United States General Accounting Office

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Report to the Chairman, Subcommittee on International Security, Proliferation, and Federal Services, Committee on Governmental Affairs, U.S. Senate

September 2002

HAZARD MITIGATION

Proposed Changes to FEMA's Multihazard Mitigation Programs Present Challenges

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GAO-02-1035

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Abbreviations

FEMA	Federal Emergency Management Agency
HMGP	Hazard Mitigation Grant Program
DHS	Department of Homeland Security
NEMA	National Emergency Management Association

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United States General Accounting Office
Washington, D.C. 20548

September 30, 2002

The Honorable Daniel Akaka
Chairman, Subcommittee on International
Security, Proliferation, and Federal Services
Committee on Governmental Affairs
United States Senate

Dear Mr. Chairman:

Over the past 12 years, federal disaster assistance costs have totaled more than $39 billion (in fiscal year 2001 dollars)—a nearly fivefold increase over the previous 12-year period—as a result of a series of unusually large and frequent disasters and an increasing federal role in assisting communities and individuals affected by disasters. This commitment to federal disaster assistance is continuing, as $4 billion in disaster assistance costs are expected for fiscal year 2002, in part due to the September 11, 2001, terrorist attacks and their impact. The Federal Emergency Management Agency (FEMA), the lead agency for providing federal disaster relief, has provided the bulk of the assistance to help those in need respond to and recover from disasters. As the costs for disaster assistance have risen, FEMA has made disaster mitigation a primary goal in its efforts to reduce the long-term cost of disasters and has developed mitigation programs designed to minimize risk to property or individuals from natural or man-made hazards. The most significant of these mitigation programs are the postdisaster Hazard Mitigation Grant Program (HMGP) and the predisaster Project Impact program.[1] These are FEMA's sole multihazard programs aimed at helping states and communities identify and address natural hazard risks they deem most significant. From fiscal year 1996 through 2001, FEMA obligated about $2.3 billion for these programs.

Some criticism has emerged in recent years about the impact of these FEMA programs. In response, the administration—in FEMA's 2003 fiscal year budget request—has proposed changes to the multihazard mitigation programs that are intended to improve the effectiveness of mitigation efforts. These changes would combine the programs into a single

[1]For fiscal year 2002, the Project Impact program ended and was replaced with the Predisaster Mitigation Program. The Predisaster Mitigation Program has not been fully implemented, as FEMA has suspended the development of implementing regulations pending the outcome of the fiscal year 2003 budget.

predisaster mitigation program that awards grants for mitigation activities on a nationwide, competitive basis. In addition, the recent proposals to expand federal programs and funding to enhance national preparedness and to create the Department of Homeland Security (DHS) and move FEMA into the department may also affect the overall conduct and content of disaster mitigation programs.

As agreed with your office, this report addresses the following objectives:

- What are the characteristics of FEMA's current multihazard mitigation programs, and what do states perceive as these programs' most successful features?
- How would the proposed program change FEMA's current approach to mitigation, and what are some of the concerns that have been raised about this proposal?
- What are the issues resulting from the increased federal focus on homeland security on conducting hazard mitigation efforts?

To address these issues, we analyzed national HMGP and Project Impact data, program guidance, and available studies that evaluated these programs. Additionally, we discussed the current programs, as well as the new mitigation program outlined in the fiscal year 2003 budget proposal, with emergency management officials in FEMA's headquarters and three FEMA regional offices (Atlanta, Georgia; Chicago, Illinois; and Denver, Colorado). In addition, we interviewed state hazard mitigation officials from 24 states within 4 FEMA regions (Regions IV, V, VII, and VIII) to obtain their perspectives on the current FEMA mitigation programs and on the administration's proposal for a new mitigation program. These states have experienced a varied range of disasters; consequently, the state mitigation officials represent a wide range of experience with federal hazard mitigation programs. We also conducted site visits in Georgia, Florida, and North Carolina because these states have a wide variety of pre- and postdisaster mitigation projects and are very active in both the HMGP and Project Impact program. Further, we examined and assessed information on state and local preparedness, intergovernmental relations, and issues associated with the establishment of DHS that was available through other work we have recently conducted. See appendix I for more details on our scope and methodology.

Results in Brief

FEMA's multihazard mitigation programs differ substantially in how they have sought to reduce the risks from hazards but each has features that the state emergency management community believes have been successful for mitigation. The HMGP, FEMA's oldest and largest multihazard mitigation program, is a postdisaster program that has provided the bulk of mitigation assistance to states and communities. Through the HMGP, states and communities that have experienced a presidentially declared disaster receive funds primarily to implement "brick and mortar" projects such as retrofitting structures or acquiring and relocating structures from hazard-prone areas. State mitigation officials view the HMGP as a highly successful means for achieving mitigation because commitment to undertake mitigation efforts is greatest in the aftermath of a disaster, and the HMGP takes advantage of this "window of opportunity." FEMA has used its more recent and smaller predisaster Project Impact program to provide funding directly to communities in every state, regardless of whether the state had recently experienced a disaster. Communities have used Project Impact in large measure on planning and outreach activities designed to (1) help educate the public and promote mitigation, (2) assess risks and identify potential mitigation projects, and (3) build partnerships and leverage resources. State and local officials also said that Project Impact has been successful in increasing awareness of and community support for mitigation efforts due to its funding of these types of activities.

The proposed new mitigation program would fundamentally change FEMA's approach by eliminating the postdisaster HMGP and by funding mitigation activities on a nationally competitive basis. The administration believes that the new program will ensure that mitigation funding remains stable from year to year and that the most cost-beneficial projects receive funding. The proposal has raised concerns about whether participation in mitigation activities might decrease and about how FEMA might implement the program. Specifically, there are concerns that (1) FEMA might not be able to take advantage of interest in participating in mitigation activities that often emerges after a disaster has struck, (2) some states might be entirely excluded from mitigation funding, (3) outreach and planning activities that help increase participation in mitigation might be curtailed, and (4) FEMA might face challenges, such as establishing a process for comparing the costs and benefits of projects, in implementing the new program. FEMA officials have stated that they would attempt to address these concerns if legislation authorizing the new program is enacted.

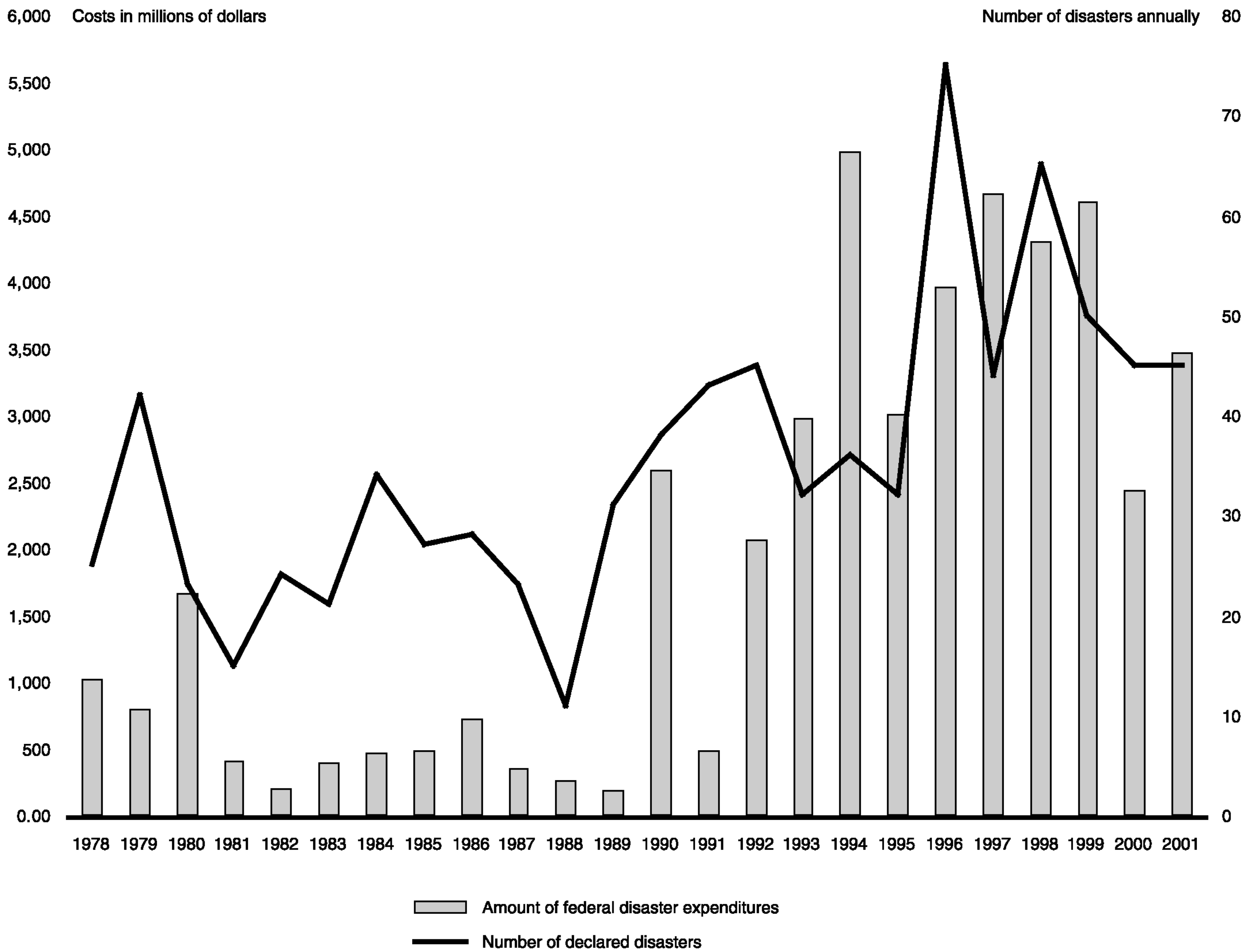
The heightened focus on homeland security has raised several issues related to the conduct of hazard mitigation activities. Foremost among these issues is whether the increased emphasis on preventing and preparing for terrorism events will result in less focus on natural hazard mitigation concerns. Some are concerned that nonsecurity functions, such as hazard mitigation, will receive decreased emphasis. Additionally, the role and relationship of predisaster mitigation programs to proposed new preparedness efforts are uncertain and potentially overlapping. Finally, if the HMGP program is continued, it is not clear how its mitigation funds can be effectively used to reduce the risk of terrorism damage and associated hardship, loss, and suffering.

We provided a draft copy of this report to FEMA for its review. The FEMA Director, in commenting on the report, generally agreed with the information presented and noted that the report supports his belief that both pre- and postdisaster mitigation programs are critical to FEMA's success in reducing disaster losses. Additionally, the Director stated that the expertise the agency has developed in natural hazard mitigation is clearly applicable to the homeland security mission, and FEMA looked forward to addressing the opportunities presented by the proposal to include it in the new Department of Homeland Security. FEMA also provided some technical comments that we considered and incorporated in the report where appropriate.

Background

Following a disaster, and upon the request of a state governor, the President may issue a major disaster declaration that triggers a range of assistance from federal agencies. Under the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the federal government will assist disaster-stricken states and communities in their efforts to help those in need, remove debris, and rebuild damaged structures, among other things. The costs for this federal disaster assistance have grown significantly since the late 1980s. During the 12-year period ending in 1989, the expenditures from FEMA's disaster relief fund totaled about $7 billion (in fiscal year 2001 dollars). However, during the following 12-year period ending in 2001, as the number of large, costly disasters has grown and the activities eligible for federal assistance have increased, expenditures from the disaster relief fund increased nearly fivefold to over $39 billion (in fiscal year 2001 dollars). Figure 1 shows the annual amounts spent for disaster relief and the number of disasters from fiscal years 1978 to 2001.

Figure 1: Disaster Relief Fund Expenditures and Number of Declared Disasters, Fiscal Years 1978-2001



Note: Annual amounts are expressed in terms of expenditures for disaster relief activities, not in terms of amounts appropriated by the Congress for disaster assistance. There is generally a period of time between when funds are appropriated and when actual disaster relief costs are incurred and funds expended. Disaster relief fund expenditures are in fiscal year 2001 dollars.

Source: FEMA.

Disaster assistance costs are expected to remain high in 2002, in part as a result of the September 11, 2001, terrorist attacks. According to FEMA's projections, disaster assistance expenditures from the disaster relief fund in fiscal year 2002 will total more than $4 billion.

FEMA has been designated the lead agency for the nation's emergency management system, and traditionally the agency has directed its efforts towards disaster response and recovery. It also helps state and local governments prepare for possible disaster events. However, as costs for disaster assistance have increased, the agency has placed increasing emphasis on disaster mitigation, defined by FEMA as sustained action that reduces or eliminates long-term risk to people and property from hazards and their effects. In fact, FEMA has made disaster mitigation a primary goal in its efforts to reduce the long-term cost of disasters. Among the most significant of these programs are the HMGP and the Project Impact program. These programs are FEMA's sole multihazard mitigation programs, helping states and communities address the natural hazards and risks—such as earthquakes, floods, tornadoes, and hurricanes—they deem most significant. Together, these programs represent FEMA's most substantial mitigation efforts in terms of expenditures, state and community involvement, and scope of activities funded. Other mitigation programs FEMA conducts, although not insignificant, address specific concerns, such as dam safety, fires, and flooding, and are funded at relatively low levels.

The Congress has also recognized the benefits of mitigation, and as recently as 2000 passed legislation to establish a national mitigation program. The Disaster Mitigation Act of 2000 sought to (1) reduce the loss of life and property, economic disruption, and disaster assistance cost resulting from natural disaster and (2) provide a source of predisaster mitigation funding that will assist states and local governments in implementing effective hazard mitigation measures. The act provided authorization legislation for Project Impact's predisaster mitigation activities, and established a funding formula under which communities in all states would participate and receive funding. The act also placed an emphasis on mitigation planning: it authorized the use of HMGP funds for planning purposes and increased by one-third the HMGP funding for states that meet enhanced planning criteria.

Recently, however, proposals have been made that may significantly affect the mitigation programs conducted by FEMA. The administration has proposed a substantial change to FEMA's multihazard mitigation programs. The proposal, as contained in FEMA's fiscal year 2003 budget request, would eliminate the HMGP and establish a new $300 million program for predisaster mitigation. The program would also award grants on a nationwide, competitive basis that is significantly different from the formula-based grant process in the existing programs. The House and Senate have both proposed creating a Department of Homeland Security that would subsume FEMA as a part of the department. If enacted as currently proposed, all the activities of FEMA—both those that are security related and those, such as natural hazard mitigation programs, which are nonsecurity related—would transfer to the department. Further, the federal government is taking a more expanded role in state and local government disaster prevention and preparedness efforts, and it is initiating more activities—and providing more funding—for predisaster assistance, with a substantial focus on terrorism. In this regard, numerous legislative proposals are being considered that increase planning requirements and funding to prepare for and prevent future terrorist attacks.

FEMA's Multihazard Mitigation Programs Differ Substantially and Both Are Seen to Have Many Successful Attributes

FEMA's multihazard mitigation programs differ substantially and have many successful attributes according to state and local officials. The HMGP, FEMA's oldest and largest multihazard mitigation program, is a postdisaster program that has provided the bulk of mitigation assistance provided to states and communities. Through the HMGP, states and communities that have experienced a presidentially declared disaster receive funds to implement cost-effective mitigation projects. States and communities have used these funds primarily to implement "brick and mortar" projects such as retrofitting structures or acquiring and relocating structures from hazard-prone areas. The HMGP is viewed as highly effective because it provides funding in the aftermath of a disaster—when state and local governments as well as individuals have a heightened interest in participating in mitigation activities. As a result, states and local communities have been able to fund critical mitigation projects in these periods. FEMA has used its more recent and smaller predisaster Project Impact program to provide mitigation assistance directly to communities in every state, regardless of whether the state had recently experienced a disaster. Communities have used Project Impact in large measure on planning and outreach activities designed to (1) help educate the public and promote mitigation, (2) assess risks and identify potential mitigation projects, and (3) build partnerships and leverage resources. State and local officials also said that Project Impact has been successful in increasing awareness of and community support for mitigation efforts due to its funding of these types of activities.

HMGP Has Focused on Implementing “Brick and Mortar” Projects in the Aftermath of a Disaster

The HMGP was created in 1988 to assist states and communities in implementing long-term hazard mitigation measures following a major disaster declaration.[2] The purpose of the program is to enable mitigation measures to be implemented during the immediate recovery period following a disaster so that future risk to lives and property from severe natural hazards can be significantly reduced or permanently eliminated. To accomplish this objective, the HMGP provides funding to states affected by presidentially declared disasters to undertake mitigation activities identified in state or local hazard mitigation plans.

FEMA has provided a significant amount of funds for mitigation activities through the HMGP. During fiscal years 1996 through 2001, over $2.2 billion from FEMA’s disaster relief fund was obligated to states for this program. The maximum amount of HMGP funding available to any state following a presidential disaster declaration had been up to 15 percent of the total estimated amount of federal assistance provided on a declared disaster; however, the Disaster Mitigation Act of 2000 increased this amount to 20 percent for states that meet enhanced planning criteria. Appendix II contains a listing of HMGP obligations by year and state.

While FEMA provides the funding for the program, the responsibility for administering the HMGP rests with states. To this end, states review, prioritize, and select projects based upon state mitigation priorities and available funds. State and local governments, Native American tribes, and certain nonprofit organizations are eligible to develop project applications. To be considered for selection by states, projects must meet minimum eligibility requirements. For example, projects must conform to the state hazard mitigation plan, comply with environmental laws and regulations, and be cost-effective. FEMA will provide up to 75 percent of the cost of mitigation projects selected under HMGP; applicants must provide the remaining project costs.[3] Further, while states are responsible for selecting projects, FEMA conducts the final eligibility review of projects to ensure they meet all program requirements.

[2]Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act as amended.

[3]Many states provide a portion of the local match out of state budgeted funds. The local match may be comprised of cash, in-kind services, or third-party goods and services.

HMGP funds have primarily been used by states and communities to implement “brick and mortar” projects. These types of projects include the following:

- acquiring properties in hazard-prone areas and either demolishing the associated structure or relocating the structure to a site outside the hazard-prone area;[4]

- performing modifications to structures, such as reinforcing roofs, walls, and foundations, to protect them from floods, high winds, or other natural hazards;

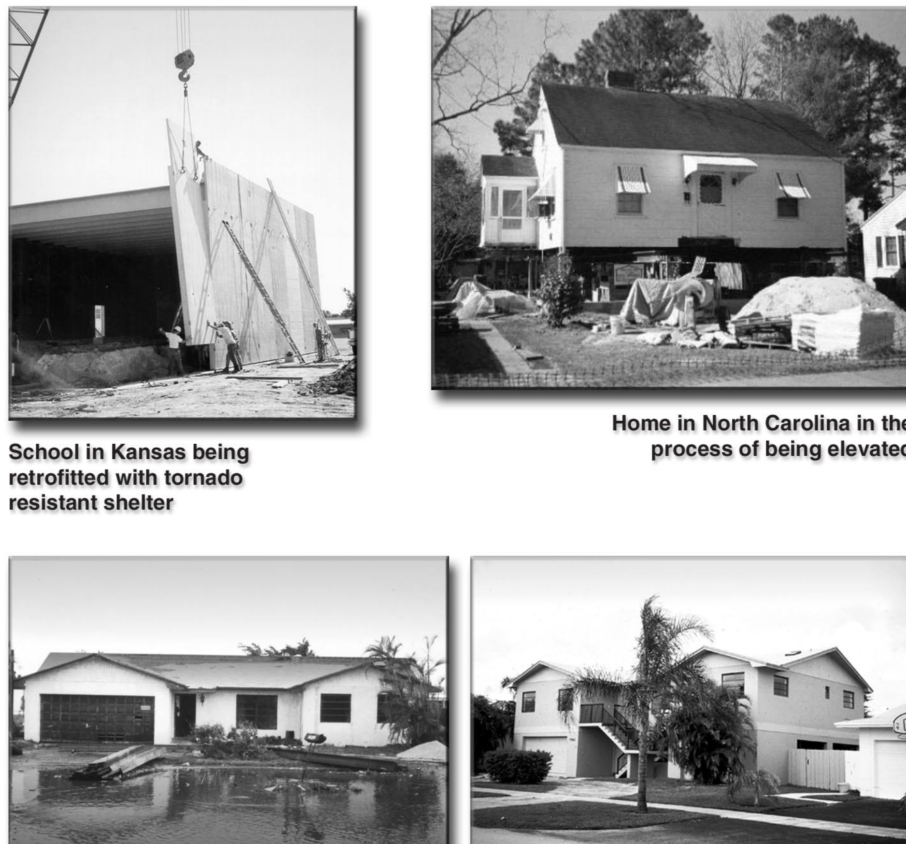
- constructing new storm water drainage systems and other flood control projects; and

- building protective structures, such as safe rooms inside schools in tornado-prone areas, to better ensure the safety of individuals.

Figure 2 shows projects undertaken with HMGP funding.

[4]Properties acquired with HMGP funds may not be built upon, but can be used for parks or other public purposes or else returned to their natural state.

Figure 2: Projects Undertaken With HMGP Funding



School in Kansas being retrofitted with tornado resistant shelter

Home in North Carolina in the process of being elevated

House in Florida after it was flooded in Hurricane Andrew

Same house in Florida after it was elevated to mitigate future flood damage

Source: FEMA.

State Officials Believe that HMGP Successfully Takes Advantage of Mitigation Opportunities in a Postdisaster Environment

Hazard mitigation officials from the 24 states we contacted said that the HMGP has been effective in stimulating action to mitigate the impacts of natural hazards, primarily because it takes advantage of a "window of opportunity" that exists in the postdisaster environment. The state hazard mitigation officials said that the states' and localities' commitment to fund and implement mitigation measures is most likely to occur soon after they have experienced the devastation caused by a major disaster. These officials emphasized that states, local communities, and citizens affected by a disaster recognize the need for effective mitigation and are willing to share costs and take the steps necessary to remove themselves from harm's way in the immediate postdisaster environment; but as time passes they are less willing to do so. Even officials from states that have traditionally received little funding under this program, such as Wyoming and Utah, expressed support for the program's postdisaster approach to funding mitigation activities.

Below are some examples of significant mitigation projects that states told us they were able to undertake with HMGP funds because of the state, local, and citizen support for mitigation that existed in the immediate postdisaster environment.

- Following the devastation of Hurricane Floyd in 1999, North Carolina undertook a program to remove homes from flood-prone areas. In the immediate aftermath of Floyd, the state legislature passed a disaster recovery bill that not only provided $73.4 million in matching funds but also an additional $160 million to buy out flood-prone properties. The state used these funds, along with nearly $228 million in HMGP and other federal postdisaster mitigation funds,[5] to target 4,500 properties whose owners were willing to accept buyouts. As of June 2002, the state had completed 70 percent of these buyouts.

- In the aftermath of the May 1999 tornadoes that damaged nearly 3,350 structures and left 6 people dead in the Wichita area, Kansas utilized HMGP funding to make schools more tornado-resistant, a critical need identified by the event. Inspections of damaged schools revealed that some designated refuge areas had suffered significant damage and that if children had been present, injuries would have likely occurred. According to state officials, the event and the immediate availability of HMGP funds were key in convincing local citizens and school district officials to approve a school district bond that included funds to construct tornado shelters inside schools. Funding from this bond provided the local match needed to use HMGP funds to construct 24 shelters to protect approximately 7,800 students and staff.

- In response to a 2000 tornado that left 1 dead, injured more than 100, and damaged nearly 200 homes and businesses in the city of Xenia, the state of Ohio utilized HMGP funding for the construction of safe rooms

[5]These funds included both HMGP funds and additional mitigation funding contained in supplemental disaster assistance appropriations.

in this tornado-prone community. Since 1900, Xenia has been hit by 6 tornadoes including a 1974 tornado that killed 26 people. In the wake of the 2000 tornado's devastation, the state and the community provided 3 times the required HMGP match to undertake the construction of residential safe rooms in the homes of 50 families.

According to mitigation officials from these states, it is unlikely that these mitigation projects would have been undertaken without the infusion of HMGP funding in the postdisaster environment.

Studies that have examined community action after a disaster support state officials' claims that a window of opportunity exists and is critical for accomplishing mitigation activities. For example, a 1997 university study that examined public response after hurricanes and earthquakes found that communities and local decision makers were more willing to undertake mitigation soon after a disaster than at other times.[6] Similarly, a FEMA sponsored case study of natural disasters in South Florida noted that the focus on mitigation dissipates after cleanup and recovery are completed as public attention moves elsewhere.[7] Further, according to the director of the Natural Hazards Research and Applications Information Center located at the University of Colorado, research generally suggests that local political support for mitigation is strongest in the approximately 6 months following a disaster, after which funding becomes more difficult to obtain as other state and local issues take precedent. He added that research suggests that public support for mitigation lasts for about 1 year, during which time citizens are more willing to participate in mitigation activities.

Project Impact Has Focused on Developing Broad Community Support for Mitigation Activities before a Disaster Strikes

Whereas the HMGP has focused on implementing projects in a postdisaster environment, the Project Impact program focused on developing broad community support for mitigation activities before a disaster strikes. To accomplish this end, the Project Impact program provided small, one-time grants directly to communities, which, among other things, were designed to develop mitigation plans, build effective partnerships, and encourage private sector financial participation.

[6] Thomas A. Birkland, *After Disaster: Agenda Setting, Public Policy, and Focusing Events* (Washington, D.C.: Georgetown University Press, 1997).

[7] *Mitigation Resources for Success*, FEMA, October 2001.

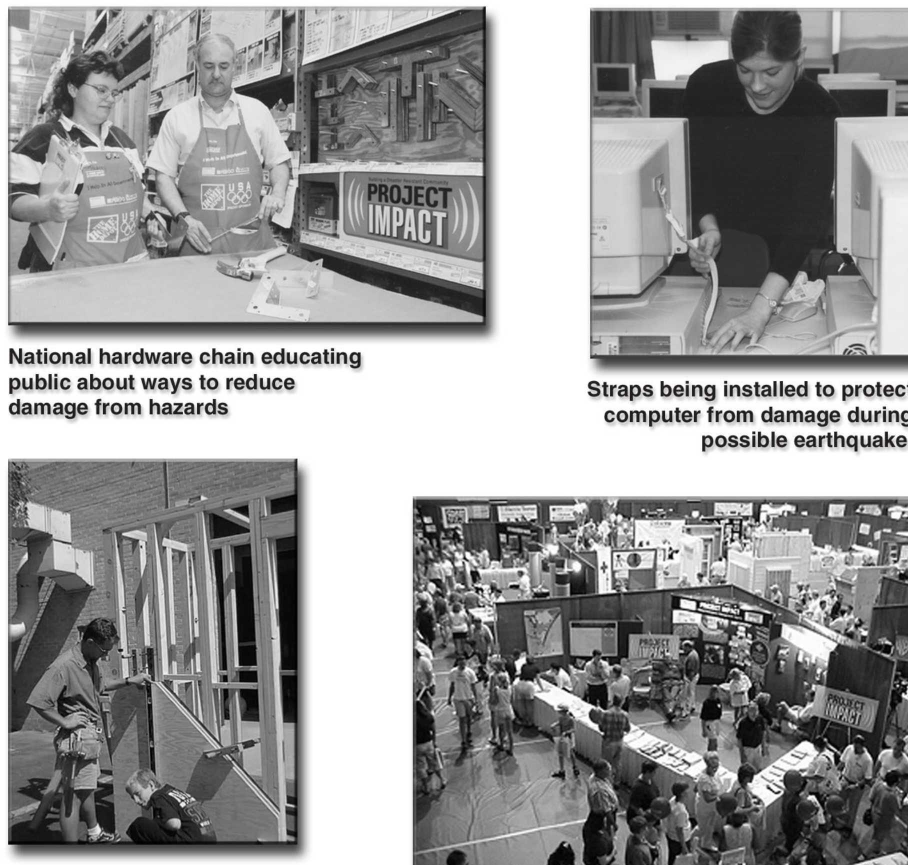
During fiscal years 1997 through 2001, Project Impact provided a total of $77 million to communities within every state and certain U.S. territories. Unlike the HMGP, the amount of Project Impact funding available to communities within a state was not predicated upon the occurrence of a disaster; in fact, the program was structured so that under its funding formula, communities in every state participated in the program. By 2001, there were nearly 250 communities participating in the program, with Project Impact communities receiving grants between $60,000 and $1,000,000. Appendix III lists Project Impact grants by year and community. While states selected which communities received Project Impact grants, communities were responsible for selecting the mitigation measures to fund with these grants. Similar to the HMGP, however, communities were required to provide 25 percent of the costs for the mitigation measures.[8]

While the mitigation measures could be "brick and mortar" projects, they could also fund other activities such as establishing community partnerships, supporting public awareness of mitigation, identifying hazards, and conducting risk assessments. Additionally, Project Impact funds could be used to promote the concept of personal and community responsibility for mitigation measures. For example, FEMA encouraged communities to establish committees composed of local officials, business professionals, and other stakeholders to develop and implement mitigation activities of importance to the community.

Figure 3 shows projects undertaken with Project Impact.

[8]The local match may be comprised of cash, in-kind services, or third-party goods and services.

Figure 3: Projects Undertaken with Project Impact



National hardware chain educating public about ways to reduce damage from hazards

Straps being installed to protect computer from damage during possible earthquake.

Demonstration “safe room” being constructed by students

Project Impact exhibit at disaster expo

Sources: FEMA (upper left), Seattle Emergency Management (upper right), Morgan County, CO (lower left), and New Hanover County, NC (lower right).

State Officials Identify Project Impact’s Focus on Planning and Partnerships As Successful Features That Help Communities Implement Mitigation Measures

The state emergency management officials from the 24 states, as well as the Project Impact communities we visited, believe Project Impact has also been successful in improving mitigation efforts throughout the country. They stated that the program’s focus on planning and developing broad community support for mitigation in a predisaster environment has been very beneficial in building grass root support for mitigation. The state officials identified four specific features of the Project Impact program as being most beneficial, namely the program’s funding of mitigation planning activities, development of partnerships to address mitigation needs, providing "seed money" to attract additional funding, and heightening of mitigation awareness resulting from education and outreach activities.

A primary benefit of Project Impact was its emphasis on developing private and public sector partnerships as a means for communities to address their mitigation needs. According to state and community officials, effective hazard mitigation requires the involvement of not only governments but also of the private sector—both business and individuals—to fully identify and address concerns. They stated that Project Impact had been very successful in creating partnerships that identify, and in most cases fund, mitigation activities. For example, a major corporation in Deerfield Beach, Florida, became a Project Impact partner and, at its own expense, installed impact resistance glass and concrete roofs in all of its structures to make them more disaster resistant. This corporation also donated shutters for the homes of some low-income, elderly residents. Similarly, in Wilmington, North Carolina, a local home improvement store used its facilities to distribute hurricane preparedness and mitigation brochures and was a major financial contributor to the local Hurricane Preparedness Expo that featured speakers and demonstrations to assist residents with their mitigation efforts.

A second benefit of Project Impact was its focus on planning as a critical phase in implementing mitigation projects. According to state and local mitigation officials, Project Impact assisted communities in identifying vulnerabilities, assessing risks, and developing and prioritizing mitigation projects to address their needs. Some states and communities pointed out that the development of the mitigation plan would not have been done without Project Impact funding. For example, Chattooga County, Georgia, hazard mitigation officials stated that the Project Impact program provided funding and technical assistance that enabled them to assess their risks and develop a local mitigation plan that prioritized projects to address these risks. As a result, the community is developing a project to connect six separate water systems within the county to address their drought risk.

Third, Project Impact was important for obtaining additional funding from the private sector to promote and implement mitigation. State and community officials pointed out that they utilized their Project Impact grant as "seed money" to attract additional funding from businesses, nonprofits and other government agencies. For example, Centerville, Utah, received $500,000 in Project Impact funds in 1998 that it utilized in part to host several meetings and outreach sessions with local businesses and government officials to solicit additional funding. The outreach effort allowed them to leverage an additional $2,134,447 through partnerships with the private and public sector. This additional funding enabled the city to address many of its mitigation needs such as upgrading the city's storm drainage system, constructing a debris basin to eliminate the downstream flood hazard, and retrofitting buildings to better stabilize them against earthquakes.

Lastly, the state and community mitigation officials also stated that the education and outreach aspects of the program were instrumental in prompting the public and private sector to undertake mitigation activities. They told us that this was one of the strongest points of the program, as it increased the public's awareness and concern about mitigation and in the view of some officials, became an impetus for achieving mitigation efforts without requiring government funding. For instance, according to information provided by Deerfield Beach, Florida, one citizen credited the outreach efforts of the local Project Impact program for motivating him to utilize his own funds to construct Marina One, a disaster-resistant structure for housing boats.

Proposed Program to Eliminate HMGP and Make Grants Nationally Competitive Has Raised Participation and Implementation Concerns

FEMA's fiscal year 2003 budget request proposes eliminating the HMGP and establishing a new $300 million program for predisaster mitigation. This proposed program would award mitigation grants on a competitive basis—instead of the current formula-based awards—to better ensure that funding goes to the most cost-beneficial projects. The proposal has raised concerns, however, about whether participation in mitigation activities might decrease and about how FEMA might implement the program.

Proposed Program Would Eliminate HMGP and Award Predisaster Mitigation Grants on a Nationally Competitive Basis

Concerns have been raised about demonstrating the cost-effectiveness of some mitigation projects. For example, in August 1999, we reported that although established procedures existed for selecting HMGP projects, FEMA exempted four categories of projects from benefit-cost analysis, including the purchase of substantially damaged properties in 100-year floodplains.[9] These projects were exempt because program officials believe that, in the case of damaged properties in the floodplains, they were being consistent with the policies of the National Flood Insurance Program that allows the purchase of damaged properties in floodplains without benefit-cost analysis, or in the other cases because determination of benefits was difficult. Nevertheless, for these categories of projects—the number of which FEMA could not identify—the cost-effectiveness was unknown. Similarly, FEMA's Office of Inspector General reported in March 1998 and again in February 2001 concerns about the cost-effectiveness of mitigation projects. The office pointed out that analyses had often not been done and techniques for conducting them were poorly understood. The Inspector General's office also reported that many projects had been exempted from analysis.

The administration has also had concerns about the cost-effectiveness of mitigation projects, and in FEMA's fiscal year 2003 budget request, proposes eliminating the HMGP and establishing a $300 million predisaster mitigation program that would award grants on a nationally competitive basis. According to the budget request, the administration has concluded that 45 percent of HMGP projects undertaken from 1993 to 2000 were either minimally cost effective or not cost effective at all. Consequently, the administration proposed substantial changes to FEMA's multihazard mitigation programs. Under the proposed new program, mitigation grants would be awarded on a nationally competitive basis—instead of the current formula-based awards—to better ensure that funding goes to the most cost-beneficial projects. According to Office of Management and Budget officials, future mitigation efforts funded by the federal government need to be those that provide the most benefit from a nationwide perspective and to not be limited primarily to states affected by disasters. The officials said that only through a program that does not allocate funds in any formula—but is instead based on objective criteria such as cost-effectiveness—can the government be best assured that it maximizes the value of its mitigation program funding.

The administration stated that the program would ensure more stability to disaster mitigation efforts since a consistent level of mitigation assistance would be available to states and communities, and they would no longer be

[9] U.S. General Accounting Office, *Disaster Assistance: Opportunities to Improve Cost-Effectiveness Determinations for Mitigation Grants*, GAO/RCED-99-236 (Washington, D.C.: Aug. 4, 1999).

dependent on disaster declarations to obtain mitigation grants. Further, according to the administration, a consistent level of funding would allow states and communities to develop more comprehensive proposals and projects to reduce their overall risks, consistent with state and local mitigation plans and would also strengthen states' capability to pursue their mitigation priorities.

Proposed Program Has Raised Participation and Implementation Concerns

From our analysis of the proposed program and discussions with FEMA and state hazard mitigation officials, concerns have been raised about whether participation in mitigation activities might decrease and about how FEMA might implement the program. Specifically, there are concerns that (1) FEMA and states may not be able to take advantage of interest in participating in mitigation activities that often emerges after a disaster has struck; (2) some states might be entirely excluded from mitigation funding; (3) outreach and planning activities that help increase participation in mitigation might be curtailed; and (4) FEMA might face challenges, such as establishing a process for comparing the costs and benefits of projects, in implementing the new program.

Lessened Ability to Take Advantage of Mitigation Opportunities

The proposed program may limit the ability of emergency management officials to take advantage of mitigation opportunities. State officials with whom we spoke maintained that the postdisaster environment is the most conducive for implementing mitigation efforts, and that it can be difficult to maintain public or private sector support for mitigation in a predisaster environment. To illustrate this point, officials from Ohio noted how the public interest in constructing safe rooms has diminished since a tornado struck the community of Xenia in 2000. Despite the current availability of predisaster funds, businesses that expressed interest in constructing public safe rooms in the immediate aftermath of the disaster have now, 2 years later, shown little interest in doing so. Similarly, North Carolina officials noted how state support for mitigation has diminished since the devastation of Hurricane Floyd in 1999. In June 2002, in an attempt to address serious budgetary issues, the state legislature began an effort to reallocate some of the funds that had already been obligated to mitigation after Floyd. As a result, the remaining 30 percent of the planned buyouts are in jeopardy, according to state officials. The National Emergency

Management Association (NEMA)[10] has expressed similar views. Its official position paper on the budget proposal notes, "in the tight fiscal environment that states and communities are facing, the commitment of funding is most likely to occur only shortly after they have experienced devastation."

Some States Might Be Excluded From Mitigation Funding

All states might not participate in mitigation activities under the new proposal. Many states rely on federal funding to support their mitigation programs, and without the current formula-based programs to provide a minimal level of funding support, their mitigation programs may not continue. According to NEMA, at least 10 states derive all funding for managing the state's hazard mitigation program from the current federal mitigation programs, and officials from other states told us that state legislatures that currently provide mitigation program funding often require a track record of federal funding for a program before they will provide additional or continual funding for staff working on such programs. State officials said that without a base level of support from the federal government, a number of state mitigation programs will no longer exist, because the states will no longer employ the staff needed to implement and support a competitive program. Several state officials said that such diminished funding will not achieve the new program's objectives of developing better projects or strengthening their ability to pursue mitigation priorities. Moreover, they added that this deviates from the manner in which the Congress recently mandated that predisaster funds be allocated, as the Disaster Mitigation Act of 2000 directed a program for predisaster mitigation that involved all states.

Outreach and Planning Activities May Be Curtailed

The public outreach and planning activities that were widely conducted under the Project Impact program may be jeopardized under a competitive predisaster mitigation program. Both FEMA and state officials said that such activities are essential to creating a positive environment for mitigation, because these activities create grassroot support and interest in conducting mitigation. However, both groups stated that establishing the financial benefit of these activities is difficult. For example, North Carolina officials pointed to the Project Impact efforts in Wilmington that involved distributing hurricane maps to all schoolchildren showing flood and storm surge areas, hurricane preparedness actions, and possible mitigation measures. The officials said this activity is very beneficial in building

[10]The National Emergency Management Association is the professional association of state, Pacific, and Caribbean insular state emergency management directors.

support for mitigation—and ultimately persuading communities and individuals to give high priority to mitigation and to make their own investments in mitigation measures—but that it would be extremely difficult to demonstrate a financial benefit commensurate with the cost. Concerns also exist about whether mitigation planning might decrease under the proposed program. According to state and local mitigation officials, Project Impact's emphasis on planning assisted communities in identifying vulnerabilities, assessing risks, and developing and prioritizing mitigation projects to address their needs. Some state and community officials pointed out that the development of the mitigation plan would not have been done without Project Impact funding. FEMA had permitted Project Impact to be used to develop and update plans; state and local officials are concerned that with the new nationally competitive program, such support may diminish.

FEMA May Face Difficulties in Implementing Program

FEMA may face challenges in designing and implementing the proposed program, particularly in selecting projects on a competitive, nationwide basis. Most significantly, FEMA has not yet established a viable process for comparing the relative costs and benefits of competing mitigation projects. The current benefit-cost analysis model does not fully measure the indirect benefits associated with projects. FEMA has acknowledged that its current benefit-cost analysis model does not capture all the indirect benefits of projects, such as environmental and social benefits, or mitigation activities such as outreach and planning. In this regard, FEMA is funding a study that examines the benefits of mitigation and which will, in part, address the issue of measuring the benefits of outreach, planning, and other activities that have benefits that are hard to quantify. However, FEMA does not expect this study to be completed and possibly used to improve benefit-cost analyses until 2004 at the earliest.

State mitigation officials agreed that FEMA would have difficulty in applying benefit-cost analyses to mitigation projects in a competitive program. They said that not only is it difficult to demonstrate the benefits of certain projects and the indirect benefits of others, but that the current analyses are difficult to do and are used primarily for determining project eligibility rather than on determining the full project benefits. In this regard, they said that in doing these analyses under the HMGP, they frequently discontinued additional analysis of the benefit of a project once the ratio of benefits to cost were equal—which meets the minimum program requirements. The officials said that this is the primary reason why the administration views many projects as only minimally cost effective.

Further, FEMA faces challenges in staffing and operating a nationally competitive mitigation program. Both FEMA and state officials said that states currently perform most of the analysis and selection of projects, while FEMA provides final approval. However, under a nationally competitive program, they said that FEMA will be required to play a greater role in order to administer a fair and effective competition, and will need additional staffing. FEMA mitigation officials expect that a minimum of 41 permanent employees will be needed to staff a new competitive predisaster mitigation program. Additionally, the officials said that FEMA would need budget authority to fund the new positions because they are prohibited from using the disaster relief fund—currently used to fund temporary employees to conduct the HMGP—for predisaster activities.

FEMA officials are aware of concerns about the proposed predisaster mitigation program and plan to address these concerns if legislation creating the new program is enacted. Moreover, FEMA has already provided some indications of how it might implement the program. Regarding concerns about the elimination of the HMGP, the FEMA Director acknowledged, in response to questions raised during appropriation hearings this year, that unique opportunities for mitigation exist in the immediate aftermath of a disaster and agreed that the HMGP has been effective in enabling states and communities to complete critical mitigation work during this period. Consequently, he stated there is a need for both pre- and postdisaster mitigation efforts and that if the Congress adopts the proposal in its current form, FEMA would attempt to design the program with sufficient flexibility to assist communities with postdisaster mitigation activities.

FEMA officials also said that they agree with states that a base level of funding for all states will better enable mitigation programs to succeed. They told us that this funding would be essential for states to enable them to participate in the proposed competitive program. However, as discussed earlier, the proposal, as currently written, would appear to prohibit FEMA from providing this guaranteed base. FEMA officials stated that they would attempt to work with states as well as OMB to develop a funding mechanism that would ensure that all states maintain a mitigation program.

Regarding the challenges that FEMA might face in implementing a competitive evaluation and selection process, FEMA has emphasized that it will collaborate with its state partners and other stakeholders in defining the competitive grant program and policy. This effort would include developing a fair, reasonable, and appropriate means for competitive review and selection of grant proposals. For example, FEMA officials stated that they would like to base their decisions on more than just cost-effectiveness and that they currently envision criteria that would focus on the quality of the proposed projects and the ability of the projects to address state and community mitigation priorities, as well as cost-effectiveness.

FEMA recently asked for input on how to best address these challenges. On August 6, 2002, it issued a notice in the *Federal Register* soliciting comments and ideas from interested parties on the process for implementing the mitigation grant program on a competitive basis. FEMA requested responses on specific concerns, which among other things included (1) how applications should be evaluated to ensure that the most cost-beneficial projects are funded, (2) the type of activities that should be funded, (3) whether funds should be set aside for states to maintain a level of mitigation capability, and (4) whether funds should be set aside for planning in addition to competitive grants. FEMA expects to begin consideration of the comments it receives in the fall if the proposed predisaster mitigation grant program is included in its fiscal year 2003 appropriations.

Heightened Homeland Security Concerns Present Challenges for Conducting Hazard Mitigation Activities

The events of September 11, 2001, demonstrated the vulnerability of our nation to terrorist attack, and subsequent efforts have been initiated to strengthen the nation's homeland security. These events, as well as the proposal to establish a Department of Homeland Security, represent a substantially changed environment under which FEMA and its hazard mitigation programs operate now and will operate in the future. As a result, in addition to the proposal to change the multihazard mitigation programs, a number of broader issues face hazard mitigation efforts. These issues include the following:

- The potential that an emphasis on terrorism efforts may result in a decrease in natural hazard mitigation activities.
- The proliferation and overlap of plans and programs that address mitigation-related concerns that may cause duplication of effort and confusion.
- The effective use of HMGP mitigation funds to reduce the risk of terrorism damage and associated hardship, loss, and suffering is not clear.

Emphasis on Terrorism May Result in Less Focus on Natural Hazards

The proposed placement of FEMA within the DHS places functions that have traditionally not been security related, such as hazard mitigation, into a department whose primary mission will be to provide a secure national environment, including actions to prevent and prepare for possible terrorist events. Supporters of FEMA's transfer in its entirety to DHS argue that dual use of funding for natural and man-made disasters and emergencies is appropriate in an "all hazards" approach to disaster assistance. For example, the Director of FEMA's Office of National Preparedness said that leaving FEMA intact in DHS would enhance the agency's preparedness capabilities, not detract from the agency's natural disaster response and recovery functions. Further, FEMA mitigation officials said that they are currently working to identify terrorism mitigation activities that are also "all hazard" and address natural hazard mitigation priorities.

Concerns have been raised that with the emphasis on terrorism preparedness in the aftermath of September 11th, the transfer of FEMA to DHS may result in decreased emphasis on mitigation of natural hazards. Opponents of the FEMA transfer, such as a former FEMA director, said that activities not associated with homeland security would suffer if relocated to a large department dedicated essentially to issues of homeland security. They contend that the agency's disaster mitigation programs and other efforts integral to FEMA's current mission that have no bearing on homeland security will be compromised. They argue that agency resources dedicated to those functions have already been, and would continue to be, diverted to the homeland security mission, resulting in diminished federal capabilities for nonnational security activities.

Role and Relationship of Predisaster Mitigation to New Preparedness Efforts

As a result of the terrorist attacks, many new initiatives have been undertaken to begin addressing security concerns; however, many of them raise questions regarding the role and relationship of preparedness and mitigation efforts. FEMA requires states and communities to develop mitigation plans to obtain mitigation funding; however, other proposed legislation calls for similar, but more specialized, homeland security preparedness plans that may overlap with the required mitigation plans. For example, proposed legislation directed at increasing port security will require all facilities in port areas, as well as the Department of Transportation, to develop plans for action to deter and minimize damage from catastrophic emergencies.[11] FEMA hazard mitigation officials said that they are aware that there were numerous and related planning requirements being placed on communities, and that they are working toward identifying and minimizing the impact of such requirements. The officials said they are confident that they will become aware of all such requirements due to the plans to consolidate preparedness efforts within FEMA. They said that planning requirements that address mitigation-type efforts will be adequately coordinated and, where appropriate, incorporated by reference into overlapping or related plans to minimize the burden on all stakeholders.

The new initiatives may also result in duplication or overlap in programs. Many programs are being initiated that address the predisaster environment, most significantly the $3.5 billion first responder grant program proposed by the administration to fund state and local first responders for terrorist attacks. The first responder grant program would provide funding to states and local governments to prepare for terrorist events, and a portion of this preparedness may involve activities that could be viewed as mitigation. Other programs, such as the Emergency Preparedness Enhancement Pilot Program, which is contained in proposed DHS legislation, may also involve the development of and funding for mitigation related activities, because it will provide funds for improved security measures at private entities. The number and size of these programs could result in duplication of effort and confusion among the state and local governments partnering in mitigation efforts. We found such problems occurred in the past with other assistance being provided to states and localities. We reported in September 2001, for example, that first responder training and assistance programs were being conducted by three federal organizations—FEMA, the Department of Justice, and the Federal Bureau of Investigation—which resulted in overlapping and duplicative activities and caused confusion on the part of state and local officials.[12]

Usefulness of HMGP Funding for Terrorism Disasters Is Unclear

As discussed earlier, HMGP funds have been typically made available to states following presidentially declared disasters in amounts totaling as much as 15 percent of the federal grant funds spent on the disaster. HMGP

[11] S. 1214, *Maritime Transportation Antiterrorism Act of 2002*.

[12] U.S. General Accounting Office, *Combating Terrorism: Selected Challenges and Related Recommendations*, GAO-01-822 (Washington, D.C.: Sept. 20, 2001).

funds have historically been used for natural hazard mitigation, although no restrictions have been made on the types of disasters for which these funds are made available. Consequently, HMGP funds can be, and have been, made available after disasters resulting from terrorist attacks. In fact, according to FEMA officials, after the 1995 explosion at the federal building in Oklahoma City, HMGP funds were made available to Oklahoma. The amount provided was relatively small—$1 million—which FEMA officials said was due to the low amount of disaster assistance funds spent on this disaster. According to these officials, the mitigation funding provided to Oklahoma was used for natural hazard mitigation because FEMA has traditionally interpreted the HMGP authority to limit funding to only natural hazard mitigation projects.

As shown by the disaster in New York, the HMGP funding that could be provided in response to terrorist events may be substantial. Currently, FEMA has been authorized to fund disaster assistance to New York approaching $9 billion. Based on this level of assistance funding and the current 15 percent HMGP funding formula, New York could have received about $1.3 billion in HMGP funding for mitigation projects. President Bush, however, has limited the amount of HMGP funds the state can receive. In a September 18, 2001, amendment to his major disaster declaration for New York, the President stated that because of the unique nature and magnitude of this event, federal funds from the HMGP would be limited to 5 percent of the aggregate amount of federal grant assistance. FEMA officials said that at this percentage rate, HMGP funding to New York might total about $417 million.

The key objective of the HMGP is to reduce the risk of future damage, hardship, loss, or suffering; however, it is not clear how mitigation funds can be effectively used to reduce the risk of terrorism damage and associated hardship, loss, or suffering. FEMA officials said that it would be difficult to develop a benefit-cost methodology for terrorism mitigation, because there is little data upon which to calculate the likelihood of an event and thereby determine the project's benefit. FEMA officials said that they are undertaking a pilot program with New York to identify terrorism-related hazard mitigation measures, such as physical protection and security-related projects that can meet cost-effectiveness criteria.

Concluding Observations

FEMA's current multihazard mitigation programs are viewed positively by the emergency management community, but questions about the programs' cost-effective projects have lead to a proposal to consolidate and revise them. The focus of the proposed new program on obtaining the most cost-effectiveness projects, in light of current budget concerns, is well intended. However, the issue facing decisionmakers is whether the proposed revision to the program will make the program more effective in achieving disaster mitigation objectives. The structure of the new program may not be able to capitalize on the characteristics of the current programs that have been viewed as successful—such as acting in the postdisaster environment to quickly take advantage of mitigation opportunities and undertaking outreach activities to develop grassroot support for mitigation. A balance that includes these characteristics in the program may need to be struck, and we are encouraged to see that FEMA is obtaining input and consensus on how to best structure the new program if it obtains congressional approval. Furthermore, without careful structuring of the program, FEMA's hazard mitigation program may not remain consistent with the approach of disaster mitigation legislation passed only 2 years ago by the Congress that emphasized involvement by all states, funding for planning activities, and increased postdisaster mitigation funding for states willing to undertake enhanced mitigation planning efforts.

The proposed inclusion of FEMA in DHS and, in the broader context, the heightened concern over terrorism raises more fundamental issues about hazard mitigation efforts, such as (1) how natural hazard mitigation activities would fare in the new department that focuses on terrorism, (2) whether planning and program efforts in the mitigation and preparedness area should remain separate and distinct, and (3) how the HMGP—and the legislation authorizing it—address the role and rationale for mitigation after a terrorism-caused disaster.

Agency Comments

We provided a draft copy of this report to FEMA for its review. The FEMA Director, in a September 24, 2002, letter commenting on the report, generally agreed with the information presented and noted that the report supports his belief that both pre- and postdisaster mitigation programs are critical to FEMA's success in reducing disaster losses. Additionally, the Director stated that the expertise the agency has developed in natural hazard mitigation is clearly applicable to the homeland security mission, and FEMA looked forward to addressing the opportunities presented by the proposal to include it in the new Department of Homeland Security. FEMA also provided some technical comments that we considered and have incorporated into this report where appropriate. FEMA comments are contained in appendix IV.

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report for 10 days. At that time, we will send copies of this report to the appropriate congressional committees; the Director of the Federal Emergency Management Agency; and the Director of the Office of Management and Budget. We will also make copies available to others upon request. In addition, this report will be available at no charge on the GAO Web site at http://www.gao.gov.

If you have any questions regarding this report, please contact me at (202) 512-2834 or at heckerj@gao.gov. Key contributors to this report were Mark Abraham, Colin Fallon, Kirk Kiester, Aisha Cabrer, John McGrail, and Jack Schulze.

Sincerely yours,

JayEtta Z. Hecker,
Director, Physical Infrastructure

Objectives, Scope, and Methodology

Debate has emerged in recent years about the effectiveness of the Federal Emergency Management Agency's (FEMA) multihazard mitigation programs—the Hazard Mitigation Grant Program (HMGP) and the Project Impact program. The administration also has proposed, in FEMA's fiscal year 2003 budget request, to change the multihazard mitigation programs to improve their effectiveness. Further, the recent proposal to create the Department of Homeland Security includes moving FEMA into that department, which may also impact on the overall conduct and content of these programs. The Chairman of the Subcommittee on International Security, Proliferation, and Federal Services, Senate Committee on Governmental Affairs, asked us to determine the available viewpoints on the effectiveness of these mitigation programs and the possible impacts of the two proposals. We addressed the following objectives:

- What are the characteristics of FEMA's current multihazard mitigation programs, and what do states perceive as these programs' most successful features?
- How would the proposed program change FEMA's current approach to mitigation, and what are some of the concerns that have been raised about this proposal?
- What are the issues resulting from the increased federal focus on homeland security on conducting hazard mitigation efforts?

To determine the characteristics of FEMA's multihazard mitigation programs, we reviewed FEMA's Hazard Mitigation Grant Program and Project Impact program regulations, policy guidance and handbooks, which identified and described the programs' purpose, goals, eligibility criteria, cost-effective criteria and funding. We also examined relevant legislation that described the programs' objectives, funding, and the focus of its activities. We conducted a review of the available literature on the multihazard mitigation programs, including past GAO, FEMA Inspector General, and other reports that provided a perspective on these programs. We also discussed these programs with FEMA officials in Washington, D.C., as well as in its regional offices in Atlanta, Georgia; Denver, Colorado; and Chicago, Illinois.

To determine state mitigation officials viewpoints on the successful features of these programs, as well as their overall perspectives on the programs, we interviewed state hazard mitigation officials from 24 states within 4 FEMA regions (IV, V, VII and VIII) to obtain their views about their experiences administering and utilizing these programs.[13] We selected these regions and the states within these regions because they provide a representation of small and large states that contain urban and rural communities that have received both small and larger amounts of multihazard mitigation funding. These states also have varied experience with disasters. We examined and synthesized documents provided by these officials detailing their experiences with these mitigation programs. We also conducted site visits and interviewed local hazard mitigation officials in Georgia, Florida, and North Carolina because these states have a wide variety of pre- and postdisaster mitigation projects and are very active in both the HMGP and Project Impact program. We also reviewed studies available from the Natural Hazards Research and Applications Information Center and from FEMA that addressed the benefits and results of both the HMGP and the Project Impact program. In addition, we met with officials in OMB's Financial Institutions Branch to obtain their perspectives on the effectiveness of the current programs as well as on the objectives for the proposed new mitigation program.

To determine how the current legislative proposals might change FEMA's mitigation programs, we interviewed FEMA headquarters and regional mitigation officials to gain their perspective about the proposed changes. Specifically, with regard to the proposal to establish a new predisaster mitigation program, we obtained their viewpoints on what challenges they would confront in (1) developing the criterion and processes of selecting mitigation projects; (2) addressing administrative issues, such as staffing; and (3) addressing any statutory issues from replacing the HMGP with a new competitive grant program. We also gained the perspectives of state hazard mitigation officials we interviewed on how they perceived the proposed changes would impact their ability to pursue mitigation activities. We also reviewed available literature that presented the viewpoints of various organizations on either the advantages or disadvantages of the proposed program.

To determine the issues related to conducting hazard mitigation efforts as a result of the increased federal focus on homeland security, we drew upon recently completed work that is examining the challenges surrounding the

[13]These 24 states included region IV: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee; region V: Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin; region VII: Iowa, Kansas, Missouri, and Nebraska; region VIII: Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming.

establishment of that department. This work included assessments of the administration's proposal to establish a Department of Homeland Security, examinations of the relationships between federal, state, and local governments in undertaking terrorism preparedness efforts, a review of legislative proposals related to the Coast Guard and port security, as well as ongoing work that assesses port security efforts. We also discussed the effects of including mitigation activities with FEMA mitigation officials to determine from them the concerns that exist over the movement of mitigation activities into the Department of Homeland Security.

We conducted our review from November 2001 through August 2002 in accordance with generally accepted government auditing standards.

Hazard Mitigation Grant Program Sum of Federal Share FYs 1996 through 2001

State	Sum of federal share – obligated (FY 1996 thru 2001)
Alabama	$28,388,389
Alaska	$4,427,222
American Samoa	$4,439,989
Arizona	$5,846,952
Arkansas	$28,863,818
California	$842,164,071
Colorado	$2,240,270
Connecticut	$228,030
Delaware	$1,458,432
District of Columbia	$333,194
Federated States of Micronesia	$1,714,614
Florida	$113,767,617
Georgia	$68,576,382
Guam	$15,405,037
Hawaii	$5,516,732
Idaho	$7,900,582
Illinois	$48,121,513
Indiana	$4,377,889
Iowa	$19,791,384
Kansas	$8,999,484
Kentucky	$23,895,191
Louisiana	$27,395,780
Maine	$8,621,478
Marshall Islands	$1,660,762
Maryland	$3,954,401
Massachusetts	$14,250,969
Michigan	$13,908,460
Minnesota	$52,155,805
Mississippi	$20,251,013
Missouri	$7,028,575
Montana	$1,323,473
Nebraska	$19,154,960
Nevada	$4,497,474
New Hampshire	$3,081,072

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State	Sum of federal share – obligated (FY 1996 thru 2001)
New Jersey	$7,900,902
New Mexico	$516,529
New York	$32,909,514
North Carolina	$109,273,418
North Dakota	$61,174,509
Northern Mariana Islands	$1,888,603
Ohio	$19,964,660
Oklahoma	$2,434,709
Oregon	$14,305,475
Pennsylvania	$41,808,975
Puerto Rico	$251,740,124
Republic of Palau	$238,864
Rhode Island	$52,250
South Carolina	$6,344,480
South Dakota	$17,201,876
Tennessee	$16,505,454
Texas	$77,265,725
Utah	$0
Vermont	$4,873,516
Virgin Islands	$63,739,358
Virginia	$16,906,846
Washington	$35,603,443
West Virginia	$16,678,378
Wisconsin	$15,977,313
Wyoming	$41,178
Total	**$2,229,087,113**

Source: FEMA.

Project Impact Communities

Community	Year	Grant
Alabama:		
Baldwin County	1998	$500,000
Mobile County with Town of Dauphin Island & City of Bayou La Batre	1999	$150,000
Jefferson County	1999	$150,000
City of Fort Payne	2000	$300,000
City of Prattville/Autauga County	2001	$300,000
Alaska:		
Municipality of Anchorage	1998	$500,000
Kenai Peninsula Borough	1999	$300,000
Matanuska-Susitna Borough	2000	$300,000
Valdez Borough	2001	$300,000
Arizona:		
City of Tempe	1998	$500,000
City of Yuma	1999	$300,000
City of Glendale	2000	$300,000
City of Scottsdale	2001	$300,000
Arkansas:		
Clay County/City of Piggott/City of Corning/City of Rector	1998	$500,000
City of Arkadelphia	1999	$300,000
City of Tuckerman	2000	$300,000
City of West Memphis; South Arkansas Community Development	2001	$150,000
California:		
City of Oakland	1997	$1,000,000
County of Santa Barbara/City of Santa Barbara	1998	$500,000
San Bernadino County	1999	$300,000
Napa County[a]	1999	$0
City of Berkeley	2000	$300,000
County of Colusa	2001	$150,000
City of San Leandro	2001	$150,000
Las Virgenes Malibu Council of Governments (includes the cities of Agoura Hills, Calabassas, Hidden Hills, Malibu & Westlake Village)	2001	$100,000
Colorado:		
City of Ft. Collins	1998	$500,000
Clear Creek County	1999	$150,000
Morgan County	1999	$150,000

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Community	Year	Grant
City of Delta	2000	$150,000
Region of San Luis Valley (Counties of Alamosa, Conejos, Costilla, Mineral, Rio Grande, & Saguache)	2000	$150,000
El Paso County	2001	$300,000
Connecticut:		
Town of Westport	1998	$500,000
City of Milford	1999	$300,000
Town of East Haven	2000	$300,000
City of Norwich	2001	$300,000
Delaware:		
City of Lewes	1998	$500,000
City of Milford	1999	$300,000
Town of Bethany Beach	2000	$300,000
City of Wilmington	2001	$300,000
District of Columbia:		
City of Washington, D.C.	1998	$500,000
Florida:		
City of Deerfield Beach/Broward County	1997	$1,000,000
City of Pensacola/Escambia County	1999	$300,000
Tampa Bay Region (Counties of Hillsborough, Manatee, Pasco, and Pinellas & 38 incorporated municipalities)	2000	$300,000
Jacksonville/Duval County	2001	$75,000
Volusia County	2001	$75,000
Brevard County	2001	$75,000
Miami-Dade County	2001	$75,000
Georgia:		
Counties of Camden, Glynn, and Macintosh	1998	$500,000
Chatham, Bryan, & Liberty Counties	1999	$300,000
Chatooga County and incorporated cities	2000	$300,000
City of Macon/Bibb County	2001	$300,000
Hawaii:		
County of Hawaii	1998	$500,000
County of Maui	1999	$300,000
County of Kauai	2000	$300,000
City and County of Honolulu	2001	$300,000
Idaho:		
City of Boise	1998	$500,000
City of Kamiah and Lewis County	1999	$300,000

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Community	Year	Grant
Blaine County	2000	$300,000
Clearwater County	2001	$300,000
Illinois:		
City of Carbondale	1998	$500,000
City of Urbana	1999	$300,000
Cities of Charleston & Mattoon	2000	$300,000
City of Peoria	2001	$300,000
Indiana:		
City of Evansville/County of Vanderburgh	1998	$500,000
City of South Bend and St. Joseph County	1999	$300,000
Tippecanoe County	2000	$300,000
Lake County	2001	$300,000
Iowa:		
City of Denison	1998	$500,000
City of Des Moines	1999	$300,000
City of Cherokee[a]	1999	$0
City of LeMars	2000	$300,000
Linn County/Cities of Cedar Rapids, Marion, Hiawatha, & Robins[a]	2000	$0
City of Council Bluffs	2001	$300,000
Kansas:		
Riley County/City of Manhattan	1998	$500,000
Johnson County	1999	$300,000
City of Kinsley[a]	1999	$0
Butler County	2000	$300,000
Butler County Cities of Andover, Augusta, Benton, Cassoday, Douglass, Elbing, El Dorado, Latham, Leon, Potwin, Rose Hill, Towanda, & Whitewater[a]	2000	$0
Sedgwick County/City of Wichita	2001	$300,000
Sedgwick County Cities of Andale, Bel Aire, Bentley, Cheney, Clearwater, Colwick, Derby, Eastborough, Garden Plain, Goddard, Haysville, Kechi, Maize, Mount Hope, Mulvane, Park City, Sedgwick, Valley Center, & Viola[a]	2001	$0
Kentucky:		
City of Louisville/Jefferson County	1998	$500,000
City of Lexington/Fayette County	1999	$300,000
City of Bowling Green/Warren County	2000	$300,000
City of Henderson/Henderson County	2001	$300,000
Ballard County[a]	2001	$0

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Community	Year	Grant
Louisiana:		
City of Baton Rouge	1998	$500,000
City of Mandeville	1999	$300,000
Ouachita Parish	2000	$300,000
Calcasieu Parish	2001	$300,000
Maine:		
City of Saco	1998	$500,000
City of Portland	1999	$300,000
Cities of Lewiston & Auburn	2000	$300,000
Fort Fairfield	2001	$300,000
York County[a]	2001	$0
Maryland:		
Allegany County	1997	$1,000,000
Tri-County Council of Southern Maryland: Calvert, Charles, & St. Mary's Counties	1999	$300,000
Prince George's County	2000	$300,000
Cecil County	2001	$300,000
Massachusetts:		
Town of Marshfield	1998	$500,000
City of Quincy	1999	$300,000
Upper Mystic River Basin Watershed (in Middlesex County; includes communities of Arlington, Burlington, Lexington, Medford, Reading, Stoneham, Wilmington, Winchester, & Woburn)	2000	$300,000
Cape Cod Commission (includes 15 Towns that comprise Barnstable County)	2001	$300,000
City of Worcester	2001	$100,000
Michigan:		
City of Midland	1998	$500,000
Ottawa County	1999	$300,000
City of Dearborn	2000	$300,000
Ingham County	2001	$300,000
Minnesota:		
Steele County	1998	$500,000
City of Burnsville	1999	$300,000
City of Fridley, Washington County	2000	$300,000
Stearns County/Benton County Partnership	2001	$300,000
Mississippi:		
City of Pascagoula	1997	$1,000,000

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Community	Year	Grant
City of Madison	1999	$300,000
Harrison County	2000	$300,000
Hancock County/City of Bay St. Louis	2001	$300,000
Missouri:		
City of Cape Girardeau	1998	$500,000
City of St. Joseph	1999	$300,000
City of Maryville[a]	1999	$0
City of Neosho	2000	$180,000
City of Piedmont	2000	$120,000
City of Hannibal	2001	$100,000
City of Bolivar	2001	$200,000
City of Branson[a]	2001	$0
Montana:		
City of Libby/County of Lincoln	1998	$500,000
Lewis and Clark County	1999	$300,000
Yellowstone County	2000	$300,000
Gallatin County	2001	$300,000
Nebraska:		
City of Beatrice	1998	$500,000
City of Superior	1999	$300,000
Cities of Scottsbluff & Gering/Scotts Bluff County	2000	$300,000
City of Grand Island	2001	$300,000
Nevada:		
City of Sparks	1998	$500,000
City of Las Vegas	1999	$300,000
City of Reno[a]	1999	$0
City of Carson City	2000	$300,000
Douglas County	2001	$300,000
New Hampshire:		
Town of Peterborough	1998	$500,000
Towns of Plymouth & Holderness	1999	$100,000
Town of Salem	1999	$200,000
Town of Lancaster	2000	$150,000
Town of Gorham	2000	$150,000
Town of Hampton	2001	$150,000
Town of Winchester	2001	$150,000

(Continued From Previous Page)

Community	Year	Grant
New Jersey:		
City of Trenton	1998	$500,000
City of Rahway	1999	$300,000
Stafford Township	2000	$150,000
Ocean City	2000	$150,000
Avalon Borough[a]	2000	$0
Atlantic City	2001	$300,000
New Mexico:		
City of Hobbs	1998	$500,000
City of Carlsbad	1999	$300,000
Village of Ruidoso	2000	$300,000
Dona Ana County/City of Las Cruces	2001	$300,000
New York:		
City of Rye	1998	$300,000
Village of Freeport	1998	$300,000
City of Buffalo	1999	$300,000
Village of East Rockaway	2000	$60,000
Village of Waverly	2000	$60,000
Town of Dryden	2000	$60,000
Town of Eden	2000	$60,000
Town of Erwin	2000	$60,000
City of New Rochelle	2001	$150,000
Town of Amherst	2001	$150,000
North Carolina:		
City of Charlotte & Mecklenburg County	1999	$150,000
City of Wilmington & New Hanover County	1997	$1,000,000
Town of Boone	1999	$150,000
Buncombe County & all incorporated municipalities	2000	$100,000
Lenoir County & all incorporated municipalities	2000	$100,000
The Eastern Band of Cherokee Indians	2000	$100,000
Research Triangle Region (includes Wake, Durham, & Orange Counties with Research Triangle Park)	2001	$300,000
New River	2001	$100,000
North Dakota:		
City of Fargo	1998	$500,000
City of Valley City	1999	$300,000
City of Jamestown	2000	$300,000

(Continued From Previous Page)

Community	Year	Grant
Pembina County	2001	$300,000
Ohio:		
Licking County	1998	$500,000
Colerain Township in Hamilton County	1999	$300,000
Clermont County	2000	$300,000
City of Westerville	2001	$150,000
Medina County	2001	$150,000
City of Xenia	2001	$200,000
Oklahoma:		
City of Tulsa	1998	$500,000
City of Miami	1999	$300,000
City of Durant	2000	$300,000
City of Lawton	2001	$300,000
Oregon:		
Benton County	1998	$300,000
Tillamook County	1998	$300,000
Multnomah County	1999	$300,000
Deschutes County/City of Bend	2000	$300,000
Clackamas County	2001	$300,000
Pennsylvania:		
Lycoming County	1998	$500,000
Union Township	1999	$300,000
Luzerne County Flood Control Authority/Mitigation Advisory Board (Includes the counties of Luzerene, Columbia, Montour, Northumberland, and Snyder)	2000	$300,000
Union County	2001	$300,000
Puerto Rico:		
City of Culebra	1998	$500,000
Municipality of Bayamon	2000	$300,000
Municipality of Barranquitas	2001	$300,000
Rhode Island:		
City of Warwick	1998	$500,000
City of Pawtucket	1999	$300,000
City of Providence	2000	$300,000
City of Woonsocket	2001	$300,000
South Carolina:		
City of Florence	1998	$500,000
Charleston County	1999	$300,000

(Continued From Previous Page)

Community	Year	Grant
Orangeburg County	2000	$300,000
Horry County	2001	$150,000
Georgetown County	2001	$150,000
South Dakota:		
City of Aberdeen	1998	$500,000
City of Huron	1999	$300,000
City of Watertown	2000	$300,000
City of Sioux Falls	2001	$300,000
Tennessee:		
City of Fayetteville/Lincoln County	1998	$500,000
City of Jackson/Madison County	1999	$300,000
Anderson County, including the cities of Clinton, Lake City, Norris, Oak Ridge, & Oliver Springs	2000	$300,000
Washington County/Johnson City	2001	$300,000
Texas:		
Harris County to include Bellaire, Webster, & Houston	1998	$500,000
City of Arlington	1999	$300,000
City of Lubbock	2000	$300,000
City of Austin	2001	$300,000
U.S. Virgin Islands:		
St. Croix	1999	$300,000
Utah:		
City of Centerville	1998	$500,000
Salt Lake City	1999	$300,000
City of Moab	2000	$150,000
City of Logan	2000	$150,000
City of Provo	2001	$300,000
Vermont:		
Lamoille County	1998	$500,000
Two River-Ottauquechee Regional Planning Commission (includes most of Orange & Northern Windsor Counties and the Towns of Pittsfield, Hancock, and Granville)	1999	$300,000
North West Regional Planning Commission (includes 23 towns in Franklin & Grand Isle Counties)	2000	$300,000
Addison County Regional Planning Commission (includes Addison County and 21 Towns in the Region)	2001	$300,000
Virginia:		
Roanoke Valley District Planning Commission (Roanoke County, City of Roanoke, City of Salem, Town of Vinton)	1998	$500,000

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Community	Year	Grant
City of Virginia Beach	1999	$300,000
City of Chesapeake	2000	$300,000
Central Shenandoah Planning District (Augusta, Bath, Highland, Rockbridge & Rockingham Counties; Cities of Buena Vista, Harrisonburg, Lexington, Staunton, & Waynesboro; and 11 towns)	2001	$300,000
Washington:		
City of Seattle	1997	$1,000,000
King and Pierce Counties	1998	$600,000
Walla Walla County	1999	$300,000
Kitsap County	2000	$300,000
Clark County	2001	$300,000
West Virginia:		
Tucker and Randolph Counties	1997	$1,000,000
Cabell County	1999	$300,000
Barbour County	2000	$300,000
Jefferson County	2001	$300,000
Wisconsin:		
City of Wauwatosa	1998	$500,000
Racine County	1999	$300,000
City of Waukesha	2000	$300,000
City of Eau Claire	2001	$300,000
Wyoming:		
Fremont County	1998	$500,000
Natrona County	1999	$300,000
Teton County	2000	$300,000
Campbell County	2001	$300,000

[a]Communities listed that received no Project Impact grant funds were those that used the Project Impact name for hazard mitigation efforts they were conducting without federal funding.

Source: FEMA.

Comments from the Federal Management Agency

Federal Emergency Management Agency
Washington, D.C. 20472

SEP 24 2002

JayEtta Z. Hecker
Director, Physical Infrastructure
United States General Accounting Office
Washington, DC 20548

Dear Ms. Hecker:

Thank you for the opportunity to review and provide comments on the General Accounting Office's (GAO) draft report entitled *Hazard Mitigation: Proposed Changes to FEMA's Multihazard Mitigation Programs Present Challenges* (GAO-02-1035). My staff and I appreciate the cooperative manner in which the GAO proceeded with the draft report and provided us with opportunities for input and submission of editorial comments.

The report recognizes the overall increased federal costs of disaster assistance as a result of the recent series of unusually large and frequent disasters, as well as the increasing federal role in assisting communities and individuals affected by disasters. Specifically, the report discusses changes in the post-disaster Hazard Mitigation Grant Program and the Pre-Disaster Mitigation Program. I appreciate your support of my strongly held belief that funding and support of both pre- and post-disaster mitigation programs are critical to FEMA's success in leading the nation to reduce disaster losses. As you may be aware, FEMA and State officials face significant challenges to accomplish effective hazard mitigation with the limited financial and staff resources available.

In addition, we look forward to addressing the opportunities presented by the proposal to include FEMA in the new Department of Homeland Security. Homeland security concerns make it necessary to balance mitigation activities between natural and manmade hazards. This is an appropriate approach to all-hazards disaster resistance. The expertise we have developed in natural hazard mitigation areas, such as risk assessment, is clearly applicable to the homeland security mission.

Please contact Anthony S. Lowe, Administrator, Federal Insurance and Mitigation Administration for questions or follow up.

Sincerely,

Joe M. Allbaugh
Director

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