



Highlights of [GAO-09-129](#), a report to the Committee on Homeland Security and Governmental Affairs, U.S. Senate

## Why GAO Did This Study

The devastation caused by the 2005 Gulf Coast hurricanes presented the nation with unprecedented rebuilding challenges. The Federal Emergency Management Agency's (FEMA) Public Assistance (PA) grant program is a key tool for providing funds to support recovery, including rebuilding public schools, roads, and utilities.

GAO was asked to examine the amount of PA grants FEMA has provided for rebuilding the Gulf Coast; challenges in the day-to-day operation of the PA program; and human capital challenges; as well as actions taken to address them. Toward this end, GAO reviewed relevant laws, PA regulations and procedures, and analyzed data from FEMA's National Emergency Management Information System. GAO also interviewed federal officials from FEMA and the Department of Homeland Security's (DHS) Office of the Federal Coordinator for Gulf Coast Rebuilding as well as more than 60 officials from state government and eight localities in Louisiana and Mississippi.

## What GAO Recommends

GAO makes several recommendations to the Secretary of Homeland Security including to direct FEMA to improve information sharing within the PA process and to further enhance continuity and communication when staff rotate on and off PA projects. In commenting on a draft of this report DHS generally agreed with our recommendations.

To view the full product, including the scope and methodology, click on [GAO-09-129](#). For more information, contact Stanley J. Czerwinski at (202) 512-6806 or [czerwinskis@gao.gov](mailto:czerwinskis@gao.gov).

## DISASTER RECOVERY

### FEMA's Public Assistance Grant Program Experienced Challenges with Gulf Coast Rebuilding

#### What GAO Found

Funding for PA grants related to the 2005 Gulf Coast hurricanes is already more than \$11 billion, surpassing that of any previous disaster, and will likely be higher than FEMA's total cost estimate of \$13.2 billion. About 90 percent of these funds have gone to the states of Louisiana and Mississippi, about half of which have passed from the states to grant applicants to date. GAO identified challenges in the following broad areas, many of which contributed to slowing down rebuilding projects.

- Project Development.** Challenges in the development of PA projects included difficulties (1) determining the amount of damage that was disaster-related, (2) using PA program flexibilities to rebuild in a way that meets postdisaster needs, (3) assessing project scope including whether to repair or replace damaged structures, (4) estimating project costs, and (5) having sufficient resources to initiate projects. For example, assessing the damage to New Orleans's water and sewer system was complicated by the difficulty distinguishing disaster-related from preexisting damage. Estimating the cost of PA projects presented special challenges because of unusual market conditions for labor and materials in the postdisaster economy.
- Information Sharing and Tracking.** GAO identified challenges in sharing information among federal, state, and local participants in the PA process as well as in tracking the status of projects. For example, in Louisiana, information sharing was made more difficult in the absence of an effective document-sharing system and because key FEMA and state officials who review PA applications are located in different cities.
- Project Approvals and Appeals.** FEMA's approval decisions on some projects were reversed after applicants had already moved ahead with construction. In addition, decisions on appeals were often not made within required time frames due to the large number of rebuilding projects.
- Human Capital.** Human capital challenges at all levels of government underlie many of the above challenges and also slowed rebuilding projects. Shortages of experienced and knowledgeable staff were particularly problematic during the initial stages of rebuilding. FEMA's early reliance on temporary rotating staff did not provide the level of continuity needed for the complex demands of Gulf Coast rebuilding.

Among the actions DHS has taken to address these challenges are the finalization of a PA catastrophic disaster recovery concept plan that recognizes the need to more easily tailor projects to meet postdisaster conditions; the development of new management information systems to better track and manage projects and increase the transparency of PA funding; and the creation of a credentialing program for employees.