

DEPARTMENT OF HOMELAND SECURITY

FEDERAL EMERGENCY MANAGEMENT AGENCY

STATEMENT FOR THE RECORD

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ADMINISTRATOR

ON

FEMA'S FISCAL YEAR 2011 BUDGET:

PREPARING FOR DISASTERS AND MINIMIZING LOSSES

BEFORE THE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON HOMELAND SECURITY

U.S. HOUSE OF REPRESENTATIVES

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INTRODUCTION

Chairman Price, Ranking Member Rogers and Distinguished Members of the Committee, it is a privilege to appear before you today on behalf of the Department of Homeland Security (DHS) and the Federal Emergency Management Agency (FEMA) to discuss the agency and our FY 2011 Budget Request. The budget the President has proposed acknowledges the austere budget climate in which we find ourselves, and recognizes that FEMA also must be a good steward of taxpayer funds. In the development of our budget, we have considered the challenges faced by our state and local partners, and the reality that the federal government must meet its responsibilities while staying within its means.

The Agency's FY 2011 budget requests \$7.294 billion in net discretionary budget authority, which is an increase of \$186 million above the FY 2010 enacted level. This budget will help ensure that FEMA can continue to:

- Empower and strengthen local communities and individuals;
- Invest in our human capital and facilities;
- Mitigate against hazards;
- Enhance the preparedness of our nation;
- Provide effective emergency response; and
- Assist communities in recovering rapidly from disasters.

EMPOWERING AND STRENGTHENING LOCAL COMMUNITIES AND INDIVIDUALS

FEMA's budget request builds on a core principle that I believe is critical to not only FEMA's success, but also the success of our nation in managing disasters: FEMA is only part of the emergency management team; we are not the entire team. We need to move away from the mindset that federal and state governments are always in the lead, and build upon the strengths of our local communities and, more importantly, our citizens. We must treat individuals and communities as key assets rather than liabilities. This principle drives our agency's priorities, programs, policies and budget. The principle was also reflected in the first ever Quadrennial Homeland Security Review (QHSR), which defines the future direction of homeland security in the United States.

The QHSR, which was recently released by the Department, recognizes that despite our best efforts to protect this country and our citizens, disasters, accidents, and even deliberate attacks are inevitable. Our collective challenge is to build our national capacity to be resilient in the face of disasters at all jurisdictional levels, beginning at the local level with our citizens.

As Secretary Napolitano and I have repeatedly said, citizens often play a far larger role in disasters than is typically recognized. Family members, friends, co-workers and neighbors help with evacuations, search and rescue, food, water, shelter, and medical care, and undertake many other

critical response functions well before professional emergency responders arrive. Partnerships that reflect this reality are fundamental to achieving resilience. These partnerships must be formally recognized and strengthened before an incident occurs, to help ensure that we are maximizing our combined strengths and have the capacity to reach those in need of assistance.

FEMA will foster an approach to emergency management nationally that is built upon a foundation of proactive engagement with neighborhood associations, businesses, schools, faith-based community groups, trade groups, fraternal organizations, and other civic-minded organizations that can mobilize their networks to build community resilience and support local emergency management needs.

INVESTING IN OUR HUMAN CAPITAL AND FACILITIES

The Administration's FY 2011 request includes an increased Management and Administration (M&A) appropriation budget that will help FEMA invest in both our employees and our facilities. Our employees are our most valuable resource, and we need to ensure FEMA has the institutional knowledge and expertise needed to fulfill our mission.

The M&A appropriation provides core mission funding across all FEMA organizations at both the regional and headquarters levels. In the wake of Hurricane Katrina, FEMA expanded its temporary workforce known as the Cadre of On-Call Response Employees (CORE) to support new and expanded mission requirements, including programs supporting logistics management, individual assistance to disaster survivors, mitigation, disaster telecommunications, as well as business support functions across the workforce. These temporary but full-time employees have been paid through the Disaster Relief Fund (DRF) appropriation both for direct charge disaster and non-disaster specific allocations. Those that are essential to FEMA's ability to execute its daily mission requirements are proposed to be funded in the M&A appropriation, which supports all of FEMA's mission areas. FEMA is currently in the process of moving these essential full-time temporary CORE positions to full-time permanent federal positions and we will complete these moves in FY 2010. After this action is completed, FEMA will no longer use its temporary CORE workforce for base FEMA programs. In our FY 2011 request, only the CORE employees charged directly to specific disasters will remain funded by the DRF.

We have also proposed a modest increase of \$23.3 million in our FY 2011 M&A appropriation request for improvements to support neglected facilities. By 2011, FEMA will reach the point where our facilities will be unable to continue to absorb projected and necessary staffing increases and mission responsibilities. FEMA also faces a critical need for adequate resources to maintain and repair our aging and deteriorating facilities. To address these needs, FEMA has developed a five-year capital plan. \$23.3 million is required in FY 2011 to begin critical regional facility acquisitions and repairs, as well as to support critical and long-overdue capital improvements. Of this amount,

\$11.4 million would be allocated for additional facilities to provide adequate space for our workforce and the remaining \$11.9 million would be allocated to facility repairs and capital improvements for existing facilities.

To support all M&A activities, FEMA requests \$902.9 million, which represents a net increase of \$105.3 million or 13.2 percent. This request will annualize the \$105.6 million that was transferred in FY 2010 from the DRF into the M&A account and will fully fund all M&A employees within the M&A account, eliminating the need to seek a transfer authority as has been necessary in the past.

MITIGATING AGAINST HAZARDS

Although some disasters are inevitable, we can and must take steps to reduce their impact. Achieving this goal requires a thorough assessment of risks and robust efforts to reduce vulnerabilities. Mitigation provides a critical foundation to reduce loss of life and property by avoiding or lessening the impact of a disaster, and seeks to break out of the cycle of disaster damage, reconstruction, and repeated damage. Mitigating vulnerabilities reduces both the direct consequences and the response and recovery requirements of disasters.

The Pre-Disaster Mitigation (PDM) Fund provides technical assistance and federal funding to state, local, and tribal governments to support the development and enhancement of hazard mitigation plans aimed at instituting policies and practices, and mitigation projects that involve physical measures to avoid or reduce damage from natural disasters. Operating independently of the DRF, which provides post-disaster Hazard Mitigation Grant Program (HMGP) funding, the PDM Fund offers an annual source for qualified mitigation activities that are not dependent upon a Presidential disaster declaration. The 2007 report from the Congressional Budget Office found that for every dollar invested prior to a disaster, \$3 in future losses to taxpayers are avoided, based on an analysis by CBO of mitigation investments. In addition, the Multihazard Mitigation Council of the National Institute of Building Sciences did a congressionally mandated study and found that every dollar spent on disaster mitigation saves society an average of \$4. Mitigation helps to save lives and reduce property damage.

In FY 2011, FEMA seeks to incorporate pre-disaster mitigation and sustainability principles into both the PDM program and the Department of Housing and Urban Development's (HUD) Sustainable Communities Initiative through a partnership with HUD. This will help support strategic local approaches to sustainable development by coupling hazard mitigation with related community development goals and activities that reduce risks while protecting life, property, and the environment. In support of this effort, the Administration requests \$100 million in FY 2011 for the PDM Fund, the same amount enacted in FY 2010.

The Flood Hazard Mapping and Risk Analysis Program addresses flood hazard data update needs and builds upon the successful Flood Map Modernization program. This effort began in 2004 as a federally funded initiative to improve and modernize the process for updating, maintaining, storing, and distributing the flood hazard and risk information portrayed on Flood Insurance Rate Maps (FIRMs). Federal statutory requirements direct FEMA to review the flood hazards maps on a five-year cycle and address flood hazard data update needs.

To meet this requirement, FEMA requests \$194 million in FY 2011 for the Flood Hazard Mapping and Risk Analysis Program, a net decrease of \$26 million from the level enacted in FY 2010. However, this reduction will be offset by fees collected through the National Flood Insurance Program (NFIP) and efficiencies created through the implementation of Risk Mapping, Assessment and Planning (Risk MAP) and through FEMA's use of digital rather than paper maps.

The National Flood Insurance Fund (NFIF) is a premium revenue and fee-generated fund that supports the NFIP. The NFIP provides flood insurance on a national basis to owners of properties located in vulnerable areas. Currently the NFIP insures more than 5.6 million residential and commercial policyholders, totaling approximately \$1.1 trillion in insurance coverage. By supporting the flood hazard reduction grant programs and floodplain management efforts, the NFIP estimates that more than \$1.2 billion in flood-related losses are avoided annually.

FEMA requests \$169 million in fee authority in FY 2011 for the discretionary NFIF funding which is a \$23 million increase from the FY 2010 enacted level, based on estimated fee collections resulting from increases in policy fees that will go into effect by May 1, 2010.

FEMA also requests \$3.0 billion in fee authority in FY 2011 for mandatory NFIP funding, which is a \$50.5 million increase over the FY 2010 enacted level based on estimated policy rate increases effective in October 2009 and October 2010. The mandatory NFIP fee authority will fund the Flood Mitigation Assistance and Repetitive Flood Claims programs, in addition to the NFIP operating expenses.

ENHANCING THE PREPAREDNESS OF OUR NATION

Active participation by all segments of society in planning, training, organizing, and heightening awareness is an essential component of national preparedness. Although efforts have traditionally focused on preparedness of the government and official first responders, we must start with our citizens. The preparedness of our citizens, and the enhancement of their ability to care for themselves and assist their neighbors in emergencies, is critical to response and recovery success. When safely provided, neighbor-to-neighbor assistance decreases the burden on emergency responders. Our citizens should be seen as force multipliers who can offer specialized knowledge and skills, and allow emergency responders to focus on the most vulnerable segments of society.

After neighbors, law enforcement, emergency services, and fire personnel are the first to respond to an incident, and are usually the first to identify and commence preparation for an emerging event. We must continue to ensure that these organizations and personnel are properly trained, and fully supported.

Through grants, training, exercises, and other support, the State and Local Programs (SLP) appropriation enables FEMA to fulfill its role as the principal component of DHS responsible for assisting state and local governments in the prevention of, protection against, response to, and recovery from natural and man-made disasters.

FEMA requests \$4 billion in FY 2011 for the SLP appropriation, which is a decrease of \$164.61 million from the FY 2010 enacted level. The request also proposes to consolidate several current grant programs into a larger State Homeland Security Program (SHSP) and Urban Areas Security Initiative (UASI). This consolidation gives states and urban areas the flexibility to spend grants funds through SHSP and UASI according to their identified priorities, rather than tailoring their needs to “fit” the multiple grant programs that currently exist. State, local and tribal partners have stated that they would like to see some consolidation of similar grant programs, in order to reduce the administrative and application burdens. This budget is responsive to this important stakeholder feedback.

Proposed funding levels within the SLP appropriation are as follows:

- **State and Regional Preparedness Program:** This program includes four grant programs – the SHSP; the Emergency Management Performance Grants (EMPG); the Regional Catastrophic Preparedness Grants Program (RCPGP); and the Firefighter Assistance Grants Program. The Firefighter Assistance Grants Program actually consists of three individual programs: the Assistance to Firefighter Grants (AFG) program, the Staffing for Adequate Fire and Emergency Response (SAFER) program, and the Fire Prevention and Safety (FP&S) program. In FY 2011, FEMA requests \$2.04 billion for the State and Regional Preparedness Program, which is the same amount as requested in FY 2010, but is a decrease of \$313.7 million from the FY 2010 enacted level. The Administration also proposes to realign the Firefighter Assistance Grants and the Emergency Management Performance Grants into the SLP appropriation.
- **Metropolitan Statistical Area (MSA) Preparedness Program:** The proposal for this program includes four grant programs – the Urban Areas Security Initiative (UASI); the Buffer Zone Protection Program (BZPP); the Port Security Grant Program (PSGP); and the Transit Security Grant Program (TSGP). In FY 2011, FEMA requests \$1.75 billion for the MSA Preparedness Program, which includes an increase of \$201 million from the FY 2010 enacted level.

- **Training Measurement and Exercise Program:** This program funds the National Exercise Program, the Continuing Training Grant Programs, the National Domestic Preparedness Consortium, and the Technical Assistance and Evaluation and Assessment Program. In FY 2011, FEMA requests \$210.59 million for the Training Measurement and Exercise Program, which is the same amount as requested in FY 2010.
- **Management and Administration:** Funding for this activity includes traditional operational and program management support resources for the Grants Program and National Preparedness offices. This funding supports the salaries and benefits for headquarters and regional staff, travel, rent, printing and supplies, related preparedness activities, and the business processes and systems necessary for all stages of grants management. The proposal is for program management and administration costs not to exceed 4.7 percent of the total funding of the State and Local Programs (including the Firefighter Assistance Grants and Emergency Management Performance Grants). In addition, we are also proposing that funding for Grants Program and National Preparedness management and administration be transferred to the FEMA M&A appropriation account after enactment.

The mission of the United States Fire Administration (USFA) is to provide national leadership to foster a solid foundation for fire and emergency services stakeholders for prevention, protection, preparedness, and response. USFA prepares the nation's emergency responders through ongoing and, when necessary, expedited training, to help evaluate and minimize community risk, improve protection of critical infrastructure, and better prepare to react to all types of emergencies. USFA coordinates with other federal, state, and local emergency service agencies, the private sector, and with colleges, universities, and other DHS educational consortium participants.

To continue to build these preparedness capabilities, FEMA requests \$45.93 million for USFA in FY 2011, which is an increase of \$342,000 for pay inflation, as compared to the FY 2010 enacted level.

The Radiological Emergency Preparedness Program (REPP) assists state, local, and tribal governments in the development of off-site radiological emergency preparedness plans within the emergency planning zones of Nuclear Regulatory Commission (NRC) licensees of commercial nuclear power facilities. The REPP fund is financed from user fees assessed and collected from NRC licensees to cover budgeted costs for radiological emergency planning, preparedness, and response activities in the following year.

FEMA requests \$33 million in fee authority for REPP in FY 2011, which is an increase of \$361,000 for pay inflation, as compared to the FY 2010 enacted level.

PROVIDING EFFECTIVE EMERGENCY RESPONSE

Because it is impossible to eliminate all risks, a resilient nation must have a robust capacity to respond when disaster strikes. This response must be grounded in the basic elements of incident management. When an incident occurs that is beyond local response capabilities, communities must be able to obtain assistance from neighboring jurisdictions and regional partners quickly, making a robust regional capacity vital to effective emergency response.

Strong FEMA Regions are critical to our ability to maintain and sustain robust partnerships with our stakeholders within the public and private sector that will help ensure the most efficient leveraging of national expertise, resources, and capabilities in future responses to all-hazard events. FEMA will continue to further empower our regional offices to improve quality and consistency in all aspects of disaster preparedness and management, including disaster response. Regional situational awareness of operations must be used to properly shape policy and planning.

The FEMA team has continued to improve coordination and connectivity with interagency, military, and DHS partners through upgrades to our network of operation centers, including the National Response Coordination Center, Regional Response Coordination Centers, the Response Watches, and the FEMA Operations Center.

FEMA's Operational Teams – the Incident Management Assistance Teams (IMAT), the Urban Search and Rescue (US&R) Task Forces and Mobile Emergency Response Support (MERS) teams – continue to be deployed in support of disasters and National Security Special Events.

The IMAT can rapidly deploy to an incident or incident-threatened venue, provide leadership in the identification and provision of federal assistance, and coordinate and integrate inter-jurisdictional response in support of affected state(s), tribe(s) or U.S. territory(s). IMAT teams support efforts to meet emergent needs, provide initial situational awareness for federal decision-makers, and support the initial establishment of a unified command. Moreover, the IMAT can establish an effective federal presence within 12 hours of notification and are self-sufficient for a minimum of 48 hours to augment potentially scarce local resources.

The US&R system is comprised of 28 Task Forces that provide a coordinated, national, all-risk capability for locating, extricating, and stabilizing victims of structural collapse incidents resulting from natural or manmade causes, including terrorism and weapons of mass destruction. These Task Forces are highly trained and possess the necessary expertise to provide medical treatment to victims in heavy rescue situations. FEMA distributes readiness grants to each of the US&R Task Forces to provide the US&R system crucial funding for equipment and training.

Within the FEMA M&A appropriation, there is funding for the US&R Task Forces. FEMA requests \$28 million for the US&R Task Forces in FY 2011, which is the same amount as requested in FY 2010.

HELPING COMMUNITIES RECOVER RAPIDLY FROM DISASTERS

The Robert T. Stafford Act Disaster Relief and Emergency Assistance Act authorizes the President to provide federal assistance to supplement state and local governments' disaster response, recovery, readiness, and mitigation efforts. Under the Homeland Security Act, as amended by the Post Katrina Emergency Management Reform Act, the FEMA Administrator has been delegated the responsibility for administering the Stafford Act's federal assistance program. Through the DRF, FEMA can fund authorized federal disaster support activities as well as eligible state, territorial, tribal, and local actions, such as providing emergency protection and debris removal. The DRF also funds:

- The repair and rebuilding of qualifying disaster-damaged infrastructure;
- Post-disaster hazard mitigation initiatives;
- Financial assistance to eligible disaster survivors; and
- Fire Management Assistance Grants for qualifying large wildfires.

Major disasters and emergencies may be the result of natural or man-made hazards, and are normally declared by the President in response to gubernatorial requests for assistance. States request federal assistance to supplement their available resources and certify that a given disaster is beyond their capacity or capability to respond.

FEMA requests \$1.95 billion for the DRF in FY 2011, which is a net increase of \$350 million from the FY 2010 enacted level to support the five-year average obligation level for non-catastrophic disaster activity.

The Administration is submitting, concurrent with the FY 2011 request, a \$5.1 billion supplemental request for the DRF. These funds are needed due to continuing obligations associated with previous disasters including hurricanes Katrina, Rita, and Wilma in 2005 and 2006, the 2007 California wildfires, and hurricanes Gustav and Ike in 2008, among others. These supplemental funds are needed immediately to allow us to continue our response and recovery efforts from these large catastrophic events.

The Emergency Food and Shelter Program provides grants to nonprofit and faith-based organizations at the local level through a National Board to supplement their programs for emergency food and shelter. Nearly 12,000 nonprofit and local government agencies in over 2,500 cities and counties across the United States receive grant awards. Emergency Food and Shelter funds are used to supplement food, shelter, rent, mortgage, and utility assistance for people with non-disaster related emergencies. FEMA requests \$100 million for the Emergency Food and Shelter Program in FY 2011. This is the same amount as requested in FY 2010.

Working with partners and stakeholders, FEMA, together with our federal partners, will continue to support recovery programs that more seamlessly support affected communities and balance the

assistance needs of the states, communities, and individuals with the agency's need to serve as a good steward of taxpayers' funds. In the coming year, FEMA will build upon the results of the Catastrophic Event Preparedness effort and the direction provided by the Long Term Disaster Recovery Working Group, the National Disaster Recovery Framework, the National Disaster Housing Task Force and other related taskforces and workgroups to implement a more robust, efficient and cost-effective federal program to meet the needs of survivors.

CONCLUSION

Mr. Chairman, I believe that the Administration's FY 2011 budget proposal represents a thoughtful, responsible approach to improving our nation's resilience to all hazards. The budget proposal will enable the entire emergency management team to achieve our strategic goals to mitigate hazards, enhance our nation's preparedness, ensure an effective emergency response capability and assist those communities that do experience disasters to rapidly recover.

But more importantly, our budget will help us empower and strengthen communities and individuals. As I noted at the outset, Mr. Chairman, FEMA is not the entire team. We are only part of the team – a team that includes all Americans. The more that we can do to ensure that each individual and family is prepared for disasters, the better prepared we will all be as a nation. I look forward to working with you, distinguished Members of this Subcommittee, and other Members of Congress to communicate this message to the American people so that we can become a more resilient Nation.

This concludes my testimony today. I am prepared to answer any questions the Committee may have.

William Craig Fugate

Administrator of the Federal Emergency Management Agency



W. Craig Fugate began serving in the position of Administrator of the Federal Emergency Management Agency (FEMA) in May 2009.

Prior to coming to FEMA, Mr. Fugate served as Director of the Florida Division of Emergency Management (FDEM). In that role since 2001, he managed 138 full-time staff and a budget of \$745 million. His agency coordinated disaster response, recovery, preparedness and mitigation efforts with each of the state's 67 counties and local governments.

Mr. Fugate began his emergency management career as a volunteer firefighter, Emergency Paramedic, and finally as a Lieutenant with the Alachua County Fire Rescue. Eventually, he moved from exclusive fire rescue operations to serving as the Emergency Manager for Alachua County in Gainesville, Florida. He spent a decade in that role until May 1997 when he was appointed Bureau Chief for Preparedness and Response for FDEM.

Within FDEM, Mr. Fugate's role as Chief of the State Emergency Response Team (SERT) kept him busy during 1998. That year, the SERT team was active for more than 200 days as a result of numerous floods, tornadoes, wildfires, and Hurricane Georges.

In September 2003, again under Mr. Fugate's stewardship, the Florida Emergency Management Program became the first statewide emergency management program in the nation to receive full accreditation from the Emergency Management Accreditation Program (EMAP).

During his years at FDEM, Mr. Fugate served as the State Coordinating Officer in Florida for 11 Presidentially-declared disasters and the management of \$4.5 billion in federal disaster assistance.

In 2004, Mr. Fugate managed the largest federal disaster response in Florida history as four major hurricanes impacted the state in quick succession (Charley, Frances, Ivan and Jeanne). In 2005, Florida was again impacted by major disasters when three more hurricanes made landfall in the state (Dennis, Katrina and Wilma). The impact from Hurricane Katrina was felt more strongly in the Gulf Coast states to the west but under the Emergency Management Assistance Compact or EMAC, Florida launched the largest mutual aid response in its history in support of those states.

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