

TESTIMONY OF
JAMES WALKE
DIRECTOR, PUBLIC ASSISTANCE DIVISION
DISASTER ASSISTANCE DIRECTORATE
FEDERAL EMERGENCY MANAGEMENT AGENCY
DEPARTMENT OF HOMELAND SECURITY

BEFORE THE
HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS COMMITTEE
SUBCOMMITTEE ON DISASTER RECOVERY
UNITED STATES SENATE
WASHINGTON, D.C.

JULY 10, 2007

Introduction

Good morning, Senator Landrieu and members of the Subcommittee. My name is James Walke, and I am the Director of the Public Assistance Division, which is a part of the Disaster Assistance Directorate, formerly known as the Recovery Division, at the Federal Emergency Management Agency (FEMA). I have been a career FEMA employee for twenty-three years and have been with FEMA's Public Assistance Branch for fourteen years. In my capacity as Director of the Public Assistance Division, I am responsible for planning and providing national-level policies and oversight of the Federal government's recovery efforts to restore and rebuild eligible public systems and facilities damaged as a result of Presidential-declared major disasters and emergencies.

It is my pleasure to be here today to discuss with you FEMA's Public Assistance process and, specifically, the development, review, approval, execution, and auditing of Project Worksheets (PWs).

I would also like to give a brief overview of the Public Assistance Program (including how PWs are developed), provide an update of the status of Public Assistance provided to the Gulf Coast, and describe some initiatives we are implementing to improve delivery of the Public Assistance Program.

Public Assistance/Project Worksheet Overview

As you well know, FEMA's Public Assistance Program is a vital part of a community's disaster recovery process. The Public Assistance Program awards cost-shared grants to assist State and local governments and certain private nonprofit entities that incur costs to remove debris, carry out emergency protective measures, and repair and replace damaged, eligible infrastructure. The Public Assistance Program is based on a partnership between FEMA, the State, and eligible applicants.

Public Assistance grants follow a standard 9 point life-cycle in every disaster event:

- (1) The President declares an Emergency or Major Disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) and initially identifies the types of assistance that are available in designated areas;
- (2) The State conducts an applicants' briefing for all the potential applicants where the reimbursement process is explained, key documents are distributed, and points of contact are established;
- (3) Eligible applicants submit a Request for Public Assistance (RPA) to the State that identifies damage and activities undertaken for potential reimbursement;
- (4) FEMA and the State conduct a kickoff meeting with eligible applicants to go over the process in more specific detail;
- (5) FEMA, the State, and the applicant formulate projects and prepare PWs for eligible work;
- (6) FEMA and the State review and approve PWs;
- (7) FEMA obligates funding for each approved project to the State;
- (8) The State disburses funds to applicants as work is completed; and

(9) The State and FEMA closeout each project.

The State uses applicants' briefings to explain the Public Assistance process, including State grant-management requirements, to potential applicants. FEMA and the State use the number of RPAs received to determine how many staff will be required to manage the recovery operations. FEMA assigns a Public Assistance Coordinator, or PAC, to work directly with each applicant to assess their needs and to assist them through the Public Assistance process. The PAC conducts kickoff meetings with each applicant to determine the specific technical skills required to evaluate the applicant's potential projects. The PAC then assigns staff with appropriate technical skills to work with the applicants to formulate projects.

The most important step in the process is project formulation, which includes preparing PWs. The PW includes a description of eligible work, the scope of work, and an estimate of cost to repair the damage. We use this document to award grants to applicants. The Stafford Act authorizes FEMA to reimburse applicants for restoring eligible disaster-damaged facilities to their pre-disaster design and capacity in accordance with applicable codes and standards.

Typical challenges encountered during project formulation include:

- (1) determining whether the damage is related to the disaster event or is pre-existing;
- (2) describing the appropriate ways to repair the disaster-related damage;
- (3) determining which codes and standards apply; and
- (4) estimating the cost of the project.

FEMA assigns technical experts (such as structural engineers, sanitary engineers, hospital specialists) from our disaster reservist cadre or from our technical assistance contractors to work with the applicants to develop the PWs. In most cases, agreement on eligible scopes of work is achieved quickly. In a few cases, there are differences in professional opinion as to what is disaster-related damage and the appropriate repair. In these instances, the PW process becomes more protracted. If consensus is not reached, FEMA will approve its version of the PW and provide the applicant an opportunity to appeal.

Now that I've given a brief overview on the Public Assistance process, I will address the status of Public Assistance provided to the Gulf Coast as well as staffing challenges we experienced with Hurricanes Katrina, Rita and Wilma.

Gulf Coast Update

FEMA is pleased to report that, as of June 25, 2007, we have prepared:

- 80,179 of an estimated 84,474 PWs for the Gulf Coast states (AL, LA, MS, FL and TX) representing \$13.43 billion in Public Assistance funding.
- In Louisiana:

- 35,905 of 38,890 PWs have been written. Approximately 2,632 PWs remain to be written.
 - 34,205 PWs (88%) have been obligated to the State of Louisiana.
 - \$4.8B of an estimated \$6.3B (77%) has been obligated to the State of Louisiana.
- In Mississippi:
 - 20,588 of 21,000 PWs have been written. Approximately 412 PWs remain to be written.
 - 12,842 (61 %) PWs have been obligated.
 - \$2.12B of an estimated \$2.87B (74%) has been obligated to the State of Mississippi.

Staffing

Immediately following a Presidential disaster declaration, FEMA uses permanent full time staff, a highly-trained disaster reservist cadre (we have approximately 350 available at any time), and our technical assistance contractors (there is a minimum of 675 with surge capability) to staff the Public Assistance program at the Joint Field Offices. For most disasters, the majority of staff is deployed for a minimum of two months and up to a year, providing initial support and follow-through of the disaster recovery process. For disasters as large as Katrina that present an enormous amount of projects over a vast geographic area, it is very difficult to keep the same staff on site for the duration of the recovery operation.

While many staff were deployed to the Gulf Coast states following Hurricanes Katrina and Rita for many months, eventually they were transitioned out and replaced with new staff. In many cases, the transitions were accomplished smoothly with the appropriate exchange of pertinent applicant information. In these instances, the amount and timing of assistance to the applicant was not impacted. Our strategy to mitigate the impact of transitioning staff in and out of long-term recovery operations is to hire people locally to manage the long-term recovery operations. This was a significant challenge following Katrina and Rita because of the competition for skilled resources.

In Mississippi, we had a peak staffing level of over 325 staff working on the Public Assistance Program. As of June 25, 2007, we had 34 FEMA staff and 74 Technical Assistance Contract personnel still working there. In Louisiana, we had a peak staffing level of over 1,000 staff working on the Public Assistance Program. As of June 25th, 2007, we had 134 FEMA staff, and 395 Technical Assistance Contract personnel still working in Louisiana. Current staffing levels are sufficient in both disasters to meet

existing workload requirements. We have always been and remain committed to appropriately staffing that operation until all PWs are written and closeout activities are substantially underway.

Over the last six months we have implemented several initiatives to improve the Public Assistance process in Louisiana. First, we established a new management team, led by John Connolly, our Public Assistance Officer. John initially served in that capacity for the first six months after the disaster, and has been there during his current tour since October 2006. John is one of our best Public Assistance managers and has brought stability to the operation. We have also:

- (1) implemented an aggressive staff training program to ensure that staff are knowledgeable about the Public Assistance Program;
- (2) established a mentoring program for new staff to accelerate their understanding of the program;
- (3) made a concerted effort to retain program experts to maintain continuity with applicants;
- (4) deployed more cost estimating experts to the operation to provide applicants with a higher level of confidence in our project estimates; and
- (5) co-located program staff at the applicants' premises to expedite development of eligible scopes of work and project worksheets.

These initiatives have been successful as evidenced by the high percentage of PWs completed to date.

I am not suggesting that the Public Assistance Program was implemented flawlessly following Katrina and Rita. It was not. However, the success of the Public Assistance Program should not be judged by the number of problems encountered, but by the number of problems solved. At previous hearings, some of the panel members who have testified before you have shared their frustration with problems they encountered with the Public Assistance process. I am confident that we did, and are doing, everything we can to assure that each applicant receives the maximum amount of assistance they are entitled to under the law.

As you know, Congress recently passed, and the President signed into law, supplemental appropriations legislation which included a provision to adjust the federal cost-share of certain eligible projects to 100 percent under sections 403, 406, 407, and 408 of the Stafford Act. This adjustment applies to all states impacted by Hurricanes Katrina, Rita, Wilma, and Dennis. As of June 29, 2007, FEMA has obligated approximately \$540M in additional funding to the Gulf Coast States due to the cost-share adjustment for Public Assistance for Hurricanes Katrina, Rita and Wilma. PWs have been adjusted to the 100% funding level and obligations have been made into each State's Smartlink account and are available to the State. Some obligations may now be subject to the \$1 million dollar review process mandated by Congress each year in the DHS Appropriations Act. Total federal obligations will not be determined until all projects have been closed out.

New Initiatives

I would like to briefly mention several initiatives FEMA has undertaken to further improve implementation of the Public Assistance Program in the future.

We have established a Public Assistance Steering Committee comprised of senior Public Assistance staff in each of our ten regions and ten state representatives. The purpose of the Committee is to serve as the Board of Directors for the Public Assistance Program. The Steering Committee will develop the vision, strategies, and policies to ensure efficient, effective, and consistent implementation of the program.

We have begun to update all of our policy and guidance documents so that our staff will have the tools to be successful. These documents will be compiled in a Public Assistance Manual that will be available not only to all of our staff, but also to State and local staff so there is no confusion about what the rules are.

We are migrating National Emergency Management Information System (NEMIS), our data management system, to a web-based platform that will allow applicants to enter PWs into the system and check their status at any time.

We are evaluating more effective ways to train our staff before disasters strike as well as in the immediate aftermath of a disaster to improve our level of service.

On June 1, 2007, we implemented the Public Assistance Pilot Program that Congress authorized during the last session that will promote better preparation for debris removal operations in post disaster environments and speed recovery by making grants on the basis of estimates available for debris removal and repair/replacement projects up to \$500,000. In addition, we will provide an additional five percent in Federal cost share to applicants that have FEMA-approved debris management plans and pre-qualified at least two debris contractors in place at the time of the disaster. This pilot program will allow us to test initiatives that will speed the delivery of recovery funds of eligible applicants, and empower state and local governments with tools to manage their disaster response faster and more effectively.

Conclusion

FEMA is committed to the recovery and rebuilding of the Gulf Coast and will remain on the ground until the job is finished. The Public Assistance division is taking our lessons learned from Katrina and Rita to refine our policies and pilot new initiatives to re-tool and improve the Public Assistance Program. These efforts will help improve the effectiveness of the Public Assistance Program in future disasters.

Thank you for the opportunity to discuss FEMA's Public Assistance Program with you. I look forward to answering any questions you might have.

