

FEMA ACCOUNTABILITY, MODERNIZATION AND
TRANSPARENCY ACT OF 2017

MAY 2, 2017.—Committed to the Committee of the Whole House on the State of the
Union and ordered to be printed

Mr. SHUSTER, from the Committee on Transportation and
Infrastructure, submitted the following

R E P O R T

[To accompany H.R. 1679]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 1679) to ensure that the Federal Emergency Management Agency’s current efforts to modernize its grant management system includes applicant accessibility and transparency, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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PURPOSE OF LEGISLATION

H.R. 1679 ensures that the Federal Emergency Management Agency's (FEMA) current efforts to modernize its grant management system includes applicant accessibility and transparency.

BACKGROUND AND NEED FOR LEGISLATION

Federal Emergency Management Agency: History

FEMA was established in 1979 by Executive Order 12148 by President Jimmy Carter in response to a number of massive disasters in the 1960s and 1970s. As a result of states trying to manage these disasters, the National Governors Association and others made a proposal to streamline and cut the number of agencies states were required to work with following a disaster. Prior to the creation of FEMA, the federal government's emergency response mechanisms were scattered among many agencies throughout government. The creation of FEMA helped to centralize these authorities and the coordination of the federal government's response to a disaster. The Disaster Relief Act of 1974 (P.L. 93-288), which constituted the statutory authority for most federal disaster response activities, especially of FEMA, was later amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act, also known as the Stafford Act (P.L. 100-707).

Following more than two decades as an independent agency, the Homeland Security Act of 2002 (P.L. 107-296) created the Department of Homeland Security (DHS), placed FEMA within DHS, and FEMA's functions were dispersed among various offices and directorates within DHS. In 2006, following Hurricanes Katrina and Rita and the intensive Congressional investigations and oversight, Congress enacted the Post-Katrina Emergency Management Reform Act of 2006 (PKEMRA) (P.L. 109-295), which addresses key response roles and authorities and put FEMA back together again within DHS. PKEMRA authorized the National Preparedness System and FEMA for the first time in legislation. FEMA was given the role of leading the creation of the National Preparedness System and was designated as the "one-stop-shop" for all preparedness grants management.

Disaster Assistance

When the President declares a major disaster or emergency, the official declaration triggers certain federal response authorities and financial disaster assistance. In particular, when a declaration is made, the President is authorized to direct any federal agency, with or without reimbursement, to assist state and local governments and protect life and property. FEMA is responsible for coordinating federal agency response and ensuring the necessary federal capabilities are deployed at the appropriate place and time in support of state and local response efforts. In addition, FEMA provides direct support and financial assistance to states and local governments and individuals as authorized under the Stafford Act.

Preparedness Grants

Since 2003, federal grant funds have supplemented over \$47 billion in state and local investment to build and sustain emergency

preparedness and response capabilities.¹ These investments have provided critical support for interoperable communication systems, first responder training programs, public preparedness campaigns, hazardous materials response, urban search and rescue, and a robust information-sharing network.

Grant Systems Modernization

Approximately 72 percent of FEMA's total spending is through over 40 active grant programs, including disaster grants, preparedness grants, and flood insurance grants. With such a large and diverse program, FEMA has received numerous criticisms from the Government Accountability Office and the DHS Office of the Inspector General about issues in awarding and expenditures, monitoring, and management of these grants. State and local grantees have also complained about the lack of transparency in FEMA's management of its grant systems.

Criticisms have included that very few of these grant programs have well-developed metrics and need fully measurable and achievable goals and objectives. There are often delays in the obligation of funds, not in FEMA awarding grants, but in states delaying the distribution of money to sub-grantees. Finally, there continues to be a great risk of improper payments and expenditures.

In the past, FEMA's grant programs have operated independently, authorized by 18 different authorization laws, provided to six categories of recipients, and managed by nine different information technology systems in six different offices. To tackle this challenge, in 2015, FEMA launched its Grants Management Modernization initiatives to create one, seamless platform for sub-recipients, recipients, and federal staff to manage and report on grants from beginning to end.

System Requirements

The Committee expects regular briefings from FEMA as functional requirements are developed, iterative releases occur and the initiative moves toward initial and full operating capability. The Committee also expects capabilities to address both internal and external stakeholder frustrations and user needs, including the frustrations disaster victims experience regarding the status of federal assistance administered through FEMA. The system should also bridge the current information gap between state and local government efforts allowing for the gathering and sharing of information, where not prohibited by law, on response and recovery work to improve efficient execution of overall efforts.

HEARINGS

The Subcommittee on Economic Development, Public Buildings, and Emergency Management, held one hearing on this topic in the 115th Congress:

"Building a 21st Century Infrastructure for America: The National Preparedness System" held on March 16, 2017. The purpose of the hearing was to assess the development, successes, and challenges of the National Preparedness System and to understand

¹ See <https://www.fema.gov/news-release/2016/06/29/dhs-announces-grant-allocations-fiscal-year-2016-preparedness-grants>.

how well the preparedness grant program is building national preparedness capabilities.

In addition, the following hearings and roundtable discussions were held by the Subcommittee on subjects related to matters contained in H.R. 1679 during the 114th Congress:

“Rebuilding after the Storm: Lessening Impacts and Speeding Recovery” held on January 27, 2015. The purpose of the hearing was to launch an assessment of the rising costs of disasters, the cost effectiveness of disaster assistance, strategies to reduce disaster losses, and the appropriate roles of government and the private sector, and to consider reforms to save lives through improved alerts and warning systems and search and rescue.

“What is Driving the Increasing Costs and Rising Losses from Disasters?” held on March 18, 2015. The purpose of the roundtable was to examine and discuss data related to disaster costs, the trends observed over time, and the projections for the future given the policies in place today.

“The State of Pennsylvania and FEMA Region III are Leaders in Mitigating Disaster Costs and Losses” held on May 28, 2015. The purpose of the roundtable was to examine disaster costs and losses, focus on hazards impacting Pennsylvania and the region, and identify best practices for mitigating and avoiding disaster impacts.

“Federal Disaster Assistance: Roles, Programs and Coordination” held on June 17, 2015. The purpose of the roundtable was to examine and discuss federal disaster assistance programs, the requirements and effectiveness of those programs, and coordination among various agencies and stakeholders.

“Controlling the Rising Cost of Federal Responses to Disaster” held on May 12, 2016. The purpose of the hearing was to begin exploring potential solutions and the principles that should be driving solutions to lower the overall costs of disasters and to help avoid devastating losses.

LEGISLATIVE HISTORY AND CONSIDERATION

On March 22, 2017, Congressman Garret Graves (R-LA) introduced H.R. 1679, a bill to ensure that FEMA’s current efforts to modernize its grant management system includes applicant accessibility and transparency.

On March 29, 2017, the Committee on Transportation and Infrastructure met in open session to consider H.R. 1679. The Committee ordered the bill reported favorably to the House by voice vote with a quorum present.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires each committee report to include the total number of votes cast for and against on each record vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against. There were no recorded votes taken in connection with consideration of H.R. 1679 or ordering the measure reported. A motion to order H.R. 1679 reported favorably to the House was agreed to by voice vote with a quorum present.

COMMITTEE OVERSIGHT FINDINGS

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the enclosed cost estimate for H.R. 1679 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 2, 2017.

Hon. BILL SHUSTER,
*Chairman, Committee on Transportation and Infrastructure,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1679, the FEMA Accountability, Modernization and Transparency Act of 2017.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Robert Reese.

Sincerely,

KEITH HALL.

Enclosure.

H.R. 1679—FEMA Accountability, Modernization and Transparency Act of 2017

H.R. 1679 would require the Federal Emergency Management Agency (FEMA) to integrate three specific components into the agency's ongoing project to upgrade its grant management system. The bill also would direct FEMA to implement the new system incrementally.

Under current law, FEMA is building a new information technology system that will streamline the application and approval process for more than 40 grants authorized under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The new system will integrate the grants into one grant-management system, as opposed to the nine systems FEMA is currently using. FEMA expects to begin building the new system in 2018 and expects that it that will cost \$105 million over a three-year period to build the system and \$15 million each year thereafter to maintain.

H.R. 1679 would direct FEMA to include in the new system:

- An online interface for applicants to complete grant application forms,

- Mechanisms to eliminate duplication of grant benefits, and
- The capability to share information among other federal agencies and levels of government.

Based on information provided by FEMA, CBO expects that the requirements outlined in H.R. 1679 will be met through the agency's current plans to upgrade its grants management system; therefore, CBO estimates that implementing H.R. 1679 would have no effect on the federal budget.

Enacting H.R. 1679 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 1679 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 1679 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Robert Reese. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goal and objective of this legislation is to ensure that FEMA's current efforts to modernize its grant management system include applicant accessibility and transparency.

ADVISORY OF EARMARKS

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee is required to include a list of congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives. No provision in the bill includes an earmark, limited tax benefit, or limited tariff benefit under clause 9(e), 9(f), or 9(g) of rule XXI.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 1679 establishes or reauthorizes a program of the federal government known to be duplicative of another federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULE MAKINGS

Pursuant to section 3(i) of H. Res. 5, 115th Cong. (2017), the Committee finds that enacting H.R. 1679 does not direct the completion of a specific rule making within the meaning of section 551 of title 5, United States Code.

FEDERAL MANDATE STATEMENT

The Committee adopts as its own the estimate of federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act (Public Law 104–4).

PREEMPTION CLARIFICATION

Section 423 of the Congressional Budget Act of 1974 requires the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt state, local, or tribal law. The Committee states that H.R. 1679 does not preempt any state, local, or tribal law.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act are created by this legislation.

APPLICABILITY OF LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104–1).

SECTION-BY-SECTION ANALYSIS OF LEGISLATION

Section 1: Short title

Section 1 designates the short title as the “FEMA Accountability, Modernization and Transparency Act of 2017”.

Section 2: Requirements

Section 2 articulates that FEMA’s grant system must include an online interface, eliminate duplication of benefits, enable the sharing of information if appropriate, and facilitate other tools.

Section 3: No additional funds authorized

Section 3 clarifies that no additional funds are authorized to carry out this Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 1679 makes no changes in existing law.

