

GAO@100 Highlights

Highlights of [GAO-21-264](#), a report to congressional requesters

Why GAO Did This Study

More than 3 years after hurricanes Irma and Maria struck the territory, Puerto Rico's recovery is ongoing and will be one of the largest in FEMA's history. Further complicating the recovery, Puerto Rico experienced a series of earthquakes in 2019 and 2020, and the impacts of COVID-19 starting in March 2020. FEMA is the lead federal agency responsible for assisting Puerto Rico as it recovers from these disasters and administers the Public Assistance program in partnership with the government of Puerto Rico to provide funds to rebuild damaged infrastructure and restore services.

GAO was asked to review federal recovery efforts in Puerto Rico. In this report, GAO examines (1) the status of FEMA's Public Assistance grant program funding and projects in Puerto Rico, and (2) the extent to which FEMA has identified and assessed potential risks to the recovery. GAO analyzed program documents and data on the Public Assistance program through January 15, 2021; conducted site visits to Puerto Rico; and interviewed FEMA and Puerto Rico government officials regarding the status and potential risks to recovery efforts.

What GAO Recommends

GAO is making two recommendations including that FEMA, in coordination with Puerto Rico and relevant federal agencies, identify and assess the risks to Puerto Rico's recovery, including Puerto Rico's capacity to carry out projects, and identify potential actions to manage the risks. The Department of Homeland Security concurred with these recommendations.

View [GAO-21-264](#). For more information, contact Chris Currie at (404) 679-1875 or curriec@gao.gov.

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PUERTO RICO RECOVERY

FEMA Made Progress in Approving Projects, But Should Identify and Assess Risks to the Recovery

What GAO Found

As of January 15, 2021, FEMA obligated \$23.8 billion in Public Assistance funds to Puerto Rico for the 2017 hurricanes (\$23.5 billion), 2019 and 2020 earthquakes (\$243.8 million) and 2020 COVID-19 response (\$59.7 million). To help expedite obligations, FEMA changed how it implemented the Public Assistance program in Puerto Rico by, among other things, focusing on obligations for critical services like electricity and water. However, significant work for the recovery remains. FEMA and Puerto Rico are working to develop and obligate about 6,100 more projects. Further, Puerto Rico's fiscal condition has made it difficult for Puerto Rico agencies to access funds to start construction, thus work for many obligated projects has not started. Because Public Assistance is a reimbursement program, these agencies must provide the initial funding for the work and seek reimbursements afterwards. As such, of the \$23.8 billion obligated, Puerto Rico has only spent \$158 million for long-term rebuilding projects, such as rebuilding schools, the power grid, water systems, and other damaged infrastructure.

Hurricane Damage to a Water Tank and Earthquake Damage to a School in Puerto Rico, February 2020



Source: GAO. | GAO-21-264

FEMA has not comprehensively identified or assessed the risks that could affect the success of the remainder of Puerto Rico's recovery. For example, FEMA and Puerto Rico officials said that Puerto Rico agencies' staff lack the expertise to develop thousands of projects, which presents risks of delays. Further, Puerto Rico will have to start construction on thousands of projects, presenting risks such as lack of construction funding and capacity to procure labor, equipment and materials. FEMA is in the process of implementing an enterprise risk management framework, an approach that federal agencies use to identify and assess risks to their mission. FEMA officials said that they could use this framework, or other methods, to identify and assess the risks to Puerto Rico's recovery. Given the time elapsed since the 2017 hurricanes and the work remaining, urgent and diligent action is needed to help ensure the recovery's success. Identifying and assessing risks to the recovery, jointly with Puerto Rico and relevant federal agencies, could help FEMA monitor emerging risks and identify potential actions to manage them. Further, continuously monitoring risks could help ensure that FEMA's response to risks remain current and relevant.