



U.S. House of Representatives
Committee on Transportation and Infrastructure

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SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management

FROM: Subcommittee on Economic Development, Public Buildings, and Emergency Management Staff

SUBJECT: Hearing on "Post-Katrina Disaster Response and Recovery: Evaluating FEMA's Continuing Efforts in the Gulf Coast and Response to Recent Disasters"

PURPOSE OF THE HEARING

On Wednesday, February 25, 2009, at 10:00 a.m., in room 2167 of the Rayburn House Office Building, the Subcommittee on Economic Development, Public Buildings, and Emergency Management will hold a hearing on the status of the recovery from Hurricane Katrina in the Gulf Coast as well as recovery efforts involving more recent disasters in Texas and Kentucky. The hearing will focus on overall disaster recovery programs being provided by the Federal Emergency Management Agency ("FEMA") and will concentrate on housing policy, and problems and solutions regarding rebuilding public infrastructure.

BACKGROUND

Hurricane Katrina made landfall on August 29, 2005, and proved to be the costliest natural disaster in American history. The storm had a massive physical impact on the land, affecting 90,000 square miles, which is an area the size of Great Britain. Under the authority granted to the President in the Robert T. Stafford Disaster Relief and Emergency Assistance Act ("Stafford Act"), the President declared a Major Disaster in the states of Louisiana and Mississippi on the date the storm made landfall.

Hurricane Ike made landfall at Galveston, Texas on September 13, 2008. The President declared a Major Disaster on the same day the Hurricane hit. Hurricane Ike caused widespread damage and power outages in east Texas and the Houston area.

In January and February 2009, several states were hit with severe winter storms and flooding, commonly known as the ice storms, which caused widespread power outages and destruction, with major impacts on citizens and communities in Missouri, Tennessee, Oklahoma, Arkansas, and Kentucky. The President declared Major Disasters in Kentucky (February 5), Arkansas (February 6), and Oklahoma, Missouri, and Tennessee (February 17) in conjunction with these sweeping storms.

Status of Recovery

Louisiana

The Gulf Coast is still recovering from Hurricanes Katrina and Rita. As of the end of 2008, FEMA's federal assistance for the response and recovery effort to Hurricanes Katrina and Rita in Louisiana totaled more than \$13.7 billion in individual assistance, public assistance, and hazard mitigation grants.

In the aftermath of Hurricane Katrina, approximately 92,000 families were housed in travel trailers and mobile homes. In 2007, 29,166 families remained in these temporary housing units. During 2008, 23,334 families were transitioned to more permanent housing. FEMA utilized case management services to assist residents on a one-on-one basis, provide rental and relocation assistance, and to provide referrals to voluntary agencies for help with getting furniture, utility assistance, and clothing. As of January 2009, approximately 4,800 temporary housing units continue to be in use in Louisiana.

At the end of 2008, according to FEMA, the agency had obligated approximately \$7.4 billion in public assistance funding. Louisiana distributed about \$4 billion of that amount. The remainder (\$3.4 billion) is still available for eligible applicants. Louisiana has not distributed almost all of the \$1.47 billion in Hazard Mitigation Grant Program funds made available by FEMA. In addition, there are billions of Community Development Block Grant funds available to help supplement the public assistance dollars and projects to continue Louisiana's recovery.

Mississippi

To date, FEMA has assisted 274,760 individuals and families in Mississippi through the Individuals and Households program, totaling nearly \$1.3 billion, for recovery from Hurricanes Katrina and Rita. Of this amount, 216,558 individuals and families have been approved for Housing Assistance totaling more than \$851 million and 134,912 Mississippians have been approved for more than \$416 million in Other Needs Assistance.

Currently, according to FEMA, 2,500 temporary housing units (travel trailers and mobile homes) remain in service; more than 40,400 units have been deactivated. Approximately 2,800 Mississippi families have moved from FEMA temporary housing to Mississippi Cottage units. The Mississippi Cottage program was developed through the Mississippi Alternative Housing Program and is funded by a \$280 million federal grant.

FEMA has obligated approximately \$2.8 billion for various public assistance infrastructure damage projects caused by Hurricane Katrina, including:

- \$700 million for land-based debris removal;
- \$855 million to repair public utilities;
- \$602 million to repair or replace public buildings;
- \$392 million for emergency protective measures;
- \$72 million to repair roads and bridges;
- \$1.3 million to repair water control devices such as ditches and irrigation channels;
- \$158 million to repair and restore public recreational facilities such as state parks; and
- \$105 million to meet the costs of administering the Public Assistance grants.

In addition, \$900 million was made available in Direct Federal Assistance funds to the U.S. Army Corps of Engineers for the land-based debris removal mission.

Texas

In the aftermath of Hurricane Ike, which struck Texas along its upper Gulf Coast on September 13, 2008, FEMA has assigned \$1.5 billion in federal and state assistance with more than \$412 million allocated for public assistance funding and debris removal costs.

Further, \$495 million in disaster assistance has been identified and approved for housing, disaster-related needs, and disaster unemployment assistance for individuals and families affected by the Hurricane. According to FEMA, the agency has provided temporary manufactured housing for nearly 3,500 applicants or 95 percent of the applicants eligible for direct housing assistance. Affected citizens continue to have access to nine FEMA/State Disaster Recovery Centers, which offer face-to-face assistance. FEMA claims nearly 154,000 visits have been made to these recovery centers.

Kentucky

According to FEMA, hundreds of volunteers from at least 25 organizations in 15 states are helping Kentuckians affected by the ice storm that began on January 26, 2009. In the immediate aftermath of the storm, nearly 700,000 people were without power and over 7,000 utilized FEMA shelters.

FEMA has agreed to provide the following financial assistance:

- 75 percent or more of the eligible costs for removing debris from public areas and for emergency measures taken to save lives and protect property and public health;
- 75 percent or less of the approved costs for hazard mitigation projects undertaken by state and local governments to prevent or reduce long-term risk to life and property from natural or technological disasters; and
- Direct federal assistance through a mission assignment to another federal agency - upon request of the state - when the state and local government certify they lack the capability to perform or contract for the requested work. The state must agree in advance to reimburse FEMA for the appropriate non-federal share of the work including the overhead of the federal agency assigned the task.

FEMA's Recovery Programs

FEMA's major programs for disaster recovery are the Public Assistance Program and the Individual Assistance Program, also known as the Individual and Households Program. The Public Assistance Program is authorized primarily by sections 403, 406, and 407 of the Stafford Act¹. This program reimburses state and local emergency response costs and provides grants to state and local governments as well as certain private non-profits to rebuild facilities. The Individual Assistance program is primarily authorized by section 408 of the Stafford Act². The program provides assistance to families and individuals impacted by disasters. The assistance available includes housing which includes money for repair, rental assistance or "direct assistance". Direct assistance includes the provision of trailers and mobile homes. This section also authorizes the "other needs program" which provides grants to mostly low-income families for loss of personal property, as well as disaster-related dental, medical, and funeral costs to individuals regardless of income. Other Individual Assistance programs authorized by the Stafford Act include: unemployment assistance (authorized by section 410)³, disaster food stamps (authorized by section 412)⁴, disaster legal services (authorized by section 415),⁵ and crisis counseling (authorized by section 416)⁶. In the wake of Hurricane Katrina, FEMA also administratively created a case management program relying on existing authority including section 701(b) of the Stafford Act⁷.

Section 404 of the Stafford Act⁸ authorizes the Hazard Mitigation Grant Program ("HMGP"). HMGP is an important part of the recovery effort. HMGP provides for grants to state and local governments for measures which are cost effective and reduce the risk of future damage, hardship and loss from all hazards.

Congress enacted significant changes to the Stafford Act in light of the many lessons learned from Hurricane Katrina in the Post Katrina Emergency Management Reform Act (Title VI of P.L. 109-295). However, these changes were not retroactive to Hurricane Katrina and as a result do not provide for additional assistance for the recovery from Hurricane Katrina in Louisiana or Mississippi.

In order to address the outstanding recovery needs, the Committee reported H.R. 3247, the Hurricanes Katrina and Rita Recovery Facilitation Act of 2007, which passed the House on October 29, 2007. H.R. 3247 was crafted based on testimony at a Subcommittee hearing on May 11, 2007 by Members of the Mississippi and Louisiana delegations and is designed to provide additional Federal relief targeted to those states and, if enacted, would have been applicable to the relief efforts in both Louisiana and Mississippi.

Specifically, this bill: increases the Federal in-lieu contribution for alternate projects from the current level of 75 percent to 90 percent; authorizes the FEMA Administrator to include Gulf Coast recovery efforts under a public assistance pilot project authorized by the Post-Katrina Emergency

¹ 42 U.S.C. 5170b, 5172 and 5173

² 42 U.S.C. 5174

³ 42 U.S.C. 5177

⁴ 42 U.S.C. 5179

⁵ 42 U.S.C. 5182

⁶ 42 U.S.C. 5183

⁷ 42 U.S.C. 5201(b)

⁸ 42 U.S.C. 5170c

Management Reform Act (P.L. 109-295); permits the use of third parties to review and expedite public assistance appeals through the use of alternative dispute resolution procedures; allows the use of temporary housing for volunteers assisting in the recovery and reconstruction efforts in the Gulf Coast; allows FEMA to use a simplified procedure, under which small projects are permitted to proceed based on estimates, for projects up to \$100,000, an increase from the current level of \$55,000; authorizes re-interment of remains in private cemeteries; and waives the requirement that certain certifications in the hazard mitigation grant program occur prior to commencing projects.

PRIOR LEGISLATIVE AND OVERSIGHT ACTIVITY

The Committee and Subcommittee have held numerous hearings dealing with Hurricane Katrina recovery issues:

- “FEMA’s Response to the 2008 Hurricane Season and the National Housing Strategy” (September 2008)
- “Moving Mississippi Forward: Ongoing Progress and Remaining Problems” (June 2008)
- “Legislative Fixes for Lingering Problems that Hinder Katrina Recovery” (May 2007)
- “FEMA’s Preparedness and Response to ALL Hazards” (April 2007)
- “FEMA’s Emergency Food Supply System” (April 2007)
- “Post-Katrina Temporary Housing: Dilemmas and Solutions” (March 2007)
- “Disasters and the Department of Homeland Security: Where Do We Go From Here?” (February 2006)
- “Legislative Proposals in Response to Hurricane Katrina” (November 2005)
- “A Vision and Strategy for Rebuilding New Orleans” (October 2005)
- “Recovering after Katrina: Ensuring that FEMA is up to the Task” (October 2005)

In the 110th Congress, the Committee reported H.R. 1144, the Hurricanes Katrina and Rita Federal Match Relief Act of 2007, to provide significant relief for communities devastated by Hurricanes Katrina, Rita, and Wilma. In addition, the bill focused on unaddressed concerns since the occurrence of these disasters. An amended form of the legislation was included in the Emergency Supplemental Appropriations bill that was signed by the President on May 25, 2007 (Public Law 110-28). The Committee reported H.R. 3247, the Katrina and Rita Recovery Facilitation Act of 2007, which passed the House on October 29, 2007, but the Senate took no action on the bill. The Subcommittee also collaborated with the Committee on Financial Services on H.R. 1227, the Gulf Coast Hurricane Housing Recovery Act of 2007, to ensure Louisiana’s ability to use its Hazard Mitigation Grant Program funds for its Road Home program. This bill passed the House on March 21, 2007.

WITNESSES

Mr. David Garratt
Acting Deputy Administrator
Federal Emergency Management Agency

Mr. James W. Stark
Assistant Administrator
Gulf Coast Recovery Office
Federal Emergency Management Agency

Mr. Paul Rainwater
Executive Director
Louisiana Recovery Authority

H. Rodger Wilder
Immediate Past President, Gulf Coast Community Foundation
Mississippi

Judge Gary Logsdon
Grayson County Judge/Executive
Kentucky