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STATEMENT FOR THE RECORD

**On behalf of the
National Emergency Management Association**

**Submitted to the House Transportation & Infrastructure Committee
Subcommittee on Economic Development, Public Buildings, and Emergency Management**

***“Are we ready? Recovering from the 2017 Disasters and Preparing for the 2018 Hurricane
Season”***

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Introduction

Thank you, Chairman Barletta, Ranking Member Titus, and distinguished members of the Committee for allowing me to testify before you today.

I am Patrick Sheehan, Director of the Tennessee Emergency Management Agency, and am proud to be here today representing the National Emergency Management Association (NEMA) where I serve on the Board of Directors as the Vice-President for the southeastern states. NEMA represents the state emergency management directors of all 50 states, territories, and the District of Columbia. On behalf of my colleagues in state emergency management, we thank you for holding a positive discussion on the 2017 disaster season while also looking forward to preparedness for 2018 and beyond.

Even though Tennessee did not experience impacts of the same severity from the disasters of last year, every state, whether directly or indirectly, is involved in the response and recovery efforts related to hurricanes, flooding, wildfires and other events across the country in 2017 and we are eager to discuss how this experience can inform next steps.

The 2017 Disaster Season

While the 2017 disaster season ended with headline-grabbing events, the year began with many states still recovering from disasters that struck in 2016, including extreme drought and a series of fires that caused tremendous damage and losses in eastern Tennessee. Shortly after my June 2016 appointment a direct the Tennessee Emergency Management Agency, an extreme drought began and hundreds of fires, some small and some large, started burning throughout much of the state. Tennessee ended up receiving four Fire Management Assistance Grants (FMAG) for some of the most complex and damaging of those fires, Tennessee's first FMAGs in more than 15 years, and including the most notable fire that began on the Chimney Tops are of the Great Smoky Mountains National Park on Wednesday, November 23. By Monday, November 28, winds of 80 miles per hour pushed the fires into the Sevier County and into the cities of Gatlinburg and Pigeon Forge. The winds pushed the flames down the mountains, creating created various spot-fires miles away and snapped power poles and power lines causing additional fires. Entire subdivisions were destroyed, pumping stations were burned causing hydrants to dry out, and the 911 system in Gatlinburg was overloaded. Ultimately, 14 people died, 134 were injured, 17,904 acres of land were burned, and 2,600 buildings were destroyed. These Great Smoky Mountains wildfires were considered the deadliest wildfires in the Eastern United States since 1947.

This disaster, however, presented numerous opportunities for TEMA to work with other departments and organizations and to engage with non-traditional partners. Utilizing Geographic Information System (GIS) Mapping Technology and damage analysis we more efficiently assessed the damage of the affected areas of southeast Tennessee. We used the geospatial analysis to determine how many residential and commercial buildings were destroyed, and how to classify the buildings as well. We, local, state, and federal agencies, released our data on Sevier County to the public in the form of an interactive map that citizens could use to seek information about the damage in their communities.

One lesson from this disaster was learning how to better engage with partner agencies and organizations. This was crucial to gaining the GIS information, but also for our agency's response in general. From the

U.S. National Parks Service to the Tennessee Housing Development Agency, we sought support from dozens of federal and state entities. So, whether a massive hurricane sailing through the Gulf of Mexico, or fires cascading from the hills of Tennessee and California, each disaster provides a new glimpse into how we respond to these hazards of Mother Nature.

Emergency managers judge the size and scope of a disaster season based on the numbers of disaster and extent of the damage. By those metrics, 2017 was a significant year for us. Overall, emergency managers dealt with 59 major disaster declarations, 15 emergency declarations, and 63 fire management assistance declarations last year. These disasters impacted 33 states and two territories, bringing the overall total to 137 declarations, the most since 2011.

According to the National Oceanic and Atmospheric Administration (NOAA), the U.S. had 16 disasters last year with damage exceeding a billion dollars. Hurricane Harvey was the strongest hurricane to hit the coast since Hurricane Wilma in 2005 and the fiercest to strike southeast Texas since 1961. According to NOAA, the nation spent \$125 billion on Harvey, second only to Hurricane Katrina of 2005. Just a few weeks later, Hurricane Irma, the most intense Atlantic storm since Katrina, impacted Florida and many islands in the Caribbean, including Puerto Rico and the U.S. Virgin Islands. This storm ranked third on the list of most expensive hurricanes, costing the nation \$90 billion, according to NOAA. Weeks after Irma, Hurricane Maria delivered a devastating second punch to Puerto Rico, the Virgin Islands, and elsewhere. Ranking fifth on the all-time list, the estimated cost was \$50 billion, as stated in NOAA's "Billion-Dollar Weather and Climate Disasters: Overview."

The year also brought more than a dozen western wildfires, which ravaged tens of thousands of acres across Northern California. In December, the massive Thomas fire in Southern California ranked as the state's largest-ever wildfire, scorching more than 280,000 acres, or 440 square miles. These wildfires added \$18 billion in damage, triple the previous wildfire record in the United States.

To top off the year, 2017 was also the third hottest year for the lower 48 states in U.S. records, which date back to 1895. Only 2012 and 2016 recorded higher temperatures. This was the third straight year that all 50 states had above average temperatures for the year. Five states, including Arizona, Georgia, North Carolina, South Carolina and New Mexico, had their warmest year ever.

After every disaster and every year, we embrace the opportunity to reflect on what went well and those areas requiring improvement. As you look across the disaster landscape in 2017, overall the system worked, but some obstacles, some familiar and some new, had to be overcome:

- **Setting Expectations.** Citizens across the country as well as political leadership must understand the roles and responsibilities in responding to and recovering from disasters. The Federal Emergency Management Agency (FEMA) is not a first responder, and the Governor maintains ultimate authority over managing the disaster, but without robust local emergency management, the execution of programs and projects will falter. Furthermore, we must set expectations in what federal programs can, cannot, should, and should not be able to accomplish.
- **Alerts & Warnings.** In addition to the physical disasters which swept the nation, we saw several examples of missteps in utilizing alert and warning systems. The management of these systems,

however, varies from state to state, so Congress should carefully consider any broad, sweeping changes as any issues may be isolated to specific instances.

- **Ensuring Public Certainty.** One of the most sensitive issues post-disaster is managing housing programs. In 2017 we saw states such as Texas take bold steps in managing their own housing programs. Unfortunately, we also saw some areas for improvements in national housing programs and sheltering. Even if the programs are found to be satisfactory, we must consider how best to communicate and manage the relocation of thousands of citizens, and also carefully explain the intent of assistance programs which aim for ultimate repatriation.

Empowering States to Assist One Another

A critical part of response and recovery to disasters is the Emergency Management Assistance Compact (EMAC). Through EMAC states share resources with one another for all hazards and all disciplines – leveraging federal grant dollars invested into building capabilities by utilizing them for national response efforts and taking those experiences back home to improve their own plans and procedures.

Since EMAC's ratification by Congress in 1996 (Public Law 104-321), the Compact has grown to include all 50 states, the District of Columbia, the U.S. Virgin Islands, Puerto Rico, and Guam. States rely on EMAC for swift response during emergencies and disasters, using pre-established plans and procedures to implement the system.

When Hurricane Harvey hit Texas, the state emergency management agency, responsible for implementing EMAC in each Member State on behalf of their Governor, brought in 4,895 personnel from a variety of disciplines to assist. My own state, Tennessee, sent Search and Rescue and animal response resources. Other states sent incident management teams, volunteer and donations management specialists, public health and medical resources, search and rescue and law enforcement. Alabama, Arizona, Arkansas, Colorado, Delaware, Georgia, Iowa, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New Mexico, Nebraska, Nevada, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Utah, and Vermont and Virginia deployed National Guard through EMAC for critical support of search and rescue, evacuation, transportation, shelter support and hazmat response.

Even when managing the response to a disaster the size of Harvey, Texas found a way to find innovative solutions to existing processes. To ensure assisting states received reimbursement quickly, Texas took a bold step in managing EMAC reimbursements by offering a 75 percent advance of reimbursement to the assisting state. This significantly shortened the length of time assisting states waited to receive reimbursement. Texas' pre-planning and preparedness put the state on a strong footing for the event as they had pre-identified the resources needed and the states that would provide the resources for immediate response.

Weeks later when Hurricane Irma caused billions of dollars of damage to Florida and the U.S. Virgin Islands, states again sent resources from a multitude of disciplines providing assistance through EMAC. In addition to the types of resources deployed for Hurricane Harvey, Florida received Water and Wastewater Agency Response Network assets from South Carolina, Tennessee, and North Carolina to restore water lines destroyed in the Florida Keys. Pennsylvania provided public assistance expertise. Georgia and South Carolina who had received EMAC teams prior to the storm based upon the predictions

turned into assisting states, providing incident management teams, telecommunications personnel, public health and nursing support for shelters, and National Guard assets. A total of 5,631 personnel with equipment mobilized in response to Hurricane Irma.

While the response was initially delayed due to communications and the initial logistics of moving resources across an ocean, states provided a robust response through EMAC to support resource requests from the U.S. Virgin Islands and Puerto Rico. Illinois deployed National Guard teams to be self-sufficient with sleeping bags and MRE rations knowing the inhospitable environment in which they were deploying. While missions are still ongoing today in the U.S. Virgin Islands with the deployment of EMS from Arkansas and the joint deployment of a mobile medical hospital between North Carolina and New Jersey, in total, states sent 359 personnel and equipment to the U.S. Virgin Islands and 5,706 personnel and equipment to Puerto Rico in response to Hurricane Maria. New York leads the Puerto Rico response with the deployment of over 2,800 personnel and equipment.

States also sent teams to FEMA's National Response Coordination Center and the Regional Response Coordination Centers to coordinate the state response through EMAC with the federal response. The first team to stand up the EMAC liaison desk was from the District of Columbia. These teams worked with FEMA to garner critical support for transportation to both the U.S. Virgin Islands and Puerto Rico as well as housing for first responders.

At the same time states were responding to Hurricane Harvey, Irma, and Maria they also sent resources to Oregon, Montana, Nevada, California, Virginia, Kansas and Colorado in support of cyber-response, wildfires, the Las Vegas shooter incident and other events. Today, states are currently supporting lava events in Hawaii and flooding in Maryland.

In total, 19,196 personnel deployed through the EMAC from August 2017 to July 2018. Of those, 16,606 were in response to the 2017 Hurricanes. The stories coming out of these events are truly humbling. Teams sleeping in hotels without hot water or electricity so they can help to bring in resources. Law enforcement working long shifts to maintaining order. A team deployed into Puerto Rico with the ability to identify a critical agriculture issue and write an application that would yield a \$12 million grant to Puerto Rico from the United States Department of Agriculture (USDA). Medical, public health, and EMS personnel deployed into challenging situations able to overcome obstacles to save lives. Search and rescue resources conducted house-to-house operations to save lives.

EMAC is a testament to states helping states and the successes of continual improvements to plans and procedures. In May, NEMA conducted an after-action conference from the EMAC events of 2017. While the report is still being drafted, we will share a copy to the Committee as soon as it becomes available which we expect to be in the next month or so. Even though the report is not yet done, as we move into the 2018 hurricane season, states continue integrating lessons learned into future planning and preparing to help one another once again when the need arises.

Building Capacity for 2018 and Beyond

When considering how best to prepare for the next disaster season, any changes to policy, statute, or processes must be done with an eye toward comprehensive solutions. For example, efforts such as the Disaster Recovery Reform Act (DRRA), introduced by this Committee, and now passed twice by the

House of Representatives, presents a clear roadmap of reforms to strengthen the emergency management community. Several key provisions of the DRRA stand-out in helping emergency managers take the next step in ensuring resilience.

- **Management Costs.** The legislation raises the amount currently available for management costs from 3.34 percent to 12 percent. This critical increase will allow states and locals to take on more responsibility, but as that shift occurs, the roles and responsibilities between federal, state, and local emergency managers must be well-defined. Furthermore, for this shift toward collaborative disaster management to be truly effective, FEMA should conduct a rulemaking to allow for management costs to roll-over from one disaster to another.
- **Pre-disaster Mitigation.** The commitment to pre-disaster mitigation in the DRRA is encouraging. By allowing six percent of disaster costs to go toward pre-disaster mitigation through the National Public Infrastructure Pre-disaster Hazard Mitigation Program, this nation will fundamentally shift the preparedness paradigm and drive down the long-term costs of disasters. Especially when coupled with the new finding that mitigation saved \$6 for every \$1 of investment, this provision will have long-lasting impacts.
- **Mitigation for Wildfire Prevention.** Since first included in the FY15 Appropriations bill, NEMA remains supportive of allowing FEMA to award Hazard Mitigation Grant Program (HMGP) funds to Fire Management Assistance Grant awards.

We appreciate the time and effort Members of the Committee and their staff dedicate to working with us in making small changes to some provisions as well, and look forward to finalizing those as the bill continues moving through conference this summer.

While we embrace much of what the DRRA offers, Members of Congress can also point to existing programs as ways in which the nation supports a culture of preparedness. Preparedness capabilities are critical to state, local, and tribal level emergency management systems. The inclusion of “preparedness” as a goal in the FEMA strategic plan is promising but does not match with the Administration’s budget proposal to cut grants to states and locals that would aid in building preparedness capabilities.

Beyond the 2017 federally declared disasters, 22,552 events required state assets, while local assets supported 12,557 additional local and tribal events. FEMA is not a first responder during disasters, so without a thriving state and local emergency management system, many of these 35,109 events would likely have required costly federal support. Furthermore, strong capacity at the state and local levels allows FEMA to achieve the stated goal of disasters being “locally executed, state managed, and federally supported.”

One of the key ways in which emergency managers build capacity is through programs such as the Emergency Management Performance Grant (EMPG). With a one-to-one matching requirement at the local and state levels, this program represents one of the best values in federal spending. EMPG continues as a critical driver of progress and success made across the country in preparing for, responding to, and recovering from all hazards. The program’s success is shared by all levels of government and relies heavily on the continued, and decades-long, commitment of Congress.

In 2017, the federal investment in EMPG was \$350 million — a little more than \$1 per citizen — and with the match requirement and additional state and local investment, the return on investment exceeded

\$700 million and was felt in communities from Maine to California. Every investment the federal government makes is matched dollar-for-dollar and, in most cases, states, locals, and tribes match even more, illustrating that any cuts to EMPG funding will have far-reaching and long-term impacts on readiness. In almost every category of positive community impacts the EMPG creates, emergency managers at the state and local level report improvements since last year's programmatic data.

For these reasons in FY19, NEMA joined with colleagues of the International Association of Emergency Managers (IAEM), representing local emergency management, in requesting a modest five percent inflationary increase for EMPG to \$368 million. Given the matching requirement of EMPG, many of which states and locals far exceed, this \$18 million increase will have a combined impact totaling at least \$36 million nationwide. Few other federal programs can demonstrate that rate of return. While Congress did not act on this request in the FY18 Omnibus, we continue to emphasize the importance of this program and the need for additional funding in FY19.

While we will continue to advocate for an increase in this important program, small changes can also be made through regulation to allow states and locals to build more emergency management capacity.

When managing disaster declarations, states and locals coordinate billions of dollars in Federal grants through FEMA. To help offset administrative requirements of these grants, FEMA regulations allow recipients to utilize a percentage for management costs. These management costs, however, are limited to each specific disaster and regulations do not allow grantees to economize by managing workloads across all open disasters. FEMA should allow grantees to utilize management costs across all open disasters which will ensure the building recovery and mitigation capacity; incentivize disaster close-out; and drive down the costs of disasters.

In June, NEMA and IAEM came together and submitted a proposal to FEMA on implementing this change, a copy of which is being included with this statement for the record. While this could be done administratively, Congressional persuasion often goes a long way toward affecting change, so we would appreciate any such support the Committee would be willing to provide.

Conclusion

On behalf of the state emergency managers, thank you again for holding this hearing and drawing attention to the needs of our community. Often in the wake of a major disaster or series of disasters; judgment is cast on federal programs and perceived successes or failures sometimes even before the flood waters retreat. As you examine the response to events such as those in 2017 and look to make changes to federal programs, before criticizing the response to an event, remember we are all in positions of trust, placed here by the people we serve. While it may be convenient to look to FEMA and heap praise or condemnation, even when they are not actively responding to a disaster, state and local emergency managers are still recovering from the last event and conducting the planning, building the capacity, and setting the stage for the next storm to approach, all while working diligently to implement and manage complicated federal programs.



Rollover of Disaster Management Costs: Increasing Capability and Responsibility in Managing Disaster Declarations



Executive Summary. When managing disaster declarations, states and locals coordinate billions of dollars in Federal grants through the Federal Emergency Management Agency (FEMA). To help offset administrative requirements of these grants, FEMA regulations allow recipients to utilize a percentage for management costs. These management costs, however, are limited to each specific disaster and regulations do not allow grantees to economize by managing workloads across all open disasters. FEMA should allow grantees to utilize management costs across all open disasters which will ensure the building recovery and mitigation capacity; incentivize disaster close-out; and drive down the costs of disasters.

Background. One of the fundamental requirements of creating a strong and nationwide emergency management system is to build recovery and mitigation capacity which can range from developing plans, coordinating effective mutual aid, and the assets to manage the consequences of myriad potential hazards. FEMA continues to encourage states and local to manage “less than catastrophic” disaster declarations thereby reducing the Federal burden disaster costs nationally. The resources FEMA utilizes to achieve these goals are found primarily in 44 C.F.R. Part 207 – Management Costs. This regulation provides the Grantee 3.34 percent of the projected Federal program costs of public assistance and 4.89 percent of projected Federal program costs of Section 404 Hazard Mitigation.

States have long argued that the management costs percentages are low, compared to the percentages allowed under other Federal grants and the amount FEMA utilizes to administer the same disaster declaration. NEMA supports efforts such as the *Disaster Recovery Reform Act* (DRRA) being considered by Congress and the current FEMA administration in increasing these percentages to as high as 12 percent. Beyond the funding percentage, however, the lack of flexibility within the grant consumes time and resources of emergency management organizations which could be better-utilized to manage response and recovery activities.

With each disaster declaration comes an allowance for management costs to administer Public Assistance and Hazard Mitigation grants. Despite administering numerous open disasters, each declaration has a locked-in amount for management costs. Throughout the management of the grant, all associated personnel costs must be tied to a specific declaration, program, and project. While simple in theory, this administrative over-kill limits flexibility and detracts from a program designed to provide disaster assistance, build recovery and mitigation capacity, and empower states to reduce dependency on FEMA. For example, a project inspector working an eight-hour day may visit multiple sites across a region of a state. Since those sites may be associated with more than one disaster, all associated travel, incidental costs, and personnel time must be parceled-out to possibly dozens of open grants.

This dynamic is particularly problematic in declarations with limited damages. While management costs may be minimal, the process and manpower required is equal to that of larger declarations. Management costs for declarations with less damage are quickly exhausted and state funds must be utilized to complete the administration of the Federal grant. Likewise, during close-out of declarations with large damages, remaining funds create the unintended consequence of encouraging declarations remain open for extended periods of time to ensure the expenditure of all eligible costs. This runs contrary to the preferences of all involved at the Federal, state, and local levels to close-out disasters expeditiously.

The Solution. FEMA should immediately begin the process of amending 44 C.F.R. Part 207 to:

- Provide each state an unfunded grant for both the Public Assistance Program and Hazard Mitigation Grant Program. As disasters are declared, management costs will continue to be obligated under current regulations, but deposited into the generic program accounts.
- Allow remaining funds after the close-out of a disaster to be available to build recovery and mitigation capacity at the state and local levels, close-out remaining disasters which may be more complicated, and build resilience for the next disaster.

Taking these actions will allow states with more robust recovery and mitigation capacity to assist states with infrequent declarations and therefore less capacity (i.e. EMAC); manage the smaller declarations; and allow FEMA to focus on catastrophic events. The nation would realize an overall reduction of administrative costs and increased capability and responsibility at the state and local levels.