

REPORT BY THE U.S.

General Accounting Office

The Emergency Management Assistance Program Should Contribute More Directly To National Civil Defense Objectives

The Federal Emergency Management Agency's largest program for improving the civil defense capacity of State and local governments does not adequately assure that federally funded resources will be distributed and used by States and localities to support national civil defense objectives. Emergency Management Assistance Program funds are often not targeted to local governments facing the greatest civil defense risks, in part because States are not encouraged to use these criteria in their subsequent distribution of the funds to local governments. Further, program participants have not been required to pursue national objectives but have been able to define their own agendas.

GAO recommends changes in program administration that will better assure that federally assisted resources support national civil defense objectives.



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GAO/GGD 83-5
NOVEMBER 5, 1982

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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

GENERAL GOVERNMENT
DIVISION

B-208664

The Honorable Allan B. Swift
House of Representatives

Dear Mr. Swift:

In response to your June 26, 1981, request and subsequent discussions with your office, we have reviewed the Federal Emergency Management Agency's Emergency Management Assistance Program.

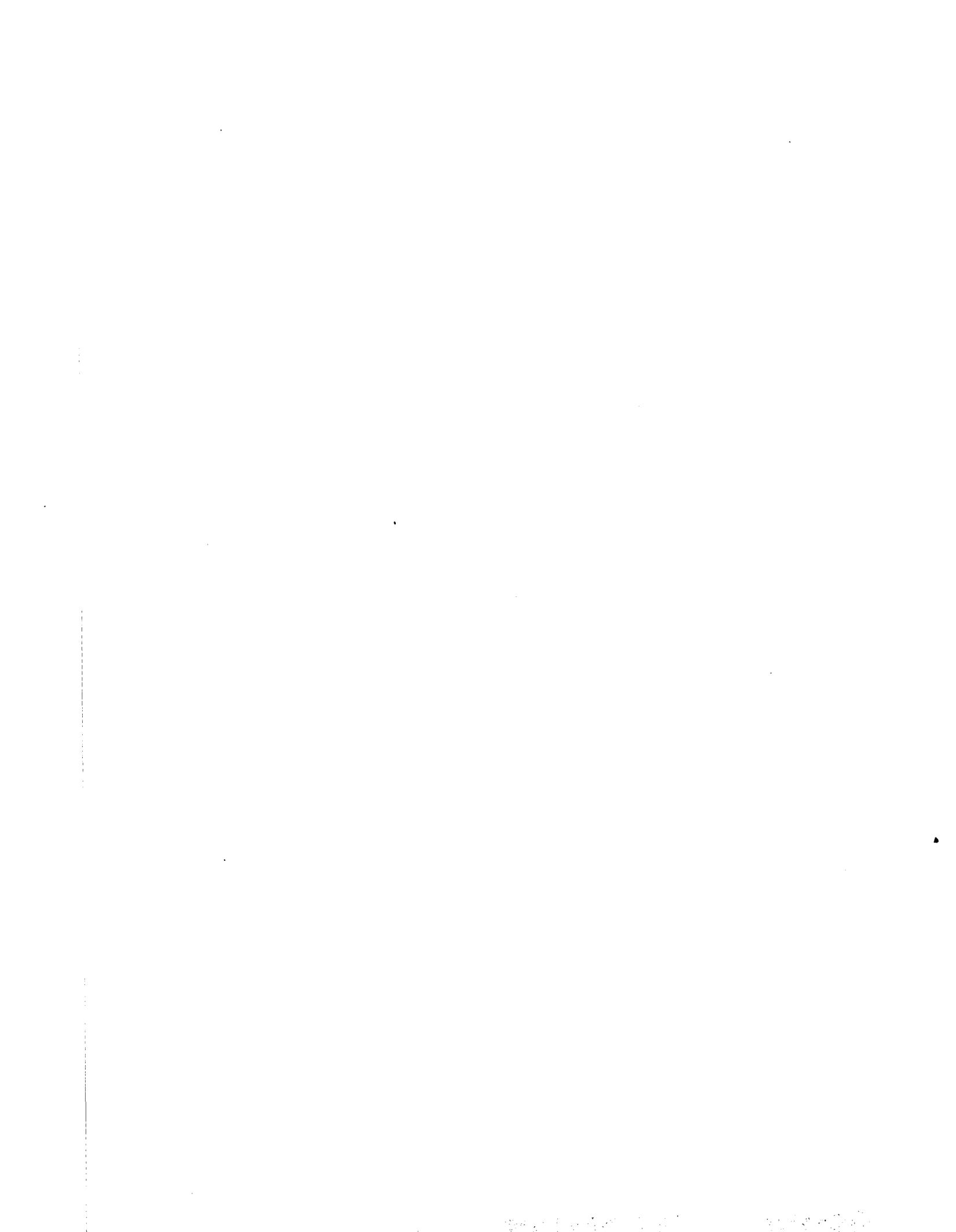
This report summarizes the results of our review of the agency's policies which govern State distributions of Emergency Management Assistance grant funds by States to local jurisdictions and the accountability procedures used by the agency and the States to assure that these funds are used for civil defense or emergency management purposes as intended by the Congress.

As arranged with your office, we do not plan to distribute this report until 5 days after its date of issuance. At that time we will send copies to the agency and other interested parties, including Senate and House Committees.

Sincerely yours,

W. J. Anderson

William J. Anderson
Director



D I G E S T

To improve the civil defense capability of State and local governments, the Federal Government annually appropriates millions of dollars in Emergency Management Assistance (EMA) to fund the personnel and administrative expenses of various State and local civil defense programs. For fiscal year 1982 the EMA appropriation was \$44 million and supported an estimated 1,400 State-level and 4,800 local-level personnel positions in some 2,600 jurisdictions.

The Federal Emergency Management Agency (FEMA) grants these funds to the States on a 50-percent matching basis. The States, in turn, pass through a substantial portion of these funds to local civil defense organizations.

Congressman Allan B. Swift requested GAO to review (1) procedures by which EMA funds are distributed by States to local jurisdictions and (2) accountability procedures used by FEMA and the States to assure that EMA funds are used for civil defense or emergency management purposes as intended by the Congress.

Generally, FEMA has developed criteria and guidance which could, if applied, assure that EMA funds are distributed and used to support national civil defense objectives. Yet these national criteria were not used by FEMA, nor by State officials, to manage the program, due in part to the perception by these officials that compliance with these national criteria was not mandatory. As a result, EMA funds often bypass local areas critical to the national civil defense effort and may not be used to support national civil defense objectives by those local jurisdictions receiving the funds.

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EMA FUNDS COULD BE BETTER TARGETED
TO SUPPORT THE NATIONAL CIVIL
DEFENSE EFFORT

The Civil Defense Act of 1950 requires EMA funds to be distributed by a formula that gives due regard to critical civil defense localities within the United States, thereby improving their civil defense capacity. However, approximately 47 million people live in critical civil defense areas that do not receive EMA funds. Although Federal EMA funds are allocated to the States in part on the basis of civil defense needs, States generally do not target funds to their local governments on the basis of these national criteria. (See p. 4.)

FEMA has issued regulations which provide criteria for the substate distribution of EMA funds, but these regulations are vague and in some cases conflicting, and often are not addressed by FEMA and State officials in the course of program administration. At the time of GAO's review, many FEMA and State officials believed that these regulations were only guidance and not mandatory. (See p. 5.)

Another handicap to present State and local EMA distribution procedures is the application of the 50-percent matching requirement. Although States can meet the matching requirement on a statewide aggregate basis, they have not used this technique and are thereby not involving key jurisdictions unable or unwilling to meet the 50-percent matching requirement. (See p. 10.)

To achieve better targeting, GAO recommends that the Director of FEMA require each State as part of its EMA Annual Submission to:

- Identify those local jurisdictions in critical civil defense areas that do not participate in the EMA program.
- Address specifically how the State plans to attain the participation of these local governments through such means as varying the matching requirement within the State, adopting State distribution formulas as tools to encourage desired participation

patterns, and/or giving priority funding consideration to jurisdictions in critical civil defense areas. (See pp. 12 and 13.)

The Director of FEMA should review each State's Annual Submission to ensure that efforts are being made to fund local jurisdictions critical to the national civil defense effort. (See p. 13.)

EMA RECIPIENTS SHOULD BE MORE
ACCOUNTABLE FOR ACHIEVING NATIONAL
CIVIL DEFENSE OBJECTIVES

As the EMA program is presently managed, FEMA has little assurance that EMA funds are contributing to the enhancement of national civil defense preparedness. Furthermore, present national guidance or objectives are not being applied to assess local civil defense preparedness capabilities. (See p. 16.)

FEMA holds local recipients accountable only for documenting the expenditure of EMA funds and for achieving their own self-defined objectives. Local EMA grantees have not been held accountable for achieving FEMA-defined goals or levels of preparedness because existing Federal criteria have not been applied by FEMA and the States. (See p. 17.)

Although FEMA has published "Standards For Local Civil Preparedness" to assist local, State, and regional civil preparedness professionals in reviewing local civil defense capacity, the standards are not used by many Federal or State officials in reviewing local accomplishments. (See p. 20.) Further, because EMA recipients are not directly accountable for achieving the objectives of FEMA's other civil defense initiatives, these other programs may not be as effectively implemented as they could be. (See p. 24.) Even if specific criteria were applied in reviewing local programs, present monitoring practices are inadequate to verify and evaluate local performance. (See p. 25.)

Without appropriate national objectives or standards and monitoring, there is little assurance that EMA, the largest FEMA program for

planning and preparedness, is contributing to a meaningful civil defense effort. (See p. 27.)

To better direct resources to support national civil defense objectives, GAO recommends that the Director of FEMA specify national objectives or standards for States to require local applicants to address in their annual funding proposals, depending on the unique needs and capacities of each local jurisdiction. The Director of FEMA should also require States to use these national objectives or standards in their oversight and evaluation of local performance and consider local performance as a factor in their annual funding decisions. (See p. 28.)

GAO is currently assessing the desirability of consolidating EMA and other FEMA planning and preparedness programs. One of the issues being addressed is whether consolidation would promote better linkage of the EMA-funded support system with FEMA's other programs and objectives. Even if consolidation were to take place in the future, the accountability process recommended in this report for local recipients of Federal emergency management assistance could still be used to assure that recipients achieve national objectives.

AGENCY COMMENTS

FEMA commented that, with the addition of areas that may be affected by natural disaster to the factors which make up its legislated formula for allocating EMA funds, it can be no longer assumed that only nuclear attack related risk and host areas should be reflected in its allocation to States. FEMA added that a number of factors which have nothing to do with its program administration cause EMA funds to be allocated by States to their localities on other than a risk basis. (See app. III.) GAO is not questioning FEMA's formula for allocating EMA funds to the States and is not insensitive to factors such as matching and local government lack of interest that discourage targeting of funds to high risk communities.

GAO believes, however, that FEMA and the States can and should do more to better target EMA funds to critical local civil defense areas and thereby better assure that the States distribution decisions reinforce, not frustrate, the intent of the national formula. (See p. 13.)

FEMA agreed that EMA-funded staffs should be held accountable for a product oriented to national objectives and has moved in fiscal year 1983 to make EMA synonymous with a product rather than the previous emphasis on time and attendance only. However, because the national objectives are broadly defined and recipients are still able to define the work products they wish to achieve, there is little assurance that local recipients will address those specific objectives that will contribute most to the national civil defense effort. (See p. 28.)

GAO's recommendation is aimed at better assuring that local recipients will address those objectives deemed by FEMA and the States to be of most importance.

GAO requested comments from the then-Director of the Snohomish County, Washington, Department of Emergency Services, who was also a Vice President of the U.S. Civil Defense Council. He generally agreed with GAO's findings and conclusions.

GAO also requested, but did not receive, comments from the incoming President of the National Emergency Management Association, an organization representing directors of State emergency management agencies.

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ABBREVIATIONS

FEMA	Federal Emergency Management Agency
EMA	Emergency Management Assistance
CPG-1-3	Civil Preparedness Guide entitled, "Fed- eral Assistance Handbook"

CPG-1-5 Civil Preparedness Guide entitled, "Standards for Local Civil Preparedness"

GAO General Accounting Office

NCP Nuclear Civil Protection

PSR Program Status Report

CHAPTER 1
INTRODUCTION

The Federal Civil Defense Act of 1950, as amended, authorizes the Federal Emergency Management Agency (FEMA) to provide financial assistance to States to support State and local emergency management agencies. This program, referred to as Emergency Management Assistance (EMA), provides up to 50 percent of the cost of civil defense personnel salaries and administrative expenses.

FEMA officials generally agree that the EMA program is the basic support for the U.S. Civil Defense program because it funds the personnel and administrative expenses for State and local civil defense organizations. Furthermore, these State and local personnel support other important FEMA civil defense programs such as Nuclear Civil Protection, Attack Warning, Direction and Control, Radiological Defense, and Emergency Public Information.

To determine the amount of EMA allocations to be received by each participating State, the act requires that FEMA, among other things, give due regard to the criticality of the target and support areas crucial to the development of the national civil defense readiness capability. Therefore, FEMA developed a formula for allocating EMA funds to each participating State. The formula is based on critical civil defense factors such as risk area populations, host area populations, and densely populated areas. A risk area is defined by FEMA as an area which, in the event of a nuclear attack, is more likely to experience direct weapons effects or high fallout without blast effects, and a host area is an area identified by a State as having a capacity for accommodating the people that relocate from a risk area during a potential nuclear crisis.

Once its EMA allocation has been determined, a State may apply for and receive an EMA grant, provided the State administrative plan for civil defense preparedness and the annual program paper have been approved by FEMA. Among other requirements, the State plan must provide for the disbursement of an appropriate share of Federal grant funds to the State's subgrantees. These subgrantees include various city, county, regional, and, in some instances, city-county combined civil defense organizations.

During fiscal year 1981, approximately \$37 million were appropriated to FEMA to fund the EMA program. The annual appropriation, which was increased to \$44 million for fiscal year 1982, supported an estimated 1,400 State and 4,800 local personnel positions in some 2,600 jurisdictions. FEMA has requested \$50 million for this program for fiscal year 1983.

On June 26, 1981, Congressman Allan B. Swift asked us to review possible violations by States and FEMA in the distribution of EMA funds to local governments. Additional concerns involved whether EMA funds were being diluted by mismanagement, inadequate accountability, and misuse to the extent that they are ineffective in contributing to an adequate civil defense program.

In a subsequent discussion with the Congressman's office, it was agreed that we would address these issues within the broader context of assessing the effects of the current inter-governmental assistance arrangement on the targeting of EMA funds and on the accountability by grantees for the use of these funds.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of our review were (1) to evaluate State procedures for administering EMA funds including procedures for making awards to local subgrantees and (2) to determine whether FEMA established objectives for the EMA Program and what methods it uses to ensure recipients are accountable for meeting these objectives.

Our review, which was conducted between July 1981 and February 1982, involved both extensive field work at State and local governments and an analysis of Federal policies and procedures at FEMA headquarters and regional offices. This audit was performed in accordance with generally accepted government auditing standards.

The State level review was conducted in 10 States (Georgia, Florida, Virginia, West Virginia, Minnesota, Wisconsin, Missouri, California, Arizona, and Washington). These States comprise \$10,862,665 or 30 percent of the fiscal year 1981 EMA appropriation and encompass 6 of FEMA's 10 regional offices. Also, at the time of the request, we had already begun a review in these States of the potential for consolidating various FEMA grant programs, including EMA. Therefore, we decided to expand the coverage of the ongoing review to address the concerns expressed in this request.

At each of the 10 States visited, we interviewed State officials responsible for administering the EMA Program to gain their views on how FEMA guidance and regulations were being interpreted and administered in their respective States. We also solicited their opinion on how the EMA Program could be improved and how the program objectives were being carried out at the State and local levels. We also reviewed audit reports, correspondence regarding the EMA Program, State administrative plans, annual submissions, and relevant financial information.

In order to gain an understanding of the quality of the EMA Program at the local level, we selected and visited 46 localities within 7 of the 10 States that had one or more of the following characteristics:

- EMA recipient receiving the largest amount of EMA funds.
- EMA recipient receiving the lowest amount of EMA funds.
- EMA recipient receiving EMA reimbursement for only part-time emergency management coordinators.
- EMA recipient receiving EMA reimbursement for a part-time coordinator who is also a fire or police officer.
- EMA recipient receiving EMA reimbursement for only a volunteer coordinator.
- EMA recipient located in a high risk civil defense area ("counterforce area").
- A nonparticipating jurisdiction which, in the view of State officials, has a good emergency management program.

At each local government visited, we interviewed the local emergency management coordinators and reviewed their local emergency operating plans, program papers, and financial information.

To gain a national perspective on how the EMA Program is administered, we interviewed EMA Program officials at FEMA headquarters in Washington, D.C., and at six regional offices which administer the program in the 10 States we reviewed. We reviewed and analyzed internal reports and correspondence prepared by FEMA officials at headquarters and regional offices. At FEMA headquarters we also obtained information through a computer data base which showed the population living in risk and/or host areas receiving and not receiving EMA funds. We did not verify the accuracy of these statistics.

CHAPTER 2

EMA FUNDS COULD BE BETTER TARGETED TO SUPPORT THE NATIONAL CIVIL DEFENSE EFFORT

Federal EMA funds could provide more effective civil defense coverage for the American public. Although the Civil Defense Act stipulates that regulations governing the distribution of EMA funds give due regard to areas critical to national civil defense readiness, over 20 percent of the American public lives in critical civil defense jurisdictions not receiving EMA funds. There is reason to believe that these jurisdictions are not as well prepared for nuclear attack as those receiving EMA funds.

Inadequate FEMA oversight and direction of the State-to-local distribution process is partially responsible for these targeting problems. Although FEMA has issued standards to govern the substate allocation of EMA funds, FEMA regional officials and the States are generally not addressing these standards in program administration. For example, although FEMA requires States to adopt formulas similar to the national EMA formula, none of the 10 States we visited used formulas to target funds to critical civil defense areas. Also, the States' application of the program's 50-percent matching requirement to each local recipient has discouraged local participation. States have decided to impose a 50-percent match on each jurisdiction rather than vary the match for key jurisdictions unable or unwilling to fund a 50-percent matching share from their own resources. As a result, EMA funds often bypass local jurisdictions critical to the national civil defense effort.

IMPORTANCE OF TARGETING EMA PROGRAM FUNDS

Of the approximately 200 million people living in critical civil defense "host" or "risk" areas, 47 million live in jurisdictions not receiving EMA funds. Also, we identified a number of jurisdictions not in host or risk areas that do receive EMA funds. A FEMA analysis performed during fiscal year 1981 indicates that jurisdictions not participating in the EMA Program are not as well prepared for nuclear attack as those receiving EMA funds. Our discussions with FEMA and State officials support this study's conclusions.

The need to target EMA funds on critical civil defense areas is recognized in the Federal Civil Defense Act which requires that the formula used to allocate EMA funds to States give due regard to the criticality of the target and support

areas and areas which may be affected by natural disasters with respect to the development of the total civil defense readiness of the Nation. Although the formula for allocations of Federal funds to the States contains strong targeting components, the States do not provide for targeting to their local recipients in accordance with national criteria.

Certain areas of the country are designated as either risk or host areas. Risk areas are those areas considered more likely to experience the direct effect (blast, heat, and initial nuclear radiation) from a nuclear attack, while host areas are those areas that would shelter those persons living in risk areas who are forced to vacate due to an expected nuclear attack. The percentage of population living in risk or host areas are two of the major factors considered by FEMA to determine the amount of EMA dollars each State will receive.

We believe that better targeting of EMA funds could increase the effectiveness of other programs that FEMA deems important to the national civil defense effort. For example, FEMA has adopted crisis relocation planning as the primary means to protect the American public in the event of a nuclear attack. The development of crisis relocation plans is the responsibility of FEMA-funded nuclear civil protection (NCP) planners located at the State level. In order to develop and coordinate the crisis relocation plans, State NCP planners depend on the cooperation of local civil defense coordinators. According to one FEMA official, one objective of the EMA Program is to insure FEMA of having at least a "foot in the door" at the local level. If a local jurisdiction is not participating in the EMA Program, it is more difficult to gain its cooperation in the NCP planning effort. In West Virginia, for example, even though this State is considered a primary hosting area for the populations at risk of direct nuclear attack, 20 of 33 jurisdictions in areas designated to host risk populations do not participate in the EMA Program.

FEMA AND THE STATES CAN DO MORE TO IMPROVE THE TARGETING OF EMA FUNDS

FEMA's limited oversight of State EMA funding procedures contributes to the current targeting problems associated with distributing EMA funds to critical civil defense jurisdictions. FEMA does not actively review State distribution procedures nor encourage States to gain the participation of critical local civil defense areas. FEMA regulations provide some criteria for the substate distribution of these funds. We found, however, that FEMA regional and State officials do not address their application in the course of program administration, due to the vagueness and lack of specificity of the regulations themselves and the perception by some officials that they are merely guidance.

The distribution process of most States we reviewed does not assure that EMA funds will be distributed to areas critical to the national civil defense effort. Most States rely on the interest and initiative of local jurisdictions to apply for funds rather than a formula that would distribute funds based on program need criteria. Because the interest of local jurisdictions sometimes does not match the need for the program, EMA funds can bypass jurisdictions located in areas critical to the Nation's civil defense while at the same time funding other jurisdictions not located in critical civil defense areas. For fiscal year 1983, FEMA has established the increase of host and risk area participation as an objective, but staff indicates that this will be guidance only.

We recognize that the voluntary nature of the Federal assistance system and EMA's 50-percent matching requirement pose inherent limits on the extent of program participation and targeting. Nevertheless, we believe that changes in the intrastate distribution process and more flexible application of the matching provision can be designed by both FEMA and the States to encourage greater participation by critical local governments and to better target EMA funds.

FEMA should oversee State distribution decisions

Although FEMA has published regulations governing the State-to-local distribution of EMA funds, these regulations are generally not addressed in program administration by FEMA regional or State officials. These regulations generally provide that States allocate EMA funds to local jurisdictions on the basis of the national-to-State formula allocation, distribute two-thirds of the total State EMA allocation to local jurisdictions, and provide priority funding to those jurisdictions that meet minimum staffing standards set by FEMA.

Although 6 of the 10 States we visited were in compliance with the two-thirds provision, none were addressing the other two distribution provisions. Further, although some FEMA regional officials were observing the provision that States distribute two-thirds of the funds to local recipients unless a waiver is issued, all FEMA regional program officials in the six regions we visited believed the other two regulations to be guidance only. Therefore, they did not feel that their approval of State-to-local distribution procedures was required.

During our review, FEMA's Office of General Counsel issued an opinion stating that the regulations regarding the two-thirds distribution and priority funding provisions were binding and that no State Administrative Plan should be approved until it is determined that these requirements are met. The opinion does note, however, that Regional Directors

can exercise a certain degree of flexibility in applying these requirements.

State-to-local allocations
are not consistent with
national-to-State allocation
formula

FEMA's Civil Preparedness Guide, "Federal Assistance Handbook" (CPG 1-3), requires that the State-to-local allocation of EMA funds should be generally consistent with the national-to-State EMA allocation formula. The formula (see app. I) considers such factors as the population living in risk areas, host areas, and other areas critical to the national civil defense program. The formula also provides a certain amount of discretion to FEMA officials to determine the exact amount of funds to be allocated.

None of the 10 States we visited have used a formula to distribute EMA funds nor did they have other procedures that attempt to target EMA funds to jurisdictions considered risk or host areas. Rather, the States used a discretionary award process based on applications submitted by interested local governments. Furthermore, State and FEMA officials perceive FEMA's formula provision to be guidance only. As a result, States are distributing EMA funds to any locality that requests funds, can justify its civil defense need, and meets the matching requirement but not necessarily to those jurisdictions critical to the civil defense effort. For example, in Georgia, 26 jurisdictions in risk or host areas do not participate in the EMA Program, while 21 jurisdictions not in host or risk areas do receive EMA funding.

The State of West Virginia awards EMA funds to any local applicant based on the adequacy of the applicant's local program paper, recent training completed by its coordinator, and past performance of the coordinator and locality. Wisconsin follows a "grand fathering" policy in its distribution of EMA funds. In other words, local recipients that perform satisfactorily continue to receive funds at the same staffing level regardless of the number of new applicants. While other States use similar distribution procedures, we found no instances where States were giving priority to applicants in risk and/or host areas.

Most States allocate less
than two-thirds to locals

CPG 1-3 also requires that States distribute at least two-thirds of their EMA grant allocation to local subgrantees--a rule which must be met unless a waiver is approved by a FEMA Regional Director. According to FEMA data, 30 of 50 States, or 60 percent, distributed less than two-thirds of the total State EMA allocation to localities. The data, however,

fail to show how many of these States had requested a waiver of the one-third to two-thirds requirement. Of the four States we reviewed that did not meet the one-third to two-thirds requirement, only one requested a waiver.

Of the six FEMA regional offices visited, two have approved waiver requests from State agencies that retain more than one-third of the EMA allocation. An official at one of the regional offices stated that his region does not require a specific request for waiver because he considers approval of the State's Annual Submission tantamount to approving the rate of distribution. Another FEMA regional official said that he perceived the one-third to two-thirds regulation to be guidance only, and another regional official stated that there is little FEMA can do if a State decides to retain more than one-third of the EMA allocation. Additionally, a number of State officials stated that they interpreted this regulation to be guidance only. The recent General Counsel opinion, which affirmed that these distribution provisions are mandatory, but flexible, may promote more consistency in the application of this distribution requirement. FEMA has also recently adopted standards to be used in evaluating requests for waivers of this requirement, which may also improve the administration of this provision.

Priority funding is not provided to subgrantees who meet the minimum staffing standard

The final regulation regarding how States allocate funds to their subgrantees requires that States give priority funding to local civil defense organizations that meet the minimum staffing standard set forth in the "Standards For Local Civil Preparedness" (CPG 1-5). This guide is prepared by FEMA to assist local civil defense coordinators in developing their civil defense capability. The staffing standard in this guide appears as follows:

Population (Approximate)	Equivalent Full-Time Professional Positions
Over 1,000,000	15 to 40
500,000 to 1,000,000	6 to 15
250,000 to 500,000	4 to 6
100,000 to 250,000	3 to 5
50 to 100,000	2 to 3
25 to 50,000	1 1/2 to 2
15 to 25,000	1 to 1 1/2
5 to 15,000	1/2 to 1
Under 5,000	1/5 to 1/2

The meaning of this regulation is by no means self-evident. The term "priority funding" is not defined. Therefore,

it is not clear whether this means that all local jurisdictions meeting this standard must be funded at their full requested amount prior to others receiving anything, or whether it means that the priority funded locals must receive some funding amount first. Furthermore, it is not clear whether volunteer personnel can be counted toward meeting the minimum staffing standard. These factors, coupled with the fact that the standards are specifically subject to reasonable adaptation to meet local needs, inject considerable uncertainty about what this regulation actually requires.

None of the 10 States we visited addressed these standards in their State-to-local distribution procedures in fiscal year 1981. EMA Program officials at the FEMA regional offices were likewise not addressing the priority funding regulation in their approval or disapproval of States' applications for EMA funds. Only one State we visited has taken actions to actually apply the numerical staffing standards in distributing its fiscal year 1982 allocation.

As a result of our review, the FEMA Assistant General Counsel for Planning and Preparedness issued an opinion which states that the priority funding requirement is binding on the States. The opinion further explains, however, that because of the statement that standards are "general guidance subject to reasonable adaptation to meet local needs," a FEMA Regional Director can waive the requirement upon determining that a local government below the staffing standard has met certain specified conditions.

Legitimate concerns could also be raised regarding the potential burdens and costs that could be imposed on the intergovernmental system if States' adherence to the numerical staffing standards were consistently required. It could be argued that the regulation requiring priority funding based on the staffing standards could penalize the more efficient local governments who are able to maintain or increase their performance with less staff.

This situation may have recently occurred in the State of Washington. Specifically, the city and county of Spokane, which maintained separate civil defense organizations prior to 1979, decided to consolidate these operations. As a result, they were able to reduce their staff size from five and one-fifth to three full-time staff. This action moved them below the staffing standard applicable to their population. Because the State of Washington decided to fund fiscal year 1982 EMA applicants on the basis of the numerical staffing standards, this city/county EMA applicant will receive only 23 percent of its EMA budget request while another county comparable in population will receive 50 percent of its budget request because it meets the staffing standard, as applied by the State.

Additionally, strict enforcement of the numerical staffing standards could also distort the distribution of EMA funds away from jurisdictions with a high level of civil defense need that are either unwilling or unable to raise sufficient resources for the kind of operation contemplated by the staffing standards. At a time of general budgetary retrenchment in the public sector, the existence of the numerical staffing standards could be viewed as unwise.

These concerns thus not only cast doubt on the desirability of maintaining FEMA regulations regarding staffing standards but may also explain why FEMA and the States apply them in the way they have. Yet, if a regulation is impractical or is otherwise deemed to be inappropriate, it should be revised or eliminated rather than disregarded. FEMA is now taking steps to eliminate the existing priority funding provision.

Aggregate matching offers
the potential for improved
targeting

The Civil Defense Act requires the States, as the primary grantees, to match the Federal EMA contribution dollar for dollar on a statewide basis. Local governments, however, need not provide this match as long as the State satisfies the matching requirement in the aggregate. According to FEMA officials, however, all States were requiring each local jurisdiction to provide dollar for dollar matching in order to receive any EMA funding. This application of the matching requirement tends to prevent those local jurisdictions, unable or unwilling to provide the necessary resources, from participating in the EMA Program.

In our 1977 report entitled "Civil Defense: Are Federal, State, and Local Governments Prepared for Nuclear Attack," (LCD-76-464, Aug. 8, 1977), we found that, because of the matching requirement, EMA funds were not being distributed in accordance with national priorities. This conclusion was based on the fact that some jurisdictions in high risk categories did not participate in the EMA Program because they did not obtain matching funds, but many jurisdictions considered to be a low risk from nuclear attack effects were receiving funds.

Our current review of the EMA Program indicates that the matching requirement is continuing to distort the application of the intent of the national EMA formula. For example, on the basis of our discussions with various State officials, we identified at least 90 local jurisdictions that were not receiving EMA funds because they were unable or unwilling to provide matching funds. A number of these localities were considered risk and/or host jurisdictions.

According to a FEMA headquarters program official, each local jurisdiction is not required to independently match its EMA fund allocation. Rather, the matching requirement can be satisfied if met in the aggregate on a statewide basis. Thus, the State, for example, could allow some local jurisdictions to participate with either no local match or a local match below 50 percent as long as other local jurisdictions or the State itself provide sufficient resources so that, in the aggregate, the total amount of State and local resources at least equals the EMA allocation to that State.

Although we did not attempt to quantify the potential available for increased participation through aggregate matching, the potential nevertheless exists and could be realized without imposing additional burdens on any recipients by including local spending that already exceeds the 50-percent match required for EMA. A number of local jurisdictions already contribute local resources far in excess of the 50-percent match, while others do not participate in EMA because they cannot or will not provide the match. For example, during fiscal year 1981 the counties of Ohio and Upshur and the city of Charleston, West Virginia, overmatched their EMA allocation by \$38,083, while several host jurisdictions such as Clay, Lincoln, Braxton, and Wirt counties did not participate in the EMA Program because, according to State officials, they were unable to meet the matching requirement. In another case, Norfolk, Virginia, indicated it overmatched its \$58,176 EMA allocation by \$900,000. Thus, assuming additional Federal funds were available, the States could use the existing overmatch to fund additional local jurisdictions and/or increase the level of funding for existing participants.

CONCLUSIONS

From the Federal perspective, it is important that EMA funds are targeted to jurisdictions most critical to the national civil defense effort. This interest is reflected in the Federal Civil Defense Act, which requires that the distribution of EMA funds from the Federal Government to the States be based in part on the presence of critical civil defense areas within the States.

The intent of this formula, however, is frustrated because States do not use needs-based formulas to further distribute the funds to local governments. Rather, States generally use a discretionary grant award process which primarily relies on the interest and initiative of local governments to apply for funds, regardless of their relative civil defense needs. Also, a number of local governments are unable or unwilling to provide a 50-percent match. As a result, many local governments in host or risk areas do not participate in the EMA Program. At the same time, a number of other local governments that are not in critical civil defense host or risk areas are receiving EMA funding.

These EMA targeting problems can reduce the effectiveness of the Nation's nuclear defense preparedness efforts. Our fieldwork tends to support FEMA's own conclusion that jurisdictions not receiving EMA funds are generally not as well prepared for nuclear attack as EMA participants. Furthermore, the effectiveness of FEMA's Nuclear Civil Protection Program, which funds States to prepare crisis relocation plans for nuclear war, hinges on the cooperation received from local emergency management officials.

Since improved targeting could involve reallocation of funds among local governments, States that attempt to change their intrastate distribution of EMA funds could face formidable political obstacles. We believe that stronger guidance from FEMA is not only necessary for States to succeed in these efforts but also appropriate since improved targeting enhances the Federal civil defense effort. At present, FEMA devotes little or no oversight attention to assuring that States distribute EMA funds to local recipients in critical civil defense jurisdictions. Although it is presently taking steps to improve enforcement of its requirements for States to distribute two-thirds of the funds to local recipients, enforcement of this regulation alone will not address the targeting problems identified. Unless FEMA requires States to distribute funds to local areas on the basis of national criteria through such means as a formula, we do not believe that better targeting of EMA funds will ensue.

Better targeting may also occur if the matching requirement is administered differently by the States. At present, matching discourages participation of some critical local governments because States require each participating jurisdiction to provide a 50-percent match from its own resources. Although State officials have the flexibility to provide for the match in the aggregate on a statewide basis rather than require each local recipient to separately provide the match, FEMA has not advised the States of this flexibility or encouraged them to use it.

We believe that stronger FEMA encouragement and oversight of these targeting issues is called for, especially during the next several fiscal years of projected budgetary increases planned for this program. Due to the diversity among the States, it would be unwise to impose any new uniform nationwide distribution mandates on the States. Yet FEMA could do more to stimulate State actions to improve the targeting of EMA funds. We believe that better targeting will result if FEMA takes a more active oversight role.

RECOMMENDATION TO THE DIRECTOR, FEMA

The Director of FEMA should require each State as a part of its EMA Annual Submission to:

--Identify those local jurisdictions in critical civil defense areas that do not participate in the EMA Program.

--Address specifically how the State plans to attain participation of these local governments through such means as varying the EMA matching requirement within the State, adopting State distribution formulas as tools to encourage desired participation patterns, and/or giving priority funding consideration to jurisdictions in critical civil defense areas.

The Director of FEMA should review each State's Annual Submission to ensure that efforts are being made to fund local jurisdictions critical to the national civil defense effort.

AGENCY COMMENTS AND OUR EVALUATION

In a September 17, 1982, letter commenting on a draft of this report, (see app. III) the Director of FEMA referred to "conflicting signals" the agency has received within the past year. He said that Congress recently changed the EMA formula to the States to include targeting to areas which may be affected by natural disasters in addition to the other formula elements. As a result, nuclear attack "risk" and "host" areas are no longer the only areas to which EMA funds should be targeted.

Although the report illustrates how EMA funds bypass risk and host areas, our recommendation seeks to better assure that EMA funds are targeted to critical civil defense areas, however they are defined by the Congress. Our main point is that the intent of the national formula for distributing EMA funds to critical civil defense areas can only be partially achieved by FEMA's distribution formula to the States. Targeting can only be fully achieved if the States, in turn, recognize national criteria in their distribution of EMA funds to local governments. Since the States we visited do not generally use a distribution process or formula incorporating the national criteria, the intent of the national formula is frustrated and EMA funds often do not reach critical civil defense areas.

The Director also said that nonparticipation by local jurisdictions in critical civil defense areas is due to factors beyond FEMA's control. We agree that jurisdictions in critical civil defense areas cannot be forced to accept EMA funds. Nevertheless, we believe that greater participation by these jurisdictions could be encouraged if our recommendation is adopted. Wider use of formulas by the States incorporating national targeting criteria could, at least, assure that jurisdictions in critical civil defense areas will have the first opportunity to participate in the program. In contrast, the

discretionary award process currently used by most States distributes funds, often on a first-come-first-served basis, to those jurisdictions with sufficient interest and initiative to apply irrespective of their location in critical civil defense areas. Because internal political opposition to changes in State distribution procedures can be expected, we believe that stronger FEMA guidance is necessary for States to succeed. Since improved State targeting would enhance the Federal civil defense effort by better assuring that the funds reach critical civil defense jurisdictions, we also believe that stronger FEMA guidance to the States is appropriate.

Finally, FEMA indicates that it has no control over the inability or willingness of local jurisdictions to provide the 50-percent non-Federal match required for participation. Yet, this barrier to participation could be removed for some jurisdictions if FEMA encouraged the States to match EMA funds in the aggregate, rather than requiring each local participant to provide the 50-percent match from local resources. Although current law permits States to provide for the match on an aggregate statewide basis, States are not practicing this at present, nor has FEMA encouraged States to adopt this practice. While FEMA agrees that aggregate matching is, in theory, a worthy suggestion, it indicates that this would force some jurisdictions to increase their costs to support other jurisdictions that do not provide a match.

Aggregate matching need not impose additional burdens on any participant. A number of local jurisdictions already report the spending of local funds far in excess of the amount needed to satisfy the 50-percent match for EMA. States could use this existing overmatch from some jurisdictions to reduce or selectively eliminate the match for other jurisdictions with a strong need for this program.

FEMA also suggests that the output of jurisdictions not providing a match will not be beneficial to the program, since they presumably would be reluctant participants. We agree that the provision of local funds evidences a commitment to the program which could lead to better program oversight by local management officials. However, the absence of local funds does not necessarily indicate a weak local commitment, but rather may stem from an inability to provide the funds by fiscally pressed jurisdictions. Further, even if the local commitment is initially not strong enough to generate local resources for the program, it is quite possible that once the community begins to participate in the EMA Program the local commitment and funds may follow. Aggregate matching would permit States to try this approach to encourage participation of reluctant communities in critical civil defense areas.

We also received comments on a draft of this report from the then-Director of the Snohomish County, Washington, Department of Emergency Services, who was also a Vice President

of the U.S. Civil Defense Council. He indicated that the report verified his earlier conclusions that FEMA regulations governing State distribution of EMA funds to local governments were ignored at all levels.

CHAPTER 3

EMA RECIPIENTS SHOULD BE MORE ACCOUNTABLE FOR ACHIEVING NATIONAL CIVIL DEFENSE OBJECTIVES

This chapter addresses the concern expressed by Congressman Swift that FEMA and the States have failed to establish adequate accountability procedures to assure that EMA funds are used for civil defense or emergency management purposes.

Little assurance exists that EMA funds are being used by local recipients to support Federal or State civil defense and emergency management objectives. Our review showed that local recipients were not being held accountable for achieving national civil defense objectives. FEMA's primary basis for accountability rested with determining whether EMA funds were used to support local civil defense personnel and administrative costs rather than what the funds actually accomplished. Although we agree that the Federal Government should ensure that grantees spend funds for the purpose appropriated, we believe that full accountability for the use of these funds can only be established if FEMA also takes steps to assure that grantees meet specific program objectives.

As the EMA program is presently managed, grantees define their own objectives or proposed accomplishments. Although FEMA has published specific objectives and standards that could drive the development of local plans and programs in accordance with national objectives, it does not require that they be addressed by local applicants. If this program is to upgrade the capacity of local civil defense organizations or to marshall these local resources to support other FEMA program objectives, then some national objectives and/or standards should be applied to assess and perhaps direct this capacity.

National objectives or standards, however, should be applied in a flexible manner to reflect the diversity of unique local conditions existing throughout the country. Accordingly, the primary responsibility for applying national objectives or standards should be vested with the States, who would be able to flexibly apply them to recognize unique local capacities and emergency vulnerabilities.

THE FISCAL APPROACH TO ACCOUNTABILITY IS INHERENTLY LIMITED

Congressman Swift's concern centered on whether Federal and State accountability controls were adequate to assure that

EMA funds were not used for purposes other than civil defense. Specifically, it was felt that controls were inadequate to assure that local government officials who serve as part-time civil defense coordinators are in fact devoting the appropriate amount of time to civil defense planning and preparedness.

The primary approach used by FEMA to assure accountability for the EMA program has been to verify that recipients in fact have spent the level of effort they initially proposed. This fiscal accountability approach, however, cannot by itself effectively promote full accountability for the use of funds.

It is difficult, if not impossible, for FEMA and the States to verify whether grantees are spending all funds solely for this purpose. Even if this could be determined, we do not believe that the level of effort devoted to the program is, by itself, a good indicator of State and local civil defense performance.

Verifying recipient level of effort is difficult

FEMA has primarily relied on a fiscal approach to assuring accountability for the EMA Program which seeks to verify that local recipients actually devote a level of staff effort to the program in accordance with their initial funding proposals. Yet it is difficult for FEMA to hold local recipients accountable for devoting a certain level of effort to the EMA Program due to the inherent limitations on outside verification of personnel time.

FEMA's fiscal accountability approach

FEMA requires local EMA applicants to submit and revise as necessary emergency operations plans that meet FEMA planning standards as a condition for receiving EMA funds. Beyond this, however, it has viewed the primary purpose of EMA as funding the personnel and administrative expenses of State and local jurisdictions for civil defense. It generally has not established programmatic objectives for EMA recipients to meet in connection with the expenditure of funds for civil defense.

Although FEMA recognizes that it has the authority to require EMA recipients to achieve national objectives or standards, the primary basis of Federal accountability for the use of EMA funds has been the determination that personnel and administrative expenses for civil defense purposes are, in fact, incurred. FEMA accomplishes this by first requiring local applicants to submit annual staffing patterns specifying the time to be devoted by each funded local EMA employee. This staffing pattern serves as the basis for reimbursements from

the States. Time distribution records to support the reimbursement must also be maintained.

Verification is impossible
short of desk audit

Unless periodic desk audits are performed on each EMA-funded individual, it is difficult if not impossible for States to assure FEMA that local governments are not diverting EMA funds to support other nonemergency programs. State officials stated that, even though time and attendance records are maintained, it is still difficult to determine whether local EMA funds are being diverted away from civil defense. As a result, some States do not rely solely on time and attendance records but use other forms of assurances to detect local diversion of effort such as telephone contact, visits by field coordinators, program paper review, and the monitoring of attendance at monthly area meetings. Most State officials agreed, however, that proper application of EMA funds is difficult to verify.

FEMA regional staff members and officials of FEMA's Inspector General's Office felt that their offices can do very little to prevent the diversion of EMA funds because they have inadequate staff capabilities. FEMA's Inspector General also stated that even if staff were available to properly audit financial reports and billings, the only way his office could ensure that diversion is not taking place is to perform periodic desk audits of EMA-funded positions. Furthermore, the Inspector General characterized the EMA Program as "almost impossible to audit" because it has no substantive goals of its own but rather funds an administrative system to support other Federal and State civil defense programs.

Level of effort is a
limited indicator of
program accomplishment

Even if it were possible or feasible to verify the amount of time EMA recipients devote to civil defense preparedness, the level of effort devoted is a limited indicator of the quality of the various EMA-funded programs. FEMA and State officials generally agree that the quality of plans and programs are not a function of the amount of time or effort spent by EMA coordinators or whether the personnel are full-time, part-time, or volunteer. Rather, the dedication and personality of the local coordinator and working relationships with others in the community are the most important variables that predict a good civil defense program. Our own field work supports this view.

Part-timers versus full-timers

A recent FEMA study showed that there were 1,023 full-time coordinators, 1,381 part-time coordinators, and 110 volunteer coordinators during fiscal year 1979. Our review at the various local EMA-funded jurisdictions indicated that the plans and programs of part-time funded EMA jurisdictions were generally no better or worse than those of full-time EMA-funded jurisdictions. Using FEMA's "Standards For Local Civil Defense Preparedness" (CPG-1-5) as criteria, we reviewed 26 local emergency operations plans in two States. We found excellent, good, and poor emergency operations plans for part-time and full-time EMA-funded jurisdictions.

FEMA and State officials generally believed that the quality of local civil defense programs is not related to the full or part-time status of the local program coordinator. They believe the quality of plans and programs depends more on the personality and initiative of the individual coordinator, local politics, relationships with other emergency groups such as the police and fire departments, and relationships with the local governing body.

Use of personnel in other local government functions as civil defense coordinators

FEMA regulations specifically allow the use of EMA funds to defray a portion of the salary cost of civil defense personnel who also serve in departments of a State or local government other than emergency management. Of the 19 local jurisdictions we visited in which the EMA-funded civil defense coordinators serve on a part-time basis, 16 maintained other local government positions. For example, the coordinators also served as policemen, firemen, director of public safety, school principal, and city manager.

Uniformed service personnel who serve as civil defense coordinators generally believed that because of the relationship of their duties to civil defense, they were probably as well qualified as full-time coordinators to carry out their civil defense duties in emergency situations. For example, a county government within the State of Washington recently placed civil defense coordination responsibilities under its sheriff's department in order to obtain stability and control over civil defense activities. The part-time civil defense coordinator, who also works for the sheriff's department, believes that the functions of law enforcement and emergency service coordination are very compatible.

SPORADIC AND WEAK OVERSIGHT OF EMA ACHIEVEMENTS

FEMA can best assure full EMA accountability by assessing what grantees are in fact accomplishing with the funds provided. However, because existing Federal criteria and guidance are generally not used to direct local EMA program proposals or accomplishments, it is difficult to ascertain whether EMA funds are contributing to a meaningful civil defense effort. Furthermore, because program monitoring at the Federal and State levels is weak and sporadic, evaluation of grantee accomplishments is ineffective. As a result, there is little assurance that EMA funds are being used to either build an effective civil defense capacity or to support the various programmatic objectives of other FEMA programs in which States participate.

Local recipients define their own objectives for the use of EMA funds

Many States and FEMA regions do not apply explicit criteria that FEMA has developed to assess local actions proposed in annual EMA applications. FEMA does not require local governments to address any specific national programmatic objectives in their annual program papers. Although States are required to assure that local program papers are consistent with State and Federal civil defense objectives, some States we visited as well as FEMA regional officials were not using these criteria in their review of local funding proposals. As a result, local governments generally define their own objectives and accomplishments with minimal Federal and State guidance or control.

Although the EMA Program is intended to be a local civil defense capacity building program, FEMA's standards for assessing State and local organizational capacity (CPG 1-5) are generally not used by either FEMA regional or State officials to assess local proposals. Further, although the EMA Program is also viewed as an aid to the implementation of other FEMA programs, there is no assurance that local EMA funding proposals will contribute to the objectives of other FEMA programs.

Development of local funding proposals

The process of developing a local EMA application begins with the preparation of an EMA program paper by the local governments. These program papers identify the projects and activities which the local civil defense organizations intend to carry out during the fiscal year for which EMA funds are requested. The program paper must also address the following seven generic civil defense activities identified by FEMA:

plan development, training, communications, radiological defense, warning, test and exercises, and public information. Program papers must also show prior year accomplishments.

Aside from these seven very broad generic activities, local governments generally do not address the achievement of any specific national objectives, e.g., support for floodplain management measures, within these general categories. Although the National Program Emphasis Paper--the basic annual statement of objectives for each FEMA program--could be used as a vehicle to require local responsiveness to national objectives, FEMA has decided not to specify programmatic objectives for local EMA recipients in the fiscal year 1982 National Program Emphasis Paper. Rather, the only national objectives applied to local EMA recipients in this document are to ensure compliance with Federal and State program regulations such as civil rights and merit personnel standards, and submit local emergency management progress reports. Because the portion of the Paper pertaining to the EMA Program does not include specific programmatic objectives, State and local recipients were free to define their own.

Although FEMA's fiscal year 1983 National Program Emphasis Paper provides guidance that may produce more attention to specific products or goals to be achieved by EMA-funded staff, this document does not provide sufficient assurance that local recipients will address specific national objectives in preparing their program papers. For example, recipients are not required to accomplish specific emergency management objectives including support for FEMA's programmatic initiatives funded through separate assistance agreements with the State such as NCP or Radiological Defense. Rather, recipients are allowed to address any or all of a list of broad civil defense management activities, including training, updating plans, or supervising response to emergency situations.

FEMA and State review of local proposals

FEMA regional offices and States have a concurrent responsibility to review local EMA program paper proposals. FEMA regional offices are responsible for administering EMA funds to the various State and local governments. This includes approving or disapproving the State Administrative Plans and Annual Submissions. As part of the approval process, FEMA also reviews the State and local program papers to determine if objectives defined in the previous year's program papers were significantly accomplished.

Prior to submitting the Annual Submission to FEMA for approval, States are to review local program papers to ensure that local program objectives are consistent with Federal and State civil defense objectives. States are also responsible for monitoring the progress of local EMA recipients to ensure

that they are spending their EMA funds in accordance with Federal and State regulations. FEMA does not, however, provide States with specific guidance on how the various Federal objectives are to be applied to local recipients, nor has it specified which national objectives local recipients are to be accountable for achieving.

Because FEMA does not provide States with specific criteria to be used in reviewing local program papers, many States have simply allowed local jurisdictions to define their own program objectives. In four States we visited, few or no criteria were applied by States to evaluate local EMA objectives or accomplishments. For example, in one State the review of local program papers is based on a judgmental desk audit. An official in another State said he is not sure that EMA funds are going for any specific purpose other than funding someone who can be there to be called upon when an emergency happens.

On the other hand, some States we visited had developed criteria for the development and evaluation of local program papers. For example, the State of Virginia's Local Affairs Division has developed a checklist of 13 program measures including, for example, whether the jurisdictions have written documents that identify the inventory of human and material resources to be used during an emergency or whether the jurisdiction has participated in an exercise involving the emergency operations staff. These program measures are to be used by the State's regional field monitors in the review of program papers and the evaluation of local EMA programs.

Officials at three FEMA regional offices we visited also said that they used few or no specific criteria to review local EMA objectives and accomplishments. One FEMA regional official stated that the review of the program papers is nothing more than a paperwork exercise. A FEMA official in another region stated that the review of program papers has become a procedural requirement for funding rather than a management tool.

Lacking specific criteria, FEMA and State reviews generally concentrate on ascertaining whether local recipients in fact achieved the objectives they proposed in the previous year. Although this type of review assures that grantees will be held accountable for achieving what they promised, it does not necessarily assure that they will be held accountable for achieving Federal goals and objectives.

Existing criteria are not used to
evaluate proposals or accomplishments

Even though there are few or no specific criteria being used by FEMA regions or States to evaluate local EMA objectives or accomplishments, some criteria and national standards do exist. FEMA has published a guide titled "Standards For Local Civil Preparedness" (CPG 1-5), and a Program Status Report which depicts the status of local civil defense organizations in relation to these standards.

The standards, developed jointly by Federal personnel and representative State and local civil preparedness directors/coordinators, are provided as a basis for professionalizing and improving local civil preparedness. They contain criteria on the training and professional competence needed by a local civil preparedness director/coordinator and also on the readiness of local government operations in major emergencies or disasters. These standards are offered by FEMA as guidance for local, State, and regional civil preparedness professionals to use in reviewing program papers. Although they are mandatory in reviewing State and local emergency operations plans, they are not used in reviewing program papers. The table of contents to these standards illustrates the areas of emergency preparedness covered. (See app. II.)

We found very few instances in which the States were using these standards to review local program papers. For example, at least four of the States we reviewed were not using the standards to evaluate the objectives and accomplishments cited in local program papers. Although emergency operations plans must be prepared in accordance with these standards, this does not provide accountability for the use of the funds themselves because the standards and the plans are not required to be used in the development of the local annual funding proposals.

FEMA's Program Status Report (PSR) could be used as an evaluation tool to ascertain where more intensive oversight would be appropriate to achieve specific national objectives. The PSR is a comprehensive computerized document which provides specific data on the overall status of eight elements of civil defense readiness in each local jurisdiction, including for example, radiological defense, emergency public information, and system capability indicators. The purpose of the PSR is to assist local governments in the examination of the status of their emergency readiness. Primary attention is focused on preparing for enemy attack upon the United States and identifying areas needing improvement.

Although the PSR could be a valuable aid to FEMA and the States in evaluating local program papers, we found very limited use of this document. In fact, FEMA's own guidance states that the PSR is provided to the States and localities

for information only and that no action is required except that they are urged to at least review the profile.

In order for the PSR to serve as a useful management tool, however, the quality of the data may need to be improved. Data contained in the PSR is gathered annually by the States. Most of the data is obtained via telephone calls or through field visits. However, the process is voluntary and the data provided by the local jurisdictions is not always verified. For example, one jurisdiction reported on its PSR that its Emergency Operations Center contained a communications antenna. However, it was later discovered that this communications antenna was inoperative because the antenna was lying on the ground unmounted.

Other FEMA program objectives
could be used as criteria for EMA

Local EMA proposals could also be assessed based on the extent to which local efforts contribute to other FEMA nuclear preparedness and disaster planning programs. As the largest single FEMA program funding civil defense preparedness, EMA provides a major potential support capacity to assist the other smaller FEMA preparedness programs in implementing national goals and objectives at the local level. While most of FEMA's other grant programs fund State governments only, their ultimate success hinges on local government acceptance and cooperation. For example, although FEMA funds the States to develop crisis relocation plans through the Nuclear Civil Protection Program (NCP), the cooperation of local officials in host or risk areas is critical to successful development of local plans by State NCP planners.

FEMA itself has recognized the important role of local EMA-funded coordinators to the NCP effort. First, it has tasked State NCP planners to involve EMA-funded personnel in plan development. Similarly, FEMA's guidance for the Radiological Defense Program tasks State personnel to utilize local EMA coordinators in planning and implementing radiological defense programs.

Yet FEMA does not follow through by requiring EMA recipients to coordinate with the other programs nor do their program papers have to reflect support for these national program objectives. For example, FEMA Region V attempted to require full-time local EMA recipients to send their radiological monitoring instruments for retrofitting and recalibration to regional centers within the State. Also, these local recipients were required to perform operational checks on the instruments to further reduce burdens placed on the State engineers and technicians. It was expected that this would minimize the costs incurred by FEMA-funded State engineers who previously had to visit each locality to pick up and return the instruments. However, FEMA regional staff told us that

they were forced to rescind this requirement because it was their understanding that FEMA headquarters did not feel that EMA recipients could be required to support this effort as a condition for funding.

Although FEMA has felt limited in the extent to which EMA recipients should be directly required to contribute to objectives of other programs, they have changed this view and are considering various policy options. According to the Deputy Associate Director for State and Local Programs and Support, an option being considered is making EMA funding contingent upon local participation in the crisis relocation planning effort funded under FEMA's NCP Program.

Program monitoring and verification is inadequate

Even if specific criteria were applied in reviewing local proposals, present levels of monitoring and oversight by FEMA and the States are inadequate to verify and evaluate local accomplishments. Many FEMA and State officials generally agree that unless they are able to make actual onsite visits to the local governments, there is very little they can do to ensure that EMA funds are producing desired results. Accordingly, local governments perceive that their programs are not monitored by the States or FEMA.

State monitoring

We found that EMA program monitoring procedures varied significantly among States. Although some have, or are developing, a formal system to monitor local grantee performance, others use an informal monitoring approach or use no monitoring system at all.

At least five of the ten States we reviewed have regional field networks of emergency assistance coordinators. These coordinators assist localities in developing their plans and programs and in overseeing program accomplishments. Most of the five remaining States have little contact with local officials. The lack of adequate travel resources to effectively monitor local programs was cited as a reason for their limited contact.

The existence of a regional field network within the States promotes effective oversight of the EMA Program. During visits to various local EMA recipients, we found that local perceptions of the State monitoring effort varied. In most of the States that have regional field networks, we found that the State field representatives generally maintained frequent contact with local officials. In these instances the State is probably well informed about local EMA accomplishments.

On the other hand, those States not using regional field networks had very limited monitoring efforts. In our visits to local jurisdictions some officials in these States told us they had not received regular visits from State emergency management officials. These local officials sense that the States do not hold them accountable for stated goals and objectives. One local official stated that given the lack of both Federal and State involvement with local jurisdictions, the locals are pretty much operating on their own and doing as they please. Another local official in another State noted that State officials have very limited contact with his jurisdiction and they have not developed a set of criteria for evaluating local performance.

Yet, the presence of a field network does not, by itself, guarantee effective oversight. Without specific EMA program evaluation criteria, oversight of the EMA Program is largely subjective.

FEMA monitoring

FEMA monitoring of local EMA recipient performance is limited to what one FEMA regional official describes as a cursory exercise. Each of the FEMA regional offices we visited has a policy to review all local program papers prior to approving each State's Annual Submission. Many FEMA officials felt that, because their monitoring of and visits to local jurisdictions are limited, they can only assume that previous year program goals were actually accomplished. More importantly, some officials said they lacked specific criteria against which to measure program performance. One regional official said that his staff averages two visits per year to State offices but none to the localities. Another official said that virtually no oversight or assessments are performed by the regional offices to determine what EMA money is buying and that they primarily depend upon the States to monitor local EMA performance even though they are aware that some States have poor monitoring programs.

The responsibility for auditing EMA and other civil defense programs rests primarily with FEMA's Inspector General. According to officials of the Inspector General's office, very little time is devoted to auditing civil defense programs, including EMA. For example, according to FEMA, the office devoted 20 percent of its time auditing civil defense programs during fiscal year 1981. Even this limited audit coverage is primarily directed at the State as opposed to the local level. There are no more than three auditors located at any of FEMA's regional offices. Region III, which includes Virginia, West Virginia, Delaware, Pennsylvania, and the District of Columbia, has only one auditor to cover all of FEMA's programs for the entire region.

According to Inspector General officials, this limited audit coverage has not always been the case. For example, in past years, FEMA's predecessor agency, the Defense Civil Preparedness Agency, conducted audits of at least 500 local grantees per year. This agency had 15 professional auditor positions for civil defense programs alone. Although FEMA currently has 22 full-time equivalent auditor positions, only 20 percent of their time--or approximately 4 positions--is devoted to civil defense. Because cost recoveries from audits of FEMA's Disaster Assistance programs are high, the agency devotes approximately 45 percent of the time of its audit staff to this area.

In light of this situation, FEMA officials have become more dependent upon the States to monitor State and local programs.

CONCLUSIONS

As the EMA program is presently managed, FEMA has little assurance that EMA funds are contributing to the enhancement of national civil defense preparedness. Because grantees tend to define their own objectives without using existing FEMA criteria and guidance, their programs do not necessarily reflect FEMA's goals or objectives. Without applying specific national objectives and criteria to the evaluation of recipient accomplishments, FEMA has little assurance that the funds expended are contributing to the national civil defense effort.

FEMA seems to be moving in the right direction to improve accountability. It is considering holding recipients accountable for achieving clearly defined national objectives, as defined in standards, and it has issued its fiscal year 1983 National Program Emphasis Paper which provides for recipients to identify certain goals that will be achieved with EMA funds. The Program Emphasis Paper, however, is only guidance. Further, the paper provides only a list of broad civil defense management activities, such as emergency training or public information, which EMA recipients may choose from rather than a listing of specific and measurable national objectives for States to prioritize and apply, including support for FEMA's programmatic initiatives funded through separate assistance agreements with the States such as Nuclear Civil Protection.

FEMA now needs to require EMA recipients to respond to specific national objectives in the development of their annual funding proposals. A system should be developed to assure accountability for national objectives. FEMA should promulgate national objectives or standards that States would be required to apply to local recipients through a consultation process prior to the start of each funding year. States

should take into account varying local capacities and vulnerabilities to determine which national objectives are to be applied to particular local governments. For example, a locality in a floodprone area could be required to address activities that would mitigate against loss from floods, while host areas would be required to support the FEMA-State crisis relocation planning effort. In this manner, the national objectives could be selectively applied to reflect the unique needs and capacities of each State and locality, while at the same time establishing a Federal responsibility for reviewing and monitoring the application of these objectives. Current guidance included in CPG 1-5, the PSR, and the objectives of other FEMA programs offer a good starting point.

Once objectives or standards are established, we believe it would then be necessary for the States to improve their monitoring and oversight of local performance and achievements. Local progress toward achieving these objectives should be evaluated by States in making their subsequent year's funding decisions. FEMA's primary oversight mission could be reoriented from reviewing each local program paper toward assessing each State's overall management system for assuring local EMA accountability.

We are currently reviewing the desirability of consolidating the EMA Program with other FEMA planning and preparedness programs. One of the issues being addressed is whether consolidation would promote better linkage of the EMA-funded support system with FEMA's other programs and objectives. The accountability process recommended in this report could be used in a consolidated framework to assure that local recipients of Federal emergency management assistance achieve national objectives.

RECOMMENDATION TO THE DIRECTOR, FEMA

The Director of FEMA should specify national objectives or standards for States to require local applicants to address in their annual funding proposals, depending on the unique needs and capacities of each local jurisdiction. The Director of FEMA should also require States to use these national objectives or standards in their oversight and evaluation of local performance and consider local performance as a factor in their annual funding decisions.

AGENCY COMMENTS AND OUR EVALUATION

FEMA agreed that EMA-funded staffs should be held accountable for achieving a product oriented to national objectives. (See app. III.) We believe that FEMA's fiscal year 1983 guidance shows progress toward implementing our recommendation. Recipients will be held accountable for achieving

objectives which will eventually be evaluated using FEMA standards.

Nevertheless, the fiscal year 1983 guidance permits recipients to select their own goals from a list of broad, generic civil defense management activities, such as emergency training or public information. Thus, there will continue to be no assurance that EMA recipients will address or be held accountable for achieving specific national objectives needed to improve the national civil defense effort. Such accountability can best be assured by requiring recipients to address specific national emergency management objectives in their annual funding proposals, as we have recommended. In this manner, the substantial State and local civil defense capacity funded by FEMA dollars can be energized to more directly contribute to the achievement of a strong national emergency management and civil defense program.

In his comments on a draft of this report, the then-Director of the Snohomish County, Washington, Department of Emergency Services, who was also a Vice President of the U.S. Civil Defense Council, agreed that local civil defense agencies were given no national policy or objectives to relate to in the planning process.

FORMULA USED BY FEMA TO DISTRIBUTEEMA FUNDS TO THE STATES

c. The first calculation for developing the preliminary budget allocation will be a formula distribution made by applying the following criteria:

(1) There shall be established a basic amount which shall be the same for each State: \$25,000.

(2) An additional amount shall be calculated for each State by applying the following percentage formula to the total sum in the appropriation request less the total of the basic amounts established for the States;

(i) One-third weight shall be given to the risk areas, which is measured by the ratio of the risk area population of each State to the national total of such population.

(ii) Two-ninths weight shall be given to the criticality of host areas, which is measured by the ratio of the host area population of each State to the national total of such population.

(iii) One-ninth weight shall be given to population, which is measured by the ratio of the total population of each State to the national population.

(iv) One-third weight shall be given to the state of development as follows:

(A) One-sixth weight shall be given to Nuclear Civil Protection (NCP) complexity factor. It is the ratio of the complexity rating of each State to the sum of such ratings for all States. The factor is a number between 1 and 5 assigned to each State; 1 indicating the least complexity and 5 the greatest. The assigned factors represent largely subjective judgment concerning the relative difficulty likely to be experienced in NCP planning due to the geography, the number of projects, number of evacuees from outside the State that will have to be hosted, the hosting ratio that will

have to be used, and the availability or non-availability of fallout shelter space.

(B) One-sixth weight shall be given to the complexity factor in each State (as compared to the sum for all States) of: shelter plans, direction and control, warning, radiological defense, emergency public information, and emergency services expressed as percent of completion, times the population ratio.

(3) The sum of the basic amount and the additional amount for each State shall constitute its formula distribution.

d. The formula distribution shall be reviewed and evaluated by the Director for the purpose of arriving at the preliminary budget allocation. In making the review and evaluation the Director shall consider the current situation in the State using the following six factors.

(1) The ability of the State and its subgrantees to expend such an amount for necessary and essential civil defense personnel and administrative purposes. Past performance is a factor in this determination.

(2) Special circumstances existing in the State at the time of allocation which require unusual expenditures for civil defense.

(3) Conditions peculiar to the State which make strict application of mathematical formula inequitable either to that State or other States.

(4) The relative cost of civil defense personnel and administrative services in that State; that is, whether such costs are considerably above or below the national average for similar services and expenses.

(5) Substantial changes in the civil defense readiness of the State not reflected by its recent civil defense expenditures.

(6) Any situation where allocation to the State of an amount approximately equivalent to the basic amount would be disproportionate because the State is sparsely populated.

(e) On or about September 1 of each year, the Director will make a tentative allocation to the States including accommodation for funds from States which have indicated they will not be using the total of the preliminary budget allocation. States can then revise their earlier plans which should more nearly reflect the level of funding expected to become available.

(f) By September 30 (or as soon thereafter as feasible) of each year the Director will make a formal allocation based on, or subject to, appropriation by Congress and allotment of the funds.

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"STANDARDS FOR LOCAL
CIVIL PREPAREDNESS" (CPG 1-5)

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Federal Emergency Management Agency

Washington, D.C. 20472

September 17, 1982

Mr. William J. Anderson
Director
General Government Division
General Accounting Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Anderson:

The General Accounting Office's report entitled "The Emergency Management Assistance Program Should Contribute More Directly to National Civil Defense Objectives" has been reviewed, and comments are herewith provided.

I appreciate the opportunity you have afforded to comment on the report prior to its publication and hope that the comments provided prove to be beneficial.

Sincerely,


Louis O. Giuffrida
Director

Enclosure

COMMENTS ON

General Accounting Office's (GAO) Report, "The Emergency Management Assistance Program Should Contribute More Directly to National Civil Defense Objectives"

Emergency Management Funds Could be Better Targeted to Support the National Civil Defense Effort:

The Agency has received conflicting signals within the past year which bring into question the above finding. On December 1, 1981, the Congress added, through Public Law 97-86, to Part 302 of Title 44, Code of Federal Regulations, a new condition governing allocations. This amendment adds the words "and the areas which may be affected by natural disaster" to the first of four factors which make up the Federal Emergency Management Agency's (FEMA's) formula for allocation of Emergency Management Assistance (EMA) funds.

With the addition of the above consideration for natural disaster, FEMA can no longer assume that Nuclear Civil Protection (NCP) "risk" and "host" areas should be the only risk and host areas reflected in our allocation of EMA funds. It appears evident that the Congress is concerned over all areas threatened, or in risk from hurricanes or tornados, in addition to the possibility of nuclear attack.

Additionally, there are a number of factors which have nothing to do with the FEMA program administration which cause EMA funds to be allocated on other than a risk basis:

- o Because EMA is a "matching" grant, only those "aware" communities concerned about the risk of attack or major calamity choose to seek out Federal funds to match their own emergency preparedness funds.
- o Only those jurisdictions which apply for matching funds receive them. Many jurisdictions file program papers annually but do not wish to receive EMA funding.
- o In practice, jurisdictions do not participate in the Federal emergency management program because: (1) they believe that they have other higher priorities, (2) they are against using Federal funds, (3) they do not believe philosophically in emergency management, (4) they prefer to take the risk, and (5) only lastly, because they do not have the matching funds. FEMA has no control over any or all of these factors. Regardless of the risk faced by a local jurisdiction, it cannot be forced to accept EMA funds.

The report suggests matching of funds in the aggregate. In theory, this suggestion appears worthy of effort. In practice, it would require the "partners" to increase their costs (record keeping, etc.) to support jurisdictions which did not wish to accept the congressional offer of "partnership." In other words, an increased obligation would fall on program participants in order to provide a "free ride" to other jurisdictions resisting the program. Output from this

- 2 -

type of reluctant participant is usually not beneficial to the overall program. At one time, States like California picked up 25 percent of the costs, matching the 50 percent of the Federal Government and 25 percent of the local jurisdiction hopefully to encourage Statewide participation. This has long since been discontinued, however.

FEMA will allocate EMA funds to the States in 1984, based on a new formula. The increased emphasis of population in the allocation of funds should, however, better distribute Federal dollars to areas of risk (whether natural and technological disasters or attack).

EMA Recipients Should be More Accountable for Achieving National Civil Defense Objectives:

This year FEMA has moved, with the issuance of the 1983 Comprehensive Cooperative Agreement (CCA), to make EMA synonymous with a product rather than the previous emphasis on time and attendance only. It was obvious to the FEMA management that though EMA was established for the purpose of providing permanent emergency staff, that the staff also should be responsible for a product oriented to the national objectives. We believe that FEMA Regions will be better able to judge accountability on the part of the States and local jurisdictions with this product orientation. The Annual Program Emphasis will convey the national direction and objectives for the program; the Program Paper (or the CCA Agreement) will become the commitment of that effort.

It should be noted that the report claims the Standards are not used to judge the performance or the meeting of objectives of State and local jurisdictions. The Standards were never meant for this purpose. They were written and approved "as self imposed" standards against which individual coordinators or directors could chart their own progress and that of their jurisdiction. FEMA agrees, however, that in evaluating the "product," standards should be produced against which FEMA can judge accomplishment. Our first set of such Standards (for NCP planning) are being released at this time.

Conclusion:

The note that FEMA "seems to be moving in the right direction to approve accountability" is appreciated. We, too, believe that the orientation of the program-to-program product, the connectivity to other programs and the improved Standards being developed, all will improve the overall national civil defense posture.

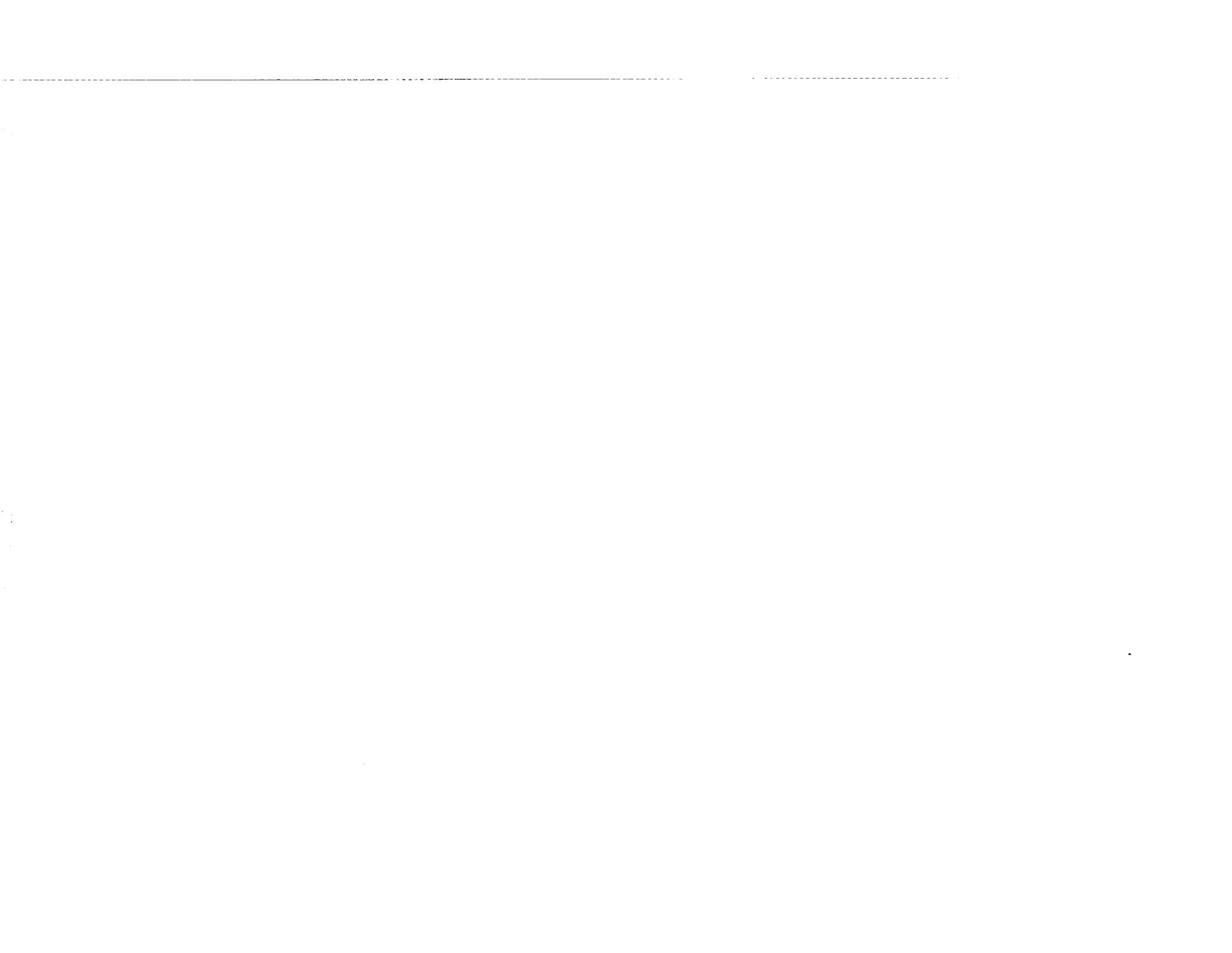
Additionally, we support the consolidation of EMA and other planning and preparedness programs as recommended. This will provide the additional flexibility to the States which could provide for their diversities in programs and magnitude of risks. At the same time, accountability can be assessed against the accomplishment of a comprehensive emergency management program and response capability.

Several specific comments in the report should be addressed.

GAO Note: Two pages of additional comments of a technical or editorial nature have been deleted from this appendix. However, changes were made throughout the report to recognize these comments.

(017707)





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