

STATEMENT

OF

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BEFORE

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“The Federal Emergency Management Agency’s Budget Submission for Fiscal Year 2019”

Submitted

By

Federal Emergency Management Agency

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Introduction:

Good morning Chairman Carter, Ranking Member Roybal-Allard, and Members of the Subcommittee. My name is Brock Long, and I am the Administrator of the Federal Emergency Management Agency (FEMA). It is an honor to appear before you today to discuss FEMA's \$16 Billion Fiscal Year (FY) 2019 budget request and how it represents the strategic vision I have for this Agency and emergency management.

I came to the role of Administrator of FEMA with a vision to change the culture of preparedness and how we address resiliency in this Nation. The 2017 disaster season has re-emphasized the need for us to rethink how we do business.

In calendar year 2017, FEMA supported 59 major disaster declarations, 16 emergency declarations, and 62 Fire Management Assistance Grant declarations, across more than 35 states, tribes, and territories. Since August of 2017, FEMA has obligated approximately \$20 billion in Stafford Act funding related to Hurricanes Harvey, Irma, and Maria and an additional \$3.8 billion for other disaster declarations. During that same time period, over 4.5 million survivors were registered for Individual Assistance, \$2 billion has been distributed to survivors, and NFIP policyholders have filed over 125,000 claims, and the NFIP has, as of March 2018, paid over \$9.6 billion to insured survivors. During the height of activity, nearly 85 percent of all FEMA employees were deployed in support of disaster activity. In addition to the thousands of agency employees deployed, FEMA deployed more than 13,000 staff and service members from various offices of the Department of Defense (DoD). Additionally, for the first time FEMA extended the Surge Capacity Force to all federal agencies deploying over 3,800 federal employees from across the government. This level of effort for FEMA's response to Hurricanes Harvey, Irma, and Maria, as well as the California wildfires, underscores the criticality of our mission and the importance of emergency management to people and communities.

Today, I would like to discuss FEMA's FY 2019 budget request in terms of building the foundation to achieve the goals and objectives of the Agency's 2018–2022 Strategic Plan. Under my direction, FEMA has developed this new plan for supporting the United States before, during, and after disasters and improving the Agency's execution of its fundamental mission of helping people. This plan seeks to unify and further professionalize emergency management across the Nation and we invite the whole community to join us in embracing these priorities. To do this and to drive both short- and long-term funding decisions the plan established three strategic goals for FEMA:

- Build a culture of preparedness;
- Ready the Nation for catastrophic disasters; and
- Reduce the complexity of FEMA.

These goals highlight meaningful ways the Agency can focus on its workforce, simplify processes and procedures across FEMA, provide enhanced stewardship of funds, and better engage and support survivors. FEMA's leadership is committed to shaping the Agency's resource decisions going forward on achieving outcomes defined in the Plan on a priority basis.

I will discuss how FEMA's FY 2019 budget request represents a foundational investment in this testimony.

My vision calls for transforming FEMA into an Agency that is better postured to effectively assist and support our state, local, tribal, and territorial partners. Our path forward must be ambitious, achievable, and build a better FEMA and more resilient nation. Recent catastrophic disasters have informed FEMA's Strategic Plan, driving to improve internal processes, reduce risk through preparedness and mitigation, and reduce complexity. We are also committed to making efforts to buy down risk, which will help to lower the costs of future disasters.

Build a Culture of Preparedness

First, we must "Build a Culture of Preparedness" throughout the Nation. Every segment of our society, from individual to government, industry to philanthropy, must be encouraged and empowered with information needed to prepare for the impacts of inevitable disasters. A true culture of preparedness requires holistic engagement to build resilience and self-sufficiency. Investments for Building a Culture of Preparedness within our communities and our governments will support a national effort to be ready for the worst disasters—with that readiness being at the individual, family, community, state, local, tribal, territorial, and Federal levels.

When disaster strikes, individual citizens are often the first true responders on the ground to help a neighbor, colleague, or friend. The better prepared our citizens are to assist themselves and others in times of need, the stronger our Nation will be. The FY 2019 budget supports this theme through investments such as sustaining the FY 2018 President's Budget levels for many of the FEMA Federal Assistance grant, training, and exercise programs. Additionally, we build resilience through investments that empower and encourage every segment of society with information needed to prepare and respond. These programs provide preparedness grants to state, local, tribal, and territorial jurisdictions, and other organizations that focus on building and sustaining the 32 core-capabilities associated with the five mission areas described in the National Preparedness Goal. Furthermore, the FY 2019 budget request includes \$522 million to support a new, competitive, all-hazards preparedness grant program that would require grantees to measure results in reducing preparedness capability gaps, with robust evaluation methods.

There is a tremendous knowledge-base within FEMA, forged through the collective experience of an ever-growing number of prior disasters. However, FEMA has not always leveraged the lessons that we've learned to improve the Agency's delivery of disaster assistance. We will recommit to developing a method and system whereby we are actively learning and dynamically adjusting to improve outcomes, for FEMA and for the individuals and communities that we serve. These initiatives require that we redouble our efforts to establish a modern, interoperable, and cost-effective data management and analytics capability that enables data-informed decision making in every aspect of our mission. Accordingly, included in this budget request is \$10 million for Enterprise Data and Analytics Modernization which will put FEMA on the path to deliver swift, effective assistance, while providing more accurate and timely information to citizens, first responders, and emergency management partners. This investment is foundational to recognizing, understanding, and overcoming our challenges and integral to achieving the strategic plan and initiatives I have laid out for the Agency.

Ready the Nation for Catastrophic Disasters

Second, we must “Ready the Nation for Catastrophic Disasters” by strengthening partnerships and accessing new sources of scalable capabilities to meet quickly the needs of overwhelming incidents. The financial backbone of FEMA’s readiness to respond and recover from catastrophic disasters is the Disaster Relief Fund, or DRF, that must be postured continuously to meet consistently our Nation’s needs in times of crisis. Additionally, investing in and focusing on our skilled and experienced workforce is critical to ensure the Agency can be agile and effective when called upon.

The DRF provides individual and public assistance to help families and communities affected by declared disasters to rebuild and recover, and mitigation funds to reduce the impact of future disasters. I am grateful for the Congress’ continued support of the DRF, which has provided critical and timely financial resources that enables the Agency to deliver our mission and programs to citizens and communities in their time of greatest need.

The FY 2019 DRF budget request is consistent with the Budget Control Act of 2011 (Pub. L. No. 112-25) and totals \$7.23 billion, in addition to carry-over and recoveries. Accordingly, the DRF request for FY 2019 includes estimated costs for prior catastrophic events (it does not include Hurricanes Harvey, Irma, and Maria), a ten-year average level for non-catastrophic disasters, and funds for DRF Base activities (i.e., Emergencies, Pre-disaster Surge Support, Fire Management Assistance Grants, and Disaster Readiness and Support).

The request also includes a \$2 billion set-aside for no-notice events—natural or man-made—which should support initial critical needs of a new catastrophic event. This amount is increased from previous years because at the time FEMA was developing its request, there was uncertainty around the availability of additional supplemental funding to continue addressing the 2017 hurricanes. FEMA will continue to maximize the use of DRF resources by working closely with states, localities, territories and tribes, and through the use of its authorities and policies, including Strategic Funds Management, which is FEMA’s process for obligating Public Assistance project funding based on a sub-grantee’s schedule to execute the eligible work.

Congress proactively funds the DRF through annual appropriations in anticipation of future disaster activity. This mechanism, known as the Disaster Relief Allowable Adjustment, or more simply the Disaster Cap, was successful in decreasing the Agencies’ dependence on supplemental appropriations since it was put into place with the passage of the Balanced Budget and Emergency Deficit Control Act (as amended by the Budget Control Act of 2011 (Pub. L. No. 112-25)). Funding available under the Disaster Cap is recalculated each year based on a formula established by the Act that in part utilizes the average funding provided for disaster relief over the previous 10 years, excluding the highest and lowest years, and only permits unused carryover in the preceding year to factor into the formula. However, under this formula, the Disaster Cap was declining to levels approximating FEMA’s average annual DRF needs.

I am grateful for the Congress' work to redefine this formula as part of the enacted FY 2018 Omnibus. This revised formula will ultimately increase the funding available for disasters by adding 5 percent of the funding provided since 2012 for Stafford Act-declared disasters that was also designated as an emergency requirement by the Congress and subsequently by the President and the cumulative amount of any unused carryover in 2018 and beyond.

This revised formula will therefore include percentages of the three emergency supplemental appropriations bills recently passed by Congress that enable FEMA to continue helping citizens and communities respond to and recover from Hurricanes Harvey, Irma, and Maria. FEMA will continue to update the Congress on the recovery from these disasters.

In addition to the DRF, through our people, FEMA provides value to the Nation. The Nation's readiness depends on emergency management professionals at all levels of government. This year's multiple concurrent disasters have tested the capacity and readiness of our workforce, but have never shaken our resolve. The FY 2019 budget request includes funding to support a scalable disaster workforce that provides our team with the strength needed to face any scenario. Whether large or small, we must always be ready and equipped to meet the needs of state, territorial, and tribal partners. This request therefore includes \$14.6 million necessary to support and train FEMA staff required to coordinate effective and efficient response and recovery missions, provide oversight of taxpayer investments in these activities, and maintain a well-trained cadre of employees able to respond to ongoing and any future disasters.

FEMA's mission includes continuity of government and emergency communications. FEMA's ability to deliver its programmatic, response, and continuity missions is reliant on our ability to communicate and share situational awareness with our partners. To build resilience, continuity capabilities must be factored into all phases of emergency management. The FY 2019 budget request includes \$45.5 million for crucial infrastructure modernization projects at Mount Weather Emergency Operations Center in support of FEMA's Continuity of Operations mission. The budget request also includes \$7.9 million to modernize five Integrated Public Alert and Warning System Primary Entry Point Stations to ensure life-critical alert and warning messages from the President of the United States, and from State and local authorities reach the public as quickly as possible. Additionally, we will continue to examine FEMA's cyber vulnerabilities while working to eliminate gaps through targeted investments and upgrades necessary to ensure the safety of our networks and systems that partners rely on during disaster response and recovery. We will also focus on significantly improving redundant communications capabilities, both two-way and warning dissemination, prior to the start of the 2018 Hurricane Season.

Another lesson reinforced by recent disasters is that FEMA must maximize its collaboration with private industry and other Federal agencies to resource commodities, equipment, and personnel as quickly as possible, particularly in low to no-notice events. We will evaluate our equipment and commodities posture to determine the proper amount of supplies that we need to have ready. The FY 2019 budget request includes investments in the Logistics Supply Chain Management System which will allow FEMA to consider alternatives, such as vendor-managed supply and just-in-time delivery models to augment our capacity and to work with state and local governments to bolster their own capacity separate from FEMA. The most effective way to

deliver the needed resources to impacted communities, however, is through the pre-disaster supply chains. We must engage our private sector partners to understand their abilities and needs and determine what FEMA and state and local partners can do to support the rapid restoration of normal distribution channels.

Reduce the Complexity of FEMA

Third, we must “Reduce the Complexity of FEMA.” To do this we will promote simpler, less complex processes to streamline our Agency and the support we provide to individuals and communities. By improving how FEMA operates, the Agency can better care for both its employees and the individuals and partners that we support. A simplified FEMA, one that streamlines survivor and grantee experiences, provides more straightforward processes and policies for staff and decreases administrative burdens. It can also improve the stewardship of Federal taxpayer dollars and allow for a more efficient and effective execution of our mission.

The FY 2019 FEMA budget request includes funding for several critical infrastructure investments necessary to attain meaningful processes, and improve efficiencies of response and recovery during a disaster including; \$22.6 million for Grants Management Modernization to reduce the number of grant systems for grantees to interface with from ten down to one; \$12 million for our Financial Systems Modernization effort to continue the development of a modern financial system moving FEMA forward from a 20-plus year-old, antiquated financial system; and \$46.9 million in funding for the National Flood Insurance Program’s PIVOT, which will integrate flood insurance data across Agency systems (including the financial and data analytics systems) while also providing advanced modeling capabilities.

Looking Ahead

We continue to learn from the events of past disasters and the 2017 disaster season is no different. The magnitude of this past disaster season has highlighted the need for FEMA and its non-Federal partners to accomplish more consistent and meaningful mitigation in advance of an event, as well as, to enhance intergovernmental coordination at the state level.

In the spirit of constant improvement, FEMA is exploring how to incentivize investments that reduce risk, including pre-disaster mitigation, and reduce disaster costs at all levels. The National Institute of Building Sciences recently published a study where results demonstrate that mitigation projects, on average, can save the nation \$6 in future disaster costs for every \$1 spent on hazard mitigation. Meaningfully reducing future disaster risk requires the concerted efforts and investments of all levels of government and sectors of our communities. By making larger investments in mitigation before disasters occur, we will build more resilient communities. It is important that we make thoughtful investments that result in meaningful outcomes. We will also explore and pursue innovative new programs that encourage our partners to invest in buying down risk and building resilience.

Finally, FEMA’s effectiveness in working with its partners during disasters is significantly improved if we establish strong relationships in advance. FEMA will explore how we can best position our staff with our state partners so that our teams are working side-by-side every day.

This close coordination will help FEMA better understand the needs and perspectives of our partners, provide greater access to our subject-matter experts, and improve programmatic efficiencies.

Conclusion

The FY 2019 President's Budget provides FEMA with the resources we need to help people before, during, and after disasters while allowing us to strive for our vision of a prepared and more resilient Nation. While there is much to be done toward building a culture of preparedness, readying the nation for catastrophic disasters, and reducing the complexity of FEMA, this budget request represents a down-payment towards achieving these initiatives. I am grateful for the continued support of Congress in ensuring FEMA's capability to meet our mission through the three recent supplemental appropriations acts, and I encourage Congress to take swift action to ensure FEMA and the Department of Homeland Security are funded at the appropriate levels.

Thank you. I look forward to answering your questions at this time.