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REPORT BY THE

Comptroller General

OF THE UNITED STATES

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Federal Snow Removal Reimbursement Policy: Improvements Needed

Since January 1977 the Federal Disaster Assistance Administration has given \$126 million to State and local jurisdictions to pay for snow removal expenses in presidentially declared emergency and major disaster areas.

Some of these funds were paid to jurisdictions that could have afforded to pay their own snow removal costs, even though Federal emergency assistance is to be extended only when a catastrophe is beyond State and local capabilities.

This report contains recommendations to correct this and other weaknesses noted in the Federal Disaster Assistance Administration's snow removal reimbursement policy. It also recommends several amendments to the Disaster Relief Act of 1974.



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AUGUST 2, 1979



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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B-167790

The Honorable Adam Benjamin, Jr.
House of Representatives

Dear Mr. Benjamin:

As requested in your letter dated January 19, 1979, and subsequent correspondence and discussions with your office, we reviewed the emergency snow removal assistance provided under the Disaster Relief Act of 1974, 42 U.S.C. 5121, and other authorities. This report focuses on the Federal Disaster Assistance Administration's (FDAA's) 1/ new snow removal reimbursement policy and provides information on the emergency request procedures FDAA and the Indiana and Illinois State governments used following the severe mid-January 1979 snowstorm. Details on the snowstorm and the scope of our review are included in appendix I.

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The act authorizes the President to provide assistance to supplement the efforts and available resources of State and local governments when a major disaster or emergency is declared. FDAA processes requests from State governors for Federal assistance and also coordinates the activities of other Federal agencies and disaster relief organizations during an emergency. Many Federal programs are available to provide varying kinds of assistance to State and local governments and individuals adversely affected by severe snowstorms. Details on these programs are contained in appendix II.

FDA A SNOW REMOVAL REIMBURSEMENT POLICY

You inquired whether the act penalizes communities initiating snow removal efforts before a Presidential declaration of an emergency or major disaster. As stated in our February 27, 1979, letter to you (see app. IX), the act itself does not penalize communities for such efforts. Federal assistance is to be available if and only to the extent that an effective response to the situation is beyond State and local capabilities. In the case of snowstorm emergencies, Federal

1/Pursuant to Executive Order 12148, the functions of the Federal Disaster Assistance Administration were transferred to the Federal Emergency Management Agency (FEMA). The recommendations remain unchanged but are now the responsibility of the Director, FEMA.

assistance is primarily provided in the form of grants which allow quicker clearing of snow--for example, by hiring private contractors--to remove public health and safety hazards. Federal funds should not be disbursed until the State and affected local governments use or show they will use their legally available financial and physical resources.

Problems with FDAA's snow policy

In our earlier letter, we cautioned that FDAA's implementation of the act may, however, create inequities. Since that time we have examined FDAA's new snow removal reimbursement policy in more detail. We believe this policy has several weaknesses because it

- does not adequately consider States' financial resources when determining their capability to respond to severe snowstorm emergencies and does not insure that Federal reimbursements are paid only to States that cannot afford their own costs of snow removal,
- authorizes reimbursement eligibility only from the date of the declaration rather than from the beginning of the snowstorm,
- reimburses State and local governments for two-thirds of eligible snow removal costs rather than reimbursing only the costs of those activities which could not have been performed without Federal financial assistance,
- reimburses State and local governments for costs that would have been incurred even without a snowstorm,
- considers whether a State has been denied assistance on previous declaration requests when determining whether to recommend in a marginal case that an emergency be declared, and
- places an unnecessary burden on FDAA's limited resources by not adequately discouraging inappropriate requests for assistance.

Recommendation to the
Administrator, FDAA

Because of these problems, we recommend that the Administrator, FDAA, revise the snow removal reimbursement policy so that it (1) safeguards the President's disaster relief

fund, (2) does not consider how well a State has fared on previous declaration requests before deciding whether to recommend that another emergency be declared, and (3) better discourages States from submitting inappropriate requests for assistance.

Recommendations to the Congress

To foster these objectives and allow the Federal Government to be responsive in an emergency situation, we recommend that the Congress enact legislation requiring future snow removal reimbursements to be in the form of loans rather than grants. We also recommend that the Congress give the Administrator, FDAA, the authority to forgive emergency snow removal loans to the extent that a detailed examination discloses that a State could not otherwise afford the cost of snow removal. In such cases, FDAA and the State should account for the forgiven portion of the loan the same as a direct grant.

The Disaster Relief Act of 1974 currently permits FDAA to reimburse governments for snow removal expenses incurred prior to the President's declaration of an emergency or major disaster. However, because FDAA does not reimburse these expenses, we also recommend that the Congress amend the act to specifically require FDAA to provide reimbursement eligibility from the time a snowstorm begins. We believe that H.R. 1320 will accomplish this objective if the amendment is reworded slightly to provide eligibility from the beginning of the "unexpected event," as opposed to the beginning of the "emergency" or "major disaster." Otherwise, it could be argued that there is no emergency or major disaster under the act until the President so declares.

PROBLEMS WITH THE ACT

We also noted two weaknesses in the act which have the potential to affect some States' eligibility for Federal disaster assistance. The act requires that State and local governments will do all they are capable of doing in responding to snowstorms before Federal assistance may be provided. However, we believe the act will result in inequitable treatment of States--in snow removal reimbursement situations, as well as in other types of emergency assistance--because of differences in State laws and differences in States' willingness to prepare for emergencies.

All other considerations equal, State and affected local governments that cannot pay for snow removal costs with

surpluses or funds from other budget accounts conceivably will use available financial resources more quickly than States without similar restrictions, thus potentially qualifying sooner for Federal reimbursements. Similarly, States that are not prepared to handle snowfalls commensurate with their past snowfall experience conceivably could qualify for Federal assistance sooner than a State that is adequately prepared.

These potential inequities are not limited to snow removal reimbursements, however. The differences in laws and preparedness levels from State to State may apply to Federal assistance for all types of natural occurrences eligible under the act, including hurricanes, tornadoes, and floods.

For this reason, we believe the act should not be amended to correct these deficiencies related to snowstorm assistance until an analysis of the impact on Federal assistance has been made for other types of emergency situations. We further believe this analysis should include, but not be limited to, the feasibility of (1) obtaining State cooperation in modifying State laws as necessary and (2) establishing minimum levels of preparedness for each of the prevalent types of natural occurrences on a State-by-State basis.

Recommendation to the
Administrator, FDAA

Because FDAA has experience in disaster preparedness planning, we recommend that the Administrator, FDAA, prepare a comprehensive analysis of the impact of these potential inequities on Federal disaster assistance and submit a detailed plan to correct the weaknesses of the act, including necessary legislative changes, to the Congress.

Details on FDAA's snow removal reimbursement policy are included in appendix IV.

FDAA comments

In a July 10, 1979, letter (see app. X) the Administrator, FDAA, expressed opposition to numerous positions taken in our report. This information, as well as information obtained previously from the Administrator in written and oral discussions, is included in the report where appropriate. Basic differences with the Administrator are discussed in more detail on pages 38 to 45 and 68 to 76.

In commenting on our recommendations, the Administrator stated that the current snow removal reimbursement policy already safeguards the President's disaster relief fund consistent with the act's objectives. The Administrator also stated that the extent of Federal assistance previously provided and denied to a State provides insight concerning the impact of another disaster or emergency on an area and is used in making the decision whether to recommend that an emergency be declared. Further, he stated that FDAA does not have a proper role in discouraging a Governor from submitting inappropriate requests.

As shown in appendix X, the Administrator also provided lengthy rebuttals to our opinions that (1) Federal financial assistance should not be extended to States that have the financial and legal capability to hire private contractors to assist in emergency snow removal operations; (2) future snow removal reimbursements should be in the form of emergency loans that can be forgiven, rather than in the form of direct grants; and (3) snow removal expenditures incurred to save lives and protect property and public health before the President actually declares a snow emergency should be eligible for reimbursement.

The Administrator did agree, however, that the act creates inequities because of differences in State laws, fiscal procedures, and flexibility in fund allocations. He further stated that FDAA would, if directed, conduct a study of these inequities but cautioned that the analysis would not necessarily result in the modification of State laws regarding either the allocation of funds or levels of preparedness. In earlier discussions, however, the Administrator said he saw no reason to perform the study because he did not believe that (1) States should be required to amend laws that restrict the use of available State funds for emergency purposes or (2) minimum levels of preparedness should be established as prerequisites to Federal emergency assistance. In addition, he said FDAA would receive severe gubernatorial and congressional criticism if the proposed study recommended that States be required to amend their constitutions where necessary before full Federal assistance could be provided.

As shown in appendix XI, we disagree in whole or in part with most of the Administrator's comments in his July 10, 1979, letter.

FDA AND STATE RESPONSIBILITIES FOR
SNOW EMERGENCY DECLARATION REQUESTS

Under the Disaster Relief Act of 1974, States may initiate requests for emergency assistance in cases where snowstorms exceed the State and local governments' capability to effectively respond. FDA formally investigates whether an emergency or disaster should be declared only when it is notified that a request is forthcoming. For example, in February 1979 the Washington, D.C., metropolitan area experienced its heaviest snowfall in 12 years, and many roads were not open for several days. FDA did not make a formal assessment of the snow conditions because neither the Governors of Maryland or Virginia nor the Mayor of Washington, D.C., requested the President to declare a Federal emergency.

You inquired whether FDA should take a more active role in a potential emergency by gathering data on the severity of the snowstorm and assessing the ability of the State and local agencies to handle it. We looked into this possibility, and we believe that the States are in the best position to gather the data and that local, State, and Federal responsibilities have been properly assigned. We concluded this largely because State and local officials are most aware of the local situations and available resources and need this same information to plan their actions to cope with the effects of the storm. FDA does cooperate with States by being available to answer questions and receive declaration requests 24 hours a day, 7 days a week.

FDA's current snow removal policy provides reimbursements for eligible expenses incurred after 12:01 a.m. on the day the President declares an emergency or major disaster. Because State and local snow removal efforts are constantly improving road conditions and alleviating other public health and safety concerns, the amount of potential reimbursement decreases with time. The sooner an emergency is declared, the sooner snow removal efforts can be reimbursed. For this reason, until FDA's policy is changed, each State needs to begin gathering data as soon as possible during the storm to insure maximum potential Federal reimbursement.

During October and November 1978, FDA briefed States which normally receive heavy snows, including Indiana and Illinois, about its procedures for accepting requests for Presidential declarations. In addition, FDA gave these States a checklist of information needed to evaluate the

severity of snowstorms and encouraged States to attach the checklist to the Governor's request for assistance. FDAA also provides advice and assistance to the States in preparing their requests as the emergency is developing.

State emergency preparedness plans

You also asked whether FDAA regulations specify a workable system for requesting Federal emergency assistance. Although FDAA does not specify a system, it does provide both financial and technical assistance to States to develop and update emergency preparedness plans.

Every State has received an FDAA grant not to exceed \$250,000 to develop plans, programs, and capabilities for emergency preparedness and prevention. Each State has also designated or created an agency to administer its emergency preparedness program and initiate declaration requests on behalf of the State. FDAA also makes grants not to exceed 50 percent of the cost of improving, maintaining, or updating State emergency preparedness plans. Such grants are limited to \$25,000 annually.

We have noted that State plans are geared toward general emergency preparedness and that FDAA's written guidelines do not emphasize the need for preparing more detailed plans for snow emergencies. Last year FDAA orally advised the 40 States where it does snow to incorporate specific procedures in their plans to deal with snow emergencies. However, FDAA is only aware of two States that are in the process of making these changes.

We are also assessing the States' ability to implement their emergency plans. We hope to report the results of that study early next year and will send you a copy of our report at that time.

Recommendation to the
Administrator, FDAA

We recommend that the Administrator, FDAA, reemphasize the need for States to expeditiously develop specific plans for snow emergencies. States stand to benefit from these detailed plans and, therefore, should be willing to make these changes. Because emergency plans are a State responsibility and FDAA does not have the authority to reject a plan, FDAA cannot force States to amend their plans. However, we recommend that the Administrator, FDAA, withhold the \$25,000

annual plan maintenance grant from any States that normally receive heavy snows but do not agree to prepare more specific snow preparedness plans.

FDAA Comments

On July 10, 1979, the Administrator, FDAA, told us that FDAA will continue its efforts to increase "winter awareness" and will encourage States to include snow removal planning in their emergency preparedness plans. FDAA does not intend to refuse to extend annual plan maintenance grants, however, if snow States do not agree to plan for snow emergencies.

ACTING ON REQUESTS FOR ASSISTANCE

In another related issue, you asked what method FDAA uses to decide whether to declare an emergency and whether it follows up on denied requests for assistance. FDAA relies heavily on data the Governor submits to determine the severity of a snowstorm, but does verify some of the data by conducting onsite evaluations or by contacting other Federal, State, or local officials and volunteer relief organizations. Once the data has been verified and FDAA determines that the State and local governments are unable to conduct the necessary snow removal efforts without Federal assistance, the President considers the Governor's request and FDAA's recommendations and decides whether to approve Federal assistance. If the President denies a request, the Governor can request that the decision be reconsidered and provide, through FDAA, any additional information on snow conditions in the area.

FDAA does not routinely followup on denied requests to determine how well States are able to protect public health and safety without FDAA assistance. FDAA, however, is conducting a nationwide study of denied requests to determine how effectively State and local governments respond to needed assistance when a disaster occurs. FDAA does not have a target date for completion of the study.

ARE SNOW THRESHOLDS REALISTIC FOR
DETERMINING WHETHER AN EMERGENCY EXISTS?

You also asked us to address whether FDAA should consider establishing emergency and disaster snow thresholds. You stated that such thresholds would enable local and State governments to anticipate budget problems armed with the

knowledge that anything above an established snowfall threshold would invoke Federal assistance.

Under the act, it is not proper to use administrative criteria--such as snow thresholds--as authority to spend money from the President's disaster relief fund. The act clearly specifies that the President must determine that an emergency exists which is so severe that Federal assistance is necessary for the protection of life and property. Even if the act was amended to allow snow thresholds, we believe that it would not be feasible to establish meaningful benchmarks. We believe that proper thresholds would have to individually compare the demographic statistics of every county in the United States susceptible to snow with numerous other variables, including snow accumulation, temperature, wind velocity, power and water outages, miles of roads closed, emergency units out of service, food and blood shortages, individuals stranded, and short-range weather forecasts. Considering the limited number of counties included in previously declared snow emergency areas, we believe that establishing snow thresholds, even if legal, would not be a practicable alternative for FDAA. FDAA agreed with our conclusion.

Details on FDAA procedures for processing snow emergency declaration requests are included in appendix III.

COMPARISON OF THE INDIANA AND ILLINOIS
PROCEDURES USED TO REQUEST FEDERAL
SNOW REMOVAL ASSISTANCE

You expressed concern that Indiana may not have adequate procedures to request Federal snow removal assistance. This concern arose when, during the mid-January snowstorm, Illinois' request for Federal assistance was approved but Indiana's was denied. We found no major differences between the two State plans which would account for the different outcomes for the same storm. Neither State has followed FDAA's suggestion to incorporate specific procedures for requesting Federal snow removal assistance. However, both plans have been used successfully in the past to secure Federal emergency and disaster assistance. Details on the procedures used are included in appendixes V and VI and a comparison of the States' past requests are contained in appendixes VII and VIII.

One difference between the two State plans is the method of reporting local data. In Illinois, local communities report their data to regional coordinators, who in turn report

it to the State office. In contrast, county civil defense directors in Indiana report local information directly to the State civil defense office. We found no indication during the January snowstorm that Illinois' regional system expedited the data gathering process.

Indiana and Illinois also used data with a different level of precision to request Federal assistance. Illinois estimated the severity of the snowstorm in some communities where adequate data could not be obtained in a timely manner. In contrast, Indiana waited to receive the necessary actual data from each of the affected counties before submitting its request for assistance. It is likely that this difference did have some impact on getting a timely request to FDAA.

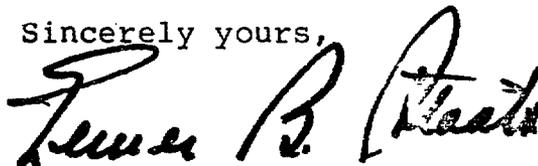
Quite possibly, the passage of time between the Illinois and Indiana requests adversely affected Indiana's hope for Federal assistance. When Illinois made its request on January 15, 1979, many of its State highways were closed and all secondary roads were either closed or only open to one lane traffic with hazardous driving conditions. Vital services were only partially operating. When Indiana applied on January 16, 1979, a day later, State and local snow removal efforts had opened all major transportation arteries and most city and county roads were open to at least one lane of traffic.

One can only speculate whether Indiana's request would have been approved if it had been received sooner. However, Indiana county civil defense directors told us that the January 1979 snowstorm was not nearly as severe as the snowstorm that hit Indiana and Illinois in January 1978. During that snowstorm, the outcomes were reversed--Indiana's request was approved, but Illinois' was denied.

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We are sending a copy of this report to the Administrator, Federal Disaster Assistance Administration. As arranged with your office, copies will also be available to other interested parties who request them.

Sincerely yours,



Comptroller General
of the United States

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ABBREVIATIONS

ESDA	Illinois Emergency Services and Disaster Agency
FCO	Federal Coordinating Officer
FDAA	Federal Disaster Assistance Administration
HUD	Department of Housing and Urban Development
ICD	Indiana Department of Civil Defense
SBA	Small Business Administration
VA	Veterans Administration

BACKGROUND AND SCOPE

During mid-January 1979, up to 21 inches of snow fell over much of northwestern Indiana and northern Illinois. This storm was followed by high winds, drifting, and bitter cold temperatures. Illinois was declared a Federal emergency area, but Indiana was not. Since then, many questions have arisen concerning the procedures used to apply for and approve Federal snow emergency assistance.

COMPARISON OF THE INDIANA
AND ILLINOIS MID-JANUARY
1979 SNOWSTORM

Between January 12 and 14, 1979, 24 counties in northern Illinois and 4 counties in northwestern Indiana experienced a heavy winter snowstorm. The high winds, drifting, and cold temperatures hampered snow removal efforts, and in some areas posed a threat to public health and safety.

In Illinois, the snowfall measured from 10 inches in some parts of the State to a high of 21 inches in Chicago--the second heaviest snowstorm on record. The direct effect of the storm was to block or make impassable most roads throughout the affected area, and vital services were only partially operating.

In Indiana, the snowfall averaged 19 inches on top of 6 inches of old snow. Like Illinois, many roads were impassable during and immediately following the storm. The following chart points out the similarity of the snowstorms in both States.

	<u>Indiana</u>	<u>Illinois</u>
Hours of snowfall	29 hours	33 hours
Amount of snowfall	19 inch average	10 - 21 inches
Lowest temperature	-19 F	-20 F
Wind velocity	20 to 28 m.p.h.	25 to 35 m.p.h.

Due to the severity of the storm, both States applied to have a Federal emergency declared. Illinois applied on January 15, 1979, 1 day after the snowfall ended. At that time, many State highways were closed and all secondary roads were either closed or only open to one lane traffic with hazardous driving conditions. In addition, vital services were only partially operating. Indiana applied on January 16, 1979,

2 days after the snowfall ended. By that time, State and local snow removal efforts had opened all major transportation arteries and most city and county roads were open to at least one-way traffic.

The following chart compares the Federal Disaster Assistance Administration's (FDAA's) ^{1/} assessment of State and local conditions at the time each State applied for Federal emergency assistance. As indicated, Illinois' local conditions were much worse than Indiana's.

	<u>Indiana</u> <u>January 16, 1979</u>	<u>Illinois</u> <u>January 15, 1979</u>
Deaths	5	15
Injuries	10	28
Individuals in shelters	0	1,500
Individuals snow bound in homes	20	<u>a/</u> 1,000,000
Counties with power outages	0	8
Counties with water main breaks	0	4
Miles of roads closed	0	12,700

^{a/}This figure was provided by the Governor of Illinois but was not verified by FDAA.

Based on the data received from the FDAA Chicago regional office, the President declared a Federal snow emergency in Illinois on January 16, 1979, but denied Indiana's request on January 18, 1979.

SCOPE OF REVIEW

In letters dated January 19, February 8, and March 2, 1979, Representative Adam Benjamin, Jr. requested that we review the various procedures used to apply for and approve Federal snow removal assistance. Based on these requests and discussions with his office, we agreed to examine (1) the types of Federal assistance available to communities for snowstorms, (2) the division of responsibilities among Federal, State, and local governments for requesting and

^{1/}Pursuant to Executive Order 12148, the functions of the Federal Disaster Assistance Administration were transferred to the Federal Emergency Management Agency (FEMA). The recommendations remains unchanged but are now the responsibility of the Director, FEMA.

processing requests for Federal snow emergency assistance, (3) the potential for FDAA to independently determine whether a disaster or emergency should be declared, (4) the possibility of establishing a threshold for snow conditions which would trigger an emergency as well as the amount of funding, (5) actions taken by FDAA during the February 19, 1979, Washington, D.C., area snowstorm, (6) FDAA's snow reimbursement policy, and (7) the procedures used by Indiana and Illinois to submit applications for FDAA snowstorm assistance.

Work was conducted at FDAA headquarters and its Chicago, Illinois regional office, the Indiana Department of Civil Defense, and the Illinois Emergency Services and Disaster Agency. We also contacted officials in Lake, LaPorte, Porter, and St. Joseph Counties, Indiana; municipal officials in East Chicago, Gary, Hammond, and Michigan City, Indiana; and field officials from the Federal Highway Administration, the Army Corps of Engineers, and the American National Red Cross that are responsible for the Indiana/Illinois area.

We reviewed pertinent legislation, policies, and procedures under which FDAA processes requests for Federal snow removal assistance. We also reviewed Indiana's and Illinois' emergency plans for requesting such assistance and discussed with FDAA and State officials how various policies and procedures are implemented. In addition, we contacted municipal officials in Indiana to obtain their views on the effectiveness of the State in processing local requests for assistance.

FEDERAL ASSISTANCE FOR SNOWSTORMS

When a snowstorm occurs, State and local agencies are responsible for protecting the lives and property of their citizens. If the situation is beyond the capabilities of State and local forces, however, many Federal programs offer snowstorm assistance. In a declared emergency or major disaster, FDAA is responsible for coordinating the assistance functions of all Federal agencies.

ASSISTANCE AVAILABLE TO
STATE AND LOCAL GOVERNMENTS

The largest source of direct Federal snowstorm assistance to State and local governments are grants provided by FDAA following a Presidential declaration of an emergency 1/ or major disaster. 2/ Other Federal departments and agencies have programs to provide assistance to communities when a major disaster is declared, and in other cases when damage from a snowstorm is not sufficient to justify a Presidential declaration.

1/The act defines an "emergency" as any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, drought, fire, explosion, or other catastrophe in any part of the United States which requires Federal emergency assistance to supplement State and local efforts to save lives and protect property, public health and safety or to avert or lessen the threat of a disaster.

2/The act defines a "major disaster" as any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, drought, fire, explosion, or other catastrophe in any part of the United States which, in the determination of the President, causes damage of sufficient severity and magnitude to warrant major disaster assistance by the Federal Government to supplement efforts and resources of States, local governments, and relief organizations.

Federal Disaster Assistance
Administration

The Disaster Relief Act of 1974, 42 U.S.C. 5121, authorizes the President to provide assistance to supplement the efforts and available resources of State and local governments in cases of major disaster or emergency. The Secretary of Housing and Urban Development administers the act, but the Administrator, FDAA, is responsible for program management. FDAA provides grants to State and local governments to reimburse eligible snow removal expenditures following a formal Presidential declaration of a snow emergency or major disaster.

The types of FDAA snow removal assistance available to State and local governments depend on whether the President declares a major disaster or an emergency. Considerably more assistance is available in a major disaster; however, only the February 1977 New York snowstorm has been judged severe enough to warrant this declaration.

Under a major disaster declaration, a community may receive reimbursements to fund a variety of projects, including, but not limited to,

- clearing debris from land and water;
- emergency protection for preserving life and property;
- repairing or replacing roads, bridges, water control facilities, public buildings, public utilities, and nonprofit private facilities; and
- repairing or restoring public facilities, recreation facilities, and parks.

In addition, FDAA may make disaster loans to communities that may suffer a substantial loss of tax and other revenues and have demonstrated a need for financial assistance to perform their governmental functions.

Emergency assistance is more specialized and is generally limited to actions required to save lives and protect property, public health, and safety, or to lessen the threat of a more severe disaster. This assistance may include one or more of the following:

- Emergency mass care, such as shelter, food, water, medicine, and medical care.
- Clearing debris to save lives and protect property, public health, and safety.
- Emergency protection to reduce immediate threats to public health, safety, and property, and to private property when in the public interest.
- Emergency communications support to State and local officials.
- Emergency repairs to essential utilities and facilities to provide for their continued operation.

Snow removal costs are the major expenses which may be reimbursed in a declared snow emergency area. Eligible work in relation to a snowstorm may include

- removing snow from public roads or streets,
- cleaning around fire hydrants,
- moving abandoned cars or other obstructions to accomplish snow removal operations,
- hiring vehicles to provide snow removal capability when needed by emergency vehicles on actual emergency runs,
- removing snow from public airports, hospitals, nursing homes, schools, certain nonprofit institutions, and public parking lots serving public buildings and facilities when necessary for continuing an essential public service, and
- on a case-by-case basis, hauling snow to alleviate threats to public health and safety when no reasonable alternative is available.

Reimbursement for snow removal contracts may include costs for equipment rental, operators, repairs, fuel, oil, flagmen, foremen, laborers, mobilization, and demobilization. If a State, local government, or school district has existing contracts for snow removal, and if they provide for payment based on each snow removal operation, eligible costs can be established and reimbursed.

All work related to snow removal is not eligible for reimbursement from FDAA. For example, the costs of anti-slip materials, such as salt, gravel, and cinders are considered normal maintenance costs which do not necessarily increase with the depth of snowfall and are not eligible costs. In addition, the cost of snow removal from shoulders of roads or areas not a hazard to public health or safety, toll roads, sidewalks, and alleys are not eligible costs.

In commenting on our draft report, FDAA said that it is reviewing and evaluating the justification for removing snow from schools and said that it anticipates some clarification of its policy before the coming winter season.

Other Federal agencies

In addition to FDAA, several other Federal agencies offer financial assistance to State and local governments to alleviate the effects of severe snowstorms. Some assistance is only available if the President declares a major disaster or an emergency, while other assistance is available even if conditions are not severe enough to warrant a Presidential declaration.

Major disaster assistance

Although FDAA provides most of the Federal major disaster snow removal assistance to State and local governments, other agencies can also provide aid:

- The Office of Education, Department of Health, Education, and Welfare, can provide project grants to construct and equip school facilities destroyed by a snow major disaster that otherwise would not be rebuilt. It also provides formula grants to assist in replacing or repairing supplies, equipment, or facilities damaged or destroyed by a major disaster.
- Various other Federal agencies in the area of a major disaster--including the military services--provide equipment, supplies, facilities, personnel, and other resources to State and local governments for use in alleviating public health and safety problems.

Emergency assistance

When the President declares a snow emergency, no additional Federal assistance, other than that provided by FDAA, becomes automatically available to State and local governments. However, to save lives and protect property, public health, and safety, the President has the option to provide some or all of the same assistance to State and local governments which is automatically available under a major disaster declaration. This option is extremely important to local governments because previously only the February 1977 snowstorm in New York was determined severe enough to warrant a major disaster declaration. In the past, the President has used this optional authority to provide equipment, supplies, facilities, personnel, and other resources from nearby Federal installations to State and local governments during a snow emergency.

Assistance available without a Presidential declaration

Three Federal agencies can provide assistance to State and local governments for snowstorms even if conditions are not severe enough to warrant a Presidential declaration:

- If a State governor declares a snow emergency, the Federal Highway Administration can provide project grants for the repair or reconstruction of Federal-aid highways, roads, bridges, and trails which have suffered serious damage as the result of a snowstorm.
- The Farmers Home Administration offers long-term, low interest loans to construct, enlarge, extend, or otherwise improve community facilities providing essential services in rural areas and cities up to 10,000 in population. These loans are available to public bodies which are unable to finance the proposed project from their own resources or through commercial credit at reasonable rates and terms.
- The Department of Health, Education, and Welfare assists State and local welfare agencies and State vocational rehabilitation agencies during an emergency.

ASSISTANCE AVAILABLE TO
INDIVIDUALS

Numerous Federal agencies offer programs to assist individual victims of a severe snowstorm. Although most programs become available only after the President declares a major disaster, the President can provide any or all of this same type of assistance for a declared emergency area. In addition, some Federal agencies offer assistance to individual victims of a snowstorm without either type of declaration.

Major disaster assistance

The following are brief descriptions of the major Federal programs which can be made available to individual victims of a snow major disaster.

- The Farmers Home Administration, Department of Agriculture, assists farm owners or other rural homeowners to repair or replace dwellings damaged or destroyed by a natural disaster.
- The Small Business Administration (SBA) can provide both direct and bank-participation disaster loans to qualified homeowners, businesses, and farmers to repair or replace damaged or destroyed private property.
- By special request from the Governor, FDAA provides 75 percent of a joint Federal/State cost sharing program to provide grants up to \$5,000 to individuals or families to meet disaster-related expenses.
- The Department of Housing and Urban Development (HUD) provides temporary housing for individuals and families displaced as a result of a disaster and provides minimal repairs to owner-occupied homes.
- The Social Security Administration provides assistance for recipients or survivors of a major disaster, such as death or disability payments or monthly payments.
- The Department of Agriculture administers food stamps to eligible victims of natural disasters through various State agencies.

- Job placement and disaster unemployment assistance is administered through a State Employment Agency by the U.S. Department of Labor.
- The Veterans Administration (VA) provides counseling and forbearance on loans for residential property if the loan was guaranteed or insured by VA, and offers death benefits, pensions, and insurance settlements.
- The National Institute of Mental Health provides funds to area mental health groups to provide professional counseling services to victims of natural disasters to relieve the mental health problems caused by a major disaster.
- Appropriate Federal agencies, State and local bar associations, and the Young Lawyers Section of the American Bar Association provide assistance to low-income individuals who require legal services.

Emergency assistance

A Presidential declaration of a snow emergency does not automatically trigger any additional Federal assistance to individuals. As with assistance to State and local governments, however, the President can provide any assistance deemed appropriate to save lives and protect property, public health, and safety. To date, a President has not exercised this option.

Assistance available without a Presidential declaration

Three Federal agencies and the federally chartered American National Red Cross can provide assistance to individual victims of a snowstorm even if conditions are not severe enough to warrant either type of Presidential declaration:

- Upon the Secretary of Agriculture's declaration of a natural disaster, the Farmers Home Administration can provide assistance similar to that available in a major disaster to help farm owners or other home owners in rural areas repair or replace dwellings damaged or destroyed by a natural disaster.

- Upon the Administrator's declaration of a "disaster loan area," SBA can provide, as under a presidentially declared major disaster, both direct and bank-participation disaster loans to qualified homeowners, businesses, and farmers to repair or replace damaged or destroyed private property. SBA also provides economic injury loans to help small firms suffering economic losses as a result of a disaster.
- The Internal Revenue Service assists individuals to obtain tax refunds for losses resulting from natural disasters.
- The American National Red Cross, a voluntary relief organization which operates under a Federal charter, provides grants and other types of assistance to individuals and families in disasters to meet their emergency needs.

COORDINATION OF FEDERAL ASSISTANCE

During a presidentially declared snow emergency or major disaster, the Administrator, FDAA, administers FDAA's assistance and coordinates the efforts of all Federal agencies operating in the designated area. The latter responsibility is carried out by an appointed Federal Coordinating Officer (FCO), who, in many cases, is one of the 10 FDAA Regional Directors.

The FCO is responsible for making an initial appraisal of the types of assistance most urgently needed and insuring that it is rendered as soon as possible to alleviate suffering, damage, and loss. To bring together all of the agencies offering assistance, the FCO establishes disaster assistance centers in locations accessible to the public. These centers are staffed by representatives of Federal agencies and local governments, as well as private relief agencies and other organizations that agree to cooperate.

We are currently assessing the coordination among Federal disaster assistance programs. Our results will be available by the end of this year.

FDA AND STATE RESPONSIBILITIES FOR
SNOW EMERGENCY OR SNOW DISASTER
DECLARATION REQUESTS

Although Governors are primarily responsible for preparing an emergency preparedness plan for their States, FDAA specifies planning guidelines, assists in preparing, and ultimately reviews each State's plan. FDAA also periodically instructs State and local officials on pertinent changes in Federal disaster policy and works with States to facilitate declaration requests.

Under the Disaster Relief Act of 1974, States may initiate requests for emergency assistance in cases where snowstorms exceed the State and local governments' capability to effectively respond. However, we did consider whether FDAA should become more active during potential emergencies. We concluded that State and local officials are most aware of local conditions and available resources and that FDAA's current role is proper.

Because FDAA does not formally investigate whether an emergency or disaster should be declared until it is notified that a request is forthcoming, States need to gather data on the storm's impact as soon as possible during the snowstorm to insure maximum potential reimbursement. FDAA has advised States to incorporate specific procedures into their preparedness plans to insure a timely request for emergency snow removal assistance. The States are responding slowly, however, and FDAA needs to reemphasize the importance of these changes. FDAA cooperates with the States by being available to receive declaration requests around the clock.

When the President declares a snow emergency or disaster, States are advanced funds to reimburse the expenses of snow removal. If a disaster is not declared, however, FDAA does not follow up on cases to determine whether Federal assistance was properly denied. Predetermined snow thresholds, if meaningful, could conceptually shorten the time needed to declare an emergency. However, even if the act were amended to allow their use, thresholds are not a practicable alternative for FDAA.

FDA ASSISTANCE BEFORE A
SNOW EMERGENCY OCCURS

Although State and local governments have the primary responsibility for preparing for snow emergencies or disasters, the Federal Government, through FDA, provides both financial and technical assistance to insure that each State has developed a general, workable plan to protect public health and safety. After a plan has been reviewed, FDA continues to work closely with the State to keep its plan current and to facilitate submitting declaration requests.

Assistance in developing and
updating State emergency
preparedness plans

FDA provides both financial and technical assistance to States to develop and update general emergency preparedness plans. In addition, FDA has provided States with guidelines to consider in preparing their plans. FDA then reviews the plans and offers suggestions to insure that the plan conforms with these established guidelines.

Every State has received an FDA grant not to exceed \$250,000 to develop plans, programs, and capabilities for all types of emergency preparedness and prevention. Each State has also designated or created an agency to administer its emergency preparedness program and initiate declaration requests on behalf of the State. FDA also makes grants not to exceed 50 percent of the cost of improving, maintaining, or updating State emergency preparedness plans. Such grants are limited to \$25,000 annually.

In addition to financial assistance, FDA provides technical advice to assist States in preparing their plans. This assistance includes drafting legislation, assembling a workable plan, and training State staff.

To assist States in identifying key elements of a workable plan, FDA has provided each State with guidelines containing 19 fundamental areas to consider in assessing their response capabilities. These guidelines also identify the necessary procedures to deal with the Federal Government in the delivery of Federal assistance. After the State has completed its plan, FDA makes its final review to insure that all fundamental areas have been considered and that the plan conforms with the act and established guidelines.

We are currently assessing the adequacy of State preparedness to implement their emergency plans. Our results will be available early next year.

FDAA needs to reemphasize
its new snow policy

The FDAA guidelines which were used by States to prepare emergency plans did not specify that States should prepare separate plans for coping with snow emergencies. FDAA has since advised States to adapt their plans to improve planning for snowstorms. To date, however, only 2 of the 40 snow States are in the process of developing specific snow emergency plans.

Until August 1978, FDAA did not have a written snow policy. Based on the severe 1977 snowstorms in New York and the 1978 snowstorms in New England and the Midwest, however, FDAA recognized that snow emergencies are critical and that recovery efforts require advance planning. For this reason, FDAA prepared written snowstorm procedures to deal with this special type of emergency, and during October and November 1978, FDAA briefed the 40 snow States about its new snow policy. During the presentations, FDAA provided the States with a checklist identifying (1) the criteria used to evaluate the impact of a storm and the threat to public health and safety, (2) local and State actions, and (3) instructions on how to apply for Federal assistance. FDAA encourages States to attach the checklist to the Governor's request for assistance. Under severe conditions, however, FDAA's procedures permit telephone reports with the written documentation to follow. States have the continuing opportunity to make suggestions about how FDAA's new snow policy can be improved.

Because of the critical timing necessary to deal with a severe snowstorm, States were advised to incorporate procedures into their preparedness plan which would accommodate a timely emergency request. However, at the time of our review, FDAA knew of only two snow States that are in the process of developing a separate snow preparedness plan.

As explained in later sections, the sooner a State requests assistance, and the sooner an emergency is declared, the earlier FDAA will begin reimbursing expenses. Under FDAA's current snow policy, submitting a timely request is the only way to receive maximum Federal reimbursement.

We believe FDAA should reemphasize the need for States to expeditiously develop specific plans for snow emergencies. Because States will benefit by being better prepared to cope with severe snowstorms and to more timely assess their severity and document the need for Federal assistance, we believe that States, if made aware of the potential benefits, will amend their emergency plans to provide specific procedures for snowstorms.

REQUESTING FDAA SNOW
REMOVAL ASSISTANCE

The Disaster Relief Act of 1974 requires that all requests for an emergency declaration be made by a State Governor. These requests must be based on the finding that the catastrophe's threat to public health and safety exceeds the State and affected local governments' capability to respond. Because local and State authorities are best aware of the local situation and the resources available, and need this same information to plan the actions necessary to cope with the storm, we believe that States are in the best position to assess the severity of the storm and gather the data needed for the President's decision.

FDAA's policy is to begin formally investigating the impact of a snowstorm only after a State indicates its intention to request a Presidential declaration. For this reason, each State needs to begin gathering data as soon as possible during the storm. Because under FDAA's current policy Federal assistance begins only on the day the President declares the snow emergency, early State submission is critical to insure maximum reimbursement for snow removal efforts. FDAA keeps its services available continuously, thus facilitating State efforts to get early emergency declarations.

Who should gather the
supporting data?

The act specifies that a State Governor is required to submit supporting information with all requests for FDAA snow removal assistance. We considered whether FDAA should expand its current role to include assessing the severity and nature of the snowstorm. Largely because State and local officials are most aware of their local situation and available resources and need this same information to plan the actions necessary to cope with the storm, we concluded that

the States are in the best position to gather the data and that current responsibilities are properly assigned.

Local responsibility

Local governments have the primary responsibility for insuring that the needs of their citizens are being met before, during, and after a snowstorm. Coordinating all local, public, and private resources--such as fire and police departments, city engineers, and volunteer groups--is the first step in identifying and assessing local needs and the available resources to deal with them. Once the needs of the citizens have been evaluated and it has been determined that local resources will not be adequate, the local government should then contact the State coordinating officer to request further relief and rehabilitative measures.

State responsibility

Whenever local governments require assistance beyond their own capacity to help themselves, the State should provide, within its capabilities, whatever resources and personnel are required. However, when Federal assistance is needed to supplement the efforts and available resources of a State, the Governor may request the President to provide assistance under the Disaster Relief Act of 1974.

Under the act, only the Governor or acting Governor can initiate a request for Federal emergency assistance. The Governor's request must be based on a finding that the situation is of such severity and magnitude that an effective response is beyond the capabilities of the affected State and local governments. The Governor must also (1) furnish information describing State and local efforts and resources which have been or will be used to alleviate the emergency and (2) define the type and extent of Federal aid required.

FDAA responsibility

FDAA begins formally investigating severe snowstorms after a State indicates its intention to submit a declaration request. Under the act, State Governors must initiate requests for Federal emergency assistance; FDAA has no legal authority to unilaterally request a Presidential declaration in an emergency area. Further, FDAA officials told us they do not solicit requests in the event of potential emergencies because it could give States the false impression that a request would be approved if submitted. Only the President can

make a declaration, and any premature action by FDAA would put the President in an awkward position--especially if the request had to be denied.

The February 19, 1979, snowstorm that hit the Washington, D.C., metropolitan area is an example of FDAA's policy implementation. Following its heaviest snowfall in 12 years, the entire area was temporarily paralyzed and many roads were not open for several days. In accordance with FDAA policy, neither the FDAA regional office at Philadelphia, nor the FDAA central office solicited a request for snow removal assistance. FDAA officials said they did not make a formal assessment of the snow conditions because neither the Governors of Maryland or Virginia, nor the Mayor of Washington, D.C., requested the President to declare a Federal emergency.

Notwithstanding, FDAA is not idle before a Governor formally seeks Federal disaster assistance. FDAA monitors weather conditions in potential emergency areas and also participates in joint State/Federal damage assessments at the request of a State.

Responsibilities are
properly assigned

We looked into the possibility that FDAA should take a more active role earlier in a potential emergency by gathering data on the severity of the snowstorm and assessing the ability of the State and local agencies to handle it. While we determined that onsite evaluations, if possible, would assist FDAA in making its recommendation to the President, we also noted that

- the act requires a State Governor to initiate a request based on the finding that an effective response is beyond the State's capability,
- State and local officials are most aware of the local situation and available resources because they have to gather information on the severity of all storms to plan their course of recovery,
- further data gathering by FDAA would likely duplicate the data which is collected by local officials,
- heavy snowfall may make it impossible for anyone outside the local area to conduct an onsite investigation in a timely manner,

--FDAA's limited staff resources would not be adequate to effectively monitor and investigate all potential emergencies, and

--direct Federal data gathering might reduce State and local incentive to respond to emergency conditions.

For these reasons we concluded that the States are in the best position to gather the data and that local, State, and Federal responsibilities have been properly assigned.

Timing is critical

Under FDAA's current policy, eligibility for Federal emergency snow removal assistance begins on the day of the emergency declaration rather than at the beginning of the snowstorm. Therefore, States need to begin gathering the necessary supporting data and to request a formal declaration as soon as possible during the storm to insure maximum reimbursement for snow removal efforts. To aid States in expediting the declaration process, FDAA is always available to accept emergency requests and to offer other assistance.

Reimbursement eligibility begins on the day of Presidential declaration

Under FDAA's current policy, the effective time for Federal reimbursement is 12:01 a.m. on the day the President declares an emergency. As a result, States need to act promptly in gathering the data necessary to support a formal declaration. The sooner an emergency is declared, the sooner snow removal efforts can be reimbursed.

Submitting a prompt request for a snow emergency is even more critical than submitting requests for other types of emergencies or disasters. In many disasters--such as floods, tornadoes, hurricanes, and drought--the damage is usually so severe that a complete damage assessment can be made several days after the disaster occurs. In addition, FDAA sometimes makes retroactive payments for non-snow emergencies.

In contrast, to qualify for snow emergency assistance, assessments must be made quickly to show how many miles of roads are closed, the impact on businesses and schools, power and water outages, and the number of people requiring food and shelter. Because State and local snow removal efforts are constantly improving road conditions and alleviating other public health and safety concerns, the amount of potential Federal reimbursement decreases with time--that is, the

longer a State waits to submit a declaration request, and the longer FDAA takes to forward it to the President, the fewer snow removal efforts are reimbursed by the Federal Government.

FDAA is available around the clock

Because timing is critical to maximizing Federal snow removal reimbursements and alleviating the public health and safety concerns of snow and other types of emergencies, FDAA has procedures to handle calls and offer other assistance 24 hours a day, including weekends and holidays. Calls made to an FDAA regional office outside of normal duty hours are automatically transferred to FDAA headquarters in Washington, D.C. The FDAA official on duty then notifies officials of the appropriate regional office. In addition, some FDAA regions provide States with the home phone numbers of its principal officials.

APPROVING OR DENYING
A GOVERNOR'S REQUEST

Both the FDAA regional and headquarters staffs review a Governor's declaration request before forwarding it, through the Secretary of HUD, to the President. Although these staffs make recommendations, the final decision to approve, downgrade from major disaster to emergency, or deny a request is made by the President. If approved, the declared area becomes eligible for Federal assistance. If denied, no assistance is rendered and no followups are made to determine how well the State was able to respond without FDAA assistance, unless the Governor requests the President to reconsider the decision.

FDAA regional review

The FDAA regional staff relies heavily on data submitted by the Governor to determine the severity of the snowstorm. While onsite evaluations would assist FDAA regional officials in determining the severity of a snowstorm, many times weather conditions make it impossible to conduct an onsite evaluation in a timely manner. However, FDAA may attempt to make onsite evaluations or contact other Federal, State, or local officials and volunteer relief organizations, such as the Corps of Engineers, Federal Highway Administration, National Weather

Service, post offices, American National Red Cross, and others. Once the regional officials substantiate or refute the Governor's assessment that the State is incapable of adequately responding to protect public health and safety, the declaration request is forwarded, along with the regional director's recommendation, to FDAA headquarters.

Washington review and decisionmaking

FDAA headquarters officials review the Governor's request and the information submitted by the regional director to insure that the State and local governments are incapable of adequately responding to protect public health and safety after a snowstorm without Federal assistance.

When FDAA headquarters officials encounter a marginal request--one which indicates that the threat to public health and safety is similar to that experienced in a normal snowstorm--they gather additional information to determine the State's capability to respond effectively to the snowstorm. For example, they may make calls to determine whether the Governor has committed all of the resources available to the State, such as the National Guard and the State transportation department. In addition, they may check to see if the Governor is using the State's emergency fund, if one exists. On some occasions, headquarters officials may also determine whether the State has a surplus that can be used immediately for snow removal. Further information on FDAA's review of a State's financial capability to cope with severe snowstorms is included in appendix IV.

Once FDAA makes its final recommendation, it is forwarded through the Secretary of HUD to the President, who ultimately makes the final decision to deny or approve a request. If the President denies a declaration request, FDAA promptly notifies the Governor. At this time the Governor can request that the decision be reconsidered and provide the President, through FDAA, any additional information on snow conditions in the area.

FDAA does not routinely followup on denied requests to determine how well the State is able to protect public health and safety without FDAA assistance. FDAA, however, is conducting a nationwide study of denied requests to determine how effectively State and local governments respond to needed assistance when a disaster occurs.

ARE SNOW THRESHOLDS REALISTIC FOR
DETERMINING WHETHER AN EMERGENCY EXISTS?

Conceptually, snow thresholds--a predetermined accumulation of snow above which an emergency would automatically be declared--could expedite the delivery of Federal snow assistance. However, under the act it is not proper to use administrative criteria--such as snow thresholds--to determine that an emergency exists. In addition, the large number of variables associated with snowstorms would seem to prohibit establishing meaningful thresholds.

Once FDAA receives a Governor's declaration request, the decision whether to declare an emergency takes an average of 29 hours. During this delay, snow removal expenses are not reimbursable because under FDAA's current policy assistance only begins at 12:01 a.m. on the day of the declaration. Predetermined snow thresholds could lessen the delay in declaring an emergency and more State and local expenses could potentially be reimbursed.

Under the Disaster Relief Act of 1974, however, an emergency exists only if the President determines that the situation is of such severity and magnitude that Federal assistance is necessary for the protection of life and property. Established administrative criteria, such as snow thresholds, do not reflect the individualities of each snowstorm. Thus, under the act, snow thresholds cannot be used as authority for spending money from the President's disaster relief fund.

Even if the act permitted the use of snow thresholds, the many variables associated with a snowstorm would seem to prohibit establishing meaningful benchmarks. Each threshold would have to consider, at a minimum, the following variables: total snow accumulation; temperature; wind velocity; short-range weather forecasts; height of snow drifts; number of deaths and injuries, individuals in shelters or snowbound in homes, stranded motorists, emergency units out of service, and homes and businesses with power and water outages; degree of food and blood shortages; and the number of miles of roads closed or partially open. All these factors should be compared to the demographic statistics of every county susceptible to snow. Comparing the number of such counties receiving snow with the number of counties included as snow emergency areas in the past, we concluded that establishing snow thresholds, even if legal, is not a practicable alternative for FDAA.

In commenting on our draft report, FDAA concurred with our conclusion that a county-by-county threshold determination is not practicable because of the large number of variables which should be considered.

CONCLUSIONS

We have concluded that:

- FDAA has properly recognized the need to distinguish between planning for snowstorms and planning for other types of emergencies and disasters, but the States are reacting slowly to incorporate this distinction into their State preparedness plans.
- FDAA procedures properly require States to submit, with each declaration request, information which indicates that a snowstorm's threat to public health and safety exceeds the State and local governments' capability to respond.
- It is not feasible for FDAA to monitor and investigate all potential emergencies.
- Under FDAA's current policy, the longer a State waits to submit a declaration request, the fewer snow removal efforts can be reimbursed by the Federal Government if an emergency is declared.
- While predetermined snow thresholds would conceptually expedite the delivery of Federal snow removal assistance, the act does not allow for their use. In addition, a county-by-county threshold determination would not be practicable because of the large number of variables which should be considered.
- FDAA does not routinely followup on denied requests to determine how well a State is able to protect public health and safety without Federal assistance, but is conducting a nationwide study of denied requests to assess State and local emergency response effectiveness.

RECOMMENDATIONS TO THE ADMINISTRATOR, FDAA

FDAA has (1) properly recognized the need to distinguish between planning for snowstorms and planning for other types of emergencies and disasters, (2) written snowstorm procedures

to deal with this specific type of emergency, (3) briefed States which normally receive heavy snows about its new procedures, and (4) advised States to incorporate these procedures into their preparedness plans.

Despite this effort, FDAA only knows of two States that are in the process of developing specific procedures to prepare for snow emergencies. Because States will benefit by being better prepared to cope with severe snowstorms and by being in a better position to qualify or to qualify earlier for Federal assistance, we recommend that the Administrator, FDAA, reemphasize the need for States to develop specific plans for snow emergencies. We believe that States, if made aware of the potential benefits, will amend their emergency plans. Because State plans are a State responsibility, and FDAA does not have the authority to disapprove a plan, FDAA cannot force States to act. However, we recommend that the Administrator, FDAA, withhold the \$25,000 annual plan maintenance grant from any State that normally receives heavy snows but does not agree to prepare more specific snow preparedness plans.

FDAA COMMENTS

In commenting on our draft report, FDAA stated that it is encouraging Governors in States where there is a likelihood of severe winter storms to take appropriate planning and budgetary actions to stress the importance of "winter awareness." FDAA also stated that it will stress the matter in an upcoming regional directors' meeting and that the regional directors will be responsible for contacting the States in their respective regions.

FDAA does not intend to refuse to extend annual plan maintenance grants, however, if snow States do not agree to plan for snow emergencies.

FDAA SNOW REMOVAL REIMBURSEMENTS TO
STATE AND LOCAL GOVERNMENTS

The majority of Federal snow emergency assistance is in the form of reimbursements to State and local governments. The act intends that these reimbursements supplement State and local efforts to save lives, protect property, and preserve public health and safety. FDAA has recently implemented a revised snow policy which addresses these requirements. However, we believe this policy does not adequately protect the President's disaster relief fund and unnecessarily burdens FDAA's limited resources available to process requests. In addition, we noted two weaknesses in the act which have the potential to adversely affect some States' eligibility for Federal assistance.

AUTHORITY AND FUNDING

Federal snow emergency assistance can be extended to State and local governments both directly and indirectly. Various Federal agencies can extend direct assistance by providing equipment, supplies, facilities, personnel, and other resources to assist in removing snow from roads and bridges to allow emergency access. Indirectly, the Federal Government provides funds to reimburse State and local government snow removal efforts and to hire private contractors which assist in these efforts.

Because the Federal Government owns only a small amount of snow removal equipment, it has provided only a limited amount of direct snow removal assistance. Direct assistance is also impractical because of the great expenses incurred in transporting needed equipment to an emergency area.

Federal reimbursements to State and local governments were initiated in early 1977. Prior to that time, FDAA provided only direct snow emergency assistance. The severe January 1977 snowstorm in Buffalo, New York, however, prompted the Government to provide indirect assistance. Including that storm, FDAA has reimbursed State and local snow removal efforts in one major disaster and 14 emergency declaration areas. As of July 6, 1979, these reimbursements totaled about \$126 million, as shown on the following page.

<u>Calendar year</u>	<u>Major disaster</u>	<u>Emergency</u>	<u>Total</u>
	----- (000 omitted) -----		
1977	\$39,444	\$ 2,766	\$ 42,210
1978	-	57,105	57,105
1979 (note a)	-	26,601	26,601
Total	<u>\$39,444</u>	<u>\$86,472</u>	<u>\$125,916</u>

a/Through July 6.

Reimbursements are made from the President's disaster relief fund, established by the Congress to cover all types of presidentially declared emergencies and major disasters.

PROBLEMS NOTED IN FDAA'S
NEW SNOW REIMBURSEMENT POLICY

As explained in appendix III, FDAA has recently implemented a revised snow policy. While the policy does provide supplemental snow removal assistance to State and local governments, it (1) is likely that it reimburses States that can afford their own costs of snow removal, (2) unnecessarily denies assistance for activities performed before a formal declaration, (3) places an unnecessary burden on FDAA's limited resources available to process requests, and (4) has several other weaknesses.

FDAA's new snow policy spells out the criteria FDAA uses to assess State and local governments' capacity to respond to severe snowstorms in areas included in a request for Federal snow removal assistance. Fundamentally, this policy provides that, after the President declares an emergency or major disaster, FDAA will reimburse a portion of a State or local government's snow removal expenses if

- at the time of the request, the snowstorm is posing a threat to public health and safety of catastrophic proportions,
- State and local physical resources are committed to remove the snow, and
- Federal assistance is necessary for an effective response.

Although FDAA's snow policy has never been published in the Federal Register, State and local governments have the continuing opportunity to criticize and offer suggestions to change the policy. According to FDAA, the States have raised no serious objections to the policy. In addition, the National Governors' Conference position is that FDAA has been fair and consistent. In contrast, we have noted serious weaknesses in FDAA's policy and believe that a revised approach is needed.

States capacity to respond
is not adequately assessed

The act requires that State and local governments do all they are capable of doing in responding to snowstorms. FDAA considers a State's physical capacity to deal with a storm, but does not adequately consider its financial capability to hire private contractors for assistance. As a result, it is likely that the Federal Government is reimbursing States for expenditures that they could have afforded to pay on their own.

The act provides that Federal assistance will supplement State and local actions. Further, section 102, 42 U.S.C. 5122, defines "emergency" as a catastrophe requiring Federal assistance "to supplement State and local efforts" in responding to the situation. Finally, in outlining the procedures for requesting emergency Federal assistance, section 301(a), 42 U.S.C. 5141(a), makes it clear that Federal assistance is available only if and to the extent that effective response to the situation is beyond State and local capabilities. Thus, State and local jurisdictions are expected to do what they can to deal with the situation.

Whether and to what extent an area is eligible for emergency assistance under the act depends upon the nature of the occurrence and the capacity of States and local jurisdictions to handle it. The important factor is not necessarily the action that is taken, but the capacity of the State and local governments to respond.

In implementing the act, however, FDAA considers the physical capacity but is inattentive to the financial capacity of State and local governments to respond to a snowstorm. If the Governor of the State has committed all available physical resources, including the National Guard and the State's transportation department, and threats to public health and safety are still above normal levels, FDAA may conclude that State resources are insufficient and Federal assistance is warranted.

We believe that a State's financial resources are also an important determinant in whether a snowstorm is beyond State and local capabilities. Since FDAA's assistance is primarily financial, we further believe the act requires that State and local governments use or show they will use available funds before the Federal Government can be expected to reimburse snow removal expenses.

FDAA's policy, however, does not adequately consider a State's financial resources as part of its capacity to respond to a snowstorm. As a result, FDAA does not attempt to determine whether a State can afford to pay for the cost of snow removal which is to be reimbursed by the Federal Government. Because (1) FDAA has never denied snow removal reimbursements to a State because it had adequate finances and (2) FDAA is not aware of any States that ran out of funds responding to emergency or major disaster snowstorm conditions, it is likely that some of the \$126 million in Federal reimbursements made to date was paid to States that could have afforded to pay their own costs of snow removal. To the extent that States have the financial capacity to meet the demands of the snowstorm, they should not be eligible to receive financial assistance under the act.

Current data on each State's finances is kept at FDAA headquarters, but it is not always used to assess a State's capacity to respond to snowstorms. FDAA also maintains information which indicates how State laws restrict the use of their own emergency funds as well as other available funds. FDAA told us that this information is only looked at in marginal cases, however, and is one of many factors considered in making the decision whether to recommend that an emergency be declared. FDAA said that while it is increasing its examinations, it has never examined in detail the financial or legal capabilities of any of the States that received snow emergency or snow major disaster assistance since the program began.

In commenting on our draft report, the Administrator disagreed with our opinion that Federal financial assistance should not be extended to States that have the financial and legal capability to hire private contractors to assist in snow removal operations. A more detailed discussion of this disagreement is included on pages 38 to 40.

Emergency incidence
period is too restrictive 1/

FDAA does not reimburse States for expenditures incurred before a snow emergency is declared. This policy is inequitable and should be changed.

Under FDAA's present policy, snow removal reimbursements are only available for costs incurred after 12:01 a.m. on the day of the President's emergency declaration. The eligibility period is usually 5 days but may be extended under certain circumstances.

FDAA told us that the incidence period for non-snow types of emergencies is sometimes made retroactive to the beginning of the catastrophe. FDAA said that snow is treated differently because it is difficult to determine the precise time a normal snowstorm becomes unmanageable, and thus, an emergency. While FDAA's incidence policy is within FDAA's discretion, nothing in the act requires such an effective time.

Limiting emergency assistance from the day of the declaration has likely resulted in treating States inequitably. States that used their available funds to handle heavy snow conditions before an emergency was declared were not reimbursed for those expenses. Conversely, States which did not use their available financial resources before a formal declaration were reimbursed for the same snow removal expenses incurred after the declaration. Even worse, this practice can result in denying reimbursements to States that over-extend themselves before a formal declaration and have no prospects for paying for the costs of snow removal without Federal assistance.

A request for Federal emergency assistance need not await exhaustion of State and local resources. Therefore, we see no reason why a State cannot request an emergency declaration as soon as it determines that State and local resources are not capable of satisfying the needs of the situation. As section 301(a) of the act requires, all requests for emergency declarations:

1/The incidence period is the time period during which certain State and local expenditures are eligible for reimbursement by the Federal Government.

"* * * shall be based upon the Governor's finding that the situation is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. The Governor's request will furnish information describing State and local efforts and resources which have been or will be used to alleviate the emergency, * * *." (Underscoring added.)

Recently an amendment--H.R. 1320--was introduced in the Congress to provide reimbursement eligibility as of the time a snowstorm commences rather than limiting emergency assistance to activities occurring after the declaration of an emergency. While the act currently does not preclude this determination, we believe it would be helpful for the Congress to formally adopt this criteria. In amending the law, however, we believe reference should be made to the time of the "unexpected event" or "unexpected occurrence" or "catastrophe," etc., as opposed to the time of the "emergency" or "major disaster" because it could be argued that there is no "emergency" or "major disaster" under the act until the President so declares.

The amendment proposed by H.R. 1320, however, would not necessarily result in providing assistance to State and local governments that exhaust their available resources to alleviate health and safety hazards following a severe snowstorm. Whether the Federal Government would reimburse the State to conduct normal snow-related services for the remainder of the winter would remain an administrative determination for FDAA to make. Changing the effective time for financial assistance would not change the condition that Federal assistance is available only where State and local jurisdictions are not capable of handling matters. FDAA still could determine that if a State has or had the capacity to meet a crisis only by using its resources available to meet anticipated normal needs, as opposed to overextending itself, no eligible emergency exists.

In commenting on our draft report, FDAA disagreed with our opinion that snow removal expenditures incurred before a Presidential declaration should be eligible for reimbursement. Details of FDAA's comments on this matter are discussed on pages 42 and 43.

FDAA's determination of
supplemental assistance is
too restrictive

In the past 3 years, FDAA has had three different formulas for sharing the costs of snow removal with State and local governments. The current method of reimbursement is questionable, however, if Federal emergency assistance is--as the act intends--only extended to governments that use, or show they will use, their available physical and financial resources.

Under FDAA's present policy, FDAA reimburses two-thirds and State and local governments pay the remaining one-third of eligible emergency snow removal costs considered necessary to save lives or protect public health and safety. However, nothing in the act limits FDAA's reimbursement to two-thirds of the eligible expenditures. Before the current policy--but pursuant to the same legislation--FDAA reimbursements were limited to three-fourths of a different group of eligible expenditures. Prior to that, no reimbursements were made to supplement State and local snow removal efforts.

When FDAA changed to its current policy, FDAA officials told us they looked at other Federal programs--such as fire suppression assistance--to determine a percentage of reimbursement which would be equitable but would not appear too attractive. The final decision was made by the Administrator, FDAA, on the basis that reimbursements between 60 and 70 percent could be justified as representative of the applicant's capabilities while still providing States with the incentive to hold down costs.

We question this policy. Under the act, Federal emergency assistance is only supposed to be provided after the State and local governments use or show they will use their available physical and financial resources. If FDAA only reimburses two-thirds of the remaining expenses, one-third of the costs--that is, the remaining State and local obligation--could not be paid because available State resources will already have been used.

We believe FDAA should pay all of the eligible snow removal costs which the governments in a declared emergency area have no prospects of paying without Federal assistance.

Eligible expenditures are too inclusive

The type of snow removal expenditures which are eligible for FDAA reimbursement are discussed in detail in appendix II.

While we did not attempt to determine the reasonableness of this list, we did notice that FDAA includes reimbursement for some expenditures which are properly the obligation of a State or local government.

Specifically, FDAA reimburses two-thirds of the cost of salaries of State and local government employees who are temporarily reassigned from their normal positions to assist in the State's snow removal efforts. For example, if a local government employee's normal job is to drive a refuse truck, but during a snowstorm is called upon to drive the same truck to plow snow, FDAA will reimburse two-thirds of the employee's normal salary.

We recognize that the act authorizes the President to provide, in an emergency or major disaster, any assistance essential to save lives and protect property and public health. However, we believe the salaries of these types of employees would have been incurred anyway and are not a proper expenditure to be reimbursed by the Federal Government.

Previous declarations should not be used as a criteria for future decisions

Under certain circumstances, FDAA considers how well a State has faired on previous declaration requests when deciding whether to recommend that an emergency be declared. We believe each snowstorm should be decided on its own merits, irrespective of the outcome of previous declaration requests.

FDAA told us that the decision whether to recommend to the President that an emergency be declared is not always an easy one. There are no specific criteria available to determine when the threat to public health and safety reaches emergency proportions, and headquarters officials rely on subjective factors to a great extent. According to FDAA, making the decision is more of an art than a science.

FDAA told us that the disaster history of a State is one of many factors reviewed during the decisionmaking process. FDAA believes that the extent of Federal assistance previously provided or denied provides them insight into the impact that another disaster or emergency might have on an area. One FDAA official told us further that when a case is marginal--that is, when the threat to public health and safety is only slightly greater than normal--the State's history of success or failure in receiving previous declarations can effect the decision of whether to recommend that an emergency be declared.

For example, if a State has been denied assistance on several of its previous requests, it stands a better chance of being declared an emergency area than if it had been granted Federal assistance on its past several requests.

We did not attempt to verify how often this criteria is used or what relative weight this criteria holds in relation to others. In commenting on our report, however, FDAA stated that past history alone would never be the single criteria used in making a recommendation to the President. FDAA said further that each situation must be considered on its own merits based on FDAA's evaluation of (1) the data provided by the State and (2) its own impact assessment. We believe, however, that if Federal snow removal reimbursements are limited to jurisdictions that cannot afford their own costs of snow removal, the previous declaration history of a State is not relevant and should no longer be considered.

Large number of requests unnecessarily burdens FDAA's limited staff resources

Currently FDAA's policy does not adequately discourage States from applying for Federal snow removal assistance. As a result, FDAA receives many inappropriate requests each year. Because these requests unnecessarily burden FDAA's limited staff, we believe FDAA should do more to discourage these types of requests.

For the 26-month period ended February 28, 1979, FDAA received 158 requests for varying types of emergency and major disaster declarations including 31 requests involving snowstorms. After receiving each request, FDAA devoted valuable staff resources to assess the severity of each situation before deciding whether to recommend that a declaration be made. In about 52 percent of the cases, the request for snow emergency assistance was denied.

FDAA's snow policy does not properly discourage States from making inappropriate requests for Federal snow removal reimbursements. As a result, States apply even when they can afford their own snow removal costs, and when conditions at the time of the request are obviously not severe enough to warrant a Presidential declaration under FDAA's current policy.

One FDAA official told us that in many instances, one of the reasons for denying a request is that a declaration would provide budgetary relief but would not significantly

reduce the hazards to public health and safety. The request for assistance following the February 18 to 19, 1979, snow-storm in Delaware is one such example. Although the Governor stated in his request that "no funds are available at this time for replenishment of resources required to meet future disasters," FDAA pointed out that only 2 days earlier the "Wall Street Journal" reported that Delaware had an \$11 million budget reserve fund to be saved for a rainy day when the State runs a deficit. In addition, FDAA pointed out that a Delaware bond prospectus indicated an increasing cash balance at the end of several recent years.

According to one FDAA official, the denied cases take as many or more resources to handle as approved cases because of actions needed to respond to requests for reconsideration and the concerns expressed by interested Congressmen. As shown by the following chart, FDAA has been quite active during the snow months.

<u>Period</u>	<u>Total requests received</u>	<u>Snow requests received</u>
November 1976 - March 1977	43	11
November 1977 - March 1978	51	13
November 1978 - March 1979	31	7

Considering the number of cases handled during these months and FDAA's limited staff resources, we believe FDAA should take steps to discourage inappropriate requests for assistance.

In commenting on our draft report, FDAA agreed that it could do more to discourage inappropriate requests. However, FDAA said that Governors have the right to request assistance whenever they feel it is appropriate. We believe that FDAA should provide better information on the criteria it uses to determine assistance eligibility. We believe this information will help to minimize unnecessary requests for assistance without impairing the rights provided to State Governors by the act.

PROBLEMS WITH THE ACT

As previously mentioned, the act requires that State and local jurisdictions do what they are capable of doing in responding to catastrophes and that Federal assistance will supplement State and local actions. We believe that strict

implementation of the act may result in the inequitable treatment of States--in snow removal reimbursement situations, as well as other types of emergency assistance--because of differences in State laws and differences in States' willingness to prepare for emergencies.

Each of the 50 States have different laws concerning the use of budgeted funds and surpluses. We believe these differences can result in unfair eligibility criteria which can work to the advantage of some States while penalizing others.

For example, assume State A and State B experience severe snowstorms and have exhausted all of their snow removal funds. Also, assume that both States have sufficient surpluses to pay for the cost of snow removal. If State A's constitution allows surpluses to be used for this purpose but State B's constitution does not, only State B will qualify for Federal assistance.

Wisconsin's severe January 1979 snowstorm illustrates this point. Although the Mayor of Milwaukee arranged to hire private contractors to remove snow that was endangering public health and safety, he had no means to fund the contracts. When he turned to the Governor for assistance, the State had a surplus amounting to approximately \$600 million but did not have a mechanism to make surpluses available to local governments for snow removal. Based on the threats to public health and safety, however, the President declared an emergency in the area on January 19, 1979. Since then, FDAA has provided approximately \$1 million in Federal snow removal reimbursements to jurisdictions in Wisconsin for that storm.

Similarly, other State laws can result in inequities. For example, States which restrict payment of State funds to communities will theoretically qualify for Federal assistance sooner than States without similar restrictions. Also, some States may restrict the flow of funds from one budget account to another and thus not be able to fund the costs of snow removal as quickly as other States.

It is also likely that each State has planned for a different level of snow preparedness. One State may easily be able to remove a 10-inch accumulation of snow, while a neighboring State may have difficulty in removing 5 inches. Everything else equal, if both States experience a 10-inch snow, the State with the lesser preparedness could conceivably qualify for Federal snow removal assistance while the better prepared State could not.

These potential inequities are not limited to snow reimbursements, however. The differences in laws and preparedness levels from State to State may apply to Federal assistance for all types of natural occurrences eligible under the act, including hurricanes, tornadoes, and floods.

Although FDAA currently provides assistance to States to develop an emergency plan including disaster mitigation, FDAA properly cannot require a State to change its laws or maintain a minimum level of preparedness.

In commenting on our report, the Administrator agreed that the act creates inequities because of differences in State laws, fiscal procedures, and flexibility in allocating funds. However, he also said that States should not be required to amend laws that restrict the use of State funds for emergency purposes and that minimum preparedness levels should not be established as prerequisites to Federal emergency assistance. A discussion of these comments is included on pages 44 and 45.

CONCLUSIONS

Under the Disaster Relief Act, FDAA snow removal assistance is intended to supplement State and local efforts to save lives, protect property, and insure public health and safety. Last year FDAA developed a policy to specifically handle requests for snow removal assistance. This policy needs to be improved, however, because it

- does not adequately consider States' financial resources when determining their capability to respond to severe snowstorms and does not insure that Federal reimbursements are paid only to States that cannot afford their own costs of snow removal,
- authorizes reimbursement eligibility only from the date of the declaration rather than from the beginning of the snowstorm,
- reimburses State and local governments for two-thirds of eligible snow removal costs rather than reimbursing only the costs of those activities which could not have been performed without Federal financial assistance,
- reimburses States for costs that would have been incurred even without a snowstorm,

--considers whether a State has been denied assistance on previous declaration requests when determining whether to recommend, in a marginal case, that an emergency be declared, and

--unnecessarily burdens FDAA's limited resources by not adequately discouraging inappropriate requests for assistance.

Similarly, we noted two weaknesses in the act which deserve attention. Specifically, if all other criteria are met, the act

--potentially penalizes or rewards States' eligibility for Federal snow removal assistance because of differences in State laws and

--potentially penalizes governments that are prepared to handle heavy snowfalls commensurate with or greater than the State's snow history and rewards those governments that are less prepared.

These potential inequities may apply to Federal assistance for all types of natural occurrences eligible under the act.

RECOMMENDATIONS TO THE ADMINISTRATOR, FDAA

Because of the problems noted, we recommend that the Administrator, FDAA, revise the snow removal reimbursement policy to better safeguard the President's disaster relief fund by (1) insuring that Federal reimbursements are not paid to States that can afford their own costs of snow removal, (2) reimbursing only the costs of those activities which the State could not have performed without Federal financial assistance, and (3) discontinuing to reimburse States for costs that would have been incurred even without a snowstorm. Further, the revised policy should not consider a State's success at receiving previous declarations in deciding whether to declare future emergencies and should discourage States from submitting inappropriate requests for assistance.

We recognize that the act potentially penalizes or rewards States applying for Federal snow removal reimbursements because of varying State laws and varying emergency preparedness. We do not believe the act should be amended

at this time, however, because the same inequities are potentially present in Federal assistance provided for other types of emergencies. Any attempt to correct these deficiencies should also consider the impact of those problems on Federal assistance for each type of emergency--including snow. We believe an analysis should be made to determine, at a minimum, the feasibility of (1) obtaining State cooperation in modifying State laws as necessary and (2) establishing minimum levels of preparedness for each of the prevalent types of natural occurrences on a State-by-State basis.

Because FDAA has experience in disaster preparedness planning, we recommend that the Administrator, FDAA, prepare a comprehensive analysis of the impact of these potential inequities on Federal disaster assistance and submit a detailed plan to correct the weaknesses of the act, including necessary legislative changes, to the Congress.

RECOMMENDATIONS TO THE CONGRESS

The Disaster Relief Act of 1974 currently permits FDAA to reimburse governments for snow removal expenses incurred prior to the President's declaration of an emergency or major disaster. Because FDAA does not reimburse these expenses, however, we recommend that the Congress amend the act to specifically require FDAA to provide reimbursement eligibility to State and local governments from the time a snowstorm begins. We believe that H.R. 1320 will accomplish this objective if the amendment is reworded slightly to provide eligibility from the beginning of the "unexpected event" or "unexpected occurrence" or "catastrophe," as opposed to the beginning of the "emergency" or "major disaster." Otherwise it could be argued that there is no emergency or major disaster under the act until the President so declares.

The act intends that Federal funds should not be disbursed to the extent that the State can use its legally available financial and physical resources. To insure that a State has fulfilled its obligation, a time-consuming examination of the State's financial condition is necessary. For this reason, we recommend that the Congress

- enact legislation requiring future snow removal reimbursements to be in the form of loans rather than grants and

- give the Administrator, FDAA, the authority to forgive emergency snow removal loans to the extent that a detailed examination discloses that a State could not otherwise afford the cost of snow removal.

In such cases, FDAA and the State should account for the forgiven portion of the loan the same as a direct grant.

We believe these recommendations will allow the Federal Government to eliminate the current delays in providing assistance and to be immediately responsive to an emergency situation, while at the same time, adequately protect the President's disaster relief fund.

We also believe these recommendations will discourage States from inappropriately requesting assistance. If State Governors realize that snow reimbursements will have to be repaid unless the State can show it could not have afforded the snow removal activities without Federal assistance, the number of inappropriate requests should decrease.

FDAA COMMENTS AND OUR EVALUATION

In his July 10, 1979, letter (see app. X) the Administrator, FDAA, stated numerous oppositions to our report. This information, as well as information obtained previously from the Administrator in written and oral discussions, is included throughout this report where appropriate. As shown in appendix XI, we disagree in whole or in part with most of the Administrator's comments. That appendix contains a point-by-point response to each of his comments. The remainder of this appendix focuses on what appears to be the Administrator's four greatest concerns with our report.

Specifically, the Administrator disagrees with our opinions that (1) Federal financial assistance should not be extended to States that have the financial and legal capability to hire private contractors to assist in emergency snow removal operations, (2) future snow removal reimbursements should be in the form of emergency loans that can be forgiven, rather than in the form of direct grants, and (3) snow removal expenditures incurred to save lives and protect property and public health before the President actually declares a snow emergency should be eligible for reimbursement. Another concern of the Administrator regards the desirability of studying the impacts of inequities inherent in the act.

Assessments of State capabilities

The Administrator provided us with several reasons why he believes that Federal financial assistance should be extended to a State that has the financial and legal capability to hire private contractors to assist in emergency snow removal operations:

- "The mere existence of financial and legal State authority may not be sufficient to preclude a situation that requires extraordinary efforts to save lives and protect property, public health and safety or to avert or lessen the threat of a disaster."
- "Nowhere in the language of the Disaster Relief Act nor in the legislative history is it stated that a State or local jurisdictions have to exhaust State financial resources before Federal assistance can be provided."
- "Considering the numerous potential applicants, we would have great difficulty within the short time period normally available to determine if and when specific resources were actually exhausted."
- "If a State has the financial and legal capability to hire private contractors to assist in snow removal operations they will normally not request supplemental Federal assistance."

The Administrator, however, agreed that the Federal Government should minimize expenditures in emergency and major disaster areas within limits of the act's intent. He also agreed that the overall fiscal condition of a State should be considered in deciding whether Federal assistance is needed. However, he emphasized that the act defines an emergency or major disaster as a situation which requires Federal assistance to save lives and protect property, public health, and safety. He said that the presence or absence of this criterion is conclusive for submitting its recommendation to the President.

FDAA recognizes that snow removal is basically a State and local responsibility and that Federal assistance is to be provided only when an effective response is beyond State and local capabilities. However, the Administrator told us that even though a State has the financial and legal capability to hire private contractors to assist in snow removal operations, FDAA will finance up to two-thirds of these costs. We believe that providing Federal funds (about \$126 million through July 6, 1979) without adequately assessing whether a State can afford to pay its own snow removal costs is contrary to the intent of the act. We further believe this practice has resulted in the Federal Government making unnecessary snow removal reimbursements to States and has thus depleted the President's disaster relief fund.

The Administrator stated that FDAA confirms whether each State requesting emergency snow removal assistance is applying its available resources and supplements those efforts when it concludes that the situation is beyond a State's capability. He further said he believes the current policy safeguards the President's disaster relief fund consistent with the act's objectives.

We disagree. As discussed earlier, although FDAA may take steps to insure that a State is committing its physical resources, it never conducts a detailed examination to determine whether a State is financially able to pay for its own costs of snow removal. Because FDAA's assistance is primarily financial, the net result is that the disaster relief fund has been used to bolster State budgets. States simply spend the Federal dollars to hire private contractors and use their own funds for another purpose. One top ranking FDAA official estimated it is likely that all of the \$126 million was given to States that could have otherwise afforded the costs of snow removal with available resources. He said that States have surpluses that can be used, and if necessary, can transfer funds, delay routine maintenance, and defer capital outlays until the following fiscal year. Considering how small Federal snow removal assistance payments are in comparison to a State's annual budget, his estimate may very well be accurate.

The implication of FDAA's policy is potentially greater, however. The Administrator told us that in all previous emergency or major disaster declarations--for snow, as well as non-snow occurrences--FDAA has never determined whether the affected jurisdictions have used the State and local funds that were legally available to respond to the catastrophe. Since the act became effective in April 1974, FDAA has spent about \$1.5 billion from the President's disaster relief fund to reimburse State and local governments for emergencies and major disasters. One can only speculate how much of these funds may have been given to States that could have afforded their own recovery efforts.

The Administrator told us that verifying whether a State has used legally available funds before providing Federal assistance would be a long and involved process. Further, he said FDAA would need to hire auditors to perform this function at an added expense to the Government. Considering that FDAA does not know how much of the \$1.5 billion was unnecessarily given to States that could have afforded their own recovery efforts, we believe the additional required positions would be a worthwhile expenditure.

Providing Federal loans
rather than grants

The Administrator also disagreed that future snow removal reimbursements should be in the form of emergency loans that can be forgiven, rather than in the form of direct grants. Although he pointed out several potential problems with changing the form of Federal assistance available for snow emergencies, we do not believe any are serious obstacles.

For example, he pointed out that differences between State laws, State/local relations, and funding limitations might cause inordinate delays in executing loan agreements, and that States may not have the authority to execute a loan agreement on a timely basis. We anticipate that, under a revised program, States may have to make some adjustments to qualify for assistance. For example, States will need a system in place--before a snowstorm occurs--to allow the Governor or an appointed representative to timely execute an emergency loan with the Federal Government. Because the Governor would correctly use this authority only in the event of a snowstorm emergency for which a State could not otherwise afford the costs of snow removal, we do not believe this adjustment is too burdensome.

He also stated that reliable financial data could not be assembled within the short time frame associated with emergency declarations. We believe this is not a problem, however, because no financial data is needed during the emergency if FDAA extends loans similar to a line of credit. All of the financial verifications can be done after the emergency--i.e., during the determination of how much, if any, of the loan should be forgiven. This is extremely important to expediting the delivery of Federal assistance to local areas and represents a major advantage over the delays typical of the current FDAA snow removal reimbursement program.

He also stated that a new Federal program would have to be established with a full bureaucracy to monitor and audit State budgets, surpluses, and credit standings. We disagree because, under a loan program, budgets and surpluses would not have to be monitored. Federal verification of State funds would only be done on an as-needed basis and only for States that (1) meet the act's other criteria for determining an emergency and (2) are actually extended a loan. We believe the number of loan requests will be minimal considering that States would have to repay the loan, without forgiveness, if a later examination reveals the State has sufficient financial

resources of its own. As stated above, we believe the additional positions necessary to adequately protect the President's disaster relief fund would be a worthwhile expenditure.

The Administrator was also concerned that specific eligibility and forgiveness criteria would have to be developed. We believe only minor changes are necessary to revise the current regulations regarding eligibility. We also believe the forgiveness criteria could be quite simple. Any portion of the loan that FDAA determines was used to finance eligible snow removal expenditures--that could not have otherwise been provided--should be forgiven.

Finally, he said that States may not be willing to borrow Federal funds and then make numerous loans to local governments. We do not believe States have to make loans to local governments. A further explanation of our recommendation may be necessary to clarify this point. As stated on page 16, snow removal is first a local responsibility and second a State responsibility. Therefore, it is a State's responsibility to insure that a local government's capacity has been exceeded before extending State assistance. Similarly, Federal assistance is to be provided only after it has been determined that snow recovery efforts are beyond local and State capabilities. We are recommending that the Federal Government discharge its responsibilities with an emergency loan program rather than a direct grant program. How the State discharges its responsibilities, on the other hand, is a determination to be made individually by each State.

Reimbursing expenses incurred
before a declaration

Similarly, the Administrator disagreed with our opinion that snow removal expenditures incurred to save lives and protect property and public health before the President actually declares a snow emergency should be eligible for reimbursement. However, FDAA has received considerable criticism for this policy, and in commenting on our report, he said FDAA is reviewing the policy to determine if any change is desirable before the 1979-80 winter season.

The Administrator stated that the start of the incidence period is intended to be that time when the scope, magnitude, and severity of the snowstorm or blizzard first reaches emergency proportions. The Governor's request is the first official statement that an emergency exists and the President's

declaration verifies that an emergency requiring Federal assistance has occurred. He does not believe that it is practicable or realistic for him to establish the start of the incidence period, particularly over a large area, prior to the date of the President's declaration of an emergency.

We do not agree. Using this logic we believe that, at a minimum, the incidence period should potentially begin on the date of the Governor's request. However, we see no good reason to even limit reimbursement to that extent.

The Administrator also pointed out that saving lives and protecting property cannot be accomplished retroactively. While we agree with his statement, we believe that snow removal expenses can be incurred to save lives and protect property and public health in a severe snowstorm prior to 12:01 a.m. These expenses should be eligible for reimbursement whether incurred before or after the President declares the emergency. However, we wish to make the point clear that only those expenditures which could not have been performed without Federal assistance should actually be reimbursed. It should also be pointed out that the current FDAA policy is also contrary to the Administrator's reasoning because it provides reimbursements for some expenses incurred prior to the time the President declares an emergency.

He also said that a retroactive policy would significantly increase costs and could foster an even greater number of State requests. Again, we disagree. Considering that States would receive assistance only for those expenditures which could not have been performed without Federal assistance, we believe costs would significantly decrease, not increase. We also believe the number of requests will decrease because, for the first time, States would be required to repay any portion of the Federal assistance which FDAA determines was used to perform services that could have been performed with State funds.

The Administrator further said that when a Governor makes a timely request, a prompt declaration of an emergency by the President will result in minimal losses of Federal assistance to eligible applicants. We disagree. Under FDAA's present policy, State and local governments have received substantially less assistance than otherwise possible because of the length of time between (1) when the first snow removal expenses were incurred to save lives or protect property and public health and (2) 12:01 a.m. on the day the President declares the emergency.

Analysis of inequities
inherent in the act

In his July 10, 1979, letter the Administrator agreed that the act creates inequities because of differences in State laws, fiscal procedures, and flexibility in allocating funds. He further stated that FDAA does not oppose a study of these inequities and would cooperate with or conduct such a study if directed to do so. He cautioned, however, that FDAA has other work which he believes should precede this study. He also cautioned that the analysis would not necessarily result in the modification of State laws regarding either the allocation of funds or levels of preparedness.

In a June 4, 1979, meeting, however, he told us that he did not agree that FDAA should study the inherent weaknesses in the act. He said FDAA would receive severe gubernatorial and congressional criticism if the proposed study recommended that States be required to amend their laws, where necessary, before full Federal assistance could be provided. We believe such a study is essential to defining the proper future Federal role in snow, as well as non-snow emergencies and major disasters. We hope that the study would be performed, and the unbiased findings be reported, without regard to gubernatorial or congressional pressure.

The Administrator also stated that the act does not allow FDAA to withhold relief from a State that fails to amend its laws. We agree, but do not believe the point is relevant. We are recommending that FDAA study the inequities of the act and provide the Congress with a detailed plan to correct these weaknesses, including necessary legislative changes. After the study is completed, the Congress can decide whether FDAA should be given the authority to withhold funds from States that do not cooperate. Until then, we believe FDAA should require States to use or show they will use only those funds that are legally available, before it extends Federal assistance.

In our June 4, 1979, meeting the Administrator told us that he did not believe (1) States should be required to amend laws that restrict the use of available State funds for emergency purposes or that (2) minimum levels of preparedness should be established as prerequisites to Federal emergency assistance.

As discussed earlier, the Administrator believes that Federal financial assistance should be extended to a State

that has the financial and legal capability to hire private contractors to assist in emergency snow removal operations. Further, he said there is no apparent reason why FDAA should study the feasibility of obtaining State cooperation in modifying laws to make even more State funds available for that purpose.

As discussed on pages 33 to 35, however, we believe that strict implementation of the act may result in treating States inequitably because of differing laws concerning the use of budgeted funds and surpluses. We see no reason why States should be penalized or rewarded by the Federal Government simply because of these differences.

The Administrator also does not believe that minimum preparedness levels, commensurate with past snowfall experiences, should be a prerequisite to receiving emergency assistance. Accordingly, he said he knew of no reason why FDAA should study the feasibility of establishing preparedness levels. He said minimum levels would be contrary to the section of the act which states that emergency assistance is to be provided to save lives and protect property, public health, and safety. Further, he said that emergency assistance should not be used as a means to reward or penalize either the well-prepared or the ill-prepared.

Unfortunately, the act in its present form potentially provides less assistance to governments that are prepared and more to those governments that are underprepared. We believe it makes more sense--if penalties are to be a function of preparedness for emergencies--to penalize those governments that are not fulfilling their responsibility to be prepared to handle, at a minimum, snowstorms indigenous to their area.

COMPARISON OF THE INDIANA AND ILLINOIS PROCEDURES
USED TO REQUEST FEDERAL SNOW REMOVAL ASSISTANCE

Indiana's request for Federal assistance during the January 1979 snowstorm was denied because it did not identify threats to public health and safety nor indicate that assistance was needed to avert or lessen the threat of a disaster. Because Illinois received Federal assistance during the same snowstorm, questions were raised regarding the adequacy of Indiana's procedures used to request Federal assistance. Based on our comparison of the procedures used by both States, we concluded that the differences in the procedures used did not affect the ultimate outcome of the requests for assistance. We also noted that both the Indiana and Illinois procedures have been used to secure previous Presidential declarations.

Both Illinois and Indiana have developed emergency plans which were partially funded and ultimately reviewed by FDAA. Under both plans, local communities are responsible for responding to an emergency and for requesting State assistance when the situation is beyond their capabilities. During an emergency, local communities are also required to prepare preliminary damage assessments which can later be used to support a request for Federal assistance if needed. In November 1978, FDAA advised both States to incorporate specific procedures into their preparedness plans to facilitate timely requests for Federal assistance. However, neither State has made these suggested changes.

During the January snowstorm, Illinois officials flew over the affected area to determine the severity of the storm. Based on this assessment, the Governor declared a state of emergency and requested Federal assistance. This action enabled Illinois to submit its request for assistance in a very timely manner. In contrast, Indiana officials did not fly over the area. The Indiana Department of Civil Defense (ICD) Director told us that even if they had, it would not have provided him adequate information on the severity of the storm. Further, he told us that local officials are in the best position to assess the severity of a snowstorm.

Would Indiana's request have been approved if the State had initiated action sooner? Even with the benefit of hindsight, one can only speculate. However, the civil defense directors in the four affected Indiana counties told us that the snowstorm did not exceed the resource capabilities of

local communities. They did not believe an emergency existed at the time of the Governor's request.

DOES INDIANA HAVE A WORKABLE
PLAN TO EFFECTIVELY REQUEST
EMERGENCY ASSISTANCE?

ICD coordinates Indiana's disaster preparedness planning and emergency request activities. As prescribed in the State plan, ICD was involved in coordinating data from local officials for the January 12 to 14 snowstorm. Although Indiana's request for assistance was denied in this instance, prior requests prepared in conformance with their plans have been approved.

Indiana snow emergency
preparedness planning

Indiana received a \$250,000 grant from FDAA to develop an emergency preparedness plan. After a final review by FDAA, the plan was issued on July 6, 1977, and was later distributed to various Federal, State, and local officials and other relief organizations. The plan is deliberately structured on a broad, general basis to cover a variety of disasters which can vary considerably in magnitude and severity. A notable weakness of the plan is that it does not distinguish between the actions necessary to deal with a snowstorm versus those needed for a tornado, flood, or other types of catastrophes. Indiana has not yet developed specific procedures to apply for Federal snow reimbursements under FDAA's new snow policy.

On November 14, 1978, representatives from FDAA Region 5 in Chicago briefed Indiana officials and staff representatives on the procedures to use in requesting emergency declarations for severe snowstorms. After this briefing, the ICD Director sent a December 3, 1978, memorandum to all local civil defense directors explaining FDAA's snow policies. Also, a meeting was held on December 6, 1978, to inform various State agencies of the new snow policies.

The State plan specifies that local officials (normally county civil defense directors) should telephone the ICD Director when an emergency is developing or has occurred. These officials provide data on the nature and severity of the emergency, using forms prescribed in the State plan. The ICD Director and seven staff members evaluate this data and coordinate the emergency response action needed. They also direct a State employee to make a quick survey of the affected area

to estimate the damage. Finally, the ICD Director evaluates all damage data and decides whether to recommend that the Governor declare a state of disaster emergency.

Federal assistance is requested if it is apparent that the emergency is beyond State and local capabilities. The FDAA regional director visits the area, if necessary, and designates Federal employees to make a joint assessment of the area with State officials. Based on this assessment, the directors of both ICD and the FDAA regional office determine if a request for a Presidential declaration is justified. If Federal assistance is needed, the ICD Director prepares a request letter and forwards it to the Governor who makes the final decision.

Actions resulting from the mid-January snowstorm

During the January 12 to 14 snowstorm, county civil defense directors did not request emergency assistance from the ICD office because they did not believe an emergency existed. After the storm ended, the ICD duty officer contacted civil defense directors in Lake, Porter, LaPorte, and St. Joseph counties. Based on these calls, the ICD Director told us later that there was no emergency in Indiana. He further stated that the cities of Gary, East Chicago, and Hammond responded so quickly that no emergency developed.

On January 15, the ICD Director notified FDAA that a request was forthcoming. Shortly thereafter, FDAA contacted the Corps of Engineers, the Federal Highway Administration, and the American National Red Cross. These agencies reported that (1) roads were open to at least one lane of traffic, (2) no emergency shelters were open, and (3) there were no food or blood shortages.

On January 16, the Governor submitted his formal declaration request to FDAA. Based on FDAA's contacts and the information in the Governor's request, FDAA recommended and the President agreed, that the request should be denied. FDAA concluded that there was no evidence of an emergency situation but rather a budgetary or fiscal problem for the counties and communities involved. FDAA also stated that it is not possible to provide aid to save lives and protect property on a retroactive basis. The ICD Director told us that although FDAA acted according to its snow policy, he believes the policy should be changed. He said retroactive reimbursements should be permitted because otherwise the

program helps States that do nothing or that delay removing snow but provides no assistance to communities that take immediate action and prevent an emergency from occurring.

Indiana appealed the denial, but the appeal was disapproved for the same reasons. Further details on the specific actions taken are included in appendix VI.

Assessments of local conditions

County civil defense directors told us that an emergency did not exist when the Governor requested Federal assistance. The following statements summarize their positions regarding the January 13 to 14 snowstorm:

- Lake County civil defense officials told us that city officials did not contact their office because they believed conditions were under control. County civil defense officials also indicated that by January 15, all roads were opened and there were no threats to public health and safety.
- Officials from East Chicago and Hammond believed that an emergency situation existed immediately after the snowstorm but that the threat to public health and safety had been eliminated prior to the Governor's request for Federal assistance.
- The LaPorte County Highway Superintendent stated that the January 13 snowstorm was a routine storm for the county.
- The LaPorte County civil defense director told us that no health and safety hazards existed and that the snow removal was within the county's capability.
- The Michigan City civil defense director said the snowstorm posed a threat to public health and safety because the elderly could not get in and out of their homes and because of the weight of the snow on roofs. However, he stated the emergency was over by the time the Governor declared an emergency.
- The Porter County civil defense director reported that they did not have an emergency situation.
- The St. Joseph County civil defense director told us they did not experience any serious problems which required emergency operations.

Experiences with prior
declaration requests

Although Indiana's request was denied for the mid-January 1979 snowstorm, Indiana's procedures have been used to secure previous Presidential declarations. The President declared Indiana an emergency area for snowstorms in February 1977 and January 1978 and a disaster area for a flood in March 1978. Appendix VII summarizes Indiana's requests for assistance through FDAA since April 1974. In addition, during fiscal year 1978, Indiana was successful in securing disaster declarations from the Small Business Administration and the Farmers Home Administration--enabling individuals to receive disaster loans.

PROCEDURE USED BY ILLINOIS TO
RECEIVE AN EMERGENCY DECLARATION

Illinois' Emergency Services and Disaster Agency (ESDA) coordinates the State's emergency activities. During a catastrophe, ESDA uses regional coordinators to assist local governments. Illinois' plan states the importance of locally generated damage estimates. Although not included in their plan, State officials flew over portions of the State after the mid-January snowstorm to estimate the conditions in some communities. This action further expedited the documentation of their request for an emergency declaration.

Illinois' disaster plan emphasizes that disaster response is basically a local responsibility. ESDA coordinates all levels of assistance during an emergency situation with its 54 employees, including 9 regional coordinators. These coordinators work with over 500 county and city emergency services and disaster units.

As shown in appendix VIII, although the mid-January snowstorm was the first Illinois emergency declared because of snow, it marked the fifth time portions of Illinois have been declared a major disaster or emergency area since April 1974.

Illinois snow emergency
preparedness planning

Illinois also received a \$250,000 grant from FDAA to develop an emergency preparedness plan. As in Indiana, Illinois is developing a very general plan which does not distinguish between actions needed for varying types of

catastrophes. Although Illinois has not yet finalized its plan, at the time of our review the plan did not have specific procedures to apply for Federal snow reimbursements under FDAA's current snow policy.

On November 22, 1978, FDAA regional officials briefed Illinois officials on its current snowstorm assistance policies. This was the same presentation made in Indiana on November 14. After the briefing, the ESDA Director prepared a package of information for all local ESDA coordinators regarding FDAA's new blizzard emergency assistance policy. However, the January snowstorm hit before this information was distributed.

When an emergency occurs, the State plan specifies that local communities should prepare a preliminary damage estimate, call the regional coordinator or the State ESDA office, and provide information on what has happened and what assistance is needed. The ESDA office is accessible 24 hours a day, 7 days a week, but does not have any procedures which specify the actions to take when a snowstorm occurs.

Actions resulting from the mid-January snowstorm

On Sunday morning, January 14, the Governor and the ESDA Director flew over the northern half of Illinois to determine the severity of the storm. After deciding that Federal assistance was needed, the ESDA Director notified FDAA that the Governor would request a Presidential declaration. He also contacted the regional coordinators to obtain the necessary supporting data from local communities. Because some communities were unable to gather the needed data quickly enough, however, some data had to be estimated.

The Governor's declaration request emphasized that if Federal financial assistance was provided, local communities would use it to hire private contractors to help with snow removal. He stated that if these communities had to rely solely on their own resources, it would take 2 weeks or more to remove the snow. The State plan emphasizes that the State has no earmarked funds to help local communities with snow removal costs.

FDAA's regional officials contacted the U.S. Weather Bureau, the Army Corps of Engineers, and the Federal Highway Administration to verify information in the Governor's request. Regional officials then forwarded the request and supporting data to FDAA headquarters.

FDAA headquarters officials determined that the extent of snowfall, compounded by high winds and extensive drifting, exceeded the capacity of State and local governments to adequately respond. Since this situation posed a definite threat to lives, public health, and safety, they recommended that the President declare an emergency to provide money to enable local communities to hire private snow removal contractors. We asked FDAA officials how they determined that State and local governments were unable to furnish the money needed to hire private contractors. These officials told us they did not review the financial capability of the State and local governments since there was a threat to lives, public health, and safety which required immediate action.

The President declared an emergency for 22 counties in Illinois on January 16 and added 2 more counties by January 20. As of May 22, 1979, FDAA had obligated about \$25.6 million to reimburse Illinois' snow removal efforts. Further details on the specific actions taken by FDAA and the State of Illinois are included in appendix VI.

CONCLUSIONS

We found no major differences between Illinois' and Indiana's emergency plans which would account for one State's request being approved and the other's denied. In the past, both States procedures have been used to secure Presidential emergency declarations.

During the January snowstorm, the Governor of Illinois (1) flew over the affected area immediately after the snow stopped to estimate the severity of the storm and (2) initiated actions prior to being contacted by local communities. This action expedited Illinois' request and may have helped to get its request approved. However, there is no assurance that Indiana's request would have been approved had it taken similar actions.

The major difference between the two State plans is the method of reporting local data. In Illinois, local communities report their data to ESDA regional coordinators, who in turn report it to the State ESDA office. In contrast, county civil defense directors in Indiana report local information directly to the State civil defense office. We found no indication during the January snowstorm that Illinois' regional system expedited the data gathering process.

Indiana and Illinois also used data with a different level of precision to request Federal assistance. Illinois estimated the severity of the snowstorm in some communities where adequate data could not be obtained in a timely manner. In contrast, Indiana waited to receive the necessary actual data from each of the affected counties before submitting its request for assistance. It is likely that this difference did have some impact on getting a timely request to FDAA.

Quite possibly, the passage of time between the Illinois and Indiana requests adversely affected Indiana's hope for Federal assistance. When Illinois made its request on January 15, 1979, many of its State highways were closed and all secondary roads were either closed or only open to one lane traffic with hazardous driving conditions. Vital services were only partially operating. When Indiana applied on January 16, 1979, a day later, State and local snow removal efforts had opened all major transportation arteries and most city and county roads were open to at least one lane traffic.

FDAA regional officials told us that the main difference between the Illinois and Indiana requests for this recent snowstorm was the magnitude of the affected area (22 counties versus 4) and the condition of primary and secondary roads. The FDAA regional director also told us that it is very difficult to recommend an emergency declaration when only a few counties are involved.

One can only speculate whether Indiana's request would have been approved had it been submitted sooner. Indiana county civil defense directors told us that the January 1979 snowstorm was not nearly as severe as the snowstorm that hit Indiana and Illinois in January 1978. During that snowstorm the outcomes were reversed--Indiana's request was approved, but Illinois' was denied.

CHRONOLOGY OF STATE AND FDAA ACTIONSSURROUNDING THE JANUARY 12 TO 14, 1979, SNOWSTORM

<u>DATE</u>	<u>INDIANA</u>	<u>ILLINOIS</u>
Friday, January 12		Snowstorm began at 6 p.m.
Saturday, January 13	Snowstorm began at 3 a.m.	
Sunday, January 14	Snowstorm ended at 8 a.m. An ICD official contacted county civil defense directors to determine the severity of the snowstorm.	Snowstorm ended at 3 a.m. The Governor and ESDA Director flew over the af- fected area and de- clared a state of emergency. The ESDA Director noti- fied FDAA that a request for Federal assistance would be submitted.
Monday, January 15	The ICD Director notified FDAA that a request for Federal assistance would be submitted. Data gathering continued.	The Governor re- quested Federal assistance to hire private contractors to remove snow in 22 counties.
Tuesday, January 16	The Governor declared a state of emergency and requested Federal assist- ance to reimburse snow removal costs in 4 counties.	The President de- clared 22 counties an emergency area.
Wednesday, January 17		The Governor re- quested Federal assistance for 13 additional counties.
Thursday, January 18	The President denied the Governor's request.	

<u>DATE</u>	<u>INDIANA</u>	<u>ILLINOIS</u>
Friday, January 19	The Governor appealed the President's denial.	The President included another county as part of the emergency area.
Saturday, January 20		The President included a 24th county as part of the emergency area and denied assistance for the other 11 counties.
Monday, January 22	The President denied the Governor's appeal.	
Wednesday, January 24		The Governor appealed the President's denial for the 11 counties and requested assistance for 31 additional counties.
Thursday, January 25		The President denied the request for the remaining 42 counties.

SUMMARY OF INDIANA'S REQUESTS FOR FDAA
ASSISTANCE SINCE ENACTMENT OF THE
DISASTER RELIEF ACT OF 1974

<u>Date of Presidential action</u>	<u>Type of request</u>	<u>Event</u>	<u>Presidential action</u>
4-04-74	Major disaster	Tornadoes	Declaration
7-10-74	Major disaster	Tornadoes/ heavy rain	Denied
3-25-76	Major disaster	Tornadoes/ floods/storms	Denied
2-02-77	Emergency	Snowstorms	Declaration
3-09-77	Major disaster	Snowstorms	Denied
1-27-78	Emergency	Snowstorms	Declaration
3-29-78	Major disaster	Severe storms/ flooding	Declaration
1-18-79	Emergency	Snowstorms	Denied

SUMMARY OF ILLINOIS' REQUESTS FOR FDAA
ASSISTANCE SINCE ENACTMENT OF THE
DISASTER RELIEF ACT OF 1974

<u>Date of Presidential action</u>	<u>Type of request</u>	<u>Event</u>	<u>Presidential action</u>
4-11-74	Major disaster	Tornadoes	Declaration
6-10-74	Major disaster	Severe storms/ flooding	Declaration
8-23-74	Major disaster	Train explosion/ fires	Denied
7-25-75	Major disaster	Tornadoes	Declaration
3-24-76	Major disaster	Tornadoes	Denied
6-18-76	Major disaster	Tornadoes/ storms/flooding	Declaration
4-12-77	Major disaster	Drought	Denied
6-13-77	Major disaster	Tornadoes/storms	Denied
2-06-78	Emergency	Snowstorm	Denied
4-03-78	Major disaster	Icestorm	Denied
1-16-79	Emergency	Blizzards/ snowstorms	Declaration



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

February 27, 1979

B-167790

The Honorable Adam Benjamin, Jr.
House of Representatives

Dear Mr. Benjamin:

In accordance with your request dated January 19, 1979, and subsequent discussions with your office, this letter provides information on whether (1) the Disaster Relief Act of 1974, 42 U.S.C. 5121, presently penalizes communities initiating recovery action prior to a Presidential declaration of emergency and (2) the Act should be amended to establish provisions for Federal assistance from the date of the beginning of an emergency rather than the date of declaration.

Additional information you requested relating to (1) procedures used by Indiana and Illinois in submitting applications for assistance, (2) the procedures used by the Federal Disaster Assistance Administration (FDAA) in processing an application, (3) the methods FDAA uses in reaching its decisions, and (4) a general assessment of methods that communities can use to receive the most beneficial assistance from FDAA will be transmitted at a later date.

The act does not penalize communities that initiate recovery actions prior to a Presidential declaration. The act's intent, as stated in section 101(b), 42 U.S.C. 5121(b), is to assist State and local governments in carrying out their responsibilities in responding to emergency situations.

The act provides that State and local jurisdictions will do what they are capable of doing in responding to catastrophes and that Federal assistance will supplement State and local actions. Further, section 102, 42 U.S.C. 5122, defines "emergency" as a catastrophe requiring Federal assistance "to supplement State and local efforts" (underscoring added) in responding to the situation. Finally, in outlining the procedures for requesting emergency Federal assistance, section 301(a), 42 U.S.C. 5141(a), makes it clear that Federal assistance is available only if and to the extent that effective

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response to the situation is beyond State and local capabilities. Thus, State and local jurisdictions are expected to do what they can to deal with the situation.

Whether and to what extent an area is eligible for emergency assistance under the act depends upon the nature of the occurrence and the capacity of State and local jurisdictions to handle it. The important factor is not necessarily the action that is taken, but the capacity of the State and local governments to respond. If a community has the capacity to meet the demands of a catastrophe, but fails to do so, it would not be eligible for assistance under the Act. If, on the other hand, a community is able to cope with a catastrophe only by overextending itself (e.g. incurring obligations it has no prospects of meeting without Federal assistance), it would be eligible for emergency assistance under the Act. Of course, the fact that a community does adequately respond to an emergency situation without overextending itself indicates that Federal assistance was not needed, and a subsequent request for emergency assistance in the form of reimbursement for expenses incurred would properly be denied. The Congress made this clear on April 21, 1977, when the House defeated a proposed supplemental appropriation to be used in reimbursing State and local governments for the cost of snow removal, in areas where the President had declared emergencies.

In regard to whether the law should be amended to establish provisions for Federal assistance from the date of the beginning of the emergency rather than the date of declaration, we believe that such a change makes sense.

Under FDAA's present policy, the effective time for emergency assistance is 12:01 a.m. on the day the President declares the emergency. While this determination of policy is within FDAA's discretion, we see nothing in the act that requires such an effective time. Limiting emergency assistance to the day of the declaration can result in treating jurisdictions inequitably. Jurisdictions that overextend themselves to meet emergency conditions before an emergency has been declared would not be reimbursed. On the other hand, a jurisdiction which, under similar conditions, chose

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not to overextend itself, would be eligible for Federal relief for the same expenses incurred after the declaration.

A request for Federal emergency assistance need not await exhaustion of State and local resources. We see no reason, therefore, why the State cannot request an emergency declaration as soon as it determines that State and local resources are not capable of satisfying the needs of the situation. As section 301(a) requires, all requests for emergency declarations:

"* * * shall be based upon the Governor's finding that the situation is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. The Governor's request will furnish information describing State and local efforts and resources which have been or will be used to alleviate the emergency, * * *." (Underscoring added.)

Amending the law, as suggested by H.R. 1320, so that the Federal assistance is calculated as of the date the emergency commenced would preclude FDAA from limiting emergency assistance to activities occurring after the declaration of emergency. At the same time, FDAA would retain the discretion to determine the form and amount of assistance. In amending the law, reference should be made to the time of the "unexpected event" or "unexpected occurrence" or "catastrophe", etc., as opposed to the time of the "emergency" or "major disaster" because it could be held that there is no "emergency" or "major disaster" under the act until the President so declares.

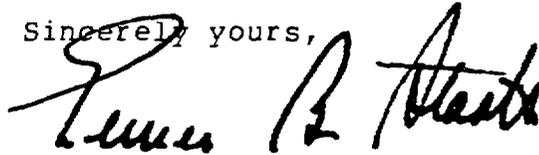
The amendment proposed by H.R. 1320, however, would not necessarily result in providing assistance to communities that are efficient at the expense of exhausting their capacity--for example--to conduct normal snow-related services for the remainder of the winter. This would remain an administrative determination to be made by FDAA. Changing the

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effective time for financial assistance would not change the condition that Federal assistance is available only where State and local jurisdictions are not capable of handling matters. FDAA still could determine that if a jurisdiction has or had the capacity to meet a crisis only by exhausting its capacity to meet anticipated normal needs, as opposed to overextending itself, there is no eligible emergency--the emergency has yet to come.

We trust that this information will be of assistance to you.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James B. Stewart". The signature is written in a cursive, flowing style with a large initial "J".

Comptroller General
of the United States



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL DISASTER ASSISTANCE ADMINISTRATION
WASHINGTON, D C 20410

July 10, 1979

OFFICE OF THE ADMINISTRATOR

IN REPLY REFER TO:

Mr. Richard Hart
Assistant Director
U.S. General Accounting
Office
Community and Economic
Development Commission
Washington, D.C. 20548

Dear Mr. Hart:

My staff and I have reviewed the draft GAO Report to Congressman Adam Benjamin entitled "Federal Snow Removal Reimbursement Policy: Improvements Needed." Let me state at the outset that the Federal Disaster Assistance Administration is in full agreement with your restatement of the authority of the Act which you provide in the second paragraph of the report.

"The Act authorizes the President to provide assistance to supplement the efforts and available resources of State and local governments when a major disaster or emergency is declared."

In our administration of the snow removal policy, we await the Governor's request, confirm that the State is applying its available resources, supplement those efforts when it is concluded that the situation is beyond the State capability, and reimburse eligible expenditures from the date of declaration. Further, in order to ensure that the effort is continued as supplementary, we limit the types of reimbursements which are allowable and also mandate that the States share on a predetermined ratio of 1/3 to 2/3 the amount of the reimbursement.

The report identifies three specific recommendations to the Administrator regarding the snow removal reimbursement policy. Although we have previously commented upon each of these, reiteration may be appropriate. They recommend that the Administrator:

1. Better safeguard the President's Disaster Relief Fund.

By assuring that the reimbursement is supplemental, maintaining no retroactivity in incident dates, requiring cost sharing and

GAO note: We disagree in whole or in part with most of these comments. See appendix XI.

limiting the types of reimbursable costs, we believe that we are safeguarding the funds consistent with the stated objectives of the Act which require prompt action to save lives, protect property and public health, etc., in a declared emergency. In fact, we are apprehensive that some of the conclusions reached by the GAO study team would increase the Federal costs (retroactive incident date, eliminate cost sharing). We are anxious to consider any and all specific suggestions that would decrease the costs to the Federal Government consistent with meeting the obligations of the Act.

2. Discontinue considering how well a State has fared on previous declaration requests before deciding whether to recommend that another emergency be declared.

We have previously commented on this recommendation as follows:

"The disaster history of a State is one of many factors during the decision-making process. The extent of Federal assistance previously provided, its nature, the number of people affected and how, etc., provide insight concerning the impact of another disaster or emergency on an area. Denied requests, or other less-than-major disaster activity, also are a consideration, for this provides data that the State and affected areas have already sustained and assume relief and recovery costs. However, past history alone would never be the single criteria used in making a recommendation to the President. Each situation must be considered on its own merits based on the facts provided by the State, our own impact assessment, and our evaluation of this data."

3. Better discourage States from submitting inappropriate requests for assistance.

This agency is not authorized under the law to discourage a State's Governor from determining that a situation is beyond the local capability and therefore requesting assistance of the President. FDAA has provided States with information and a checklist regarding the requirements for a snow disaster recommendation and has thoroughly briefed all States on the operations of the program. We have also encouraged a higher degree of "winter awareness" on the part of those States which are likely to receive snow. Within those constraints, FDAA has no proper role in discouraging any Governor from submitting a request.

The draft report indicates that FDAA disagrees with several of the GAO staff findings. The report, however, does not correctly and fully set forth FDAA's positions. Therefore, I request that the FDAA positions with respect to certain policies be set forth in the report. Requested language below is contained under each of the headings, "FDAA Position".

GAO Position: "State and local governments must use or show they will use available funds before the Federal Government should provide financial reimbursements for snow removal expenses."

FDAA Position: This is a supplementary program. Accordingly, there must be a demonstration that the State and local governments are using their own resources to save lives, protect property, etc., and that they will continue to use their available resources. Our position is the same as that expressed by GAO. However, FDAA does not believe that action can await a detailed confirmation of the precise fiscal posture of the jurisdiction experiencing the emergency condition; nor can FDAA require that a State demonstrate it has used "all available" resources, as proposed by the GAO staff.

GAO Position: "Future snow removal reimbursements should be in the form of emergency loans that can be forgiven, rather than in the form of direct grants."

FDAA Position: Section 306 of PL 93-288 prohibits loans to States for snow removal reimbursement. If this prohibition were to be set aside by an amendment to the Act, which included appropriate forgiveness standards and authorities, we would, of course, carry it out. However, it presents enormous difficulties in initiation and implementation - not the least of these is the basic authority for States to enter into legally binding Federal-State loan agreements on a timely basis in an emergency situation. Another problem would be the creation of a new Federal program with its full bureaucracy to monitor and audit State budgets, surplusses, credit standings and to draft and enforce a new series of regulations governing State eligibility and loan forgiveness.

GAO Position: "Snow removal expenditures incurred to save lives and protect property and public health before the President actually declares a snow emergency should be eligible for reimbursement."

FDAA Position: We have steadfastly maintained that the incidence date for snow removal reimbursement is the date of the Presidential declaration of the emergency. Our reasoning is that for an emergency, the Governor will take appropriate measures within the State's capability while concurrently assessing the need for Federal assistance. Upon his determination, which is often in consultation with State, local and Federal officials, including the FDAA Regional Director, the request is submitted and promptly reviewed. If approved, the declaration is normally within a day of the Governor's request. As noted above, a retroactive policy would significantly increase costs and could foster an even greater number of State requests than at present. Further, the law explicitly defines an emergency as Federal assistance to save lives and protect property, neither of which can be accomplished retroactively.

GAO Position: "FDAA should take further steps to discourage States from submitting inappropriate requests for assistance."

FDAA Position: It is not the prerogative of FDAA to "discourage" Governors from submitting requests to the President for emergency relief. A Governor may request assistance under the Act whenever he believes that a situation exists which is beyond the State's capability. We do advise Governors and their emergency staffs of the essential elements of a request as well as the information and data we need to develop our recommendation. To that extent, the States have a basis for anticipating the Federal reaction to the request.

GAO Position: FDAA officials "see no reason to study the impacts in the Act because they do not believe that (1) States should be required to amend laws that restrict the use of available State funds for emergency purposes, or (2) minimum levels of preparedness should be established as prerequisites to Federal emergency assistance."

FDAA Position: Inequities among the various States exist as a result of State laws and fiscal procedures resulting in surpluses in some States and deficits in others; flexibility in funds allocations in some, and not in others. Clearly, FDAA does not oppose such a study and would cooperate if undertaken - would conduct it, if so directed. However, there is no basis for concluding that such a study would result in the modification of State laws regarding either allocation of funds or levels of preparedness. Further, there is nothing in the Act which would allow FDAA to withhold relief from a State because it failed to amend its laws nor does it have any basis for withholding planning funds from States if a State did not choose to include snow planning. The grants are to maintain State plans and it is in the Federal Government's overall interest that they be maintained.

In addition to the above major points, there are other problems in the draft report, some examples of which are discussed in the following paragraphs.

On page 3 of the letter to Mr. Benjamin, immediately following a discussion of the planning grants and the withholding of funds until States develop snow plans, the report states that the Administrator has already proceeded upon this recommendation. To the contrary, as stated above, we do not foresee the withholding of planning funds as a result of a State's failure to include snow planning. We will continue with our efforts to increase "winter awareness" through meeting with our Regional Directors and will encourage States to include snow removal planning.

On page 18, the statement that "FDAA almost always makes retroactive payments for non-snow emergencies" is inconsistent with the statement on page 28, "FDAA told us (GAO) that the incident period for non-snow type of emergencies is sometimes made retroactive." The statement on page 28 is correct, but the statement on page 18 is incorrect. In short, retroactive payments are very much the exception and apply to unusual or unique circumstances. There are no instances of retroactivity involving the Public Assistance program in any declared emergency.

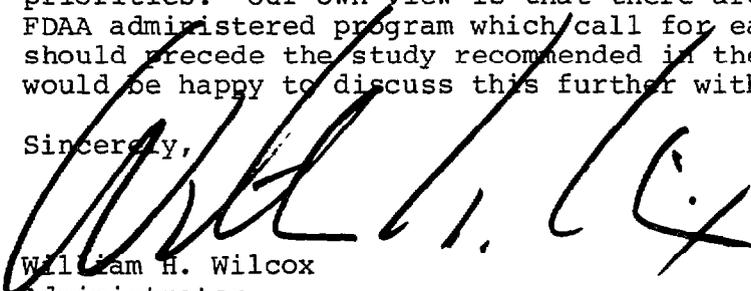
On page 27, GAO states that FDAA said that it has "never" examined in detail the financial and legal capability of "any" of the States that have received snow emergency assistance since the inception of the program. While it is true that FDAA does not normally perform extensive analysis of budgets and State resources, but has relied primarily on State assertions and the specific knowledge of the Regional Director and staff, we are to an increasing extent reviewing such financial data. We subscribe to a Municipal Credit Report published by Moody's Investors Service, Inc., review the fiscal posture of the States as annually reported by the National Governors Association in its "Fiscal Survey of the States," examine the U.S. Department of Commerce's annual publication, "State Government Tax Collections in 1978," and also maintain data from the general financial press. However, it must be noted that the basic thrust of the Act is to supplement State efforts to save lives and protect property when beyond the capability of the State or local jurisdiction - not to argue about the possible availability of funds or to provide relief from fiscal or budgetary stress.

On page 38, the draft report indicates that FDAA "believes that State and local governments do not have to use their own funds before the Federal Government should provide financial assistance." This is followed by a series of quotations from FDAA sources which,

apparently, the authors think justify the statement quoted above. Curiously, the specific quotations from FDAA are correct, but the conclusion of the authors stemming therefrom is incorrect. FDAA has continually taken a position that the Act is supplemental to State efforts. The policy is that States must use their available resources and the Federal Government will supplement that effort when it is determined to be beyond the State capability.

In conclusion, I wish to assure you that the FDAA is anxious to undertake or participate in studies or reviews which are directed toward improving service to the victims of emergencies and major disasters or in reducing the Federal costs. I note that there is a general recommendation that FDAA proceed with an overall study and analysis of legislative changes, etc. There is, however, a question of priorities. Our own view is that there are several aspects of the FDAA administered program which call for early review and which should precede the study recommended in the subject report. We would be happy to discuss this further with you at your convenience.

Sincerely,



William H. Wilcox
Administrator

GAO note: Page references were changed to correspond to page numbers in the final report.

EVALUATION OF FDAA COMMENTS

On May 24, 1979, we sent a draft of our report to FDAA for comments. In response, the Administrator provided oral and written comments on June 4, 1979, and June 28, 1979, respectively. Some of the comments were useful for making corrections and for providing greater clarity and balance throughout the report. Many other comments, however, were contradictory with information received previously from other FDAA officials.

After carefully considering each of the Administrator's comments, we made revisions to the report where appropriate. A revised draft was sent to FDAA to be sure we fairly presented the Administrator's positions in our report. The Administrator's July 10, 1979, letter reiterates some of his earlier positions, but contradicts some of the information previously received from him and other FDAA officials.

For this reason we have attempted to distinguish throughout the report between information provided by the Administrator and that provided by other top FDAA officials.

What appears to be the Administrator's major concerns are discussed in detail on pages 38 to 45. This appendix includes a restatement of each of the Administrator's specific comments in his July 10, 1979, letter and our responses.

Page 1Comment:

The Administrator states that (1) FDAA confirms whether a State requesting emergency snow removal assistance is applying its available resources and (2) supplements State efforts when it is concluded that the situation is beyond State capabilities.

Response:

We have received a variety of responses from FDAA on this subject. During our review, a top FDAA official told us that FDAA looks at the financial conditions of States requesting assistance in about one-third of the cases--the marginal ones--but that this information is never used as the basis for denying a request. On June 4, 1979, the Administrator told us that FDAA always looks at a requesting State's financial capability. On June 28, 1979, however, he said FDAA is examining

the fiscal and legal conditions of a requesting State to an increasing extent, but that time and conditions do not permit detailed analyses and evaluations of complex and sometimes conflicting economic, fiscal, and budgetary data.

We believe a severe snowstorm is not beyond State capabilities if the State can afford its own snow removal costs and that Federal financial assistance should not be extended under these circumstances.

Comment:

The Administrator states that FDAA's current snow policy already safeguards the President's Disaster Relief Fund consistent with the act's objectives.

Response:

We disagree. We believe the President's fund is not adequately safeguarded, considering that FDAA does not know how much of the \$126 million in emergency snow removal reimbursements were unnecessarily given to States that can afford their own costs of snow removal. One top FDAA official estimated that as much as all \$126 million spent to date was paid to States that could afford their own recovery efforts.

Further, we are concerned about how much of the \$1.5 billion in Federal funds spent for all types of emergencies and major disasters was unnecessarily paid to States.

Page 2

Comment:

The Administrator states that FDAA is apprehensive that our conclusions on retroactive incidence dates and cost sharing would increase Federal reimbursements.

Response:

If our recommendations are adopted--i.e., if Federal reimbursements are limited to those emergency expenditures which a State cannot provide without Federal assistance--we believe Federal emergency reimbursements will actually decrease.

Comment:

The Administrator states that, in deciding whether to recommend that a State be declared an emergency area, the extent of Federal assistance previously extended provides insight into the impact another emergency would have on an area. He said past history alone would never be the single criteria used, however.

Response:

One top ranking official told us that sometimes the deciding factor in whether to recommend that an emergency be declared is whether an area has been denied Federal assistance recently on previous requests.

We believe that if Federal snow removal reimbursements are limited to jurisdictions that cannot afford their own costs of snow removal, the previous declaration history of a State is not relevant and should no longer be considered. FDAA needs to spend more time determining whether a State can afford its own costs of recovery rather than using previous denials as an indication of depleted resources.

Comment:

The Administrator states that FDAA does not have a proper role in discouraging Governors from submitting inappropriate requests.

Response:

We believe FDAA should provide better information on the criteria used to determine assistance eligibility. We believe this information will help to minimize unnecessary requests for assistance without impairing the rights provided to State Governors in the act.

FDAA's reluctance to discourage requests may be inconsequential, however, if future snow removal assistance is provided in the form of loans that can be forgiven, rather than direct grants. We believe this change will significantly reduce the number of requests submitted to FDAA.

Page 3

Comment:

The Administrator states FDAA's position: State and local governments must use or show they will use available funds before the Federal Government should provide financial reimbursements for snow removal expenses.

Response:

We believe this comment is inconsistent with his earlier oral and written comments. For example, on June 28, 1979, he stated that Federal financial assistance for snow removal should be extended to a State that already has the financial and legal capability to hire private contractors to assist in snow removal operations.

The stated position is moot, however, because FDAA does not develop detailed documentation pertaining to the legally available funds of any State requesting snow or non-snow emergency or major disaster assistance.

Comment:

The Administrator states that FDAA does not believe the declaration of an emergency can await a detailed confirmation of the fiscal condition of the jurisdiction.

Response:

We agree. This is why we are recommending that future Federal snow removal assistance be provided in the form of forgivable loans, rather than grants. We believe a loan program will allow the Federal Government to eliminate the current delays in providing assistance and to be immediately responsive to an emergency situation. Federal verification of a State's fiscal condition can be done at a later time--i.e., during the determination of how much, if any, of the loan should be forgiven.

Comment:

The Administrator states that FDAA cannot require that a State demonstrate it has used "all available"

resources, as proposed by the GAO staff (in the June 4, 1979, meeting).

Response:

We believe that section 301(a), 42 U.S.C. 5141(a), makes it clear that Federal assistance is available if and to the extent that an effective response to a snowstorm is beyond State and local capabilities. State and local jurisdictions are expected to do what they can to deal with the situation. If a jurisdiction has the capacity to meet the demands of a snowstorm, but fails to do so, it would not be eligible for assistance under the act.

Comment:

The Administrator states that providing emergency snow removal loans to States would present enormous difficulties in initiation and implementation.

Response:

On the contrary, we believe it is likely that FDAA's workload would decrease in this area and that the President's disaster relief fund would be better protected. A discussion of the Administrator's objections and our responses begins on page 41.

Page 4

Comment:

The Administrator provides several reasons why FDAA has steadfastly maintained that the incidence date for snow removal reimbursement is the date of the Presidential declaration of the emergency.

Response:

FDAA has received considerable criticism for this policy. On June 28, 1979, the Administrator told us that FDAA is reviewing the snow incidence policy to determine if any change is desirable before the 1979-80 winter season. A discussion of the Administrator's comments and why we believe such a change is needed begins on page 42.

Comment:

The Administrator again states that FDAA does not have the prerogative to discourage Governors from submitting inappropriate requests for assistance.

Response:

As stated previously, we believe FDAA can do more without impairing the rights provided Governors in the act. This subject area is discussed on pages 32 and 33.

Comment:

The Administrator states that FDAA does not oppose a study of inequities in the act and would conduct the analysis, if so directed.

Response:

The Administrator has expressed widely varying views on this subject. A discussion of the contrast between his views expressed on June 4, 1979, and July 10, 1979, begins on page 44.

Comment:

The Administrator states that nothing in the act allows FDAA to refuse to extend annual plan maintenance grants to States that do not agree to plan for snow emergencies.

Response:

We disagree. The act authorizes the President to make grants to States for improving, maintaining, and updating State disaster assistance plans. The act does not provide these grants to States by right. We believe there is no reason why FDAA cannot require States, as a condition of grant approval, to use the grant funds for any specific purpose--such as snow emergency planning--that FDAA believes is necessary for an adequate disaster preparedness plan.

Comment:

The Administrator states that the act does not allow FDAA to withhold relief from a State that does not amend its laws to make State surpluses and other funds available for emergencies.

Response:

We agree, but we question the relevance of his comment. We are recommending that FDAA study the inequities of the act and provide the Congress with a detailed plan to correct these weaknesses, including necessary legislative changes. After the study is completed, the Congress can decide whether FDAA should be given the authority to withhold relief from States that do not cooperate by fully making their funds available for emergency purposes. Until that time, we believe FDAA should require States to use or show they will use only those funds that are legally available, before extending Federal assistance.

Page 5Comment:

The Administrator states that we incorrectly reported in our draft report that he had already proceeded with our recommendation to (1) reemphasize the need for States to develop specific plans for snow emergencies and (2) withhold the annual plan maintenance grant from States that do not agree to include snow emergency planning in their disaster preparedness plans.

Response:

The sentence in the draft report was only intended to refer to the first of these two recommendations. Because of his misunderstanding, the sentence was revised in the final report.

Comment:

The Administrator states that on page 18 of the draft report we made the statement: "FDAA almost always makes retroactive payments for non-snow emergencies."

He stated that the sentence is not correct and should be rewritten to indicate that the incidence period for non-snow types of emergencies is "sometimes made retro-active."

Response:

We have received varying information from FDAA on this subject. One top official gave us the information as written; a second official said the sentence is correct only if it is changed to refer to major disasters, rather than emergencies. The Administrator gave us a third opinion. Because the Administrator represents the formal position of FDAA, we revised this sentence in the final report; however, the change is of no consequence to any of our conclusions.

Comment:

The Administrator states that FDAA maintains several sources of State financial data and that FDAA is reviewing this data to an increasing extent. He also states that FDAA does not normally perform extensive analyses of budgets and State resources.

Response:

As noted above and discussed on pages 38 to 40, FDAA was not able to provide us with consistent statements on the frequency with which it reviews State financial data or on the nature and extent of such reviews.

For reasons cited elsewhere in the report, we believe FDAA's analyses are inadequate and have resulted in unnecessarily depleting the President's disaster relief fund.

Comment:

The Administrator states that we incorrectly summarized FDAA's position on the need to use available State and local funds before the Federal Government provides assistance. To clarify, he states that FDAA's policy is that "States must use their available resources and the Federal Government will supplement that effort when it is determined to be beyond the State capability."

Response:

As stated earlier, the clarifying sentence provided by the Administrator is inconsistent with his previous oral and written comments. The stated position is moot, however, because FDAA does not develop detailed documentation pertaining to the legally available funds of any State requesting snow or non-snow emergency or major disaster assistance. Notwithstanding, the sentence in the final report was changed to show that the Administrator believes Federal financial assistance should be extended to a State even though it has the financial and legal capability to hire private contractors to assist in emergency snow removal operations.

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