STATEMENT

OF

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BEFORE
THE

EMERGENCY PREPAREDNESS, RESPONSE, AND COMMUNICATIONS
SUBCOMMITTEE
HOMELAND SECURITY COMMITTEE
U.S. HOUSE OF REPRESENTATIVES
STATEN ISLAND, NY

"A Prepared Community is a Resilient Community"

Submitted
By

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Introduction

Good morning Chairman Donovan and members of the subcommittee. My name is Michael Byrne and I am the Deputy Regional Administrator for FEMA Region II. I was also the Federal Coordinating Officer in New York during the Hurricane Sandy response. Thank you for the opportunity to discuss lessons learned from Hurricane Sandy, and how best practices have since been applied to promote resiliency and expedite the disaster recovery process.

On October 29, 2012, Hurricane Sandy made landfall along the East Coast with impacts felt across more than a dozen states. The storm battered the densely-populated New York and New Jersey coasts, with heavy rain, strong winds, and record storm surges. In Sandy's immediate aftermath, more than 23,000 people sought refuge in temporary shelters, and more than 8.5 million customers lost power. The storm flooded numerous roads and tunnels, blocked transportation corridors and paralyzed the transit network in the Northeast, and deposited extensive debris along the coastline.

The Federal Emergency Management Agency (FEMA) coordinated the federal government's immediate response and provided support for the critical emergency needs of affected states. Before landfall, we staged food, water and equipment in the northeast. National Incident Management Assistance Teams were deployed to New York and New Jersey pre-landfall to work side by side with our local counterparts and address their needs. Within 48 hours of landfall, FEMA had more than 1,200 people in the field going door-to-door in affected neighborhoods.

Our efforts did not stop after the initial response phase. Today, FEMA Region II continues to coordinate the ongoing recovery activities in New York and New Jersey. Our focus is to not only build back communities and the infrastructure serving them, but to help build them back better so they are more resilient before the next event.

The magnitude of Sandy and its impacts reinforces the need to be creative and innovative in the way we respond to and recover from disasters to ensure we can be agile and get assistance to survivors and our state and local partners as soon as possible.

On January 29, 2013, President Obama signed the *Sandy Recovery Improvement Act (SRIA) of 2013*. Thanks to new authorities given to us by Congress through SRIA, we are now able to deliver federal assistance to survivors in new and improved ways. Some of these changes were piloted for the first time throughout the Sandy recovery process.

In this testimony, I will highlight some best practices and lessons learned during Sandy and how we have integrated those, as well as changes directed by SRIA, to promote resilience and expedite recovery.

Delivery of FEMA Recovery Programs

Public Assistance Program

As of June 2016, FEMA has obligated more than $14.5 billion in federal funding through the Public Assistance (PA) program to cover debris removal, emergency work, and permanent work in both New York and New Jersey. Of this amount, nearly $3 billion is dedicated to adding

mitigation measures to rebuilding projects to protect against future damage, as authorized under Section 406 of the Stafford Act.

The PA program traditionally reimburses applicants for the actual costs of completed projects. New legislative authorities granted to FEMA in SRIA now allow applicants to request and obtain funding based on certified cost estimates to repair, restore, or replace a damaged facility. Once FEMA and the applicant agree on the damage assessment, scope of work, and estimated costs, the PA grant obligation is determined. The goals of these Public Assistance Alternative Procedures (PAAP) are to reduce costs to the federal government; increase flexibility in the administration of assistance; expedite the assistance so funding can be obligated prior to a project's start; and provide financial incentives for the timely and cost-effective completion of projects.

The use of these alternative procedures is optional for states and tribes but allows them to retain funding when there are cost underruns and utilize these funds for additional hazard mitigation measures and for activities that improve future PA program permanent work operations, such as training and planning for disaster recovery operations.

Alternative procedures were used for more than 60 percent of PA project funding for New York (New Jersey elected not to use PAAP). 78 PAAP projects in NYC and Long Island to support repair and restoration were approved and funded, totaling $9.9 billion. This includes 33 projects for the New York City Housing Authority (NYCHA) which supports approximately $2.9 billion of work at more than 33 campuses with 250 buildings. These PAAP projects also include a significant amount of mitigation. For every dollar spent on repair and restoration efforts, an additional $.85 has been spent on mitigation measures incorporated into the projects to help disaster-damaged buildings be more resilient to withstand potential future disasters. This number is nearly double the $.44 for non-PAAP permanent work grants.

In one project, New York Health and Hospitals Corporation (HHC) – representing the largest public hospital system in the country – received more than $1.7 billion for permanent repairs of critical building systems at Bellevue, Metropolitan, Coler, and Coney Island hospitals. Thanks to the flexibility of the alternative procedures, the applicant was able to receive $755 million of the total project funding for hazard mitigation measures. These measures include constructing flood walls to protect the campus from flood inundation; elevating critical components of the mechanical, electrical, piping and fire systems; and installing additional pumping stations and enhanced storm water management measures. This additional resilience will reduce the impact of heavy rain, strong winds, and storm surge on these hospital facilities that are critical to the more than one million people who are served every year by this healthcare system.

New York University (NYU) Langone Medical Center also received $1.13 billion under the PAAP program. Approximately $540 million was allocated for permanent repairs and restoration to damage throughout NYU's campus and $590 million for hazard mitigation against future storms, which includes installing exterior flood doors/barriers and additional sump pumps, and elevating the mechanical, electrical and piping systems. This assistance has not only helped the hospital recover, but the increased resilience will help prevent the type of damage and power

outage that forced the hospital to evacuate nearly 300 patients including 45 critical care patients and 20 infants.

FEMA recently completed a SRIA PAAP pilot program evaluation to capture best practices, lessons learned, and areas for improvement. The evaluation focused heavily on permanent work projects in New York. Initial conclusions show that alternative procedures allowed for flexibility and an opportunity to "build back better" by increasing the amount of hazard mitigation associated with projects. The evaluation also captured some areas for improvement, which FEMA is in the process of addressing for future disasters, including:

- The need for clear and consistent guidance and tools to effectively communicate the program.
- Further streamlining processes associated with PAAP projects, where possible, to lessen administrative burden.

Since Sandy, FEMA has made additional significant changes to the PA program to more efficiently support our state, local, tribal and territorial (SLTT) partners through the disaster recovery process. These changes include the development and testing of a new PA program delivery model which reorganizes how we review and validate project requests to expedite funding to our partners for smaller, less-complex projects. The new delivery model also allows PA field management to determine the number of customer-facing program delivery managers needed based on the size and complexity of the disaster. PA staff will be assigned specialized tasks, will be given manageable workloads, and will input all project notes into a customer relations management system to ensure consistency of delivery and smooth transition in the event of staff turnover.

The new process was recently implemented for the first time in response to the flooding and mudslides in Oregon, and we are incorporating lessons learned into continued implementation of the new delivery model. FEMA is currently undertaking a significant training effort to ensure all of our staff are trained on the new model before we begin to scale implementation nationally.

We also completed the new PA Program and Policy Guide which consolidated information from 5 publications and 63 policies to clarify processes and provide simplified direction to SLTT partners on how to use the program.

Hazard Mitigation Grant Program

Following a Presidentially-declared disaster, the Hazard Mitigation Grant Program (HMGP) provides federal funding to SLTT governments to implement long-term hazard mitigation measures. The HMGP was created to reduce the loss of life and property due to natural disasters, and enables mitigation measures to be implemented during the immediate recovery from a disaster. Unlike Stafford Act Section 406 mitigation funding, HMGP projects do not need to be related to infrastructure damaged by the Presidentially-declared disaster.

Under the HMGP program for Hurricane Sandy, nearly $1 billion in funding has been obligated in New York and New Jersey for mitigation projects prioritized by the states. This includes an HMGP grant to the New York State Department of Transportation (NYSDOT) to fund mitigation measures for the state's most vulnerable bridges. NYSDOT conducted a risk

assessment and determined 106 bridges required repairs and upgrades to mitigate against flooding and scouring (erosion due to water). To date, more than $490 million has been obligated for repairs and mitigation measures for these bridges.

SRIA directs FEMA to streamline HMGP activities and adopt measures that will expedite the implementation of the program. Streamlining actions include identifying: minimum criteria for complete applications; timeframes for reviewing actions and decisions; phasing of projects; industry cost guides for estimates; industry design and construction standards; and pre-calculated benefits. SRIA also authorizes the use of Advance Assistance, allowing FEMA to provide up to 25 percent of the HMGP ceiling to applicants in advance of incurring eligible costs, in order to accelerate the implementation of the HMGP. Advance Assistance can be used to support a more strategic approach to a state's mitigation efforts, this includes developing mitigation plans and obtaining data to prioritize, select, and develop applications in a timely manner.

FEMA published updated Hazard Mitigation Assistance (HMA) Guidance in 2015 to provide comprehensive information about the three HMA programs: HMGP, the Pre-Disaster Mitigation (PDM) program, and the Flood Mitigation Assistance (FMA) program. The Guidance includes information about streamlined program delivery, the expedited methodology for benefit-cost ratios for residential hurricane wind retrofit projects, and 23 job aids and resources to assist internal and external partners with implementing the programs.

Unified Federal Environmental and Historic Preservation Review

Prior to obligating federal funding for a disaster recovery project, federal resource and regulatory agencies provide permits, federal determinations, and/or special knowledge and expertise to inform the development of the project and ensure that environmental and historic preservation (EHP) requirements under their jurisdiction are met. All federal agencies have a responsibility as stewards of the environment to help communities rebuild while effectively managing the use of natural, cultural, and historic resources.

To help streamline and coordinate these efforts, SRIA directs the President – in consultation with FEMA, the Council on Environmental Quality, and the Advisory Council on Historic Preservation – to establish a unified interagency review process to ensure compliance with EHP requirements under federal law relating to disaster recovery projects, while expediting the review timeline. Eleven departments and agencies executed an interagency memorandum of understanding (MOU) on July 29, 2014, committing to support the Unified Federal Environmental and Historic Preservation Review (UFR) process.

The UFR is a framework designed to enhance the ability of federal agencies to expedite project environmental and historic preservation (EHP) reviews during disaster recovery by promoting:

- Consistency and coordination among multiple federal agency EHP reviews;
- Collaboration and coordination among federal, tribal, state, and local agencies;
- Leveraged and efficient use of agency staff and funds;
- Quick resolution of coordination challenges;
- More informed federal decision making; and
- Expedited execution and implementation of disaster recovery projects.

UFR Implementation during Hurricane Sandy Recovery
There were several situations during Hurricane Sandy recovery operations in which the UFR concept was successfully used to expedite the EHP review for federally funded projects. Roberto Clemente Park and the Rockaway Boardwalk received funding from both FEMA and the U.S. Department of Housing and Urban Development (HUD). HUD completed an Environmental Impact Statement (EIS) for Roberto Clemente Park and an Environmental Assessment (EA) for Rockaway Boardwalk to satisfy the National Environmental Policy Act (NEPA) requirements for these projects. FEMA was able to leverage the work already completed by HUD. Using the information contained in HUD's EIS and EA, FEMA was able to more rapidly complete its EHP reviews. This reduced overall review time, expedited review requirements for two multi-million-dollar projects, and eliminated duplication of effort.

Today FEMA continues to implement the UFR process during review of long-term recovery projects associated with Hurricane Sandy. The New York City Housing Authority (NYCHA) has 33 campuses that are receiving both FEMA and HUD recovery grant funding. As part of the EHP review for projects associated with these NYCHA housing complexes, FEMA invited HUD and the Environmental Protection Agency (EPA) to be cooperating agencies on the development of the required Environmental Assessments. Inter-agency collaboration at the beginning of this project's formulation and EHP review has allowed for engagement of multiple technical experts and resource agencies as part of a single, coordinated review. This has facilitated a more comprehensive decision-making process, and streamlined the review process for all of these federal funding agencies and the NYCHA.

Ongoing UFR Efforts
To further institutionalize the UFR to provide streamlined, coordinated support to SLTT partners during future responses, FEMA and federal interagency partners have furthered the development and implementation of the UFR process since the execution of the UFR MOU in 2014. We created new tools and mechanisms focused on improving and expediting federal agencies' EHP reviews. Additional resources have been developed to better educate disaster applicants on the EHP requirements for federally funded disaster grants, while new coordination and data sharing agreement documents help to promote and codify new collaborative approaches to EHP review during disaster recovery operations.

The creation of the new UFR Advisor position has also been a major accomplishment in providing support to field recovery operations following disasters. This position serves an advisor to the Federal Disaster Recovery Coordinator (FDRC) whenever they are activated. During FDRC-led inter-agency recovery operations, the UFR Advisor works to identify and implement opportunities to expedite the EHP review process for recovery projects following that disaster.

FEMA's UFR team, led by the National UFR Coordinator, continues their efforts to further educate federal, state, tribal, and local government partners on the UFR process. Full implementation of UFR is scheduled for the end of calendar year 2017.

Individual Assistance Program
Through FEMA's Individual and Households Program, we provided more than $1.4 billion in assistance to nearly 180,000 individuals and households in New York and New Jersey after Hurricane Sandy. The majority of this funding was dedicated for housing assistance ($1.2 billion), including costs for temporary housing needs and repair or replacement of residences. During the response, FEMA, along with federal and state partners, set up fixed and mobile Disaster Recovery Centers where survivors could register for assistance and get their questions answered. We also had Community Relations staff working in affected communities assisting survivors and providing situational awareness back to disaster operations leadership.

In April 2013, following lessons learned from Hurricane Sandy and in an effort to focus on a survivor-centric approach to providing disaster assistance, FEMA transformed the Community Relations function and developed the new Disaster Survivor Assistance (DSA) Program. DSA teams provide on-site registration, case status updates, and on-the-spot needs assessments including referrals to other federal agencies and whole community partners. They address immediate and emerging needs by meeting survivors at their homes or in their communities, and use portable technology to maintain mobile operations. Teams use a GIS-based application to report and capture data that is instantly replicated to the FEMA GeoPlatform, ensuring that real-time information is available to support operations.

DSA teams are a professional "force multiplier" that support SLTT and federal requirements in the field. They address survivors' immediate needs while collecting targeted information that supports operational decision-making and resource allocation. By leveraging in-person, tailored information and referrals to whole community partners, DSA teams help FEMA best support the survivors who need the most help in heavily-affected areas.

In addition to program delivery enhancements, a best practice that arose from Hurricane Sandy was increased coordination across federal and SLTT stakeholders to incorporate resiliency and improve collaboration for long-term recovery projects.

Federal Disaster Recovery Coordination
The National Disaster Recovery Framework (NDRF), first published in 2011, is a guide to enable effective federal long-term recovery support to impacted SLTT jurisdictions. It provides a flexible structure that enables disaster recovery managers to operate in a unified and collaborative manner to most effectively restore, redevelop, and revitalize the health, social, economic, natural and economic fabric of a community after a disaster.

NDRF Implementation during Hurricane Sandy
Hurricane Sandy was one of the first disasters following the NDRF's publication for which the new federal recovery coordination structure was fully implemented. The six Recovery Support Functions outlined in the NDRF were activated and staffed to facilitate federal recovery coordination: Economic Recovery; Health and Social Services; Housing; Infrastructure Systems; Natural and Cultural Resources; and Community Planning & Capacity Building.

A New Jersey /New York Federal Leadership Resilience Collaborative (the Collaborative) was established and meets regularly to share information on key infrastructure projects and promote

regional resilience. The Collaborative is comprised of Regional Administrators and other senior staff from FEMA, the U.S. Department of Interior, U.S. Department of Transportation, U.S. Army Corps of Engineers, EPA, and HUD. The Collaborative provides an unparalleled forum for federal officials to develop a strategic approach to foster a more comprehensive region-wide planning for risk reductions and provides opportunities for leveraging federal dollars.

This early activation of the NDRF structure informed many lessons learned including further NDRF training for federal personnel involved in the recovery, and synchronization of efforts between response and recovery activities.

Since Hurricane Sandy, the federal coordination mission has further evolved. In 2012, the federal government established the Recovery Support Function Leadership Group (RSFLG), a senior-level entity that meets monthly to coordinate responsibilities and resolve operational, resource, and preparedness issues relating to interagency recovery activities at the national level. The RSFLG led the interagency Readiness Assessment initiative to identify capabilities and gaps for the execution of federal recovery mission in terms of budget, training, staffing, experience and other resources to enhance coordination, establish priorities, and drive decision-making. Since September 2011, FEMA has appointed 23 Federal Disaster Recovery Coordinators (FDRC) after major disasters. FEMA continues to hire and train FDRCs and cadre staff nationwide to ensure FEMA is prepared to assist states with extraordinary disaster recovery needs to ensure effective coordination of federal resources and support of SLTT goals to build back more resilient communities.

FEMA and other federal agencies continue to provide outreach to SLTT partners to help them apply NDRF concepts and principles in their own recovery preparedness efforts. FEMA hosts approximately four NDRF leadership workshops for federal and SLTT officials each fiscal year. In 2015, FEMA published "Effective Coordination of Recovery Resources for State, Tribal, Territorial and Local Incidents." This guide highlights the critical tasks and coordination challenges that state, local, tribal and territorial governments most commonly face when managing a recovery process. It describes processes, considerations, and interdependencies of key actors in the recovery process to enhance coordination.

The second edition of the NDRF was published in June 2016. This new edition highlights and further defines eight recovery core capabilities – critical functions to enable preparedness and recovery – as identified in the National Preparedness Goal. The primary value of the NDRF is its emphasis on preparing for recovery in advance of a disaster. The ability of a community to accelerate the recovery process begins with its efforts in pre-disaster preparedness, including coordinating with whole community partners, mitigating risks, incorporating community planning, identifying resources, and developing capacity to effectively manage the recovery process, through collaborative and inclusive planning.

National Flood Insurance Program

The National Flood Insurance Program (NFIP) is undergoing significant changes to strengthen the program, thanks in part to lessons learned from Hurricane Sandy. Historically, most insurance companies have excluded flood damage from homeowners' insurance. To address this need, Congress established the NFIP in 1968, which is administered by FEMA's Federal

Insurance and Mitigation Administration (FIMA). The NFIP works with participating private insurance companies to market, sell, administer, and adjust claims for policyholders. By encouraging sound floodplain management efforts, the NFIP is estimated to save the nation $1.7 billion annually in avoided flood losses. The NFIP helps homeowners, renters, and non-residential property owners to understand their risk and take action to protect themselves financially against the most common and costly type of disaster in the United States.

The NFIP is currently $23 billion in debt due to major events like Hurricanes Katrina and Sandy, as well as subsidized rates to many policyholders that did not reflect their true risk. Recognizing the need for reforms, in 2012 Congress acted by passing the *Biggert-Waters Flood Insurance Reform Act of 2012* (BW12) which required major changes to strengthen the fiscal soundness of the NFIP. In March 2014, Congress passed the *Homeowners Flood Insurance Affordability Act of 2014* (HFIAA), repealing and modifying certain provisions of BW12 while still requiring changes to major components of the NFIP including flood insurance, flood hazard mapping, grants, and flood plain management.

After Hurricane Sandy, allegations arose that private insurers involved with NFIP underpaid thousands of homeowners on their flood insurance claims. To address these concerns, FEMA subsequently set up an unprecedented Sandy Claims Review process and contacted 142,000 NFIP policyholders offering a review of their claim, with nearly 19,300 policyholders requesting one. To date, more than $70 million in additional funds have been paid to policyholders. Throughout this process, FEMA began identifying areas for NFIP reform, including: implementing changes to the appeals process that will allow any homeowner who is disputing a claim to have access to their files and have full visibility on the adjudication process; and updating the arrangement between FEMA and private insurers to allow for more oversight and operational adjustments.

To address legislative requirements and to further advance the program's goals, the NFIP established five key priorities for 2016:

- *Improve customer service*: FIMA is coordinating with the Flood Insurance Advocate's office, outside customer experience industry experts, and individual policyholders to identify recommendations to improve the customer experience. Specific initiatives include simplifying products, redesigning the risk rating system to help customers clearly understand their flood risk, and improving program and mapping change communications to customers.
- *Improve understanding of risks*: To properly mitigate risk through insurance, we must first get an accurate picture of the current and future risk profiles of our communities. In accordance with HFIAA requirements, FEMA is updating the flood mapping program for the NFIP. This program will be reviewed by the Technical Mapping Advisory Council (TMAC). When the updated program is applied, it will result in technically credible flood hazard data in all areas where Flood Insurance Rate Maps are prepared or updated.
- *Reduce risks:* Mitigation projects can help improve community resilience, reduce future loss of life or property from flooding, and reduce future claims payments by the NFIP. The Flood Mitigation Assistance (FMA) program provides grant funds on an annual basis to SLTT governments for projects that reduce or eliminate the long-term risk of flood damage to structures insured by the NFIP. In FY 2015, FEMA obligated more than $71

million in FMA grant funds for mitigation activities affecting approximately 293 properties. These measures are expected to provide a savings to the NFIP of approximately $142 million in reduced claims payments. For the FY16 FMA Grant Program, $199,000,000 is available to SLTT governments. The application period closed on June 15 and applications will be reviewed to determine eligibility and priority.

- *Engage private sector insurers*: Survivors of flooding can recover more quickly and more fully when they are insured against losses, whether they purchase that insurance from the NFIP or through the private market. Our priority is to ensure that as many citizens as possible are covered for flood damage. To better diversify financial risk in the future, FEMA is exploring reinsurance and insurance-linked securities as a way to improve the financial stability of the flood insurance program. We are currently working with the reinsurance industry on catastrophic flood modeling, gathering quotes to pilot reinsurance for the NFIP, and exploring how to pay for reinsurance.
- *Continue to implement legislative reforms*: FEMA has made significant progress towards implementing BW12 and HFIAA requirements. In addition to the initiatives previously discussed, our current key priorities include:
  - Compiling data and beginning analysis of NFIP reform impacts on small businesses, non-profits, and houses of worship;
  - Completing reports on policyholders whose premiums exceed one percent of their coverage value;
  - Continuing work on regulation changes, including but not limited to installment plans and Write Your Own expense allowance with actual costs;
  - Evaluating reinsurance options and developing a pilot program; and
  - Designing an Affordability Framework that will provide policy options for an affordability program supported by qualitative and quantitative analyses.

Conclusion

Hurricane Sandy was one of the largest, most complex disasters we have responded to in the past decade. With the associated challenges comes the opportunity to develop innovations and efficiencies. We have been able to take lessons learned from the Sandy response and institutionalize changes and best practices to provide more streamlined delivery of assistance programs while incentivizing mitigation. Thanks to Congressional action and the passage of SRIA, FEMA now has additional authorities and more flexibility to administer programs and expedite recovery. We continue to work with Congress and our SLTT partners to build more resilient communities before and after a disaster.

Again, thank you for the opportunity to testify today. I look forward to any questions the subcommittee may have.