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STATEMENT FOR THE RECORD

APPROPRIATIONS FOR THE DEPARTMENT OF HOMELAND SECURITY FOR
FISCAL YEAR 2009

THE UNITED STATES HOUSE OF REPRESENTATIVES
APPROPRIATIONS SUBCOMMITTEE ON HOMELAND SECURITY
MARCH 13, 2008

INTRODUCTION

Thank you Chairman Price, Ranking Member Rogers, and distinguished members of the Committee for allowing me the opportunity to provide you with a statement for the record on the Department of Homeland Security's (DHS) fiscal year 2009 budget. I am David Miller, Chairman of the National Emergency Management Association's Legislative Committee and Administrator of the Iowa State Homeland Security and Emergency Management Division. In my statement, I am representing the National Emergency Management Association (NEMA), whose members are the state emergency management directors in the states, the U.S. territories, and the District of Columbia. NEMA's members are responsible to their Governors for emergency preparedness, homeland security, mitigation, response, and recovery activities for natural, man-made, and terrorist caused disasters.

In 2007, FEMA declared 63 major disasters; 13 emergency declarations; and 60 fire management assistance declarations. Overall, 40 states and one territory were impacted. The multi-hazards emergency management system continues to be the means to practice and exercise for devastating acts of terrorism, while at the same time preparing the nation for hurricanes, tornadoes, earthquakes, hazardous materials spills, and floods. We respectfully ask for your Committee to consider the role of emergency management as you address the FY 2009 appropriations and ask for your serious consideration of additional federal support for the only all-hazards Emergency Management Performance Grant (EMPG) to build state and local emergency management capacity. EMPG is the only state and local matching grant program supporting preparedness efforts.

The Department of Homeland Security budget provides critical support to state and local emergency management programs. NEMA would like to address four critical issues regarding the proposed federal budget for the Department of Homeland Security:

- 1. Concern for addressing the shortfall and total need for the Emergency Management Performance Grant (EMPG) level while requirements increase for state and local governments;**
- 2. Federal support for the Emergency Management Assistance Compact (EMAC);**
- 3. Significant deficits for improving state and local Emergency Operations Centers (EOCs); and**
- 4. Additional investment is needed for the nation's mitigation programs including the Predisaster Mitigation Grant Program.**

EMERGENCY MANAGEMENT INFRASTRUCTURE FUNDING

EMPG is the only program for All-Hazards Preparedness

Natural disasters are certain and often anticipated. Every state must be able to plan for disasters as well as build and sustain the capability to respond. EMPG is the only source of funding to assist state and local governments with planning and preparedness/readiness activities associated with natural disasters. At a time when our country is continuing to recover from one of the largest natural disasters in history and making strides to improve the nation's emergency preparedness/readiness, we cannot afford to have this vital program be cut or just maintained. EMPG is the backbone of the nation's all-hazards emergency management system and the only source of direct federal funding to state and local governments for emergency management capacity building. EMPG is used for personnel, planning, training, and exercises at both the state and local levels. EMPG is primarily used to support state and local emergency management personnel who are responsible for writing plans; conducting training, exercises and corrective action; educating the public on disaster readiness; and maintaining the nation's emergency response system. EMPG is being used to help states create and update plans for receiving and distribution of emergency supplies such as water, ice, and food after a disaster; debris removal plans; and plans for receiving or evacuating people – all of these critical issues identified in the aftermath of Hurricane Katrina and the following investigations and reports.

The state and local government partnership with the federal government to ensure preparedness dates back to the civil defense era of the 1950s, yet increased responsibilities over the last decade have fallen on state and local governments. NEMA's 2006 NEMA Biennial Report shows that the shortfall in EMPG funding has reached \$287 million.

State and Local Match

EMPG is the only all-hazards preparedness program within the Department of Homeland Security that requires a match at the state and local level. The 50/50 match is

evidence of the commitment by state and local governments to make public safety and security a top priority. According to the NEMA 2006 Biennial Report, states were continuing to over match the federal government's commitment to national security protection through EMPG by \$96 million in FY05, which is an 80 percent state and 20 percent federal contribution.

Appropriate Support Needed to Strengthen Program

We appreciate all of the efforts of members of Congress and the Administration to allow for increases to the EMPG program; however, adjusted over the last fifteen years the increases have not kept pace with inflation at a time when capacity is supposed to be increasing. Continued funding increases are necessary to make up for over a decade of degradation of funding and increased state and local commitments. The increased flexibility of EMPG is offset by funding shortfalls estimated in the NEMA Biennial Report in 2006 to be over \$287 million for all 50 states. The current total need is \$487 million. The 9/11 Implementation Act authorized EMPG at \$535 million for FY 2009.

Accountability Measures

Many states have various accountability measures in place to track the use of EMPG funding and NEMA supports the development of a national system that quantifies the uses of the funding. In fact, states are now required to complete state preparedness reports for FEMA to assess how investments are being made with EMPG to build emergency management capacity. 46 states utilize the Emergency Management Accreditation Program (EMAP) Standards or the National Emergency Management Baseline Capability (NEMB-CAP) process to address shortfalls in the state emergency management program. 11 states require local emergency management agencies to use the EMAP standards in the development of annual work plans with an additional 9 states requiring EMAP as a performance measurement.

EMPG as a Separate Account

The President's Budget proposal for FY 2009 suggests combining the EMPG account with the other accounts in the State and Local account. NEMA strongly disagrees with this approach, as EMPG must be maintained as a separate line item account as Congress has affirmed since FY 2003. Congress agreed at that time that the EMPG account needed to be visible and easy to find in the budget because of the importance of the program. The separate account is critical because the program is the only all-hazards grant program being administered through the DHS/FEMA Grants Office to emergency management agencies. Additionally, NEMA suggests that Congress maintain the method of distribution for EMPG, similar to the language in the FY 2006 appropriations, however continuing to allocate the funding through the State Administrative Agencies (SAAs) continues to cause delays in some states. NEMA supports language that would expressly restore the direct allocation and administration

of the EMPG grants to state emergency management agencies. This will facilitate the process of expediting funding to state and local emergency management agencies without adding unnecessary steps.

The FY 2008 Grant Guidance made several changes to the EMPG program that are not consistent with the Congressional intent for the program. While we have been successful in making sure the grants can be used retroactively to the start of the federal fiscal year, the grant guidance still limits the use of EMPG funds for emergency operation centers improvements, and requires 25 percent for planning purposes. Additionally, another change to the grants last year is the 3 percent allowable for management costs. Previously, states could use up to 5 percent of the grants to manage the program. This means the state has to make a larger contribution to the match to just manage the program. We urge Congress to consider these issues when completing work on the FY 2009 appropriations bills and to be very specific on how FEMA should administer the EMPG program.

All-Hazards Approach

The federal government must continue its commitment to ensuring national security through all-hazard preparedness. Without adequate numbers of state and local personnel to operate the all-hazards emergency management system, the infrastructure used to prevent, prepare for, respond to, and recover from all disasters will collapse. Unfortunately, Hurricanes Katrina and Rita illustrated the need for adequate emergency management systems from the ground up from not only impacted states, but all states who could offer assistance. Daily disasters make the case for every state and local government to have an emergency management capacity. From ice storms, wildfires, tornadoes, and bridge collapses, emergency management capacity is needed in every single state. Instead of making unbalanced investments towards terrorism preparedness, we must maintain an all-hazards approach and shore up the foundation of our response system for all disasters regardless of cause. We ask Congress to ensure predictable and adequate funding levels for EMPG in FY 2009.

BUILDING OUR NATION'S MUTUAL AID SYSTEM THROUGH EMAC

The response to Hurricanes Katrina and Rita resulted in the largest deployment of interstate mutual aid in the nation's history through the Emergency Management Assistance Compact (EMAC). EMAC deployed personnel comprised of multiple disciplines from all member states to respond to Louisiana, Mississippi, Alabama, Florida, and Texas. The process enabled National Guard, search and rescue teams, incident management teams, emergency operations center support, building inspectors, law enforcement personnel, and other disciplines to immediately assist the requesting states in need of support.

Congress enacted EMAC in 1996 (P.L. 104-321). Currently 50 states, the U.S. Virgin Islands, Puerto Rico, and the District of Columbia are members of EMAC. EMAC requires member states to have an implementation plan and to follow procedures outlined in the EMAC Operations Manual. EMAC addresses issues such as reimbursement, liability protections, and workers' compensation issues.

In October 2006, Congress, under The Post-Katrina FEMA Reform Act authorized FEMA to appropriate up to \$4 million annually in grants in fiscal year 2008 to support EMAC operations and coordination activities, but no funds were appropriated.

Prior to 2004, deployments under EMAC were primarily state emergency management and National Guard personnel. The value of EMAC was reaffirmed following Hurricanes Katrina and Rita by demonstrating that EMAC can be used to deploy "any resources one state would want to share with another". Combined with the requirements in the Post-Katrina Emergency Management Reform Act of 2006, EMAC has resulted in an unprecedented growth and involvement in EMAC across the nation. EMAC has also demonstrated the need for a unified mutual aid system (intrastate to interstate) that coordinates with the federal response.

EMAC is currently operating with a \$1,005,000 grant for this fiscal year. Funding has been used for administrative support of EMAC, focus on intrastate mutual aid agreements and systems with the goal of developing a unified mutual aid system, enhancements to the EMAC Operations System whereby all resources deployed under the Compact are tracked from when it is requested until reimbursement is paid, and other action items identified from 2004 and 2005 after action reports. The current grant performance period ends on May 30, 2008 and an extension has been requested for that date to be December 31, 2008. Prior to the current grant award, NEMA operated EMAC with mutual aid funding from the FY 2002 Supplemental Appropriation after the 9/11/01 terrorist attacks. FEMA awarded \$2.1 million and the funding lasted until May 2007, when the current grant award was made.

EMAC has a five year strategic plan to put lessons learned into practice. The After-Action process from Hurricane Katrina allowed EMAC to examine how to improve the system after unprecedented disasters and an unparalleled growth in the use of the system.

Examples of improvements to be made with current and future funding as a result of lessons learned are outlined below:

- NEMA has been working with first responder disciplines to provide EMAC educational and training materials. This includes training on integration with State

Emergency Operations Centers, Incident Command Systems, resource typing, and credentialing;

- NEMA has established an EMAC Advisory Group that is working to better integrate mutual aid partners into the EMAC system before future disasters occur. The group includes representatives from state and local government associations, the National Guard Bureau, emergency responder associations, public utility associations, the private sector, DHS/FEMA, and the Centers for Disease Controls. The discussions and interactions of this group serve to assist in adding local government assets to the scope of resources and other disciplines that can be readily plugged into the system;
- EMAC has hired a full-time training coordinator whose main job is to provide training for multidiscipline response and recovery personnel. The coordinator will facilitate the further integration of EMAC in federal, state, and local plans and exercises;
- EMAC has evolved in the tracking of resources through administrative management through NEMA. EMAC is working towards an integrated system to allow for swifter approvals from the requesting and responding states, which will ultimately allow for improved tracking and faster response to requests for assistance;
- EMAC will also be providing briefings and managing coordination activities for the federal government through the National Response Coordinating Center, Federal Coordinating Officers, Principal Federal Officials, and Emergency Support Functions;
- States are engaged in developing their own resource typed packages and EMAC is involved in assisting with responsibilities set in both the Post- Katrina Emergency Management Reform Act and the Implementing the 9/11 Commission Recommendations Act for resource typing and credentialing; and
- Building capabilities for A-Team operations to assist during disasters outside of State Emergency Operations Centers with resource management, integration of EMAC into exercises with the development of table-top exercises and inclusion in national level exercises such as TOPOFF, as well as address reimbursement ahead of mission deployments for both state and local resource providers.

While Emergency Management Performance Grants and homeland security grants are helping to build capabilities, the National Homeland Security Strategy counts on the fact that mutual aid is going to be put to use in a disaster. The support of EMAC is critical to helping offset the costs of disasters and building costly infrastructure at the federal level that could sit unused until a disaster. In order to meet the ever-growing need for and reliance on interstate mutual aid, NEMA is seeking reauthorization at \$4 million annually for 2009 and beyond and an annual \$2 million line item for building EMAC capabilities and our nation's mutual aid system.

IMPROVING STATE AND LOCAL EMERGENCY OPERATION CENTERS

During emergencies and disasters, emergency operations centers (EOCs) serve as the nerve center for state and local coordination. Federal agencies as well use these facilities to act as a central point for communication during response and recovery phases. After the 2001 terrorist attacks, Congress provided some funding to states to update their EOCs. Additionally, Congress temporarily changed the state-local cost share from 50-50 to 75-25 for these funds.

States continue to require more monies to enhance state primary and alternate EOCs. According to data in the 2006 NEMA Biennial Report, it is estimated that almost \$393 million would be needed to build, retrofit and upgrade the facilities. For local EOCs, that number increases to \$1.1 billion, for a total of almost \$1.5 billion. This includes the costs to upgrade equipment and software, train personnel, and conduct operations during emergency and non-emergency situations. We appreciate Congress' recognition of the need for EOC improvements through a \$15 million appropriation in the FY 2008 appropriations. The FY 2008 investment is a down payment towards addressing this critical shortfall.

A separate line item is needed in the budget for EOC improvements. Congress should make a \$160 million commitment to upgrading EOCs as a downpayment to address the significant deficits.

As mentioned earlier, the FY 2008 grant guidance eliminated the ability to continue to use EMPG funds for EOC improvements, despite the Congressional intent. While the investment in EOCs is appreciated in the separate program, Congress must be clear to continue to allow EMPG to be used for EOC improvements as well. With so many state and local governments who are likely to compete for the \$15 million, EMPG can and should be used as previously allowed for retrofits, equipment purchase, renovations, and updates of existing EOCs. Maintaining the flexibility of EMPG and having the separate program continue are priorities for emergency management.

INVESTMENT IN PREDISASTER MITIGATION

As the nation continues to recover from the 2004 and 2005 hurricane season and the numerous other disasters, mitigation opportunities are the only way to take advantage of lessons learned during disasters. The Disaster Mitigation Act of 2000 (DMA2K and P.L. 106-390) authorized a national disaster hazard mitigation program "to reduce the loss of life and property, human suffering, economic disruption, and disaster assistance costs resulting from natural disasters and to provide a source of predisaster hazard mitigation funding that will assist States and local governments in implementing effective hazard mitigation measures that are designed to ensure the continued

functionality of critical services and facilities after a natural disaster.” The title of the bill that authorizes the Predisaster Mitigation program is scheduled to sunset on September 30, 2008.

The President’s budget proposal includes \$75 million in funding for the Predisaster Mitigation Program. The funding level is a \$39 million decrease compared to FY 2008 funding levels. Additionally, the program contained significant earmarks in FY 2008, thus reducing the amount available for state and local governments to openly apply to be considered for the grants. The program funding is sorely under the total national need, especially with the original intent of the law to provide each state with a portion of funding so lessons learned from disasters could be taken advantage of by all states. Each year, FEMA typically receives requests for grants averaging over \$450 million annually. When the program was proposed for the first time in FY 2003, the President proposed \$300 million annually. The FY 2003 figure was derived by taking a decade of mitigation opportunities annual averages, but took out the large disaster spikes like Hurricane Andrew and the North Ridge and Loma Prieta earthquakes.

While federal costs towards disasters remain a concern, significant commitments must be made towards both predisaster and post-disaster mitigation in order to lower overall disaster costs in the long run. With such low levels of funding, the predisaster mitigation program has never been fully able to address the intent of DMA2K. In 2005, the Multi-Hazard Mitigation Council published a study that found that every \$1 FEMA invested into mitigation projects saves society approximately \$4.

Predisaster mitigation programs and initiatives have proven their value in not only saving lives and property in recent disasters, but has also in many cases negated the need for any emergency response and recovery. The key to the value of the programs is that predisaster mitigation is coordinated through the Governors and the state hazard mitigation plan as required by DMA2K. The program addresses the unique areas of greatest need to prepare for and reduce the overall costs of a disaster event.

While NEMA is supportive of the Predisaster Mitigation Program, we remain supportive of both pre- and post-disaster mitigation. The Hazard Mitigation Grant Program (HMGP) must not be changed in order to ensure a balanced holistic national mitigation program that includes both pre- and post-disaster mitigation. As the Congress considers the Predisaster Mitigation program’s reauthorization, adequate funding levels are needed to give the program the opportunity to demonstrate real value for the investments. NEMA supports the program’s reauthorization and looks forward to working with Congress to improve the program.

PRINCIPAL FEDERAL OFFICIAL

As a participant on the initial National Response Plan State and Local Team, NEMA remains concerned about the differentiation between the Federal Coordinating Officer (FCO) and the Principal Federal Official (PFO). NEMA strongly urged Congress to abolish the PFO, but language was included in the final reform bill to limit the PFO's roles and responsibilities. The position is clearer in terms of responsibilities in the new National Response Framework, but continuing to have the position means confusion will still surround the PFO. The Federal Coordinating Officer (FCO) must have the authority in the field to carry out the responsibilities of the position. The FCO's authority and responsibilities are clearly delineated in the Robert T. Stafford Disaster Relief and Emergency Relief Act (41 U.S.C. 5143 Section 302). The statute outlines the functions and appointment of the FCO, and the National Response Framework (NRF) must follow the Stafford Act authorities that empower the FCO to serve on behalf of the President in a declared disaster area. NEMA strongly supports eliminating the role of the Principle Federal Official (PFO). In NEMA's view, the position is duplicative. NEMA opposed the creation of this position in the drafting process for the NRP and in the subsequent re-write. Initially, the PFO was included in the NRP to address an incident prior to a formal disaster or emergency declaration. The PFO role adds additional bureaucracy and confusion to any disaster. The PFO position should be eliminated, consistent with the Senate report on Hurricane Katrina.

CONCLUSION

Congress has affirmed their support for ensuring preparedness for our nation's continuous vulnerability against all-hazards with additional investments to EMPG and emergency operations centers improvements. We must continue to build national preparedness efforts with a multi-hazard approach. In this year's appropriations process Congress will make critical decisions that shape the future of emergency management in this country. As you begin your consideration, we ask you to recognize the importance of adequately funding the EMPG program in building capacity through people at the state and local level for all disasters. I thank you for the opportunity to testify on behalf of NEMA and appreciate your partnership.