



COMMITTEE ON APPROPRIATIONS

David Price (D-NC), Chairman, Subcommittee on Homeland Security

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OPENING STATEMENT OF CHAIRMAN DAVID PRICE *FEMA and Preparedness Hearing, 10 am*

Good morning everyone. I would like to welcome our witnesses, FEMA Administrator David Paulison, along with Mr. Matt Jadaki, DHS Deputy Inspector General; Mr. David Miller, Legislative Committee Chairman of the National Emergency Management Association; and Mr. Larry Gispert, President of the International Association of Emergency Managers. I should say welcome back to Administrator Paulison, who was before the subcommittee on Tuesday to discuss the Homeland Security grants budget. This hearing will focus on: other FEMA programs, including the disaster housing program and the flood insurance program; the implementation of the Post-Katrina Reform Act; Gulf Coast recovery; and FEMA management challenges. However, I am sure that some of our witnesses will want to provide their position on grant programs, such as the Emergency Management Performance Grants, and we welcome those comments.

The FY 2008 appropriation increased FEMA's management and operations budget by \$175 million, an increase of 24%. That increase was aimed at strengthening FEMA's core competencies, including: logistics, financial management, operational planning, and service to disaster victims. With that funding comes expectations. FEMA has made progress in some areas, but it still has work to do to reassure State and local governments that it is a reliable partner when their capabilities are overwhelmed by a disaster. FEMA must step up its game, and this additional operations funding should help you do that. We will want to hear from you about how these funds are being productively used, and we will want to know how you are measuring the agency's performance in these core areas. We cannot wait until a major disaster strikes to find out whether FEMA's investments in core competencies are paying off.

FEMA's FY 2009 budget seeks an additional \$46 million to modernize the agency's information technology and strengthen its disaster workforce. I do not doubt this funding is needed but, again, I am concerned about how you plan to evaluate whether these funds are productively used. FEMA must have a strategic vision that is communicated to its own personnel and to its many stakeholders. It must have clear goals and ways of measuring progress toward reaching them. At the hearing two days ago we wanted some method of showing how our investment in grant funding is helping to prepare States and locals. We need the same information, and the same performance and evaluation tools, for FEMA itself.

We have tried to push FEMA in this sort of planning and goal setting direction in the past by requiring reports to the Committee on particular program activities. Unfortunately, FEMA has not always been responsive in meeting the planning requirements we set. FEMA was supposed to deliver a plan to improve its workforce to this Committee 11 months ago. Why don't we have that? There have been improvements in personnel. Last year you were able to have 95% of positions filled. However you have or will soon have big holes in senior leadership. The Chief Financial Officer is leaving. There are already vacancies at the heads of the Offices of Acquisition and Information Technology.

Another example is the comprehensive Housing plan that was due seven months ago. Where is that plan, and how is it going to address the Centers for Disease Control finding of elevated levels of formaldehyde in occupied trailers in the Gulf Coast? Last year you said “we are actively engaging federal, state, and local partners” and “established a working group to develop the...strategy.” If those were steps you took in April of last year, I am not sure why there is still no strategy for FEMA to provide to us.

Another critical element for FEMA operations that needs urgent attention is the agency’s financial system, which is one of the worst-performing in the Department. In the DHS Inspector General’s testimony on financial audits, he concluded that conditions at FEMA deteriorated in FY 2007, with FEMA now contributing to six material weaknesses. This is compared to FY 2006, when FEMA contributed to only two material weaknesses.

Administrator Paulison, I know FEMA is working hard to address the many challenges it faces. But without aggressive and proactive planning and evaluation, I am not confident that you can be successful.

In a moment, we will begin with Mr. Paulison, followed by Mr. Gispert, Mr. Miller, and then Mr. Jadaki. In the interest of time, please briefly summarize your statements for us. Your prepared testimony will be entered into the record.

But first let me yield to Mr. Rogers for any statement that he would like to make.

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