the SAFER grants, one which refers to funding personnel during these types of crisis and the other is about equipment. But we can provide that.

As far as Washington State, we have been—region has been engaged. The Governor made a verbal request last night. The Presi-

dent granted it. We have some incident support teams on-site. But it is also a legacy of the Homeland Security grants.

Many of the resources being deployed are actually Washington State resources built with the Homeland Security grants and other programs.

Ms. JACKSON LEE. But you are standing ready for—

Mr. FUGATE. Yes.

Ms. JACKSON LEE [continuing]. Anything that they need in as much as I understand that there is still any search-and-rescue mode, and that the numbers either keep going up or down.

Mr. FUGATE. It is a very dangerous situation. The best way to describe the mudslide is it is like quicksand because it is not stable. You can't walk into it. It is almost an impossible task to get to some of the areas until it becomes more stabilized.

So there are many responders standing by. But in some cases, they can't get into some of the hardest-hit areas because it is too unstable and too dangerous.

Ms. JACKSON LEE. Well, let me thank you very much. These are on-going issues to both of you. Thank you so very much for allowing me this time. With that, I yield back. Thank you.

Mrs. BROOKS. Thank you so much for your reminder to all of us about the dangers that not only Coast Guard and response but this incredible dangerous situation that the mudslides, our colleagues from Washington brought that to the attention of the floor yesterday. Several lives have been lost.

So we are, you know, praying for the safety of the first responders. So I want to thank you for that.

We are beginning our second round of questioning. I am going to defer my 5 minutes of questioning and turn it over to the Vice Chair, the gentleman from Mississippi, for a second round of questioning for 5 minutes.

Mr. PALAZZO. Thank you again, Madam Chairwoman.

Administrator, as a Florida native, you know how important our community piers are to locals and to tourists who visit our areas. So with that, there are several cities and counties along Mississippi's Gulf Coast that were devastated by Hurricane Katrina in 2006. Many of our piers along the Mississippi Gulf Coast were destroyed and had to be repaired.

For example, Harrison County repaired its piers following post-Katrina and post-Gustaf, approval processes and repair guidelines. This included waiting on environmental impact studies before constructing the pier. In August 2012, Hurricane Isaac hit and destroyed many of the piers again.

FEMA declared the coast a disaster area. Since that time, Harrison County, the city of Gulfport and the city of Long Beach have petitioned for disaster relief funds to rebuild and repair piers damaged by Hurricane Isaac.

Discouragingly, FEMA has denied their request because it has insisted on putting these municipalities through additional environmental impact studies, even though these same piers were subjected to environmental impact studies completed only a few years earlier.

The work involves repairs on existing structures. We are not talking about completely rebuilding the piers or the structures. To

many in South Mississippi and to me, this is a prime example of bureaucratic red tape at its worst.

So is it really necessary to repeat the environmental impact study on a structure that had a study completed only a few years earlier?

Mr. FUGATE. Congressman, I would have to look into that. All I can tell you is the general criteria used when you are over 50 percent, the story, we have to follow the law which requires an environmental review for the investment of the Federal dollars.

However, we have been working and one of the directions the President has given us is to speed that process up so we are not going through concurrent loops of each Federal agency that has a slice of that.

So we are both trying to improve that process. But again, I will have to go back and look. But generally, when we look at something that is over 50 percent, we consider that not repairs. That may be triggering it. But I will have to get the details for you.

Mr. PALAZZO. Well, please do because we already entered into the spring season. It would be nice to be able to begin construction and have it completed before the summer months.

Again, I mean, if we did an environmental review just a few years ago, and we are not completely rebuilding these structures but just repairing them, it would make sense that—to the taxpayer that it is—why waste additional funds or waste time?

Mr. FUGATE. We have been pushing more and more to take these type of projects and move them into concurrence where it is not requiring formal review. I will have to find out what is triggering this on these piers, though.

Mr. PALAZZO. Well, great. Now, going back to flood insurance, and this is just something I was thinking about this morning, you know, it is—more and more communities are going to be mapped into the flood plains, which is of course making people much more aware of the possibility of their rates increasing.

The mudslides in Washington—homeowners' insurance does not cover mudslides.

Do you—is it true that you need a flood insurance premium to cover that—

Mr. FUGATE. I would need to defer back. I think it depends upon if you are talking about shifting soils or actually a mud flow, which would be caused by flooding. I would have to go back and see if there is a difference. But in general, when you have flooding that is producing mud flows that causes that kind of damage is considered flood damage.

Mr. PALAZZO. A local insurance agent I was talking to this morning did mention that. Real quick, Biggert-Waters 2012 authorized monthly installment premiums, yet FEMA has not implemented this section. Now that H.R. 3370, which is a law which was just signed this past Friday, again emphasizes that Congress wants homeowners to be able to spread their premiums across 12 months, how quickly will FEMA implement monthly installment payments for premiums?

Mr. FUGATE. Well, again, I just didn't do as quick as I can, but I have to work through the Write Your Owns, which are actually in the process of collecting and paying the premiums back into the

program. So I need to get back to you, Congressman. Why does it take us longer?

Because Write Your Owns actually have to have that collection process. One of the concerns has always been, which I am not buying is, well, they will only buy it for the months that is hurricane season. They won't pay for it the rest of the year.

I am going no, they are buying a full policy. If they don't pay all their payments, we are going to go back and see damages and get that money back. But I think it is really, you know, one of these issues that I kind of look at the same way. Why can't we get the installment program?

I know part of it is to Write Your Own but I need to get you more information.

Mr. PALAZZO. Right. To kind of follow up on my colleague from the East Coast, he mentioned some mapping concerns. I am going to jump through the narrative and just go to the heart of my question. What efforts has FEMA taken to ensure accurate mapping information is being used?

Mr. FUGATE. We are not doing a very good job of it, sir. We are \$27 billion in the hole. So somebody has got a flood risk that we didn't map right.

Mr. PALAZZO. Well, we are going to have additional questions for the record. Yield back.

Mr. FUGATE. Yes, sir.

Mrs. BROOKS. Thank you.

I now turn it over to the Ranking Member of the committee, Mr. Payne, for 5 minutes.

Mr. PAYNE. Thank you, Madam Chairwoman.

You know, I believe I stated it before, but it is just such a concern, you know, for the past 2 years. You know, Congress has rebuffed FEMA's budget request to consolidate 18 grant programs into National Preparedness Grant Program in favor of maintaining discrete grant programs, both the preparedness and response to terrorism.

Indeed, in last year's full committee hearing on the Boston marathon, Boston bombings, the Boston Police Commissioner Davis stated that without the grant funding, response would have been much less comprehensive than it was. Without the exercises supported through the UASI funding, there would have been more people who had died in these attacks. That is a quote.

So what do you say to the people who are concerned that without the discrete program targeting specific capabilities that there will be an erosion of terrorism preparedness and response?

Mr. FUGATE. Again, to be respectful, Congressman, notwithstanding the proposal 3 years in a row, and I may be hard-headed, I have never failed to implement what Congress has authorized and funded to the letter of the law.

What this really goes back to is not talking about not funding the city of Boston but giving greater oversight and following the structures through the States to Boston versus bypassing the Governor to the State and including them in that process.

So this is not about taking money away from jurisdictions but more giving visibility to the States so they have the overall responsibility for those events and that response to ensure that all of the

issues of the State are funded. They may be again, when you look at how we are driving the threat and hazard information, it is going to point to these cities.

But it does give the Governor and the Governor's team more oversight responsibilities, hopefully, by increasing competitiveness, building more capability in parts of the country where it is lacking.

Mr. PAYNE. But what if the Governor doesn't see the things the way you see them where you have funded these cities because of what you have determined and the Governor doesn't necessarily agree with you?

Mr. FUGATE. That is the great debate of our country, sir. Congress oftentimes finds itself in disagreement with Governors. You have the authority as the keepers or the purse to make those funding decisions.

I, however, have to look at this from the standpoint that unlike other programs, once a disaster triggers a certain level, it falls under the State constitution. The powers that originated in that constitution is unique to every State. To bypass that can set up and I have seen it set up mismatches between how a State operates and how the funding comes down.

Unlike a lot of other programs, in this case, it is authorities vested in the State constitution that drive how a State is built, the team—how they are going to prevent that.

Some States put greater emphasis on the State law enforcement, for local law enforcement.

You have what I call the cities, States, the Bostons, New Yorks. Cities of the world that are so large that they are a special category by themselves. But they all originate from a State constitution.

Oftentimes, we work around what we don't like about that. But in a disaster, I have to work that system and support that system to the best of my ability because that is the foundation of our response. FEMA does not walk in and take charge.

Mr. PAYNE. Right.

Mr. FUGATE. We respond to the request of the Governor and support the Governor's response. So this is a reflection philosophically of how do we best do that. But also understand that we have to look at these threats, not just jurisdiction by jurisdiction but across the Nation and understand that we may not get hit where we expect.

But we have the capability to respond outside of these areas because we look at Boston. We look at New York as huge resources that may be called upon to respond elsewhere in this country.

Mr. PAYNE. Okay. Well, in New Jersey, well, Newark specifically with the UASI grant, they have worked well with the State. Keith Isaac has reached back and gone through county and have brought them in on the process. So it works—it is working backwards well that way.

We are just not sure if it came into Jersey's situation, if it would work back the other way. But that is our problem, I guess. But what about the terrorism capabilities are a major concern with these grants in the consolidation?

Mr. FUGATE. Again, I think we put emphasis on things that are the prevention, things like fusion centers. A lot of this information

and looking at how you get the best intelligence, how do you look at these threats, there is no specific set-aside for law enforcement because quite honestly, when you do 25 percent set-aside, is that all they are going to get?

If you limit it to 25 percent, that is all they will get. If you don't put a cap on it, it may be more money on the front end. But we have to look at this based upon threats and driving this through grant guidance.

Again, we are more than willing to work with the committee in the authorizing language to drive those outcomes so that the State implements the desires of Congress reflecting the needs of the local communities.

But again, our ask isn't to go back to a system that goes through a consolidation so we can look at this Nationally, not just jurisdictionally.

Mr. PAYNE. What if it was less?

Mr. FUGATE. That is always going to be the potential. But that is a call the State would have to make, and the State would be accountable for that to their citizens, and their taxpayers and their voters. It is their constitution. It is their State.

Mr. PAYNE. Thank you, Madam Chairwoman. I yield back.

Mrs. BROOKS. Thank you. The Chairwoman now recognizes the gentleman from South Carolina, Mr. Sanford, for 5 minutes.

Mr. SANFORD. Yes, ma'am. Just delve in a little bit deeper. If you look at, you know, the overall \$10 billion budget, or look, very specifically at FEMA, you pick your category. But if you were to pick the two areas of biggest waste or duplication that jump out at you, what would they be?

Mr. FUGATE. Well, this will make me real popular—beach re-nourishment. What Mother Nature takes away, we have to put them back and on engineering beaches, we spend a lot of money on sand. It is one of our largest costs. It is primarily an economic issue.

I understand that. But it is again, in budget constraint times. We have to make decisions about when are beaches really tied to safety, or are they tied to commerce. I understand the arguments on both side. But again, I think we have to look at that.

The other thing is, is the overhead to respond to disasters because we have all of these systems built around a reimbursement of actual cost. I think we can show significant savings because Congress gave us the ability. When you are a Governor, when you had some projects, we would go to—come back year after year, looking at every dollar you spent authorizing it.

Wouldn't it make a lot more sense—which Congress gave us the authority. You have got to rebuild a fire station. Let's figure out what it is going to cost and give you the money to rebuild that fire station versus waiting until you do every project involved in that fire station reimbursement.

So I think how we look at the overhead of our cost and how we look at some things and make some decisions about it would be nice to do a lot of things. I think, you know, I am from Florida. Beaches are a key part of our economy.

But again, you can look at beaches versus other things. If you have got to make decisions about what you can and can't fund,

beaches, to me, fall into the category that yes, it is important. Yes, it is economic. But it is not National security.

It is generally not public safety unless it is protecting some kind of critical infrastructure. It is more economic. Is that the best way to fund it, to maintain it, knowing that these storms come in and take out a lot of these beach improvements? We come back the next year, we are faced with the same situation.

Mr. SANFORD. So you would be for ending the re-nourishment programs on, for instance, Miami Beach?

Mr. FUGATE. I think you have to look at that or make that a local issue that they pay for because it is primarily an economic business. If the State of Florida thinks it is important, they ought to fund it.

Mr. SANFORD. So sand overhead. But can we get a little bit more specific in terms of specific area duplication, just sort-of jumps out at you?

You look at the Federal, State, local overlay with regard to security perhaps. Or I will give you another—I remember seeing sort-of up-close, you look at these contractor lock-ins. Efficiency is not one, I guess, a driver at the time of a storm.

But there are a lot of profit margins built into somebody's contractor numbers in emergency preparedness, is there efficiency that you have seen over the years in terms of best practice on that?

Mr. FUGATE. Oh, absolutely. Congressman, you remember, we used to—the system was actually weighted more to using contractors to pick up debris versus your own folks because you couldn't get your straight time out of it. Again, we have gotten the Sandy Recovery Improvement Act. That is gone.

We can—we have the power—we actually did it more during the tornadoes in Oklahoma this summer, where instead of forcing local jurisdictions that are only using contractors because they can get fully reimbursed for that, but they couldn't get reimbursed except for their overtime pay.

We recognize that oftentimes, it will be faster and cheaper to use your own public works to pick up debris.

So right now, South Carolina, after the ice storm, if they choose to, they can use a contractor. Or they can use their own crews to pick that up and we will not penalize them for using what we would call straight time to folks they were already paid for but they are doing debris-specific and not resulting in that going to the contractor. It is not—

Mr. SANFORD. Can I interject, Madam Chairwoman, that is a big point because the degree of money wasted in that particular program I thought was particularly egregious in the way that you couldn't—I mean, you had the labor force, the capacity to work on it. But you would get no reimbursement.

So you would say let's just do the contractor. So the other guys are idling while the money is being spent at the contractor level. It is a big deal. But I am sorry for interjecting.

Mr. FUGATE. But we currently have implemented that under the authorities of Sandy Recovery Improvement Act. We are tracking those dollars. I think we are going to be able to make a good case to make this permanent as we get to rule-making.

It is not to say we don't need contractors. But we shouldn't take the existing workforce out of the picture because we have a rule that says you can only pay overtime when this is oftentimes the fastest way to get debris up and the most cost-effective.

Mr. SANFORD. Is there a particular stovepipe that you have noticed in again, the Federal-State overlay that doesn't work as well as you would like to see?

Mr. FUGATE. Well, harken back to the environmental historical review piece of that. As the President pointed out, there is—we cannot suspend law.

But we can certainly look at, do we have to have every agency do each piece of this sequentially, or can we do concurrent reviews, speed this process up, come to consensus on some things that we can set aside, and say, these types of projects don't require the full review these do but when we do it, do it so that it does one for everybody, not each agency doing—and if you remember, as Governor, sometimes, you may be using HUD dollars, engineering dollars, from the Corps of Engineers, FEMA dollars.

We would all require separate environmental historical reviews for the same project. Well, we are past that. We are working to make sure that whatever one of these agencies does at first, it is sufficient for all of the Federal dollars going into that project.

So we are not repeating these reviews over and over again because different agencies had different requirements.

Mr. SANFORD. My time expired. Thank you, Madam Chairwoman.

Mrs. BROOKS. Thank you for bringing to light the efficiencies the taxpayers expect us to continue to hone in on. So I want to thank you for that question.

Now, we turn it over to the gentleman from New York, Mr. Higgins, for 5 minutes of questions. Thank you.

Mr. HIGGINS. Thank you Madam Chairwoman. Many communities have flood—National flood insurance program policies. But not a single one has been shown new data demonstrating their continued need to be in a high-risk flood zone.

Oftentimes, communities are told by FEMA that if they undertake certain flood mitigation projects, the widening of channels, the design of new bridges that perhaps have less—fewer piers, the raising of bridges, other flood mitigation initiatives, that those communities are less—there is less of a risk of catastrophic flooding, and thus, they come out of the high-risk area, thus reducing the premiums that they have to pay.

So I know that remapping is a big part of this program. So could you give us a status as to the remapping, when it would be finished and what steps FEMA is taking to ensure the accuracy in categorizing high-risk flood zones.

Mr. FUGATE. For the record, I would like to respond to you in writing because that's a lot of questions. I want to tell you something, though, that communities can do without waiting for remapping and exists right now. That is the community rating system.

The community rating system is something that they can apply for now and get discounts based upon a lot of things they do already, maintaining drainage ditches, providing community information. The community rating system has a scale of 10 to 1.

The lower that number, the more discounts. So just moving from a 10 to a 9 will give you a 5 percent across-the-board discount for all of your—including your high-risk.

So not only is it remapping, and I will need to get the information about your community, but the community rating service is another program that communities can use outside of remapping to start applying discounts for things they do to reduce the flood risks, storm-water management plans, public information, maintenance records, and start getting discounts for both businesses and their residential insurance policies.

Mr. HIGGINS. That is very helpful. Now, can you get Buffalo back in the Urban Area Security Initiative? I yield back.

Thank you. Thank you, sir.

Mrs. BROOKS. At this time, I turn it over to Ms. Clarke from the State of New York for 5 minutes of questions.

Ms. CLARKE. Thank you very much, Madam Chairwoman.

Under the current Homeland Security grant program, the law allows States to pass through 80 percent of the funding to locals. Some local governments have indicated that they have had little opportunity for input, and sometimes little opportunity to consent to State use of the funds.

How would NPGP address this issue to ensure that local governments truly have use of the 80 percent pass-through to apply to their specific and unique needs?

Mr. FUGATE. Well, again, it is going to be based upon working through the States. I understand the sensitivities here. I would refer back, Congresswoman, to the request the Ranking Member as well as the Chairwoman to work with you with authorizing language to drive those kind of outcomes.

But I think again, you have to look at the standpoint of in some States, State agencies actually provide a lot of the capabilities. So the 80/20 rule actually works against those States, where maybe the greater resource was a State agency, but because we are capped at 80 percent had to go locally, you couldn't fund it.

So again, we will work with the committee.

But I would strongly recommend, we have to recognize that there are 50 States and the territories and the Commonwealth of Puerto Rico that it is not always going to be the same.

I understand that the Northeast with the large city structures, why it is different, but it is—again, we have a, one program that we are trying to make fit back to the structures of the State's role and ensure, though, your desires to make sure funding gets to specific issues and specific communities based upon threats.

Ms. CLARKE. Yes, it is really challenging. I think we do have to acknowledge the nuances because New York City in New York State is unique.

It is very challenging, you know, given whatever dynamics may be happening in a State at a given time to have that—not have the flexibility in place to be able to address unique needs of that particular locality.

Mr. FUGATE. Now, the structure we used in Florida was actually having the local jurisdiction set as the teams out of various disciplines as peer review. We found the peer review process was actually the most effective way. It is kind of one thing to say I need

something and have all your peers look around, going do we really need that in our response and will we have gaps?

So there are mechanisms that some States have used very successfully to engage both your local, State agencies but also by discipline and a peer review process that drives better outcomes than any single arbitrator or one person making these decisions.

Ms. CLARKE. So would you then say that peer review process should be given some sort of rating that enables to have those differences mediated, for instance?

Mr. FUGATE. Again, this would be an opportunity to work with the committee in the authorizing language to drive that.

But my experience has been when I have the subject expert sitting at the table—I have got the fire chiefs, the police chiefs, the sheriffs, the public health officials, the school board officials, the port folks, and they are all sitting down there looking at all of their threats, making these decisions as a group and having to come to consent on this, it eliminates any one agency bias or any one discipline bias.

I mean, this is what we heard. They will all say, we are not getting our share because they are looking at how much the Hazmat teams were getting versus the bomb squads. We said, well, you can take over the Hazmat mission. This is what suits cost.

They go, we didn't realize it costs that much money. No, they can keep that. But oftentimes, if they are not working as a team, they are not even aware what other parts the team are doing. We found by doing it that way, we didn't plan to build a team to respond to the 2004 and 2005 hurricanes.

But it was definitely that process of looking at how you build collaboratively by discipline and local and State, that we built the teams and capabilities to respond to, you know, four hurricanes in one year. It was Homeland Security-driven.

But because it was a consensus process, it built capabilities that neither the State or locals would have built by themselves. Again, it is my bias and my experience that says when you do that, you can build a more resilient Nation. I will be more than happy to work with the committee to drive that kind of outcome.

Ms. CLARKE. Very well, Madam, I yield back the balance of my time. Thank you.

Mrs. BROOKS. Thank you very much.

The Chairwoman now recognizes the gentlelady from Texas, Ms. Jackson Lee for 5 minutes.

Ms. JACKSON LEE. I thank the Chairwoman and the Ranking Member again. I just have one inquiry. You remember we had a discussion some months back about constables. We were talking about making sure that they could be the recipient of grants.

You may not be able to answer it now, but can we please collaborate again and see—I think we had some discussions on language. That is a law enforcement structure in the State of Texas. I have advocated for them being eligible for grants during emergency times.

Mrs. BROOKS. Well, and thank you for that reminder. Of course, our staff will begin to work with your staff on that.

I would actually ask Administrator Fugate as he talks about the importance of recognizing State and local jurisdictions and would

wonder whether or not you would like to opine on the position of constables while we have you here?

Mr. FUGATE. Well, Madam Chairwoman, this goes back to the States. Every State has unique structures that oftentimes bypassing those State structures, we don't recognize.

I think it would be better to give the State greater discretion to recognize constables as part of their plan and make them eligible for funding.

But when we define things here, we oftentimes don't take into account that States have different provisions. A sheriff has different authorities and powers in different parts of the country.

So when you do these things, as part of the challenge of how do we make sure that we haven't excluded how a State operates under their constitution, and this would be one more example of giving greater flexibility so that States can deal with unique positions by their laws that would not be necessarily be in every State.

Mrs. BROOKS. Thank you. I look forward to working with the gentlelady from Texas to learn more about what the constable's—

Ms. JACKSON LEE. Responsibilities are.

Mrs. BROOKS. Yes.

Ms. JACKSON LEE. Let me—and thank you very much. I am reclaiming my time to—and thank you so much for the courtesy to you and the Ranking Member.

What I would say, Mr. Fugate, is in the instance of Texas, I would just say that it was a mistake and it was probably a—something forgotten without review because our constables continually do exercises in Homeland Security around the State. But I just want to get that on the record.

So we are working both directions. But I would offer to say sometimes, the Federal Government needs to sort of give a little guidance to States when they might have not thought of the utilization. So I look forward to collaborating.

It just brings me back to the decision to consolidate the State and local grant preparedness programs by consolidating targeted preparedness grant programs into a single pot. The new preparedness grant program without requesting sufficient level of funding, which is my belief, that there is not sufficient level of funding.

But I would like—as I look at the long list, my perception is the sophisticated guys, the sophisticated entities will overcome those who are much smaller and less sophisticated; i.e., I don't see the Citizen Corps matching up with the Urban Area Security Initiative and those who applied for that.

The Citizen Corps is very important for the time that I have have been on this committee, I have talked about the Citizen Corps and making it diverse, making it in neighborhoods. I am curious, the transit security grants matched against the nonprofit security grant program.

The other issue is, which I agree, is when we sort-of organized these different elements, and I know it makes it convenient, but Homeland Security was designed after 9/11. It was about terrorism. It was about the focus on terrorism.

I think this is a mistake. It—smudges or it confuses or it creates smoke and mirrors, not intentionally, not—this is not suggesting

the intent of it. But I am talking about from those who are applying.

They have got this big pot. The proficient and efficient individuals or entities or jurisdictions will certainly overcome some very good idea of some local volunteer firefighters. I am just using that as example, beyond the State governments.

Do we have an opportunity to change this? Do you see what we are speaking of? Is there any way to bifurcate where you have the terrorism elements separated? Do you have enough money? Thank you.

Mr. FUGATE. Again, the administration has been asking for a consistent level of funding based upon our constraints. But I would go back to your question. Again, I think a consensus process, where you involve a lot of stakeholders into designing these systems gives you a better outcome.

I do know that those jurisdictions that, again, if you remember, the last couple of years, these have been consolidated anyway.

You are listing all the original programs. But the last couple of years of actual appropriations has broken it down to three broad categories—State Homeland Security grants, the urban security area grants and competitive grants for transit and ports.

So Citizen Corps funding hasn't been separated for the last couple of years even though it is an allowed expense. Example, when I was in New York City, Staten Island, they have a very robust community emergency response team there that responded throughout the Sandy response.

Again, it is through the support of their homeland and their urban security grants the city had funded those types of programs. But the last couple of years through the appropriations, we have been actually winnowed down into three broad categories of which these are eligible funding under the urban security and their State Homeland Security grants.

Ms. JACKSON LEE. Do you think there is sufficient emphasis on the terrorism aspect under that structure—under this structure?

Mr. FUGATE. Yes, I do. That is part of our threat and hazard assessment. But we also have to look at all of the threats. When we build capability, is it, again, recognition that although we are funding primarily those threats against the Nation, that it is designed to be dual use.

Then again, some of the natural hazards actually have National significance that go beyond the traditional Stafford Act declaration and reimbursement. There are several notable natural hazards. A hurricane coming into the Houston Ship Channel, which not only would have damages through the hurricane but actually would threaten and disrupt our refinery oil shipping in the port.

Those again have implications far beyond just the damages of the hurricane. So those are the reasons why when we look at all hazard, some natural hazards can produce threats to the country, as great as some of these terrorist threats. We have to look at what those responses would require.

Ms. JACKSON LEE. Thank you, Madam Chairwoman. I yield back and will continue to inquire. Thank you.

Mrs. BROOKS. Thank you for those questions and for the continued focus on terrorism and prevention and response to terrorism.

Administrator Fugate, I mentioned during my opening remarks—and I will now recognize myself for 5 minutes—but during my opening remarks, I indicated that we had two social media hearings in this subcommittee. We once again crowd-sourced questions for this hearing during the weekly SMEM chat on Twitter.

Some of the chat members, the majority of which have extensive experience using social media for emergency management purposes, actually had input into some of our questions and I appreciate their insights.

But one concern that we have heard, and I certainly hear it and see it as I talk with communities, local communities, and I have just visited each of the eight counties in my jurisdiction and visited with local elected officials and appointed officials, one concern we have is that many local emergency management offices sometimes are one-person shops.

They often lack the communication skills or the resources. They don't know how to maintain active social media operations and validate the information they receive on social media and so forth. So I am curious what you believe FEMA's role is in providing assistance.

Obviously, FEMA does a terrific job on its own as we have learned other organizations such as Red Cross. But what kind of assistance are we providing in monitoring and updating social media sites to affected areas during disasters and how were we helping train the first responders in local communities on how to effectively incorporate social media into their preparedness plans?

Mr. FUGATE. Well, a lot of this I want to respond for the record. I won't take a lot of time what we have been doing. We have got some tools out there to help bridge that. But I was a county director by myself with a tiny budget of 325 bucks, besides my salary, when I started this back in 1987.

I learned a trick.

Mrs. BROOKS. You have come a long way, Administrator Fugate.

Mr. FUGATE. But the thing I learned about resource shortfalls, or what I called OPM—other people's money. First of all, no one emergency manager responds. You have Government, private sector, and volunteers.

So what I would do and what I had to do back then just to get out press releases and deal with at that time fax machines, was recruit the public information officer from the sheriff's office, work with the fire department.

So again, I think, you know, it is always a staffing issue at the local level. You are going to have to look at who else in your community you can bring in, including volunteers.

Mrs. BROOKS. If I can ask, so is that the advice and recommendations that the Department is giving because that is something that I shared with members of these communities is that they often have PIOs and—

Mr. FUGATE. Right.

Mrs. BROOKS [continuing]. Mayor's offices or sheriff's departments and so forth.

Mr. FUGATE. Again, I think as more agencies are now starting to look at how they use social media. We developed two training

courses. One is a self-study and one is a delivery course that we do.

The challenge with these courses is as soon as you have it done, it has moved on. Instagram has now taken off, you know; we are still talking about Twitter and Facebook.

Part of this is engaging other people in the community to serve that role.

But part of it, too, is as we learn techniques and provide resources, there are some things that we have been working on to consolidate some of the things we are doing that make them available to locals, such as being able to consolidate all the various official Twitter feeds into one place so that when something starts up, the public oftentimes doesn't know who to follow.

So we take the State and then we get from the State all of their local feeds and we will build it based upon a particular threat so that the public has a place to go to, we call our social hub, because a lot of times, you may have social media accounts, but nobody knows about it before a disaster. Then don't know where to look.

So we are trying to point back to the best information because usually those local officials printing out social media so people know that is where it is coming from.

Mrs. BROOKS. But what is FEMA's role in training the local officials on what your process is and how they should, you know, learn to collaborate and learn to rely upon each other and doing this coordination, their training?

Mr. FUGATE. Primarily, it is done through the public information officer course training. So specific to public information officer training and looking at the independent study course that anybody can take. It is free. You can go to fema.gov, look up independent study.

We actually have courses on that, but also participating and working—a lot of the expertise isn't at FEMA. It is as you know—it is at the practitioner level. So we also try to build the networks there, point back to the resource. Again, there are a lot of concepts about how do you virtualize this information.

But I think part of the trick is we are trying to move beyond. It is just another way to issue a press release. It is actually a way to listen to the public, and how do you make operational decisions about information that isn't always official, but may have some information relevant to changing how you are responding.

Mrs. BROOKS. Can you share with us in your experience and with the disasters, whether it is the mudslides, whether it is Hurricane Sandy or others, what—how much information are emergency responders actually getting through social media?

Mr. FUGATE. It depends upon the skill sets and experience and we are learning. I will give you an example. We had a hurricane that was moving up towards the Carolina coast. National Hurricane Center was very concerned there wasn't an evacuation.

Local officials weren't doing much. I was looking at some of their tweets. It was interesting, they were saying they needed to get all the tourists out. It was a Category 1 hurricane. So I was able to go back to the hurricane center.

Oh, they heard you. They know it is a hurricane. They are getting their tourists out. They just don't think the threat wants them

evacuating. So it wasn't that they weren't hearing it, but they were taking an action that they weren't expecting.

It is just sometimes, crowd sourcing can go, here is what I said. Here is what the public thinks I said. Now, I can change my message and amplify. It is great you are getting the tourists out. But oh, by the way, this may be a little bit stronger storm. We are still concerned about intensification. We can change the message. But if you don't know how the public is receiving your information, you don't always know if they heard what you thought you meant. That may—you know, in Government, that is not something we, you know, never have happened to us.

We say something, and then we don't understand why the public didn't understand it. But if you are listening to the response, now, you can adjust that message and go okay, maybe we need to amplify something or maybe they are not getting something we think is critical. We can come back and reemphasize that.

Mrs. BROOKS. Thank you. I want to applaud you and FEMA for hopefully taking the lead in educating the country about the importance of social media during mass disasters or with disaster preparedness and response.

At this time, we are going to a brief round of—a third round of questioning.

I would turn it over to Ranking Member Payne for 5 minutes of questions.

Mr. PAYNE. Thank you, Madam Chairwoman.

Now, just to shift back on the conversation we had prior to my last round, you know, local police departments and, you know, played a crucial role in preventing this terrorism since 9/11.

The law enforcement terrorism prevention funding is the only funding designated specifically for prevention.

So I am trying to figure out the rationale for eliminating the 25 percent set-aside for law enforcement terrorism prevention.

Mr. FUGATE. Again, given the State's ability to prioritize across all those threats where they want to put their emphasis, whether or not there is additional funds needed there or other things that are priority.

I guess I am coming back to understanding your concern about how we make sure these events occur, and that these groups have representation, I think is where I would like to work with you on the authorizing language.

My experience was when I had disciplines working and we had divided the State up in regions, so we had a lot from rural and very populated areas, that process—the State was also responsible for but driven by the disciplines and the locals gave us a better product than any one group doing it independently. So again, I understand the concerns.

I would be willing to work on the appropriation language. I still think we need to come back to looking at going through the States and looking at National-driven—what are the capabilities and prevention, what funding may be required. That is going to be different State by State and merely putting it a 25 percent. Yes, that is the set-aside.

But what if it is more? A lot of times if you say you get 25 percent, that is as much as you will get. If you say this is a priority,

you need to fund these type activities, it may actually drive more investment strategies on that prevention, but at the expense of other priorities.

Mr. PAYNE. Okay. You know, just a topic that, you know, naturally would be very important to me, you know, with Hurricane Sandy, and you know, in late October, we know what happened along the mid-Atlantic region, including my State of New Jersey.

On January 29, 2013, the President signed a Disaster Relief Appropriations Act of 2013, which included approximately \$50 billion in supplemental appropriations to 19 Federal agencies for expenses related to consequences of Hurricane Sandy.

To what extent, you know, have Disaster Relief Appropriation Act funds for FEMA program been obligated or expended?

Mr. FUGATE. I will respond in writing to the specifics. But in general, we focused on the emergency response and debris cost because we knew those were the expenses upfront. So where we have uncontested, we try to get all those done because that is usually the first thing is the jurisdiction has got to pay out.

Those are extraordinary costs. Oftentimes, they have to borrow money. So we did the community disaster loan program as well trying to fund on the front end as much as that as we could get done. So we can give you a report on that.

Now, as we get into the rebuilding, you have given us a couple of tools that we are now starting to get some traction. One is using cost estimates versus actual costs. This can sound like a very bureaucratic answer.

But it gives us the ability to go in and get the best estimate with the jurisdiction and fully fund the project on the front end versus only reimbursing as they go through the project. Some of the larger projects are now moving through the system to the point where we are getting into closure on what that is, we want to build on the mitigation.

We want to build—and this is the other thing that may be slowing us down a little bit—I don't think a lot, but I am trying to drive some decisions about not using our traditional cost-benefit analysis, always looking to our past to determine risk, almost like an insurance model but going, if we are going to build back a water pump station or a wastewater pump station, we need to build it for the future.

That may mean a different investment and perhaps more on the front end so that we don't come back next storm and have to replace or deal with the consequences again.

Mr. PAYNE. Okay. You know, I think you have kind of heard me loud and clear in terms of I understand you following the Constitution and States' rights and that. But I think you have seen what has been going on in New Jersey in terms of using some of these funds for leverage for reasons other than they are prescribed for.

What kind of oversight does FEMA perform to make sure the funds are going where they are needed—most needed and guarantees—and grantees are managing the funds effectively?

Mr. FUGATE. Well, for the phase we are in right now, there is no direction by the State. If it is damaged and was an eligible and declared area, that is determining what is getting funded. So there is not a lot of discretion at a State level who we are funding.

We also have been working with the State and local jurisdictions on their hazard mitigation plan which we have actually been working with the State all the way back to Hurricane Irene, where they have had very aggressive programs to look at repetitive loss areas to either turn it into green space or elevate.

But for right now, when you talk about our funds, they are directly tied to some kind of damages or expenses tied to the disaster.

There is not discretion about prioritizing who gets what funding. It is about where the damages occurred, was it eligible in the rebuilding in that area. We will get you the numbers on how much you did give us in Sandy and how much has been allocated in those categories, versus how much still remains to be written.

Mr. PAYNE. Okay.

Madam Chairwoman, I yield back. Thank you.

Mrs. BROOKS. Thank you. I now recognize myself for 5 minutes.

So just to clarify, you are indicating that right now, the funds that really the State of New Jersey does not have much discretion, that the funds that the Ranking Member is referring to as being directed by FEMA?

Mr. FUGATE. It is being directed by where there is damages. The State is the grantee. You had some grantees applying for it. But who determines that funding is based upon your county that was declared. You have eligible damages.

As those communities get those figures in, we are making those reimbursements. Again, part of that is tied to the Sandy Recovery Improvement Act.

So we are actually speeding up some of those areas that previously took longer time. So what will be interesting is where we are at now is to kind-of give you a comparison of what the spending looks like now for permanent work versus some of the other disasters we have worked.

Mrs. BROOKS. Then something that had to come up and not only in my jurisdiction but obviously in many others is the issues about flood insurance and under the new law, that it created a flood insurance advocate for homeowners.

The purpose is to provide homeowners with a single point of contact at FEMA who could help them begin to answer so many of these questions that so many of us in Congress certainly have.

So could you please share with us what are the—what are FEMA's current plans for standing up that office and what might we anticipate being the implementation time line?

Mr. FUGATE. We actually began looking at this when the language was actually being still drafted. We agreed this is a good idea. I will tell you, better be more than one person.

So we are looking how to establish—

Mrs. BROOKS. I agree.

Mr. FUGATE [continuing]. Within the flood insurance program a separate advocacy group so that their reporting structures and their evaluation structures aren't tied to other program goals and objectives. We want to have this set up so they are independent to that process, although it will be part of the flood insurance program.

I will have to respond back in writing, Madam Chairwoman, where we are at on that. But we began looking at that as you began promoting that in the House language. We agree it is a good idea. But part of it, too, is making sure that is staffed adequately and that when we start that program up, it has the bandwidth to handle the amount of customer interaction we expect.

Mrs. BROOKS. To follow up on that with respect to that, the new law also requires FEMA to certify when it has implemented a flood map being programmed based on review of the technical mapping advisory council, so while it was created in 2012 by Biggert-Waters law, to this point in time, I believe that council has not yet been established by FEMA.

So what do you anticipate is the time line on standing up that very important council so it can begin reviewing and improving the accuracy of what most of us do refer to as FEMA's flood maps?

Mr. FUGATE. The technical advisory committee draft structure and pilot and rules were created; we have actually solicited the applications. We are in the process of making the appointments. I don't have the date for the first meeting.

But we were in the process of implementing that so that there has already been a solicitation for membership and the appointments of that membership. I will just have to get back to you when their first scheduled meetings are going to start.

Mrs. BROOKS. We thank you for that. Again, as you could tell from many Members on the subcommittee and really across the country, the issues involving the flood mapping and the law that was just signed into law last week are so very critical across the country.

We want to work with you to try to ease the pain that this has caused so many homeowners across the country.

Well, with that, I want to thank you so much, Administrator Fugate, for your valuable testimony.

It is so very clear to me and to anyone listening that your local, State, and Federal experience is so very valuable as you lead this agency which has—which sees, it seems, more and more action regularly across the country, and want to support you and appreciate your responses to questions about your budget.

Members of the subcommittee may have additional questions for you and we will ask that you respond to those in writing in addition to those that you have already indicated. So just want to thank you for your service. We hope to be very helpful.

This agency is so critically important to countries or to communities all across the country. I want to thank you for your service.

Pursuant to committee rule 7(e), the hearing record will be open for 10 days. Without objection, the subcommittee stands adjourned.

[Whereupon, at 11:48 a.m., the subcommittee was adjourned.]

APPENDIX

QUESTIONS FROM CHAIRWOMAN SUSAN W. BROOKS FOR W. CRAIG FUGATE

Question 1a. Last year this subcommittee held two hearings on how social media is transforming the way the Nation prepares for and responds to disasters. One concern we heard was that some local emergency management offices are a one-person shop and lack the resources, or know-how, to maintain active social media operations and validate information they receive on needs for assistance.

Does FEMA provide assistance in monitoring and updating social media sites to affected areas during a disaster?

Answer. Yes, we provide social media support as needed and requested by States during a disaster. Emergency Support Function 15 (External Affairs) ensures coordinated and consistent outreach across all communication channels. Social media is part of ESF-15, so we routinely share social media plans and insights with our partners during the response. This is typically coordinated through the State, local, or Tribal Public Information Officer (PIO) or Public Affairs point of contact, who depending on the level of the disaster, are seated in the Joint Information Center (JIC).

Question 1b. Does FEMA provide training to first responders on how to effectively incorporate social media into their current operations?

Answer. Through our ten regional offices, we frequently share social media best practices and offer informal training with partners at all levels of government. We also engage with our stakeholders and partners through various association meetings and conferences, in which social media is focus or topic as a break-out session to include best practices and lessons learned.

Available courses:

- *Social Media for Natural Disaster Response and Recovery.*—Course at National Disaster Preparedness Training Center. This course is listed in the FEMA Training & Education Division catalog and is given on a regular basis to those at the city/State level who request the course.
- *IS-42: Social Media in Emergency Management.*—EMI course. Free, web-based course that anyone can take to give them an overview of how social media impacts emergency management.

Additionally, the Science and Technology Directorate's First Responders Group established the Virtual Social Media Working Group (VSMWG) in December 2010 to provide guidance and best practices drawn from a cross-section of subject-matter experts from Federal, Tribal, territorial, State, and local responders. For example, VSMWG's *Lessons Learned: Social Media and Hurricane Sandy* report provides an overview on how social media was used in preparation for, in response to, and in recovery from Hurricane Sandy. The report is available at https://communities.firstresponder.gov/DHS_VSMWG_Lessons_Learned_Social_Media_and_Hurricane_Sandy_Formatted_June_2013_FINAL.pdf.

Question 2a. On January 29, 2013, the President signed into law the Disaster Relief Appropriations Act that provided \$50.5 billion for Hurricane Sandy assistance. Shortly after, the Office of Management and Budget issued a memo that, among other things, stated that, “. . . Federal departments and agencies must ensure that the funds appropriated under the Act be used for their intended purposes.” To me, wasting taxpayer dollars is simply inexcusable. In June of last year, I wrote a letter to you regarding potential improper payments within the FEMA Public Assistance Program—although I received an interim response to that letter in November, I have yet to receive a final response.

How can Members of this subcommittee be assured that the money appropriated to FEMA will be properly spent, without the kind of waste we have sometimes in the past?

Question 2b. What has FEMA done since Hurricane Katrina to curb the occurrence of improper payments throughout the agency?

Answer. For Individual Assistance programs, FEMA has implemented multiple system and operational enhancements and lessons learned from the 2005 Gulf Coast disasters to provide prompt service while minimizing the risk of improper payments. The GAO found in their 2009 audit regarding *Improvements to Internal Controls for FEMA Registration Process* that “data from more recent disaster shows substantial improvements in internal controls, resulting in far fewer instances of payments being made to registrations with duplicate and invalid key data.”

FEMA has worked diligently to put protections in place that will safeguard against waste, fraud, and abuse, and significantly reduce the percentage of improper payments. New processes have been developed in order to improve the identification, reduction, and recovery of improper payments disbursed to Federal disaster assistance applicants.

First, FEMA now has the ability to validate the identity of individuals who register for assistance through electronic data verification prior to receiving any Individuals and Households Program (IHP) financial assistance. This verification is performed along with automated checks of applicant occupancy and ownership during the application process through LexisNexis. Therefore, identity, occupancy and ownership verification checks are now conducted electronically during the application process prior to the distribution of disaster assistance.

Second, FEMA has focused on the increased prevention of improper payments by developing new information management procedures in our National Processing Service Centers (NPSCs). The NPSCs have worked with the Office of Chief Information Officer to improve the National Emergency Management Information System (NEMIS) software used to process applications for disaster assistance. These actions include:

- Using identity and occupancy verification checks to prevent automated payments to applicants who may have used a fraudulent name, SSN, or address;
- Flagging “high-risk” addresses such as check-cashing stores, mail drops, cemeteries, and jails to block them from receiving automated payments;
- Blocking duplicative rental assistance payments for overlapping months or payments over the IHP maximum;
- Stopping duplicative registrations over the internet to prevent duplicate payments to the same applicant;
- Improving the NEMIS business rules to prevent duplicate payments to applicants at the same address; and
- Adding a NEMIS direct assistance module to track individuals in mobile homes or travel trailers in order to prevent the provision of financial rental assistance to applicants who were already housed by FEMA.

Third, FEMA has focused on the increased prevention of improper payments by instituting organizational changes which have further contributed to the decreased error rate:

- FEMA established the IHP Assistance Group in 2008 at the NPSCs to provide clear, consistent, and timely guidance regarding IHP policies and case processing procedures in order to reduce case processing errors, improve operational efficiency and overall delivery of service.
- The NPSCs have established specialized teams of employees referred to as Specialized Processing Groups dedicated to the processing of some of the more difficult cases, such as appeals and recoupments.
- The NPSCs have expanded the Quality Control group to include reviews of special projects and new case processing procedures. This has enabled the NPSCs to rapidly identify problems with projects and new processing guidelines and take remedial action as necessary.
- The NPSCs have established an Audit Group responsible for performing internal audits and analysis on the efficiency and effectiveness of the manner in which IHP is administered by the NPSC enterprise.
- The NPSCs have updated their IHP credentialing training curriculum to include changes in IHP policy and case processing procedures. In 2009, all NPSC staff involved in manual case processing received re-credentialing training and refresher courses in 2012.

The combination of these improvements has resulted in a reduction of the error rate in financial assistance from 14.53 percent following Hurricanes Katrina and Rita to just .3 percent for fiscal year 2011.

As a part of the overall effort to ensure the Public Assistance program is implemented in a consistent and effective manner the following initiatives were implemented:

- *PA Field Operation Pocket Guide*.—In June 2012, the PA Division published the updated Field Operations Pocket Guide to provide direction on a consistent approach on PA program delivery. It describes the fundamentals to be followed in

PA field operations Nationally to streamline the process for more efficient program delivery.

- *PA Mid-Level Managers.*—The PA Division launched the PA Mid-level Manager initiative to identify, hire, and train a dedicated group to serve as mid-level managers during large-scale PA disaster operations. The cadre promotes consistency by identifying and resolving PA Program implementation and policy issues through engagement with stakeholders, and coordination with Headquarters, to ensure the consistency of policies, guidance, and training. This cadre is used as a core group of experienced PA program managers that can be deployed as teams in the event of a National large-scale disaster or support regional disaster activity as required.
 - Reviewed approximately 500 resumes for the Mid-level Managers Positions
 - Conducted approximately 200 interviews in fiscal year 2013
 - Identified and hired 80 Mid-Level Managers
 - Trained and deployed approximately 44 in support of disaster operations
 - Approximately 35 remain in various stages of on-board, pending training, and pending deployment.
- *PA Consistency Training.*—The PA Division instituted the PA Consistency Training Initiative to train FEMA, and State, Tribal, and local governments on the PA Pocket Guide, EMMIE and Public Assistance Program Training to promote consistent implementation of the PA Program. To date the PA Division has provided the following consistency training:
 - Approximately 3,000 FEMA, State, local, and Tribal staff trained in the PA Consistency Training which includes training in the PA Pocket Guide, Emergency Management Mission Integrated Environment (EMMIE) and PA Dashboard.
 - Provided in-person or video teleconference (VTC) training in all FEMA Regions training an estimated:
 - 1,900 FEMA, PFT, CORE, and Reservist
 - 500 State participants
 - 300 Local participants
 - 20 Tribal participants
 - 230 PA Technical Assistance Contractors.

As a result of these new measures that have been implemented, the improper payment rate for PA grants decreased from 5.48% in fiscal year 2008 to 2.78% in fiscal year 2012. FEMA will continue to work to further reduce this number.

Question 2c. Earlier this month, residents in Indiana reported receiving alerts on their cell phones about a tornado, and instructing them to take shelter. However, this alert came more than 100 days after the tornado outbreak across Indiana. Although we appreciate the value of alerts, we also understand that either over-warning, or incorrect warnings, can cause harm and desensitize citizens to these alerts. How can we be assured that citizens are not over-alerted to the point that they become desensitized to the warnings they are receiving? How can we be assured that alerts and warnings are not going out, as this one apparently did, when there is no imminent danger?

Answer. The Federal Emergency Management Agency's (FEMA) Integrated Alert and Warning System (IPAWS) division worked with the National Oceanic Atmospheric Administration's (NOAA) National Weather Service (NWS), and an alerting system vendor used by Indiana to supplement the State Emergency Alert System relay network with the goal to determine the root cause of the unintended alert. The investigation revealed that the vendor system retrieved a test message from a separate NWS news feed and then sent it directly to the local broadcast stations. The test message included portions of a test tornado warning originated to support several State-wide tornado drills in the region. FEMA IPAWS was not involved in the errant tornado warning.

Both FEMA and the NWS recommend that any parties monitoring NWS products for alert distribution first ensure that they are ingesting a proper NWS product to suit their needs and further that they establish systems which examine incoming messages for proper structure and content prior to distributing them.

Question 2d. Last year, in Montana, alerts were sent out warning of a "zombie apocalypse." This hoax was perpetrated by hackers, but demonstrates that the IPAWS system is vulnerable and could potentially be used in a real emergency to mis-inform the public. How can we ensure that the IPAWS system is secure and only used for its intended purpose?

Answer. The zombie-type messages that were broadcast by some radio and television stations in February 2013 were a result of poorly-implemented security at those local radio and TV stations.

The integrity of the National alert and warning system components of FEMA's Integrated Public Alert and Warning System (IPAWS) were not compromised. However, FEMA is concerned about the integrity and security of alert and warning stations and equipment even when those systems are outside of the direct control of FEMA. We have worked to add emphasis to security awareness and practices in our stakeholder outreach programs and available training products as well as continuing to work with partners and stakeholders to improve the security and public confidence in alert and warning systems that are associated with the IPAWS.

Question 3a. The fiscal year 2015 budget proposes to eliminate the Pre-Disaster Mitigation (PDM) grant program. However, at the same time, the administration's Opportunity, Growth, and Security Initiative (OGSI) proposal includes \$400 million in competitive grants to State, local, and Tribal governments through the authorities of the Pre-Disaster Mitigation program. Can you please explain why the administration would propose to eliminate a program while at the same time adding \$400 million to it? Would this proposed \$400 million be used for the same types of projects currently allowable under the current PDM program?

Administrator Fugate, for several years, FEMA has sponsored the FEMA Think Tank, an on-line forum and in-person discussion sessions aimed at generating innovative solutions to emergency management issues.

What ideas that have come out of these sessions?

Question 3b. How these have translated into FEMA being able to fulfill the administrator's Intent?

Answer. FEMA administers the Flood Mitigation Assistance (FMA) program, which is a Pre-Disaster Mitigation program that focuses on eliminating damage to structures caused by flooding. The President budget includes funding for this program in fiscal year 2015. The Hazard Mitigation Grant Program is a post-disaster mitigation program which funds the development of State and local Hazard Mitigation Plans in addition to all-hazard mitigation projects. With funding for both the HMGP and FMA programs, FEMA will continue to work aggressively to ensure that States and communities take advantage of the opportunity to reduce the Nation's disaster losses through pre-disaster mitigation planning, and the implementation of planned, pre-identified, cost-effective mitigation measures.

Enactment of the Opportunity, Growth, and Security Initiative (OGSI) would provide \$400 million for FEMA's Pre-Disaster Mitigation program. Funding would support competitive grants to State, local, and Tribal governments through the Pre-Disaster Mitigation program. This program provides grants for eligible mitigation planning and projects that reduce disaster losses and protect life and property from future disaster damages. Besides planning grants the OGSI would provide cost-effective project grants to reduce flood losses, structure elevation, retro-fitting of existing buildings, soil stabilization; and management costs for the State to help administer mitigation programs.

Projects that propose mitigation to address climate change weather extremes such as winter storm severity; land-slides; flooding; earthquake; tsunami; and, drought for example will receive additional consideration.

As highlighted in the Administrator's Intent for fiscal year 2015–19, FEMA is focusing on a strategic imperative that stresses the need to “Foster Innovation and Learning” within the agency. In recognition of growing challenges and fiscal constraints, we are working to advance a culture that better fosters improvement, innovation, invention, and learning. As one example, FEMA established the Think Tank to help foster innovation throughout the emergency management community through bringing together leading entrepreneurs, technologists, academics, stakeholders, and subject-matter experts from diverse fields to offer fresh perspectives and new approaches. Specific FEMA Think Tank discussions have focused on a range of topics, including public-private partnerships, the use of innovative response technology in disaster operations, and examples of innovation that arose out of Hurricane Sandy. FEMA Think Tank and the innovative efforts it has sparked across the agency, include the use of new backup communications systems in disaster zones, discussion of electrical alternatives for individuals that use power-dependent medical equipment, and collaboration on increasing the efficiency of evacuations. Additional discussions are being translated into innovative approaches at FEMA, including the following examples:

- *OpenFEMA.*—The Federal Emergency Management Agency open Government initiative and a modernization project developed through Congressional appropriations that embrace the tenants of transparency, participation, and collaboration to support citizens and first responders to increase Government accountability, innovation, and effectiveness. Led by Ted Okada, FEMA's Chief Technology Officer, OpenFEMA was launched in October 2012 within the Office of the Chief Information Officer (OCIO) with the mission to expand and promote

a culture of open Government among FEMA and the whole community in support of the Nation's ability to prepare for, protect against, respond to, recover from, and mitigate all hazards. OpenFEMA's goals are to release data for public consumption, and engage with external partners to leverage FEMA's data to help achieve meaningful results and improve operational outcomes in support of first responders, those supporting disaster survivors, and the disaster survivors themselves.

- The OpenFEMA team, the FEMA Think Tank, and FEMA's Innovation Team have all worked together to encourage a culture of innovation within FEMA. For example, shortly after Hurricane Sandy made landfall, FEMA's Innovation team—a multi-sector, cross-functional group made up of people in Government, non-profit, volunteer groups, business, and concerned citizens—deployed and spread out through the affected areas, working alongside FEMA employees to identify real-time challenges. The Whole Community partners needed a shared space to virtually connect and leverage their resources to solve issues. The newly-created OpenFEMA team quickly responded and within 48 hours of request provided the a virtual space that allowed the innovation response team members with different domains and access points to efficiently collaborate, spurring innovative ideas, reducing emails and share resources that supported disaster survivors. Examples of solutions the Innovation team developed on the virtual space and implemented include but are not limited to the following: Providing internet connection at Red Hook, Rockaways, Staten Island, and other affected communities which allowed FEMA Corps volunteers to go door-to-door and register disaster survivors from their door-steps; and freed-up mobile communications Operations Vehicles (MCOVs) to go into other affected areas. MCOVs are a limited resource.
- OpenFEMA supported the development of an open-source urban search and rescue app following the Moore, OK tornado through our participation at the National Day of Civic Hacking. This event was held across 86 cities across the country, bringing together thousands of designers, developers, entrepreneurs, and private citizens to help solve challenges relevant to their communities. A few days prior to the event, the category 5 tornado hit Oklahoma spurring FEMA into action. Although OpenFEMA already had a concept they would be working on, they quickly used their resources to support the local innovative community participating in the Tulsa, OK event, which resulted in the development of an open-source urban search and rescue application to assist local Urban Search and Rescue (USAR) teams. This application recently received the White House Champions of Change award.
- Recently, OpenFEMA hosted the first-ever FEMA Data Town Hall (FDTH), a brainstorming workshop that brought together key internal stakeholders, such as agency knowledge experts, with selected external stakeholders (partners, first responders, developers, and innovators) to collaborate on an issue and develop solutions using FEMA's data. At the end of the town hall each team presented what they discussed, learned, and made a commitment to bring their concept to market within 90 days of the event. Learn more about the event on the FEMA blog.
- *Hurricane Sandy Innovation.*—FEMA utilized some innovative approaches during the response to Hurricane Sandy—several examples follow below.
 - *FEMA Community Relations Staff and Disaster Survivor engagement with mobile devices.*—The FEMA Community Relations personnel facilitated a pilot program of employing iPads to bring the FEMA registration process to Disaster Survivors through direct community relations engagement. By utilizing mobile devices “on the street,” FEMA was able to bring the on-line registration website in person to disaster survivors, allowing them to register on the spot.
 - *Innovation Team—Sandy.*—The administrator's office lead a pilot operation to coordinate non-profit and NGO organizations on the ground in select parts of New York City. The Innovation Team used a centralized collaboration tool to coordinate open-source innovation planning around activities like communications, recovery centers, housing, community engagement, and volunteer management.
 - *FEMA GeoPortal.*—Mission-Critical operational data was made available via a public geospatial portal that was primarily operated by the FEMA geospatial work force. The GeoPortal relied on FEMA operational data but also some crowd-sourced and other open data sources. New innovations centered around the delivery of over 150,000 Civil Air Patrol photos as well as over 137,000 geospatial damage assessments.

- *Tech Corps program.*—FEMA’s Private Sector Division has been using the IdeaScale portion of the FEMA Think Tank as a way to soft sound preliminary concepts as the team builds a new Tech Corps program. Tech Corps is based on the concept of integrating trained volunteers from major companies to support State and local partners with priority technology gaps after a disaster. Given the technology focus of the new program, IdeaScale was a logical tool for starting a conversation on topics like the appropriate roles and responsibilities of volunteer technology teams in response and training requirements. It has also allowed potential Tech Corps members to take an active role in shaping the program. While the Tech Corps program is still in a fledgling stage it is an example of a program that will benefit from crowd-sourced knowledge and information sharing, such as can be obtained through programs like the FEMA Think Tank, which foster and exchange of knowledge.

Question 4a. One of the Sandy Recovery Improvement Act’s provisions created greater flexibility within the Public Assistance Program. FEMA has implemented a pilot program known as the Public Assistance Alternative Procedures (PAAP).

Can you please provide the subcommittee with an update on how this pilot program is going?

Answer. Under the SRIA, Section 428—Public Assistance Program Alternative Procedures, there are two broad areas that the alternative procedures address: Debris removal activities and permanent work activities. Thus, FEMA is implementing two (2) separate pilot programs:

- Public Assistance Alternative Procedures Pilot Program for Debris Removal (Debris Removal Pilot);
- Public Assistance Alternative Procedures Pilot Program for Permanent Work (Permanent Work Pilot).

The Debris Pilot was initially implemented during the Oklahoma tornadoes in May 2013, and Nationally implemented for all disasters declared on or after June 28, 2013. The Permanent Work Pilot was effective for major disasters declared on or after May 20, 2013, and for projects in previously-declared major disasters where construction has not yet begun; thereby, providing opportunities for projects in Hurricane Katrina and Hurricane Sandy.

FEMA has developed 12 reference documents for State, Tribe, local governments and eligible private non-organizations. These are available on-line: <http://www.fema.gov/alternative-procedures>. FEMA has developed Assessment Plans for both pilots. FEMA has modified its data system—the Emergency Management Mission Integrated Environment (EMMIE)—in order to collect and track the data for the progress report. FEMA has developed SharePoint access for the Regional and JFO staff to provide quantifying data that is not collected in EMMIE, such as the number of debris management plans¹ received and reviewed by FEMA. As to another alternative procedure, FEMA established an Expert Panel² to review projects over \$5 million in Federal share for applicants requesting an independent validation of the cost estimate. FEMA has offered more than 40 training sessions on the pilot program to approximately 1,400 FEMA, State, Tribal, and local government officials.

Question 4b. How many Public Assistance applicants have taken advantage of the portion of this program that allows grants to be made on estimates?

Answer.

Debris Removal—Alternative Procedure Pilot

(The responses below are based on activity since the inception of the pilot program.)

- Four hundred thirty-nine of 652 applicants (or 68%) are using one or more of the Debris Removal Alternative Procedures, and 27 of 32 (or 84%) disasters have debris pilot subgrants.
- Fifty-one-point-five million dollars of \$59.4 million in debris costs are attributed to subgrants with one or more of the Debris Removal Alternative Procedures (86% of the debris funds included elements of the Debris Removal Pilot).

Permanent Work—Alternative Procedure Pilot

- Over 25 applicants have committed to Permanent Work Pilot projects.

¹ Relevant to the debris management plan alternative procedure, FEMA has received 185 debris management plans; accepted 45; determined 64 insufficient; and 76 plans are pending review. Under this procedure, FEMA can provide a one-time 2% cost share increase for applicants that have a FEMA-reviewed debris management plan and at least one pre-qualified debris contractor.

² FEMA has established agreements with U.S. Army Corps of Engineers (USACE) to use their Center for Cost Excellence to serve as the third-party Expert Panel to validate estimates.

- Seventeen disasters have Permanent Work Pilot Projects (8 prior to May 20 and 7 post-May 20, which is the date the Permanent Work Pilot was initiated and published.)
- One hundred five projects have been obligated for \$139 million.
- Eighty-eight projects for \$4.1 billion (includes Hurricane Sandy in NY and Hurricane Katrina in LA) are in project formulation.

Question 4c. What are the impediments to implementation?

Answer. Since the pilot's inception, the magnitude of declared events is less than the 10-year average. FEMA evaluated the Debris Removal Pilot numbers and the level of disaster costs in the last 10 years (from 2003 to 2013) using the same time period from June 28 to December 31. The typical per-event average for this time frame within the 10-year period is \$32.4 million.

In contrast, we have quantified an average \$1.8 million in debris removal costs for major disasters eligible to use the Debris Removal Pilot within the same time frame. This represents 6% of the 10-year average because, based on a 6-month time frame in a single year, the debris removal costs since the inception of the pilot program are 93% less than our 10-year average.

FEMA has not encountered impediments in implementing the Debris Removal Pilot. FEMA continues to collect the necessary data in order to promulgate regulations and gauge the effectiveness of the pilot.

The Permanent Work Pilot is gaining momentum. The funding structure under the Permanent Work Pilot is a paradigm shift: Going from reimbursement based on actual costs to committing to a grant based on a fixed estimate. FEMA is actively engaged in both educating applicants about the pilot and in project formulation. These efforts have contributed to significant commitments to grants based on fixed estimates.

To date, FEMA has not encountered impediments in implementing the Permanent Work Pilot.

