



Actions Taken or Planned to Improve Program Performance

FEMA continues to retool, refine, and fine-tune program delivery mechanisms to improve program performance and deliver enhanced services to program participants and the general public. Program staff drove many improvements. Customers and auditors suggested others.

GRANT MANAGEMENT

OMB's Program Assessment Rating Tool (PART) identified grant management as an area that needed to be improved so that the Public Assistance (PA) Program and the Hazard Mitigation Grant Program (HMGP) could achieve full performance. Improving grant management has been a government-wide initiative for the last several years. FEMA's Office of Inspector General (OIG) indicated improvements have been made in grant management practices in each of the last two years.

In FY 2002, the OIG assisted the Grants Office in presenting audit-related training to regional grants staff. The training explained what non-federal auditors look for and provided instruction on using the Federal Audit Clearinghouse as a means of monitoring federal grant recipients. Grants management staff in the regions and at headquarters now regularly utilize the Clearinghouse as a tool when evaluating grant awards and compliance with the Single Audit Act.

Improved Policy and Guidance

A FEMA grants handbook containing important information on FEMA's grant programs for disaster and non-disaster assistance was approved and distributed to headquarters and regional offices. The grants handbook has served as an internal resource document for grant management specialists and is now available more widely throughout the Agency. Both the handbook and other guidance documents are designed to ensure consistent application of grant-related policy by all FEMA staff.

We are continuing to build a cooperative working relationship between the grant staff and program staff so that other



Lewes, DE

Town signed an HMGP agreement with FEMA to allocate funding for mitigation projects such as buyouts and elevations.

PHOTO BY LIZ ROLL/FEMA NEWS PHOTO

procedures which might improve the timeliness of grantee and sub-grantee reporting can be implemented as opportunities arise.

Basic grants management training is being developed to provide a consistent baseline level of knowledge and skills for grants and program staff. Advanced grants training and training that meets the needs of states also will be developed.

The PA Program developed and pilot tested a grants administration class that is specific to the requirements of that program. The course, offered to regional PA staff as well as grants management staff in FY 2002, will be updated and offered again in FY 2003. HMGP offered its grant administration course to regional HMGP program staff several times in FY 2002 and also plans to continue the course. More

FEMA grant programs, including Cooperating Technical Partners, and Flood Mitigation Assistance are offering program-specific training in grants administration and the Grants Office continues to encourage and support these efforts.

Grant Closeout

Grant closeout teams continue to facilitate the timely closeout of grants by providing technical assistance to regional offices. One area being emphasized is the timely deobligation of unliquidated grant funds. The Chief Financial Officer (CFO) Field Support Team visits FEMA regions regularly to assist grants specialists and program staff in monitoring unliquidated funds.

In another effort to help expedite grant closeout, we plan to revise FEMA's adoption of OMB *Circular A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments* to include expanded guidance on FEMA's requirements for grantee time extensions. The guidance will be published for public comment to ascertain if any deviations in proposed policy are warranted.

FEMA's policy on granting time extensions is being enforced to ensure consistent adherence to grant management requirements

by grantees. In addition, the HMGP recently issued policy guidance that set a three year period of performance on its project sub-grants and underscores the Agency's adherence to its time extension policy.

Grant Monitoring

We're increasing our monitoring of grant recipients in their use of federal funds to prevent past problems cited in audit reports from recurring.

One focus of our monitoring is on financial reporting. We recently issued procedural guidance to help clarify for FEMA staff the information that is required from grantees to accurately report on the financial status of federal grants. We expect this to result in more accurate and consistent financial reporting by grantees. As part of the regions' grant monitoring, we asked for information on some key areas such as numbers and timeliness of financial and progress reports, numbers of requests for time extension, and disaster closeouts. Monitoring reports from regions indicate that the regions are working with grantees to help them improve their own programmatic and administrative performance and that of their subgrantees. In addition to financial reporting, other areas being monitored include the timeliness of payments, record retention, and cost share requirements.

Electronic Grants Management

We are automating the grants process to increase our capability to process and monitor grants. FEMA launched the first lifecycle grants management system in FY 2002 to process grant awards from the \$360 million Assistance to Firefighters Program. More than 19,000 awards were received by the system from fire departments across the country. More than 5,000 grants will be awarded by December 30, 2002.

A newly established e-Grants Task Force is working to streamline and ensure consistency in the grants process throughout the Agency as we expand our own electronic grants initiative. The task force has as one of its primary goals ensuring compliance and compatibility with the Health and Human Services e-Grants system that will be delivered in October 2003 and will accept grantee applications and transfer data to federal grant-making agencies. We are aligning ourselves not only with the e-Grants system effort, but also with the related efforts such as the Business Partner Network (BPN), and FedBizops for our grant announcements.



Frankstown, PA

After Randy Black's home was flooded he had it elevated using FEMA HMGP funds.

PHOTO BY LIZ ROLL/FEMA NEWS PHOTO

STRENGTHENING MITIGATION EFFORTS

Although FEMA met its mitigation goals for FY 2002, we acknowledge that effective coordination and planning at the federal, state, local, and tribal government levels, as well as the coordination of pre-and post-disaster mitigation funding opportunities, is essential to the continued achievement of mitigation goals and the prevention of disaster losses. This precept applies regardless of the mitigation activities or the funding source for those activities undertaken by states, tribes and local communities.

FEMA's new planning regulation, 44 CFR Part 201, Hazard Mitigation Planning, which was published as an Interim Final Rule in the Federal Register on February 26, 2002, and replaces 44 CFR

206 Subpart M, Hazard Mitigation Planning, establishes new criteria for state, tribal and local hazard mitigation planning. With this emphasis on mitigation planning, many communities will be better positioned to develop proposals for cost-effective "brick and mortar" mitigation projects and activities, including buyouts, and to link pre-and post-disaster mitigation planning and initiatives with public and private interests to ensure a comprehensive, community-based approach to disaster loss reduction. The deadline for approval of state and local mitigation plans as a condition of receiving HMGP grants will be November 1, 2004. A November 1, 2003 deadline for plans has been set as a condition for local governments to receive Pre-Disaster Mitigation (PDM) grants for "brick and mortar" mitigation projects. The Interim Final Rule:

- Continues the requirement for state mitigation planning as a condition of disaster assistance;
- Provides incentive for strengthening mitigation programs by establishing criteria for states to receive increased (20%) HMGP funding if, at the time of the declaration of a major disaster, they have an enhanced mitigation plan in place;
- Establishes a new requirement for local mitigation plans as part of the HMGP; and
- Allows states to use up to 7% of HMGP funds for the development of state, tribal, and local mitigation plans (this provision has been in effect for all disasters declared after October 30, 2000).

The new planning regulations provide a framework for linking pre- and post-disaster mitigation planning and initiatives with public and private interests to ensure a comprehensive approach to disaster loss reduction. Such decision-making, based on sound understanding of vulnerability to hazards and appropriate mitigation measures, is the best indicator of a successful mitigation strategy that can be sustained over the long-term.

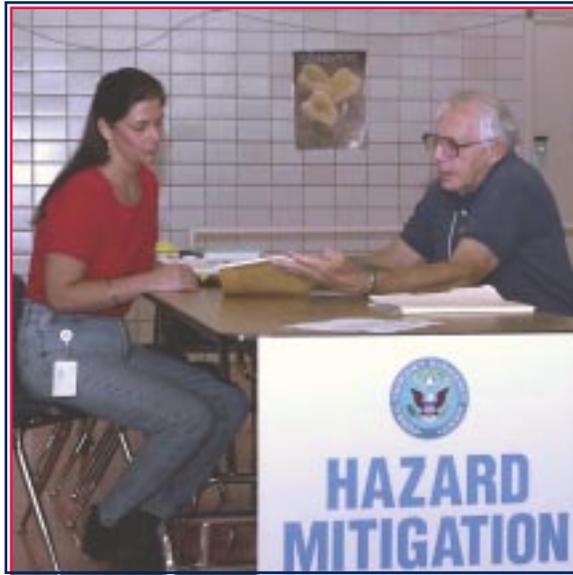
In FY 2003, FEMA expects to publish a proposed rule that will amend the existing regulations for HMGP. This rule will implement amendments to the Stafford Act that provide for delegating the administration and management of the HMGP to states. These revisions include:

- The criteria and process for designation as a Managing State;
- The HMGP program authorities and responsibilities of Managing States, and of FEMA in working with Managing States; and
- The evaluation process for Managing States.

In addition, this proposed rule amends the existing regulations to clarify the language of the rule in general, to more fully reflect program and grants management practices previously detailed in guidance, to strengthen the use of cost-effectiveness in prioritizing and selecting projects at the state level, and to make the rule more reader-friendly.

FEMA staff and managers work internally to coordinate mitigation opportunities afforded through a variety of programs, e.g., HMGP, PDM, the Flood Mitigation Assistance Program, and the National Flood Insurance Program (NFIP), toward the goals of targeting repetitive loss properties, reducing loss of life and property, and reducing disaster costs. We believe the disaster recovery process will be streamlined through implementation of planned, pre-identified, cost-effective mitigation measures, and we are working across programs to ensure that program requirements are complementary in order to facilitate mitigation efforts at the state, local community, and tribal levels. These will help reach the Agency's long-term goal of avoiding \$10 billion in potential property losses, disaster, and other costs by FY 2008.

During FY 2002, FIMA undertook an organization-wide strategic planning initiative to chart the organization's course as



Baton Rouge, LA

FEMA employees discuss hazard mitigation at the East Baton Rouge Disaster Relief Center, following tropical storm Allison.

PHOTO BY ADAM DUBROWA/FEMA NEWS PHOTO

the landscape of emergency management changes to an all-hazard approach for risk communication, risk assessment, mitigation, and insurance. The vision that FIMA has derived from its planning efforts is "a disaster-free America." This couldn't be more timely as the new Department of Homeland Security becomes a reality. FIMA has dovetailed its strategic planning effort with the Agency-wide PCCM effort. The net result will be to make FIMA a center for excellence with a motivated and dedicated workforce in assessing risks, communicating them, and reducing their effects through effective mitigation and adequate insurance.

Production of the *Mitigation Planning How-To Guide Series* of publications built upon the earlier release of *How-To-Guide #2:*

Understanding Your Risks: Identifying Hazards and Estimating Losses (FEMA 386-2) with the release in FY 2002 of *How-To-Guide #1: Getting Started: Building Support for Mitigation Planning (FEMA 386-1)* and *How-To-Guide #7: Integrating Human-Caused Hazards into Mitigation Planning (FEMA 386-7)*. *How-To #1* provides state, tribal, regional and local government readers with information on how to engage political and popular support and resources to initiate and sustain the mitigation planning process, while *How-To #7* assumes that the reader is engaged in a state, tribal, regional or local mitigation planning process and serves as a resource to help expand the scope of the process to include terrorism and technological hazards.

FIMA recovered over \$109 million in unused HMGP funds from disasters that occurred prior to FY 1999, as part of FEMA's unliquidated obligations reduction effort. The CFO assembled a team to evaluate funds that had been obligated to states for HMGP projects but had not been drawn down by the states. The team visited several regions to help identify these funds, and to provide assistance in getting projects back on track, or closing out projects that were completed or had no work in progress. These funds reflect funds recovered, not deobligations that were then reobligated.

FIMA chaired the Task Force on the Natural and Beneficial Functions of Floodplains task, helped develop the interagency floodplain report, and forwarded it to the appropriate Congressional committees. The task force was established by the National Flood Insurance Reform Act of 1994. It was charged

with identifying the natural and beneficial functions of floodplains that reduce flood losses and making recommendations on how to protect those functions. The task force included the U.S. Army Corps of Engineers, Environmental Protection Agency, Natural Resources Conservation Service, National Oceanic and Atmospheric Administration, U.S. Fish and Wildlife Service, and National Park Service. The report is titled *The Natural and Beneficial Functions of Floodplains: Reducing Flood Losses by Protecting and Restoring the Floodplain Environment* and is available through FEMA Publications.

EFFORTS TO REDUCE FIRE LOSS

The U.S. Fire Administration (USFA) has 27 active Memorandums of Understanding/Memorandums of Agreement (MOU/MOAs) that partners with various federal agencies, national fire service organizations and other entities to address common goals and objectives that contribute to the achievement of USFA's mission. Three new agreements were negotiated during FY 2002, and 24 of the agreements negotiated in previous years have continued. New agreements are in the areas of public fire education (partners are the Consumer Products Safety Commission and the Centers for Disease Control); efficient traffic flow and safer emergency responder operations on our nation's highways (partner is Department of Transportation, Federal Highway Administration); and office space for a new wildfire position to be located in Boise, ID (partners are the United States Department of Agriculture, Forest Service, and Bureau of Land Management).

FY 2002 wildfire season was the most devastating in the nation's history. The average loss over a ten-year period is 3 million acres annually. In FY 2002 alone, over 6.5 million acres and over 1,700 structures were destroyed. Although the USFA has no formal role in wildfires, USFA staff was assigned to the National Interagency Fire Center (NIFC) in Boise, ID, to participate and coordinate USFA mission and objectives. USFA was able to provide technical assistance to the firefighting agencies in solving equipment requests. At the peak of this fire season, USFA was instrumental in fostering the partnership between the federal agencies responsible for wildfire containment such as the U.S. Department of Agriculture, Forest Service, Bureau of Land Management, Bureau of Indian Affairs, U.S. Park Service, U.S. Fish and Wildlife Service, and the National Association of State Foresters. On behalf of FEMA, USFA provided technical assistance for the first phase of training of structural firefighters in wild-land fire certification. A permanent position has been established at NIFC to continue the efforts, which began in FY 2002.

The record is clear that FEMA has taken advantage of lesson learned, experimenting with new approaches, and building on its partnerships to improve program operations and performance.