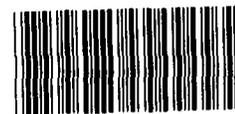


GAO

Testimony



143899

*For Release
on Delivery
Expected at
9:30 a.m. EDT
Wednesday
May 15, 1991*

DISASTER ASSISTANCE

**Federal, State, and Local Responses to
Natural Disasters Need Improvement**

Statement of
John M. Ols, Jr., Director
Housing and Community Development Issues
Resources, Community, and Economic
Development Division

Before the
Subcommittee On Investigations and Oversight
Committee on Public Works and Transportation
House of Representatives



Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss our recently issued report concerning the federal, state, and local responses to the September 1989 Hurricane Hugo and the October 1989 Loma Prieta earthquake.¹

Our report responded to requests from several Members of Congress who were concerned about the timeliness, efficiency, and coordination of the federal response to the hurricane and the earthquake. To address these concerns, we reviewed federal, state, and local emergency management activities in each of the five states declared as major disaster areas. For Hurricane Hugo, these states were North Carolina, Puerto Rico, South Carolina, and the U.S. Virgin Islands.² For the Loma Prieta earthquake, our work focused on northern California.

These catastrophes caused billions of dollars in damages and hardship for hundreds of thousands of people. They represented an unprecedented challenge in the extent of damage and demands for staff and other resources for the Federal Emergency Management Agency (FEMA). The Stafford Disaster Relief Act (P.L. 100-707, as amended) authorizes federal agencies to supplement the efforts and resources of state and local governments and voluntary relief agencies, which are expected to be the first responders when a disaster strikes. FEMA is charged with coordinating federal disaster assistance once the President declares a disaster.

In summary, the severity of these nearly simultaneous events highlighted problem areas in three phases of disaster management--preparedness, immediate response, and recovery. These problem areas need federal, state, and local agencies' attention to help improve capabilities to respond to future disasters.

State and local governments prepare for disasters by developing emergency plans and conducting training exercises and drills. We found weaknesses in state and local preparedness programs, as well as in FEMA's assistance and overall guidance. These problems included inadequate planning and training for the recovery phase, little participation by local elected officials in training and exercises, inadequate or no standard operating procedures for response and recovery activities, and inadequate coordination between several federal agencies.

¹Disaster Assistance: Federal, State, and Local Responses to Natural Disasters Need Improvement (GAO/RCED-91-43, Mar. 6, 1991).

²States, as used in this testimony, include the Commonwealth of Puerto Rico and the U.S. Virgin Islands.

In the response phase, local, state, federal, and voluntary relief agencies serve the victims' immediate needs by providing food, shelter, and emergency power. Inefficiencies in this phase resulted from staffing and coordination difficulties between agencies at all levels. Also, because FEMA is not authorized to assume the state's role as immediate responder, some assistance was delayed in the Virgin Islands. Legislative action may be needed to give FEMA such authority if it is to act as an immediate responder in the future, when warranted and requested by the state.

During recovery from a disaster, federal assistance, such as grants and loans, may be provided to repair homes and public facilities. During this phase, state and federal agencies, including FEMA, did not manage their activities as efficiently as possible. As a result, assistance was delayed and duplicate payments were made for certain activities. Events in the recovery phase also indicate that FEMA's role in responding to disaster-related, long-term housing needs is unclear.

Overall, FEMA fulfilled many aspects of its basic mission of supplementing state and local efforts. The severity of these disasters, however, highlighted the need for improvements in disaster management at various levels of government. In this regard, officials of federal, state, local, and voluntary relief agencies have identified numerous areas needing improvement, such as emergency communications and staffing. Many agencies have already implemented or plan to implement corrective measures.

I would now like to discuss our findings as they relate to the three phases of disaster management--preparedness, immediate response, and recovery--discussed above.

PREPAREDNESS FOR DISASTER RESPONSE AND RECOVERY VARIED

Preparedness is the most critical aspect of emergency management. It affects state and local governments' ability to respond to citizens' needs immediately after a disaster as well as during the longer-term recovery. State and local governments have primary responsibility to prepare for and respond to a disaster. FEMA only has the authority to guide, not direct, state and local governments in their preparedness plans and activities. The federal role--primarily through FEMA--supplements state and local preparedness efforts by providing guidance on the content of disaster plans, training courses, and exercises to test plans and funding for planning and training. When states and/or local governments do not comply with agreed-upon objectives, correct problems identified in exercises, or participate in training, FEMA has no practical means of requiring that they do so to be better prepared to deal with disasters.

The preparedness, and thus the capability, of the five states we reviewed to respond to disasters varied. California, for example, had a large state emergency organization and state-funded training. In contrast, the Virgin Islands had one emergency planner and no state-funded training. California's level of preparedness contributed to its ability to respond to the earthquake with relatively few problems, while the Virgin Islands' lack of preparedness meant that FEMA and other federal agencies had to assume much of the territory's role as "first responder" because it could not organize an effective response effort. Because FEMA was not prepared to assume the state's role as immediate responder, some assistance was delayed.

State and local governments decide what resources and emphasis their preparedness programs receive; consequently, their emergency response and recovery capabilities differ. Emergency management capabilities among the five states differed by the state government's organizational structure, level of state staffing and training, frequency of exercise drills, and frequency of presidentially declared disasters. The Associate Director of FEMA's State and Local Programs and Support Directorate said that capabilities to respond to natural disasters of the magnitude and complexity of Hurricane Hugo vary widely at all levels throughout the emergency management community.

For example, FEMA officials said that states such as California and North Carolina have emphasized their disaster preparedness programs, and that these states generally had few coordination problems during the immediate response phase. The situations in these states were not as severe as those in the three other states. And, California and North Carolina reported making fewer requests to FEMA for immediate emergency assistance than the other three states. In contrast, the Virgin Islands did not correct problems it had identified during earlier training exercises and had difficulties in implementing its emergency plan. These problems contributed to its inability to fulfill its first responder role on St. Croix after the hurricane struck.

While some states we reviewed were well prepared, all of them had some problems in their preparedness efforts. These problems resulted from weaknesses in state and local programs, as well as in FEMA's assistance and overall guidance. They included inadequate planning and training for recovery; low participation by elected officials in training and exercises; inadequate and/or no standard operating procedures for response and recovery activities, such as managing an emergency operations center; and failure to correct problems that state and local agencies' officials identified earlier. For example, exercises in the Virgin Islands and/or 28 counties in North and South Carolina identified problems with communications, interagency coordination, emergency plans, or emergency operating procedures. State and local officials, however, did not correct some of these problems, and they

resurfaced when jurisdictions had to respond to needs associated with the hurricane.

IMMEDIATE RESPONSE NEEDS MET, BUT STAFFING AND COORDINATION PROBLEMS EXISTED

I would now like to discuss our findings for the immediate response phase. In four of the five states we visited, state and local governments as well as voluntary relief agencies fulfilled their first responder responsibilities. Following their disaster preparedness plans, they evacuated and sheltered citizens and provided emergency supplies to affected citizens. In the Virgin Islands, however, the territorial government was not adequately prepared to respond to the disaster, and FEMA and other federal agencies had to act as first responders on St. Croix.

In general, FEMA carried out its responsibilities to supplement state and local government efforts, but not necessarily as efficiently as possible. FEMA officials were on site in North and South Carolina before the hurricane struck. State officials in the five states told us that FEMA satisfied nearly all state requests for essential items on a timely basis.

However, staffing and coordination problems, particularly for FEMA, meant that the immediate response was not as efficient as it could have been. FEMA did not have enough trained staff to deal with the scope of the devastation Hurricane Hugo caused, and this staffing shortage was compounded 1 month later when the earthquake struck. FEMA had to use staff not trained in disaster assistance and had to rely heavily on its force of reservists and local hires.³ State and local agencies also experienced staffing shortages. In addition, because responding federal agencies did not always clearly understand how to manage their overlapping responsibilities, some efforts were unnecessarily duplicated. For example, FEMA and the Soil Conservation Service did not coordinate debris removal efforts in South Carolina, which created potential health and safety hazards for months after the hurricane.

RECOVERY ISSUES NEED MORE ATTENTION

In recovering from the September and October 1989 disasters, FEMA and other federal and state agencies did not manage their assistance programs as efficiently as possible. Because of

³A reservist is a temporary FEMA employee who may be activated to assist in federal disaster response and recovery activities at any number of major disaster locations over a 2-year appointment term. A local hire is a temporary FEMA employee appointed for 120 days to assist at a specific disaster at or near the employee's area of residence.

inefficient operations and/or uncertainty over roles and responsibilities, recovery assistance was marked by delays, duplicate payments, and incomplete responses to disaster victims' needs.

Three areas--program administration, coordination among federal agencies, and provision of housing for low-income disaster victims --need improvement to help ensure that future disaster recovery efforts are handled more efficiently and effectively. In the area of program administration, for example, computer systems between FEMA and the other responsible federal and state agencies were incompatible. As a result, there were delays in information-sharing and difficulties in determining whether duplicate payments were made. In addition, FEMA and other agencies with similar responsibilities for restoring public facilities did not coordinate their activities. For example, FEMA and Education provide assistance to repair schools. However, because of coordination problems, some school districts in California, North and South Carolina, and the Virgin Islands were subject to duplicate damage inspections and/or assistance was delayed for several months.

With respect to providing housing for low-income disaster victims, current federal disaster assistance programs do not provide adequate assistance to state and local governments to reconstruct damaged rental units. In California, for example, the shortfall in housing assistance was evident in several areas. First, landlords wanting to repair damaged units found that federal disaster loans were not economically feasible for low-income housing. Repayment costs would have required owners to charge rents beyond the means of low-income tenants. Second, the Department of Housing and Urban Development (HUD) generally does not receive disaster assistance funds from the Congress, and transfers of other HUD funds to aid disaster victims were delayed. It took HUD 4 months to provide rental assistance vouchers and as much as 8 months to provide rehabilitation certificates.⁴ Third, California's deferred loan programs offered some limited assistance to restoring rental units and homes, but assistance was delayed because federal assistance was to be used first. And finally, FEMA said its authority permitted it to provide only temporary emergency shelter. Therefore, in California, FEMA did not establish a temporary housing assistance program that recognized the need for a long-term housing recovery plan.

The recovery phases of the California and Caribbean disasters presented other problems for FEMA regarding its role and

⁴The vouchers can provide rental assistance to some low-income renters, and the certificates can help restore buildings with minor damage. Neither program, however, addresses the need to replace or restore the destroyed or seriously damaged units.

responsibility in providing long-term housing assistance. These problems concerned both the type and the amount of housing assistance FEMA can provide to low-income disaster victims in areas where affordable housing is scarce. Advocacy groups in California sued FEMA, alleging that it discriminated against low-income people who had occupied single room occupancy units or other transient accommodations, many of which were made uninhabitable by the earthquake. Such occupants had difficulty providing documentation to verify that they met FEMA's requirement that they had lived at a particular location for at least 30 days to receive FEMA's temporary housing assistance. Although the parties entered into a memorandum of understanding in December 1990 that requires FEMA to provide up to about \$23 million for replacing about 2,000 low-income housing units, little has been done to repair and/or replace low-income housing in the earthquake-damaged areas.

In Puerto Rico and the Virgin Islands, we also found that one FEMA approach to providing housing assistance, "eligible-created resources," does not conform to the requirements of the Stafford Act because housing is made available to disaster victims on a permanent, not a temporary, basis. Under eligible-created resources, FEMA provided cash grants for constructing permanent housing for disaster victims in areas not part of the mainland United States. On the mainland, FEMA traditionally meets the disaster victims' temporary housing needs by providing grants to make minimal repairs to restore habitability to their damaged homes, rental assistance, or mobile homes. If FEMA cannot satisfy the victims' temporary housing needs, it may refer them to other programs, such as the Small Business Administration's disaster loan program.

LESSONS LEARNED AND ACTIONS PLANNED

Agencies at all levels of government involved in disaster assistance have recognized, after the hurricane and the earthquake, the need for improvements in all phases of disaster operations. Further, many agencies have already implemented or plan to implement corrective measures. For example, FEMA is modifying its training to more fully address recovery needs. FEMA is also considering streamlining the process for providing assistance to families and individuals, and has increased its reservist force. South Carolina is taking steps to help ensure that state and local elected officials receive proper training and instruction to help ensure that they understand their roles and duties when a disaster strikes. At the local level, one South Carolina county, for example, is working to improve communications between the state and local levels of government.

CONCLUSIONS, RECOMMENDATIONS, AND MATTERS
FOR CONGRESSIONAL CONSIDERATION

State and local governments have primary responsibility for disaster preparedness. FEMA only has the authority to guide, but not direct, state and local governments in their preparedness plans and activities. When states and/or local governments do not comply with agreed-upon objectives, correct problems uncovered in exercises, or participate in training, FEMA has no practical means of requiring that they do so to be better prepared to deal with disasters. The recent experiences with Hurricane Hugo and the Loma Prieta earthquake, however, should be persuasive. When states and local governments had fully engaged in planning and exercises, and made appropriate corrections, they were better able to respond to the demands of the disasters. All levels of government, however, faced problems in dealing with long-term recovery, on which FEMA had placed little emphasis.

In the response phase, the needs of the victims were generally met, but not necessarily as efficiently as possible. These inefficiencies, particularly coordination difficulties between agencies, requests for assistance that went outside of established channels, and inadequate staffing, gave rise to a general impression that FEMA and other agencies were not meeting their obligations. Also, some victims and some government officials did not understand FEMA's responsibility to supplement the efforts of state and local governments.

In recovering from the disasters, FEMA and other agencies did not manage their programs as efficiently as possible. We found that current federal disaster assistance programs do not provide adequate assistance to state and local governments to reconstruct damaged rental units. Also, one approach FEMA instituted to deal with the needs of disaster victims in areas not part of the mainland United States does not conform to the explicit requirements of the Stafford Act.

To help ensure that local, state, and federal agencies are better prepared to respond to disasters, we recommended that the Director of FEMA improve disaster-related administration, training, and coordination activities. We also recommended that the Congress either (1) clarify the portions of the Stafford Act concerning HUD's role in providing housing assistance for disaster victims, or (2) amend housing legislation to provide appropriations to HUD for disaster assistance. (The Cranston-Gonzalez National Affordable Housing Act, P.L. 101-625, partially addresses this by authorizing HUD to receive disaster assistance funds.)

We also believe that the Congress may wish to consider (1) providing FEMA with authority to act as a first response agency, where such assistance is warranted and requested, and (2) authorizing FEMA to institute approaches such as "eligible-created

resources" that provide permanent, rather than temporary, housing to disaster victims. Such authority should be available only where special circumstances make it impracticable to provide temporary housing.

- - - - -

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