

**MOVING MISSISSIPPI FORWARD:
ONGOING PROGRESS AND
REMAINING PROBLEMS**

(110-143)

HEARING

BEFORE THE

SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND
EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

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June 18, 2008

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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 "Moving Mississippi Forward: Ongoing Progress and Remaining Problems"

PURPOSE OF THE HEARING

On Thursday, June 19, 2008, 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 State of Mississippi. The hearing will focus on disaster recovery programs being provided by the Federal Emergency Management Agency ("FEMA") and will focus on overall housing policy, rebuilding public infrastructure, and the case management services being provided through FEMA.

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 State of Mississippi on the date the storm made landfall.

The state of Mississippi is still recovering from Hurricane Katrina. As of May 27, 2008, FEMA reports that there are 6,384 temporary housing units. In addition to providing housing for disaster victims, Mississippi is still actively working with FEMA to replace and repair public infrastructure and address mitigation issues for any new construction along the Gulf Coast. According to the U.S. Census, when Hurricane Katrina made landfall in 2005, Mississippi had the

highest rate of poverty in the U.S., which has only increased the necessity for and importance of recovery services.

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. HMGP is being used in Mississippi to help communities rebuild better and smarter.

It is important to note that major changes were made to the Stafford Act in light of the many lessons learned from Hurricane Katrina. Those changes were enacted by Congress in the Post Katrina Emergency Management Reform Act (Title VI of P.L. 109-295). However, those changes were not retroactive to Hurricane Katrina and as a result do not provide for additional assistance for the recovery from Hurricane Katrina in Mississippi.

In order to address the outstanding needs identified in the recovery from Hurricane Katrina, the Committee reported H.R. 3247, the Hurricanes Katrina and Rita Recovery Facilitation Act of 2007, which passed the House on October 29, 2007. This bill is pending in the Senate. 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 be applicable to the relief efforts in 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:

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

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 has also reported H.R. 3247, the Katrina and Rita Recovery Facilitation Act of 2007, which passed the House on October 29, 2007 and is awaiting action in the Senate. 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.

During the 109th Congresses, the Committee enacted the following related bills:

- Community Disaster Loan Act of 2005 (P.L. 109-88)
- Pre-disaster Mitigation Program Reauthorization Act of 2005 (P.L. 109-139)
- Katrina Emergency Assistance Act of 2006 (P.L. 109-176)
- Local Community Recovery Act of 2006 (P.L. 109-218)
- Post-Katrina Emergency Management Reform Act of 2006 (P.L. 109-295)
- Rural Disaster Assistance Fairness Act of 2005 (P.L. 109-295)
- Disaster Relief Equity Act of 2005 (P.L. 109-295)

WITNESSES

The Honorable Gene Taylor
Member of Congress
4th District of Mississippi

The Honorable Bennie G. Thompson
Member of Congress
2nd District of Mississippi

The Honorable Travis W. Childers (invited)
Member of Congress
1st District of Mississippi

The Honorable Charles W. "Chip" Pickering
Member of Congress
3rd District of Mississippi

Mr. Michael Womack
Director, Mississippi State Emergency Management Agency

Mr. Sidney Melton
Director
Mississippi Transitional Recovery Office
Federal Emergency Management Agency

The Honorable Tommy Longo
Mayor
City of Waveland

Ms. Marsha Meeks Kelly
Executive Director
Mississippi Commission for Volunteer Service

Ms. Sherry-Lea Bloodworth
Director of Long-Term Recovery
Hancock County, Mississippi

Mr. Michael Huseth
Executive Director
Lutheran Episcopal Services

MISSISSIPPI FORWARD: ONGOING PROGRESS AND REMAINING PROBLEMS

Thursday, June 19, 2008

HOUSE OF REPRESENTATIVES,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC
BUILDINGS AND EMERGENCY MANAGEMENT,
Washington, DC.

The Subcommittee met, pursuant to call, at 10:07 a.m., in Room 2167, Rayburn House Office Building, Hon. Eleanor Holmes Norton [Chair of the Subcommittee] presiding.

Ms. NORTON. We would like to welcome especially our Mississippi colleagues and our panel of witnesses to this first hearing devoted exclusively to post-Katrina Mississippi, as FEMA has served the needs of Mississippi for nearly 3 years since Hurricane Katrina. We will be holding a hearing on Louisiana, focusing principally on New Orleans, this session as well.

The demographics and geography of the Mississippi area are vastly different from big-city New Orleans, which claimed much of the attention in the aftermath of the worst hurricane devastation in the Nation's history. However, I flew over affected Mississippi counties shortly after Katrina and saw firsthand areas that, quite literally, had been blown away.

When we had got out of the Black Hawk helicopter, I met with many citizens of the region that had been hit. At that time, they were living in tents. Even the public officials had lost their homes and were living in tents. The devastated Mississippi areas may not be as well-known as legendary New Orleans, but they have been of equal importance to this Subcommittee.

Three years after Hurricane Katrina, it is apparent that there are still outstanding recovery issues in Mississippi. For example, there are reports that 67 of Mississippi's 82 counties still have trailers within their jurisdictions. As of May, FEMA reports that there are 6,414 temporary housing units in use in Mississippi.

This Subcommittee has jurisdiction over the activities and recovery programs of FEMA which are authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act and include the Individuals and Household Program, the Public Assistance Program and Hazard Mitigation Grant Programs.

Mississippi has benefited from significant pre- and post-Katrina legislation of this Subcommittee, including major improvements in the Stafford Act and to FEMA's disaster assistance programs in the Disaster Mitigation Act of 2000. In the 109th Congress, the Com-

mittee approved H.R. 5316, which became the Post-Katrina Emergency Management Reform Act of 2006.

Perhaps most important in this Congress has been the Subcommittee's leadership on H.R. 1144, the Hurricanes Katrina, Rita and Wilma Federal Match Relief Act of 2007, to provide significant relief for communities devastated by these hurricanes. H.R. 1144 waives the non-Federal share of certain FEMA disaster assistance provided to Louisiana, Mississippi, Texas and Florida under title 4 of the Stafford Act. The bill also increases the Federal share of the Public Assistance and Other Needs Assistance programs to 100 percent.

Importantly, H.R. 1144 makes an exception for the Gulf Coast in allowing cancellation of loans to local governments for recovery from Hurricanes Katrina, Rita and Wilma if the local governments meet the statutory tests outlined in section 417 of the Stafford Act.

We were at pains to get this bill to the floor early when it passed the House in 2007 and regret that it has not yet passed the Senate. However, we understand that this bill is now on its way at last to the Senate floor.

PL110-161, the Kids in Disasters Well-Being, Safety and Health Act, resulted from the concerns of many on the Committee about the problems with meeting the special needs of children displaced by Katrina. About a quarter of the people who lived in the ravaged areas were under the age of 18, and more than 400,000 of them were under the age of 5. The National Commission on Children and Disasters will conduct a comprehensive study to examine the needs of children as they relate to preparation, response and recovery from emergencies and disasters.

Today we will be particularly interested in the overall housing policy, the rebuilding of public infrastructure, and the case management services being provided through FEMA during these years of continuing recovery in Mississippi. We are particularly pleased to be able to hear from witnesses on the ground about whether residents of Mississippi are being well-served by the authority, programs, and policies of FEMA in the wake of Hurricane Katrina.

We welcome Members of Congress, FEMA, local citizens of Mississippi, and volunteer coordinators. The Subcommittee looks forward to hearing from each of you who have been active in Mississippi's recovery and to hearing your recommendations.

I turn now to the Ranking Member, Mr. Graves.

Mr. GRAVES. Thank you, Madam Chair, for holding this hearing on the ongoing progress and the remaining problems, obviously, facing Mississippi following the devastation of the hurricanes.

I want to thank all of our witnesses for being here today, some of you coming from a long way.

Following Hurricane Katrina in August 2005, many problems were found in the response and recovery efforts. This Committee has conducted extensive oversight into the process. We passed relevant legislation and examined how mismanagement and inefficiencies have impacted the ability of States and local towns to rebuild their communities.

In most disasters, the resources of the State are adequate. However, in large disasters, like Hurricane Katrina, the State's resources will be overwhelmed. In the aftermath of significant disas-

ters such as Hurricane Katrina, the State and local communities look to where they can to get the right resources in a timely manner.

The unnecessary delays in recovery can compound the problems in already-devastated communities. For example, as Mayor Longo of the city of Waveland points out in his testimony, with most of Waveland's homes and businesses destroyed, rebuilding efforts are crucial to the very survival to a lot of these communities.

The goal of these efforts is to help these communities get back on their feet. Unfortunately, slow bureaucratic processes at FEMA have, in many cases, frustrated these efforts. As local communities do what they can even in the face of such major disaster, red tape at the Federal level seems to lengthen the time it takes for the communities to recover and rebuild.

I am very interested in hearing what folks have to say today. And, again, I know some of you traveled a long way to be here. Hopefully we can identify the lessons learned from this experience so that we can do a whole lot better job in the future.

Again, I want to thank Madam Chair for having the hearing.

Ms. NORTON. Thank you very much, Mr. Graves.

The Members of Congress who have come forward to testify were among the major contributors to the bill I mentioned in my opening statement, H.R. 1144, the Hurricanes Katrina, Rita and Wilma Federal Match Relief Act. We held hearings, these Members testified, and that act, in very substantial part, is based on their testimonies.

The point of the act was to discover what kinds of issues specifically affected these areas and only these areas. And we made an exception only for the Gulf in the benefits and changes that were made in the Stafford Act; so they will not be affecting others because we don't know of any devastation that has been quite like that. And I mentioned that this bill has not passed the Senate as yet.

So I think it is absolutely appropriate that the Members would want to come forward and say a few words first before we hear from Mississippi itself.

Have you decided among yourselves who will go first?

The Members are so polite with one another; they all defer.

TESTIMONY OF HON. BENNIE THOMPSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI; HON. GENE TAYLOR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI; HON. CHIP PICKERING, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Mr. THOMPSON. Well, I think as you know, Congressman Taylor and myself, we all have fun.

Madam Chairman, thank you very much for hosting this very needed hearing. And I think this is the first time that I have sat on a panel where the entire Mississippi delegation has been a part, so you are indeed making history here in Washington, as well as the State of Mississippi.

Madam Chairman and Ranking Member Graves and Members of the Subcommittee on Economic Development, Public Buildings, and

Emergency Management, I come before this Subcommittee with 40 years of continuous public service as the longest-serving African-American elected official in the State of Mississippi. I am also drawing on my years of experience as a volunteer firefighter in Hinds County to let you know that I fully understand the challenges that face the residents of Mississippi.

Today, I would like to discuss several issues relating to the housing crisis along the Mississippi Gulf Coast, including the State of Mississippi's use of disaster funds appropriated by Congress.

Before I turn to Mississippi, however, I want to highlight the fact that FEMA has not produced the National Disaster Housing Strategy that was required by the Post-Katrina Reform Act of 2006. This plan was due in July of 2007. Hurricane seasons begin on June 1st of every year. In short, Madam Chairman, one hurricane season has passed and a second has begun, but FEMA has not completed the plan that explains how its disaster housing strategy should work. I think some officials need to get their priorities in order.

But I do want to acknowledge that there is one bright light in the housing front. The Disaster Housing Assistance Program, otherwise known as DHAP, has made some progress. DHAP provides temporary rental assistance and case management support to individuals displaced by Hurricanes Katrina and Rita.

While this program provides rental assistance to disaster victims, unfortunately the amount of assistance provided through DHAP decreases every month. And on March 1, 2009, when the DHAP eligibility period ends, the money will run out altogether for those people displaced by Katrina and Rita. This program has benefited a few families, and it should be expanded and extended to mitigate the housing crunch being felt across the Gulf Coast.

DHAP is a step in the right direction, but more can and should be done. FEMA and the Department of Housing and Urban Development should not limit the number of families eligible for DHAP assistance. They should improve incentives for landlords, thereby increasing participation in the program. And Congress should act to extend DHAP assistance past the original March 2009 deadline until the housing crisis on the Gulf Coast has subsided.

These displaced families and many others who want to return to Mississippi need our continued help. As of last Friday, there were still 5,741 Mississippi families living in FEMA-provided temporary housing units. Of this total, about 4 percent are living on mobile home group sites, nearly 18 percent are living on commercially owned sites, and about 78 percent are living on private sites.

These families can be divided, Madam Chairman, into two groups: the families who owned their homes prior to the storm and the families who rented their homes prior to the storm.

These families who owned their homes prior to the storm have faced some difficulties in hiring contractors, but this is the least of their concerns. As I am sure Congressman Taylor will agree, the insurance companies left the Gulf Coast high and dry while residents struggled to rebuild. When Mississippi residents came home to a slab of concrete instead of their homes, I doubt they were concerned about whether it was wind or water that caused the devastation. Instead of focusing on rebuilding the coast, we were busy

fighting the insurance companies who refused to own up to their responsibilities.

While many homeowners continue to struggle with the fight to rebuild, a second group of citizens are struggling to find someplace decent to live. These are families who rented their homes prior to the storm. My concern is that they are being treated like second-class citizens.

As I mentioned, there are 5,741 families still living in temporary housing units provided by FEMA, most of whom rented their homes prior to Katrina. Today, there are only about 1,500 rental properties available in the entire State of Mississippi. FEMA has agreed to pay landlords 150 percent of the fair market rent, but that offer has not produced more housing stock.

While we are concerned about housing development, Madam Chairman, we must also be certain not to displace those who are already living on the edge. One of my major obstacles in providing housing for disaster victims has been the reluctance of Mississippi leaders to provide assistance to those who need it the most.

In September of last year, the Governor of Mississippi stated that housing is and will continue to be the most pressing issue facing coastal recovery. Despite that statement, the Governor requested permission from HUD to reprogram \$600 million intended for the construction of low- and middle-income housing for a port-expansion project. This reprogramming request occurred despite the fact that almost 6,000 families continue to live in temporary housing units. Remarkably, HUD granted this request.

I believe the Subcommittee and our panel would be happy to learn that I, along with 11 other Members of the House, have sent a letter to the Appropriations Committee asking them to prevent the State from using these funds to expand the port. This is a question of priorities. Economic development is critical to the recovery of the Coast, but how can the State justify moving forward when low- and middle-income families are being forced to move out of State because there are no locally based affordable housing options?

To date, in Mississippi, not a single rental unit has been constructed under the Community Development Block Grant funds that were intended to help low- and middle-income families. In fact, Madam Chairman, the Mississippi Development Authority's final plan calls for restoring less than half of the rental units that existed prior to Katrina.

But this is not the only time the State has misplaced its priorities. The National Deficit Reduction Act of 2005 provided Mississippi with \$700 million to help restore health care in the disaster area and provide the State with the ability to match Federal grants for hurricane relief. Somehow, these funds wound up going to the State's general fund, where the Governor tried to use them to raise judicial salaries. To make matters worse, the Governor diverted additional hurricane relief funds to improve a highway in north Mississippi that leads to a Toyota plant.

It is difficult to convince that nearly 300 families in Mississippi who are calling a hotel or motel home and over 5,000 more who are still living in temporary housing units, that the Government cares about their housing needs. It is especially difficult when they are

witnessing the Governor's diversion of recovery funds to expand a port, raise judicial salaries, and build roads to a Toyota plant in north Mississippi.

It is a question of priority, Madam Chairman. Apparently, providing affordable housing solutions to the victims of Hurricane Katrina is not high on some priority lists. But it remains a priority for me as a Mississippian and as a Member of Congress and as the Chairman of the House Homeland Security Committee.

Two weeks ago, the Committee on Homeland Security, along with the Financial Services Committee, held a joint hearing to examine the Federal Government's role in providing affordable housing to disaster victims in the wake of catastrophes. This hearing resulted in the drafting of H.R. 6276, the Public Housing Disaster Relief Act of 2008, that I cosponsored along with Congressman Childers and Congressman Cazayoux from Louisiana. I am happy to report that this measure passed overwhelmingly in the House yesterday.

However, our concern about housing must look to the future and also consider the past. We must hold Federal agencies accountable for their mistakes, especially when their mistakes endanger the health of disaster victims. I have held several hearings in my Committees exploring the high levels of formaldehyde in FEMA trailers supplied by the travel industry. As we move forward, we have to make sure that we provide health care for those that FEMA has put in danger.

That is why Congressman Barrow from Georgia and I introduced the Travel Trailer Health Registry Act. This important piece of legislation will require FEMA to work with the Centers for Disease Control and Prevention to create a health registry of those who live in travel trailers, provide health screenings to those individuals and track their health status as we move into the future.

As we move forward, I pledge to work with any and all Members of Congress who share my priorities to hold FEMA and HUD accountable and rebuild the Gulf Coast.

In closing, Madam Chairman, I would like to thank you and the other Members of the Committee for the opportunity to testify before your Subcommittee.

Ms. NORTON. Thank you very much, Representative Thompson, Chairman Thompson.

Chairman Thompson shares jurisdiction with this Subcommittee over FEMA, he for FEMA's terrorist jurisdiction and this Subcommittee for its disaster preparation and recovery jurisdiction. So we have to work together all the time. I am pleased to be a Member of Representative Thompson's Homeland Security Committee, as well.

Representative Taylor, this is your district we are speaking of, largely, isn't it?

Mr. TAYLOR. Yes, ma'am.

Ms. NORTON. Go ahead, please.

Mr. TAYLOR. Madam Chairman, thank you for holding this hearing. And thank you for the help that you have personally provided to our district, the votes you have cast on behalf of south Mississippi.

Madam Chairman, my hometown has a budget of \$16 million. Your hometown has a budget of \$6.322 million. But the reason this hearing is important is I serve on the Armed Services Committee, and the generals and the admirals have convinced me that you and I are going to live to see a weapon-of-mass-destruction attack on the United States of America.

So what happened to my district through the hand of God is going to happen to somewhere else in America through the hand of man, and we had better be prepared for it, because when that happens, it is going to look like South Mississippi looked like the day of the storm. There are going to be no stores. Food is not going to be available. There is going to be no running water. There is going to be no electricity. No are going to be no automatic tellers. The policemen may well have lost all their vehicles, like the cities of Waveland and Bay St. Louis. The firemen may have lost all their vehicles. Their communications will be gone. Hancock County was down to one satellite phone that belonged to the National Guard.

And we, as the elected officials, are going to be responsible for providing these basic needs that we all take for granted that were gone overnight. And so what we do as far as providing food and fuel and electricity and basic sanitation is where we are going to start.

Congressman Thompson talked on some of the things, and one of the issues that is a hot topic right now, Madam Chairman—and I hope we can send FEMA a strong message today—is something as simple as ice. Just recently, FEMA announced that it would not be supplying ice to the people of a devastated community in the wake of a hurricane.

That is a terrible decision, and I will tell you why. We live in a hurricane culture. Hurricane Katrina hit almost to the day in my son's life that Hurricane Camille hit in my life. You know it is coming, and you prepare for it. And most people strive to be self-sufficient the day after the storm. One of the things you do is you have food in your freezer, and you realize that, much like going camping, if you have ice, you can break that food out a little bit at a time and feed your family. The decision for FEMA not to supply ice means that what is in someone's freezer when they go the 2 weeks to 2 months without electricity is all going to thaw out at the same time, and therefore it goes to waste, rather than breaking it out a little bit at a time.

It is normally hotter than Hades after a storm. That is just the way it is, between the moisture coming back up out of the ground, the heat; there is usually no wind. And folks like myself who are using to sitting in the air conditioning are suddenly out there with a chain saw or an axe trying to clear their driveway. And a little bit of ice to cool off the drink goes a long way. And if it keeps someone from getting a heat stroke and keeps them from going to the already-overloaded emergency room, then it is money well-spent.

Lastly, I would remind people that I had the very unfortunate task, along with the Mississippi emergency management director, of actually commandeering an ice truck in the wake of Hurricane Katrina to put the bodies in. My local undertaker came to me the day after the storm, tears in his eyes, and said basically that he had bodies stacked up on the sidewalk and that they were rotting

in the sun—remember, there was no electricity—and that he had to have a place to put them so that, when things got back to normal, their families could give them a decent burial. We commandeered an ice truck.

So FEMA is going to stick to their decision not to have ice. That means people can't feed themselves. So our Nation is going to be flying in MREs at \$8 a meal rather than people feeding themselves. There are going to be more people at the emergency room because they can't cool themselves off. And, yes, the bodies literally are going to be rotting because there is no place to store them.

So I can't tell you what a bone-headed decision that is. We are going to give FEMA, in the next day or so, some alternatives with the ice policy, which starts with FEMA either buying or leasing ice-generating machines that are available in the commercial market and that can be spotted at every water tank in south Mississippi or anywhere—Miami; Mobile, Alabama—along with a generator, along with a purification filter, and each place can be self-sufficient in ice. And, yeah, most of the water tanks did make it through the storm. And when every other landmark is gone, if a person knows that they can find a water tower, they can have a drink of water, and they can have ice again so that the food in the freezer doesn't go to waste.

The other thing is insurance. Congressman Thompson talked on it. To this day, our biggest housing problem goes back to insurance. Thousands of people, including a U.S. Senator and a Federal judge, were screwed out of their homeowners insurance policies, and there is no polite word for it. They didn't get a dime. To this day, there are a thousand people, including a retired admiral in a highly publicized case today, who are still having to sue their insurance companies to get some sort of justice from them.

And this House did pass a very comprehensive bill that allows people to buy wind insurance through the National Flood Insurance Program, to know that it doesn't matter how their house was destroyed, it doesn't matter how their house was beat up, if they come back the day after the storm and it is gone or substantially beat up, that they are going to get paid. They don't have to hire an engineer; they don't have to hire a lawyer. That, as long as they built it the way that they should have, as long as they paid their premium, they are going to get paid and they will have the money to put their lives back together.

As far as affordable housing, right now the cost just for insuring an apartment in south Mississippi is \$300 per unit per month. And one of the reasons that now with the Republican administration that says we want the private sector supplying low-income housing, one of the reasons the private sector won't build it is that they know that the cost of insurance alone has made the cost of that unit prohibitive and that people won't rent it at the price that they have to build it for and rent it for; and, therefore, they just have put their money someplace else.

So until we get a handle on insurance in coastal America, you are not going to see the rebuilding we need. And I very much appreciate Congressman Thompson pointing that out.

The third thing is, going back to my hometown with a budget of \$16 million and your hometown with a budget of \$6 billion, I think

it is fair to say almost every one of my supervisors can operate a track hoe, most of them can fix a generator, but they are a little uncomfortable talking to Wall Street. Your city council, on the other hand, probably has just the opposite skills. So when it comes to dealing with FEMA, what our local mayors, what our local supervisors, what our local city councilmen desperately need is a FEMA shadow who is there to help.

And I saw this over and over again after the storm. FEMA needs a corps of highly trained people who know the rules and who can be Tommy Longo's shadow for the months after the storm and, wherever Mayor Longo goes, that guy is with him. And if a problem is presented to him, be it debris removal, be it fixing a sewer line, be it picking up the trash, all the things that we take for granted that are suddenly gone and you have to do over, that Mayor Longo can turn to him—and remember, keeping in mind that his budget is probably about \$10 million a year for the city of Waveland, and so an expenditure of \$1 million or \$2 million or \$5 million is a huge percentage of his annual budget.

He needs somebody he can turn to and, "Can you help me with that? Will my Nation pay for that bill? And will you sign your name to it?" Because what we saw, Madam Chairman, was just the opposite. We saw a steady stream of people who would come in for a week or 2, representing FEMA, and this one would make a decision and said, yes, we will reimburse that, then he leaves. He goes back to being a forester or an expert at Agriculture. But most of them were drawn from other agencies in the Federal Government. They really didn't know the rules. They gave the mayors advice, and then they left. None of them would sign a document that says, "Yes, I am Jim Jones, I represent FEMA. This is my decision, and you can hold this it up to whoever holds my place. And the Federal Government is going to back this up, because I know the rules, and this is what you can do, and this is what you can't do."

To this day, that would be of great benefit to Mayor Longo, to Mayor McDermott over in Pass Christian, and Mayor Favre. Any of our mayors desperately need somebody who can stick with them, tell them what the rules are, and put their good name on the line, saying, "Yes, our Government is going to back this up."

The third thing is the flood plan. The National Flood Insurance Program, Madam Chairman, needs some desperate changes. Mayor Warr and I had a conversation just this week, and he has concerns that, should his city—this is the city of Gulfport, the second-largest city in Mississippi—should his city accept the flood maps, that he would be in a situation where houses that made it through Katrina but are now at an elevation below what the Federal Government is going to recommend would, in effect, be doomed to never be being improved, that he would never be allowed to give that home that made it through Katrina another building permit for remodeling, for an addition to it, or any other changes to that house. And that just doesn't make sense. If a house made it through Katrina, what I consider to be at least a 300-year storm, it is probably going to make it through the next one.

And, yes, if we have to make it through some changes to the Federal Flood Insurance Plan to prevent repetitive losses, then let's do it the way the insurance company does it, and that is, the guy who

gets a lot of speeding tickets pays more on his insurance than the guy who doesn't. The guy who hang glides pays more on his life insurance than the one who doesn't.

So if a home has repetitive losses, charge them a little bit more, but don't tell them that you can't tell them you can't modernize that house, that you can't add on to that house, and in effect that it is stuck in that condition forever. And don't tell the city of Gulfport that they, in effect, have to be the bearers of bad news, that that house can never be fixed up.

And lastly, Madam Chairman—and this is something that we as a Nation really need to look at; I brought it to the attention of the National Guard Bureau—that is a waterborne response to disasters. Most of America's major cities are on a major waterway, including your hometown and my hometown.

One of the things that we did right after Katrina was, within days of the storm, I got on the phone with Admiral Mullen, and he had a Navy amphibious assault ship off the Mississippi Gulf Coast, because all of our hospitals had gone underwater. He flew radios to those hospitals, with the instructions that if someone comes in with something more serious than you can handle, we will fly a helicopter, we will get that person, we will take them out to the ship, and we will do whatever needs to be done, whether it is someone who hasn't used a chain saw for 2 or 3 years happens to cut off their own hand or someone who comes home to a slab, as Congressman Thompson described, and sees it and has a heart attack because they realize everything they owned is gone. There are any number of scenarios that happened in my hometown that could well happen to your hometown, and we need to have a response that comes from the city that provides electricity, that is capable of providing water, that is providing emergency medical, and, most importantly, fuel.

Congressman Thompson lives about 200 miles from where I live in Mississippi. The roads from where I live to the east and west, the bridges were all gone. The only road left was a road to the north to where he lives. There was no gasoline between my house and his house—not for a day, not for 2 days, but for weeks after the storm. And so, again, you are going to need a way to get fuel in, not only for an individual to get out of there, but for the first responders to get out and help people.

In the case of Hancock County, they lost every single vehicle. This is a place where the same families who lived for 300 years. They know what floods, they know what didn't flood. They parked their vehicles in a place that had never flooded in 300 years. Every one of them went under water. They made a very heads-up call to break into the local car dealership, literally going from vehicle to vehicle to see which ones would start. So now they had vehicles but no fuel.

If we as a Nation had—there are fleeting operations that supply fuel by barges. There were bargeloads of fuel in Pensacola and Mobile just sitting there. If our Nation had had a plan in place, those bargeloads of fuel could have gone to waterfront communities like Gulfport, Biloxi, Pass Christian, Bay St. Louis, then we would have been months ahead in our disaster relief.

And the same thing for your city, Madam Chairman. If something happens here, there is a pretty good chance the bridges are going to be out, and so the way to get help in is going to be through the Potomac River. The way to get help to Chicago is from the Great Lakes. The way to get help to New Orleans is from the Mississippi River, et cetera, et cetera.

So I would hope those are some things that your Committee would look at, hopefully that the Armed Services Committee will look at as well, and things that, again, based on what happened in Mississippi, could well happen in your community. We weren't ready for it last time. We sure as heck had better be ready for it next time.

Thank you very much.

Ms. NORTON. Thank you very much, Representative Taylor. Representative Pickering?

Mr. PICKERING. Madam Chairman, thank you for having this hearing here today.

And I want to thank my colleagues, Chairman Thompson and Chairman Taylor, as we try to work together as a State and as we work together as a delegation to get the resources and, as we look long-term, to get the reforms that we need to speed and accelerate the recovery, prepare for the next storm and disaster, and hopefully help the rest of the country learn from what we went through, so that the recovery and rebuilding and the preparation can be better, not only for Mississippi, but for every State that faces either a man-made disaster or a natural disaster.

As we are almost 3 years from the storm, we are close enough to remember what has happened but we are far enough away to see more clearly. And what I would like to do is put some things in context from what we have seen and experienced as a State and as a people.

Congressman Taylor has talked about the need to have both military coordination, Armed Services—this Committee has been very helpful, Madam Chairman, both under Republicans and Democrats, in getting the resources to our State. Congressman Thompson on Homeland Security and all the things that he has done and oversight to push and to continue to call the attention of FEMA and Homeland Security to what needs to be done now.

But what is important in context, \$5.4 billion was sent to Mississippi through CDBG grants. About \$3.8 billion has been either awarded or obligated. As we look at that, one thing that is significant—and this is in the overall context, is I just met with the new head of—the Katrina czar. I believe we have appropriated about \$120 billion as a Congress. We have obligated \$80 billion. We have expended \$60 billion. So, 3 years after a storm, roughly half the money that Congress made available has been spent. And if you look in Mississippi at the \$5.4 billion, we are roughly about 50 percent of those funds being expended in our State.

What slows down a recovery—and what we have to remember, the longer the recovery, the higher the cost. The greater the paralysis of recovery, the more businesses leave, people leave, and opportunities are lost. So we ought to do everything we can to accelerate the recovery and accelerate the assistance so that the investments can be made as close to the storm as possible. Debris takes

too long to clean up, and as we look at the urgency of the reform, hopefully we can look at ways to accelerate the cleanup phase.

Communications is critical. And I serve on the Energy and Commerce Committee. We are now going through a public auction of spectrum, and one block of that spectrum is set aside for public safety so that we could have, for the first time since 9/11 and Katrina, a nationwide public safety network that will speed and accelerate interoperability. And the grants that need to be given to communities, whether it is through Homeland Security or through other programs, are critical to having both the network and the equipment that is nationwide and interoperable.

The insurance reforms that Congressman Taylor and the rest of the delegation and Governor Barbour have supported, whether it is through the Federal flood program or trying to find other creative solutions to stabilize coastal insurance markets. And as we go to the conference on the housing legislation here, I am hopeful that we will be able to find the solution that will help bring stability. And I want to commend Congressman Taylor and his leadership for fighting for what is probably the most important thing in recovery at this point, and that is available, affordable insurance to the Coast.

Come next year, I hope both Senator McCain and Senator Obama, whichever one wins, makes reforming our disaster response and recovery bureaucracy a high priority. And just like Congressman Taylor mentioned, we will probably see another terrorist attack or the possibility of a weapon of mass destruction in our lifetime; we will see another hurricane similar to Katrina. And if that is the case, then we need to make sure that we put in place the reforms in communication and recovery and housing and response and everything that we can do to prepare for that.

Both 9/11 and Katrina shook our Nation, and we have had select Committees on both. Congress has had multiple hearings and studies. But we have not really reformed the system and the structure, which is obviously broken. The levees in New Orleans are to keep the waters out. Unfortunately, the bureaucracy of FEMA has become a barrier to getting assistance to our communities in a rapid and efficient and cost-effective way.

When Congressman Taylor talks about getting an answer from FEMA in the early months after a storm from one official and then a second team 3 years later reverses that, that paralyzes the recovery. And it prevents people from making good decisions in the beginning, and it paralyzes communities who follow those decisions at the end.

We have a case in my home county of Jones County that is a perfect example in that an official was told that they could do a contract and they followed the process; now that is being denied, and it is under appeal 3 years after the storm. And these counties are much smaller. They don't have the means and the finances to be able to cover those costs and to have the long delays, the indecision and the paralysis that follows.

I do hope that we have comprehensive reform that addresses all parts of the recovery, from the cleanup to the housing. I am proud of my State for doing some—one thing that we need to remember in context: We have never had a CDBG program to replace the

housing after a storm like we did in Katrina. And this Committee and Congress should be commended for finding a way to make those funds possible.

I want to commend our State for finding a new way that I think will change temporary housing, that we go from trailers that are unsafe and unhealthy to cottages that will truly transform housing after a storm or housing after a terrorist attack. And that was something that was done through this administration and through the support of Congress, and I am proud that that has happened.

We do need to get a communications solution. And we do need to find a way that public assistance funding is still not tied up in knots 3 years after a storm. The insurance model of giving States an assessment of the damage at the early part of recovery and then making money available to them without a lot of bureaucracy, red tape and strings attached so that each community can design a plan, make the payments, recover and rebuild as quickly as possible, I think is a much more cost-effective way, both for the communities and for the taxpayer.

Madam Chairman, I thank you for the time you have given the delegation, the assistance that you have given our State and the communities. And I do hope that reform in the next Congress is a high priority for either administration and for the leadership of the House and the Senate.

And thank you very much.

Ms. NORTON. Thank you, Representative Pickering.

And the reviews that were of what has happened in the last 3 years from all three of you has been helpful to us. This bill that you spoke about the House passed involving insurance, that was of course the great issue that came out of this disaster, of both Mississippi and Louisiana, but particularly for Louisiana, where—excuse me, Mississippi, who was really affected by this.

I have to ask you, do you know, was that bill passed in the Senate?

Mr. TAYLOR. Madam Chairman, we didn't get a lot of help in the Senate. So the National Flood Insurance Reauthorization is due by September 30th. It is going to be conferenceable, because it passed the House. And one of the things that I would like to go on the record is asking you and every House Member and Speaker and Chairman Frank that we insist on the preserving the House position. Because the Senate did absolutely nothing toward that end.

Ms. NORTON. So they have not had their own bill?

Mr. TAYLOR. They have basically taken the existing National Flood Insurance Program and reauthorized it without making any changes.

Ms. NORTON. If it comes to conference, I certainly hope we have an opportunity to deal with this problem that came out of—as you say, it is not going to be—we are now forewarned, that this is what happens, not just water but wind.

Mr. TAYLOR. Madam Chairman, I neglected to ask. My staff went through a heck of a lot of trouble to type up a beautiful statement, and I would like to submit it for the record so that their work does not go in vain.

Ms. NORTON. Indeed, of course your statement and the statements of the entire delegation we will be pleased to receive for the record.

Chairman Thompson, you mentioned the National Disaster Housing Plan. We were set to have a hearing on this. And, of course, true to form, FEMA was late then, continues to be late. And part of the problem we have had with FEMA, with really major, major plans that are due—I have seen it in your Committee, as well—is, no matter how much notice they have, they can't manage to get it done. We talk about recovery in Mississippi; we haven't yet had the kind of recovery I think taxpayers have a right to expect in FEMA.

Let me ask all of you about this housing situation. You testified, Chairman—I was really shocked to hear this, sounds more like a big city—that in the entire State of Mississippi, there are only 1,500 rental properties. And, of course, in my opening statement, I was concerned about the trailers and would have to ask you all about those trailers. I think you also testified that most of the people who haven't gotten back were renting.

Now, with no rental housing stock being produced, then you have this DHAP assistance ending in March 2009 with no rental housing. You are also faced with these—we will be asking FEMA about these scandalous trailers that people are living in. We believe from the testimony we received on the trailers that, the hotter the climate, the more these issues are likely to come.

I would like to hear from you, what do you think should be done here? Representative Thompson said at least extend the deadline.

Mr. THOMPSON. Well, I think you are correct. You know, Congressman Taylor lives there, but if anyone who can visualize the Gulf Coast before Katrina who can travel there now can just see the void. And that void, almost 3 years later, in my estimation, is totally unacceptable, because there are a lot of people who want to come home, but there is nothing available for them to come home to, from a housing perspective. So they have people who are traveling 75 to 100 miles just to go to work, because there is no housing any closer to the jobs.

And, Madam Chairman, the manner in which FEMA has treated communities can't be, I think, emphasized any more. Local government, as Congressman Taylor has already indicated, are already strapped for money. And so, with this hodgepodge of forms and individuals showing up, they are constantly being threatened by not having reimbursements made.

But more importantly, Madam Chairman, I would suggest that you look at the entire appeal process, where the person who makes the decision is the reviewer of that decision when it goes to appeal. So I don't know many people who will say, "Well, based on the evidence that you presented upon appeal, I was wrong." So I think you have to have another—

Ms. NORTON. So the reviewer reviews his own decision. It then goes someplace else after that?

Mr. THOMPSON. That is right. And so basically that next step—and I think it probably would be beneficial to the Committee if you asked FEMA in a timely manner to provide you some of their statistics on how those appeals have progressed, the time line that

they have had to go through, and how many actually were reversed at each stage.

And I am involved in a number of them in cities in Louisiana, as well as Mississippi, and the decisions reached don't correspond with the information presented. And in one instance, FEMA refused to give local government what it was spending for the same activity that they turned down.

So if a community is spending \$16 per cubic yard for debris and FEMA is spending upwards of \$30 per cubic yard for debris removal, that community gets denied because they are paying too much, when FEMA, who has contracted through the Corps of Engineers, is paying twice as much.

So some of the decisions—and I know other colleagues and Congressman Taylor is intricately familiar with that whole process—it just doesn't make sense. And I would suggest that you look at that also.

Mr. TAYLOR. Madam Chairman, if there was ever a time for HUD to step forward and remind people that the first letter in HUD stands for "housing," it was after Katrina.

And Congressman Thompson makes an excellent point. In my home county, the county courthouse and both city halls, in fact, Mayor Longo, his city hall, there was absolutely nothing there. In the case of Bay St. Louis, it flooded and was inoperable—

Ms. NORTON. You are talking about the public city hall?

Mr. TAYLOR. Gone. There was nothing there. And the next morning, his firehouse, gone.

Ms. NORTON. There is no rebuilding of that in progress?

Mr. TAYLOR. No. He is still operating out of a trailer.

But I want to use the analogy of just debris removal. In the case of debris removal, because these counties—and my home county, in particular, was so devastated, the Nation at least walked in and said, "We can do this one of two ways. You guys have no buildings, you have no equipment. Because you are at a loss, we are willing to do the debris removal for you, and we will make the decisions. Or we will give you, the local government, the option of doing it, and we reimburse you." And as Congressman Thompson pointed out, it was more expensive to do it at the Federal level, but it was fewer headaches.

In the case of housing, they never made the same offer. In the case of housing, they never said, "You know what, Mayor Longo? You have lost every building. You have lost every vehicle. You have lost all your water lines. You have lost all your sewer lines. You have lost every police car, fire truck, everything. Maybe you have enough work to do, and how about we offer to build some low-income housing for you? That is one less headache you have to worry about. You point to a place in your city where you are willing to build some, and we will take that responsibility from you, just like we were willing to do for debris removal," and just like a former Chairman of this Committee did in rebuilding the two major bridges that were destroyed by the storm.

Secretary Mineta came down and said, "The bridge is gone. It has to be replaced. Don't worry about it. We will pay for the bridge as long as you live by the Federal guidelines," and it got replaced.

In the case of housing, they have turned around to cities that have to replace fire trucks, police cars, have to replace city halls, have to replace water lines and sewer lines, have to fix roads, have to do all sorts of things, and just threw one more burden on them.

So why not at least in the future say, "We will reimburse you, or we will do it ourselves. You tell us where to put it, and we will take that headache away from you." That offer was never ahead, and it should have been made.

The same thing with the Department of Education. They should have stepped toward and said, "We will either reimburse you to rebuild these schools. Or, you know what? You have so many other problems, you just point to a place where you want us to build it and we will build it."

If there was ever a time and a place for the Federal Government to step in and offer people that option, it is after a disaster like that. And, again, we need to learn from our mistakes. That was a mistake that was made in Mississippi. It doesn't need to be made again.

Ms. NORTON. All of you are for extension of this March 2009 deadline, I guess, when the funds run out, temporary funds run out? March 2009 when the DHAP assistance runs out?

Mr. TAYLOR. Madam Chairman, it is going to be an ongoing challenge for a long time. The last I counted, there were still 6,000 families living in temporary travel trailers. And I can assure you, if you have ever visited one, it is not because they want to.

Ms. NORTON. Have the trailers in Mississippi had any of the problems that have led to court suits and the like in Louisiana?

Mr. TAYLOR. As with everything else in life, there are good trailers and bad trailers. And what had happened is, because of the necessity of buying a lot of them in a hurry, they bought some inferior brands that had used wood that was treated with formaldehyde. Think about it, if you are going to use it one weekend a month, it is one deal, which is what it was intended for. If you are going to live in it for 3 years, day-in, day-out, then the results of the exposure to that are going to be significant.

And hopefully, based on what Congressman Thompson does, we have changed the Federal procurement laws, so when this happens again, that will be one of the prerequisites of the Federal laws, that we don't buy trailers that have formaldehyde in the building materials.

Ms. NORTON. Chairman Oberstar is here, and we are pleased to have him, even for a short time. And I want to ask him if he has any comments he would like to make or any questions he would like to ask the Members.

Mr. OBERSTAR. Thank you, Madam Chairman. I do have to leave. I always have five or six things going on for the Committee of Transportation and Infrastructure at the same time. So I beg your indulgence, and I want to thank our colleagues for being here.

We all know we are on the front line when disaster hits, because our communities are on the front line, whether it is the blowdown of trees in the Boundary Waters Canoe Area in my district, 26 million trees blown down in a 100-mile-an-hour, straight-line winds destroyed 3 years' worth of timber harvest in the State of Minnesota, or fire along the Gunflint Trail that chased people out of

the resorts and the housing in that area, or flood and wind and storm damage in the Gulf States. And we have all seen it, watched in horror as it spread out upon our television screens. I recall sitting there as Katrina hit with my wife, who is from New Orleans, as Mr. Taylor well knows, and saying, "I know these streets. I know the people who live there. I know what is happening."

On the FEMA trailers, her two brothers still live in New Orleans. He brother went into see one of the family friends, an employee of the family, who is in a FEMA trailer, and said he opened the door and the fumes just about knocked him out.

I don't need to read that in a newspaper. You hear it, as you do, from your constituents. You see it as you live your lives. Mr. Taylor had his own home just blown right out, if I recall rightly.

Mr. OBERSTAR. Now, Congressman Pickering said, I think very pointedly, the cleanup and debris removal need to move faster. What are the obstacles to cleanup and debris removal that you hear on the front line.

Mr. PICKERING. A lot of it is the system by which it is done. They do it on a cubic-yard basis.

Now, at the beginning of our storm, they did remote sensing imaging and assessments on the ground, and they projected how much debris that we would have. And at the end of that storm—and this is more debris than any storm in the history of the country—the debris they projected at the beginning of the storm was exactly what we cleaned up.

But to do it, they did contracts on a cubic yard. And if you do it based on a cubic yard, you have to have a compliance system to prevent what is called debris-farming, that people just fraudulently just create debris. And so they will have up to three to six Federal employees counting every dumptruck when it is loaded and then six when every dumptruck is unloaded. And there is a whole bureaucratic compliance system.

It would be better to do contracts with the technology that we have today so that you do contracts in geographic areas, so that you don't have to count every truck and every cubic yard. And they measure every—you have trees and hangers and limbs, and they pay and reimburse by stumps, and it is a very complicated, time-consuming, and costly, bureaucratic way of cleanup.

If they would do it more on a geographic—that way there is no incentive for fraud. You cannot defraud; therefore, you don't have to have this complicated compliance system that really slows—and what happens, if you don't have six people to count every dumptruck, then you just have to wait weeks or months until you can clean up. It's a much more efficient way that if we would change the way that the contracts are done.

And, again, as Congressman Taylor mentioned, you can do a local option, which is less costly and usually faster, twice as fast and usually half the cost. Some communities didn't have that capacity; they needed the Federal help. But, again, if you contract based on geographic areas versus a cubic yard, I think that that would be the most significant reform that you could have to speed the recovery, save the taxpayer and clean up more quickly.

Mr. TAYLOR. Mr. Chairman?

Mr. OBERSTAR. Thank you. That is a very thoughtful suggestion.

Congressman Taylor?

Mr. TAYLOR. If I may, again, you, because of your bride, have a connection with the area and an idea of what happened.

I thought the biggest mistake that was made was, in the beginning, keep in mind, no fuel, no running water, no food, no stores. Mayor Longo, Mayor Favre actually made one of the smartest calls I saw when they allowed police-sanctioned looting of the local grocery store, the local Wal-Mart, for people to get a change of clothes and food. Because FEMA had the attitude that they are not going to do anything for the first 3 days. Well, when everything is gone, that is a bad way to do business. FEMA needed to be there quicker.

So the early decision to give a national firm the debris-hauling contract was probably not a bad decision for the first 30 days, because there is no fuel local, there is no equipment repair local. Everywhere you go, you are getting flat tires because there are nails everywhere. You can't get a tire patched locally, because there is no power.

But, really, after about a couple, 2 or 3 weeks, fuel is showing up, tire stores are reopening, mechanics are back in business, and you have a person who has just lost his house, his car, maybe his job, and he is looking for something to do, and he is seeing this out-of-state firm making a bunch of money. He's going, "You know what? I can do that."

In the case—again, the local bank president, his two kids have just graduated from college with advanced degrees. They went into the debris-hauling business because there was money to be made.

And I am going to disagree a little bit with Congressman Pickering. I don't have any problem with paying it by the cubic yard, because it became almost a gold rush mentality. The more they hauled, the more they got paid, the quicker it got done. Guys were working Thanksgiving; people were working Christmas.

The problem was the contracts went nationally rather than locally. In the beginning there was no choice but to do it nationally, because that person had to have deep enough pockets to bring in his own equipment, to bring in his own fuel, to bring in his own tents, bring in his own food, bring in his own showers, bring in his own everything. But within 30 days of the storm, those contracts should have been renewed, to give the locals a shot at it. They have lost everything. For goodness sakes, at least give them a shot at making some money rebuilding their own hometowns.

And that opportunity was missed last time. I understand why it was done early on. But the big mistake was—and you are going to get a better price, because, after 30 days, again, you don't have to go several hundred miles to get fuel. You don't have to go several hundred miles to get your equipment fixed or to get something welded. You can get it done locally. That is going to result in the price coming down.

And, by this time, you do have a pretty good idea of what it really costs to move that cubic yard of debris. I am convinced that you would not only put locals to work, but you would get a better price for the Nation. And that is one of the things they failed to do that we need to learn from the mistakes that were made last time.

Mr. OBERSTAR. Congressman Thompson?

Mr. THOMPSON. In addition to what Congressman Taylor has said, one of the things I think helps bring communities back is employing people who are victims of the particular situation.

With respect to procurement, FEMA will have to change the tiering of contracts. Because what happens is, beyond the second tier, there is no appeal process for the little guy. So if there is a dispute on payment, he is out of luck, or she is out of luck.

So I think the proper oversight on whoever is doing the contract is absolutely essential, because basically FEMA has said, "Well, as long as who you contract with, we can settle that dispute. But if there is another party to the contract, we are done." And so, we saw a lot of good, hard-working people who really came in, took contracts below what was generally accepted, and basically—I don't want to use your term again—but got screwed in terms of payment. And that is not what this should be about.

So I think, going forward, we should have a mechanism for dispute resolution for contracts that would satisfy that local person who is really trying to just assist.

Mr. OBERSTAR. Mr. Chairman, we have three elements here. This is a lessons-learned hearing, to learn from the past and to apply to the future and fix these problems.

And, in my district, we didn't deal with FEMA in the cleanup. We used the Forest Service, because it was on national Forest Service land that that occurred. And the Forest Service has a different contracting practice, and that went very smoothly. They had people on the ground doing salvage-logging and chipping within a week.

And there are some lessons to be learned from how the Forest Service proceeded, from what Mr. Pickering has said, Mr. Taylor has said, and Mr. Thompson has said, in getting the contracts down on the local level. And what you have said is all on record. We are going to sift through this and apply these lessons learned.

Gene, you had something else?

Mr. TAYLOR. Mr. Chairman, last thing—and, again, I very much appreciate my colleagues being here, and I hope we all learn something from this—timeliness and certainty of payment.

I think you were out of the room when I expressed to the Chairwoman, we could have done a huge service to every city, to every county, if FEMA had assigned someone to literally shadow each mayor and the president of every board of supervisors or county commissioners, however you want to call them, who would be there when, "Gee, my whole budget for a whole year is \$16 million, and I am looking at a \$5 million expenditure. And if I make a mistake, I have ruined this town. Will you reimburse me for it?" And they need someone there to shadow that mayor and say "yes" or "no," and, "I'm signing off on it right now, and here is your guarantee that it is going to happen."

The second thing is the certainty that the Nation is going to keep its word and the timeliness of payment. And one of the things, going back to what Congressman Thompson said, that keeps the locals from getting involved is he can't afford to go 6 months without getting paid, he can't afford to go a year without getting paid.

Asprit, whether you love them or hate them, had deep pockets. And because they had deep pockets, because they had a record with

the Corps of Engineers, they could borrow money from banks, knowing that they would eventually get paid. That is not going to work for a one-man trucking firm. That is not going to work for a guy who has got one back-end loader. He has to get paid on a regular basis, and he has to get reimbursed fairly for his work, and he can't wait a year.

So if we are going to get the locals involved, there has to be a certainty that they are going to get paid in a timely manner, and they have to know and their bankers have to know that that check is coming.

Mr. PICKERING. Mr. Chairman, let me follow up on a couple of different things.

As we look back on the storm, Mississippi contractors, subcontractors, if I remember, received less than 3 percent of the total money spent on contracts. So to put it in context, 97 percent of the money went to out-of-State contractors.

So if you are looking to recover a local economy—and so what Gene said, Congressman Taylor said, about you may want to do a national firm in the early recovery days but then quickly transition to local or State-based contracts, pre-approved contracts, State plans, that we should incentivize that.

Let me go back a little bit to the disagreement between geographic and cubic yard. One of the disadvantages of doing a large contract on cubic yardage is that the subcontractors, the small guys—the big guys will take what are the debris-rich areas where there is lots of debris, they can quickly clean it up, and if it's on a cubic yard, that area is going to make a lot more money. And then the smaller guys get the areas where there is not as much debris. And that is one reason I think a geographic area would be fair to the small and the big companies and more efficient.

But let me offer a compromise. I think Congressman Taylor is talking about the incentive system, that if you are doing it on a cubic yard, that you might have an incentive to clean it up more quickly. That can be corrected through your contracts of giving time-based incentives in a geographic area. Or, at the very least, direct FEMA to do some contracts on a geographic basis and some on a cubic yard, and let's see which is faster and cheaper.

Ms. NORTON. With the bell having rung—

Mr. OBERSTAR. We are going to have votes here. I just have one other comment, and that is about the insurance issue.

You have addressed the problem of flood insurance and the dispute over interpretation of whether storm surge is a flood or some other factor. And we need your thoughts about that. That was a big issue. We have to fix this problem when we do these changes for FEMA.

And I won't prolong the discussion here, as I have to get to another meeting and we have votes and the Chair has some other issues.

Ms. NORTON. Well, I want to thank the Chairman. It shows the importance of Mississippi and this hearing, that the Chairman himself has stopped by.

I want to ask the Ranking Member, before he runs off, if he has anything to ask these Members.

He does not.

I can't let you leave without, of course, asking about this notion that Representative Thompson raised. While everyone has talked about the lack of rental housing, not one unit being built in the State, not by the Community Development Block Grants, and yet he says that the Governor requested a commission to reprogram \$600 million intended for construction of low- and middle-income housing for a port-extension project.

I am sure that would be revenue-generating, ultimately. But with what you described, I am concerned to hear that.

And that there was a diversion of recovery funds to expand the port, raise judicial salaries, and build roads to a Toyota plant in north Mississippi.

Did FEMA grant the permission for the transfer of funds? How has this been handled?

Mr. TAYLOR. Madam Chairman, I want to echo Congressman Thompson's remarks. That money was designated for hurricane-ravaged areas, and I would hope that it would stay there.

In the case of the port, for a point of clarification, it is a State port. It was wiped clean by the hurricane. The channel that leads to it is a federally maintained channel. So whatever improvements that are made there are in all likelihood going to be heavily subsidized by our Nation because of the State's financial situation and the fact that it was a natural disaster.

The Governor made the request since there were, as Congressman Thompson correctly pointed out, no one in the private sector was willing to take that fund and build low-income housing. The Governor said, well, since that money, rather than have it do nothing, can we transfer it to what we know has to happen to get this State-owned port back up on its feet.

Ms. NORTON. So you are saying it happened because nobody was willing to take contracts to build low-income housing?

Mr. TAYLOR. Yes, ma'am. And, again, that goes back to—and I hope we correct this in the future—insurance is so high that the private sector—and, again, it is apples and oranges. I think it is fair to say a Republican administration would rather see the private sector do this and be reimbursed. Democrats traditionally would have the Government do it, just keep it as a Government function.

And this is one of those instances, because insurance is so high, \$300 per unit per month just for wind insurance, that the private sector doesn't think they can build apartments that people can afford to rent, so they haven't built them.

And this really is a case where HUD should have given every local mayor the option of saying, "You know what? You are overwhelmed. In my opinion, you are overwhelmed. You have all these other things to do. My first name is housing. I am willing to build some low-income housing. Our Nation is going to take that responsibility. You tell me where to do it and what you want it to look like." And they really never gave the locals that option. They should have.

Ms. NORTON. Well, I think you have a terrible dilemma there then.

Is there anything else any of you would like to say before you go to the floor?

Representative Pickering?

Mr. PICKERING. Madam Chairman, I think Congressman Taylor makes a good recommendation, that whether it's education or HUD, that they do give the local community an option to quickly go in and rebuild something.

The CDBG was given to the State, and the State had to create a program. They have done a good job, under the circumstances, of creating something completely from scratch.

The money that went to the port I do think is an important part of recovery. Four thousand jobs are tied to the port. And we need housing, but we also need jobs. And you cannot delink; they both complement each other.

And the roads and Toyota—the entire State was declared a disaster. The Tupelo area, now, it is different, it was a completely different type of destruction. But it was still in the disaster area. It was approved by FEMA, and it will help the entire State.

Mr. THOMPSON. Madam Chairman, at least toward the end, we get to differ.

There is no justification for spending money 300 miles from the impacted area on a Toyota plant. If Mississippi is interested in wooing Toyota, then they should do it and do it in a proper manner. If they are interested in giving judges raises, then give it out of the money from the State coffers. But don't take the goodness of the Federal Government and use it for other purposes that you can't relate remotely to Katrina.

And so I just think that, going forward—you know, block grant monies, Madam Chair, as you know, they are required to have a low- and moderate-income requirement. And rather than allowing those waivers to be granted, keep to the mission of the original intent.

And so when you start doing waivers, people start doing other things with the money. And I think if the port—and I happen to know the port people. They do a wonderful job. But, you know, the people who are the most vulnerable really are suffering in this situation. And I just think that, if the Governor really thought it was in their interest, you know, he spent a good bit of his career here doing just that. He could have come forth and raised the issue. But we differ.

I compliment you for the hearing, but I really think the lessons learned, unless we really put FEMA to task, will be repeated, should we have another disaster similar to Katrina. And that is unfortunate, 3 years later.

Ms. NORTON. If we don't learn from Mississippi and Louisiana, we really are slow learners.

I want to thank you for this testimony.

I understand what you are saying, Representative Taylor, about the kind of trade-offs and the rest that the Governor faced.

Somebody is going to have to tell me about the judicial salaries. The notion that judges, who are already, I am sure, among the highest paid people in the State, could not have lived with their salaries I find particularly offensive. But, then, I am not in the State. Maybe there are poor judges in Mississippi. God bless them.

Thank you very much.

I do not have to go to the floor unless there is a vote in the Committee of the Whole. Therefore, we are going to continue with the hearing, with the permission of the Ranking Member, who indicated that he felt it was important to bring forward the witnesses. These are particularly important witnesses, because these are witnesses on the ground where the disaster occurred, still serving the people of Mississippi.

And I am going to ask Marsha Meeks Kelly, executive director of the Mississippi Commission for Volunteer Service, to come forward; Sherry-Lea Bloodworth, director of Long-Term Recovery, Hancock County; and Michael Huseth, executive director of Lutheran Episcopal Services, if you would come forward to testify at this time.

Perhaps it would be best, although the mayor is a public official and we generally have public officials on the panel with public officials, I think Mayor Tommy Longo would serve us best if he were to be on this panel as well. We don't stand on protocol. We are trying to get some information here.

And because the mayor is a public official, I would ask him to go first, the city of Waveland.

TESTIMONY OF TOMMY LONGO, MAYOR, CITY OF WAVELAND, MISSISSIPPI; MARSHA MEEKS KELLY, EXECUTIVE DIRECTOR, MISSISSIPPI COMMISSION FOR VOLUNTEER SERVICE; MICHAEL HUSETH, EXECUTIVE DIRECTOR, LUTHERAN EPISCOPAL SERVICES; SHERRY-LEA BLOODWORTH, DIRECTOR OF LONG-TERM RECOVERY, HANCOCK COUNTY, MISSISSIPPI

Mr. LONGO. Thank you, Madam Chairman. Thank you.

I just wanted to add, while Congressman Taylor, Pickering and Thompson were speaking, I just wonder if it is too late for the Department of Education or HUD to step up to the plate. Because, at this time, all the students in the Bay Waveland School District in the lower grades, the middle school, the kindergartners, 1st-, 2nd-, 3rd-graders are still going to school in trailers, and they are going to be going to school in trailers next year, because there is not enough funds. Whether through FEMA, through the different agencies where they have been able to accumulate funding, there is not enough money for them to rebuild their schools yet. So I wonder if possibly, at this late moment, if it still couldn't be worked out.

Not only did HUD not step up—which would have been a great idea, if they would have offered to rebuild, because, as Congressman Taylor was pointing out, the problem with local developers or national developers, actually international developers—they came in from around the world. I spoke to over 150 developers from across this Nation, from Russia, from Italy, from Japan, that wanted to build low-income housing. They saw this as a gold rush. But what happened when they got here was the density that they would have had to build, the cost of insurance, the cost to build affordable housing was up 75 percent from what it was prior to Hurricane Katrina. The cost of land had almost doubled. Then the cost of insurance was up 10 times. So what was an affordable home at \$75,000 to \$85,000 pre- Katrina was now \$165,000 to \$175,000. So they could not build what was affordable housing.

That was in the market to build affordable housing. On the other hand, Waveland and Bay St. Louis had our housing authorities. I had three different properties that had cumulative with 300 low-income housing. And it was a five-star HUD housing authority, so it was very excellently run.

There was no money for us to even build back our housing authorities, which is a HUD-run program, because, pre-Katrina, the goal or the plan, the focus was to do away with housing authorities, the entitlement, or the generation after generation being grown up, what they were focused on, if I understand it correctly, is to get these individuals out into the community, spread them out throughout the community, make them first-time homeowners, give them pride in their own homes. And, as in New Orleans, they demolished the St. Thomas housing project and a couple of others. And that was the focus pre-Katrina.

So when Katrina hit and wiped out these authorities, wiped them off the face of the Earth, it was like, okay, it has already been done for us, so we don't have to do that, and we are not going to put money back in to rebuild them.

But in small communities of 10,000, like Waveland is, the housing authority was run properly, and it did it what it was supposed to do. Ninety percent of the people in there were senior citizens or handicapped that needed to be in a housing authority. The other 10 percent were people that fell on hard times. The director made sure they had jobs. It was a stopover, a stop-gap measure to help them get on their feet until they could get on their feet and they move forward.

So monies were not made readily available to rebuild those housing authorities. And the first housing authority unit has not been rebuilt yet in Hancock County because of that problem.

So you have the problem with getting contractors to rebuild. Then we have the problem with rebuilding what we already had. So that is 300 senior citizens in Waveland alone that have been trying to move back home and haven't been able to, almost 3 years since the storm.

The situation with debris removal, after the hurricane I made the decision in the city of Waveland to use local contractors. The citizens that we had left, quite frankly, were not going to be able to stay or people weren't going to be able to come back home if they didn't find a job. And those were the only jobs, because 100 percent of our businesses were substantially destroyed.

So we did have two contractors in the north part of the county that had a history in doing debris removal after Hurricane Ivan and one other previous storm. FEMA knew these contractors. I was able to use them in the city of Waveland.

Under our other agreement, once we hired them, they agreed to hire any local people. If there were ladies that could drive trucks, they would hire them to drive trucks. If not, they would train men or women to be flag men out on the roads or at the dump sites. They trained them for whatever jobs that they could do that were needed. If it was an individual that owned his own truck, they would hire him and his truck on. So for about the first 60 or 90 days, they hired everybody in Waveland that needed a job, and it worked extremely well.

The big problem with that is now, almost 3 years after the hurricane, I still owe that contractor \$5 million, because—and Congressmen Thompson and Taylor both touched on it—is I worked through that contract. We had no phones, no computers, no anything to get in touch with people. I worked with the FEMA specialist, debris-removal specialist, to get bids, to get contractors' quotes, to come up with a contract actually. And we did that, and it was \$18.25 a cubic yard cradle to grave.

Here in the last 6 months, it has been deemed that the reasonable cost I believe should have been around \$13 and something. Well, I can name a number of cities and counties who have already closed out and paid upwards of \$20 to \$22 a cubic yard. The Federal Government paid up upwards of \$30 a cubic yard. Waveland paid \$18.25 a cubic yard, and they are looking at—you know, we are having to appeal the \$18.25 and \$5 million to pay to this local contractor.

I am certainly not in the business of making sure that contractors make money, but these guys stepped up to the plate, hired local people, and they are going to end up possibly going out of business because they have had to finance these dollars and haven't been able to get paid.

And, unfortunately, in the city of Waveland, having gone a year without any income, we certainly don't have—we are dependent upon FEMA to pay us as quickly as possible, because we can't float the monies; we just don't have them. We are a sales tax-based community, and we are living from sales tax check to sales tax check to run our city.

One of the other problems in debris removal that just seemed ridiculous, really, on the ground was the rules and regulations, if you will. And in trying to make the decisions—and always the right decision was eventually gotten too. It just took a long time to get there.

But when they began where you could only remove the debris that you could reach from the right of way by reaching out, it took a month to clean up my downtown street, which is about three-quarters-of-a-mile long, because they had to keep coming back and getting somebody to push a little more debris to the right of way to where they could reach out and get it, where literally, in the bottom third of my city and in the northern third of my city, you could have taken a bulldozer and just started from one end to the other and just removed the 20- to 30-foot debris fields that were left, because 95 percent of our residential structures were substantially destroyed also.

So it would have gone a lot quicker if, on the ground, those decisions could be made. But what happens is we debate these things and argue about them and try to expedite things, but there was never anyone there on the ground that could make a decision.

And I think that is what Congressman Taylor was alluding to. If there was something that was shadowing us that we could turn to and say, "Look, obviously this is what needs to be done; can you give the authority?" Because what eventually happened without someone like that, that had that authority, when we would get someone in the chain of command that did make the decisions, we have e-mails to back them up, we have supporting documentation,

those decisions were made, we followed their recommendations, and we ended up having those monies taken back from us.

One example, Madam Chairman, is we lost—Congressman Taylor alluded to this. In the city of Waveland, we lost every single building. Our historic city hall, built in the 1800s, three-story concrete building, was reduced to a slab. We lost all of our fire stations. We lost our police complex. We lost, you know, every building. And every one of them was reduced to a slab. We have not begun rebuilding a building yet.

We lost all of our equipment. FEMA met with us, and all we had to operate were a couple of donated firetrucks, and none of them met the specifications that the State Fire Marshal required. The decision was made for us to go out and buy two new firetrucks, which was one-third of the firetruck capacity that we had at that station. But there was so much dry mass throughout the city, all of this debris, that if there was a fire, anything that was left was going to be destroyed.

We have all kind of documentation. We debated with them. We made sure, because normally FEMA only reimburses 50 percent, I believe it is, on that type of equipment. They said, "No, in this situation, we know that you all have no money. You are not going to have any for a while to purchase things like firetrucks, to be able to afford it. You have too many things on your plate. We are approving you to purchase these two firetrucks, and we are paying 100 percent." The PW was written that way. We have the documentation, et cetera.

Firetrucks are specially built. We ordered them. The money was put in our account by FEMA. Three months later, it was taken from our account, and said, "Look, we made a mistake. We can't do that." And so we are left with trying to fund the additional \$2.5 million to complete paying for those firetrucks.

Finding someone that is there on the ground to help make the decisions and then be able to stand behind those decisions.

Mr. Melton that is here today with FEMA, since he has come down and begun running the TRO, Mr. Melton is somebody that wasn't there on the ground at the time of the storm in the preceding months but he was involved. He came down and helped us a great deal. And so he knows what it was like, and he knows the reasons that decisions were being made. And he helped us a great deal. He is not someone that has been there since day one and is now burned out from being there since day one.

So having somebody that is in an expert position like that that is dealing with it from day one through now is a huge help. Because, again, the next problem that we have is the PWs that have been written for almost 3 years on some of them, now we get to the point of where it is time to rebuild. We have one project right now that is in limbo.

Those PWs were gone over every 3 months when new teams came in, and they were gone over with a fine-tooth comb. We get to the point now, 2 1/2 years later, FEMA gets the plans and specs. They go through it them. They approve them, send it out for bid. Two weeks into the bid process, then a team with FEMA comes in and decides that, no, we can't rebuild this project this way, and so now it is in limbo. Not only can we not rebuild the project that

way, but if we have to redraw plans and specifications, we are not going to pay for it, you all are.

So we have some serious issues, and met with General O'Dell about that last month. Hopefully, we can bring that to a good resolution so that we can begin building buildings in the city of Waveland and lifting morale and spirits.

I have had some tremendous FEMA employees that I have worked with since the storm, Mr. Melton being one of them. It is not the personnel; it is the rules and regulations that they have been under. My staff and my team, we would love to work with FEMA to come up with a plan. We have had to come up with a new plan that stations materials and water and fuel and everything that we need for a week after a hurricane. FEMA needs to come up with something very similar. And we would be more than happy to work with them and help them come up with a solution to these problems.

CDBG funds, we are about to—they are accepting applications on a phase four. We haven't seen a nickel from phase one, phase two, phase three. So any of those projects that have been funded by CDBG, it is a blessing, it is just that we can't begin to work until we get the money.

As you know, with CDBG projects, I can't even—we have picked engineers and architects a year ago, but I can't officially enter into a contract with them under CDBG guidelines until I receive the CDBG final application and approval. Otherwise, I accept the responsibility to pay that engineer and architect. So that is the problem right now with the CDBG funds.

I haven't even begun to touch on the things that I said in my testimony, but I greatly appreciate this opportunity. I believe we sent via e-mail a copy of my testimony. And I know we are short on time, but it is a vicious cycle, Madam Chairwoman.

Ms. NORTON. And, Mayor Longo, I want to assure you that your entire testimony is going to be entered into the record, and we certainly want to ask you a number of questions based on the testimony you have given. You have raised many questions, by the way, that has seeded me to ask FEMA officials when they come forward.

If you are finished—I don't want to cut you off, but—

Mr. LONGO. No, ma'am. I am finished.

Ms. NORTON. Then we will go on to the next witness.

Among the three of you, which of you would like to—Ms. Kelly?

Ms. KELLY. Yes, ma'am. Madam Chair and all of the Members of the Subcommittee, on behalf of the State of Mississippi and the State Office of Volunteerism, I want to thank you for this Committee hearing.

I can only tell you—and I have great compassion and respect for the mayor of Waveland. And Tommy, he has to work on a street level because that is his job, and he doesn't get the opportunity to reflect from 40,000 feet away because he is not. And, truthfully, if you had time for him, he could actually give you very specific pieces of information, as well as the other elected officials on the coast, the issues that are going on. But he cannot—and perhaps it is our southernism, we can't say things in a very short way; it is part of our story-telling.

And I say that to entre—I wanted to go first because I have colleagues here. As the State's Office of Volunteerism, we stepped in at the request of the Governor into a role that we had never played before, and that was to oversee donations and volunteers. I can only say that we got on-the-job training. Yes, I would have loved to have an expert on my side to shadow and train us, but we were not given that luxury as well.

But I dare say there is not a person in the State of Mississippi that would not tell you, if it were not for the volunteers and the nonprofit agencies that came and are still coming—and many of them made home in Mississippi—that we would not be as far along in the recovery process as we are and that they saved lives. Because they didn't wait 72 hours to come. They came. And they brought things that we didn't have, including tents and water and satellite phones and things that—truthfully, you knew more about what was going on in Mississippi than Mississippians, because we did not have that communication, not for a long time.

And I asked colleagues here today. Mike Huseh, with a faith-based group that has come and established and done a new body of work in a way that they had never done before as a result of this. And I have asked Sherry-Lea Bloodworth, because I wanted to make sure that you understood the infrastructure that is now in place, an organized infrastructure, that allows the State and the communities to be able to respond to individuals.

And I don't want that to be lost in this work. We can talk about the matrixes of numbers and estimates and those kinds of things, but it is because of this body of work, working with volunteers and nonprofits, that we actually come face to face with these folks every single day.

And there are a number of issues that are in my testimony, and I will briefly highlight them. But I can only tell you, the power of these voices and the stories are huge. So before I end, I want to give you the South's warmest welcome of saying please come and let us introduce you face to face to people. And I know they will have long stories, but they are worth the visit. So we encourage that.

In House Resolution 3247 that is yet to be passed, we are particularly interested in the part of the Stafford Act that will allow the opportunity for volunteers to be housed and fed. We were in Region 4 of FEMA. Region 6 in Louisiana actually housed and fed volunteers. But our JFO at the time, we were told in our State that the Stafford Act interpretation did not allow for that. However, my colleagues a river away were able to take care of volunteers that kept coming. Nevertheless, we can say that over 700,000 volunteers have come to Mississippi, and more than that because we could not document that.

The interpretation of Stafford Act has to be the same across all jurisdictions. If one State can house and feed volunteers and have clean spaces for them, our State should have been in the same position to do so. But it didn't seem that we could move that mountain.

Another issue, as you are looking at and have jurisdiction over the Stafford Act, I would highly recommend that you create a new

ESF, emergency support function, in the Stafford Act that is separated out for volunteers and donations management.

That body of work, again, across this country, that heart and those international donations that came that supported UMCOR, United Methodist Committee on Relief, that gave that individual assistance, it is a huge body of work that we must now honor in a way that allows for specific support and recognition in the seat of the emergency operation centers both nationally and on the State level. Without separating that out, bringing that function out from underneath ESF-6, you actually don't get the kind of support and work that needs to happen in any kind of disaster or response.

Thirdly, I don't ever want to—there are heroes, always, in our work. And one of the heroes that I will always have, given the opportunity—we could not have run a statewide call center and done the kind of international donations response that we did in housing and warehousing things if it had not been for volunteers. But it is the national service family. And those are people—and I want this Committee to fully understand the value added that they bring across this country, but they are called AmeriCorps. These are the folks that choose, like a Peace Corps volunteer, to serve their country for a year.

If it had not been and if it does not continue to be for the support of AmeriCorps members, National Civilian Community Corps members—they are deployed on the national level through National VOAD, through the Federal agency, the Corporation for Community Service. They are a deployable group of folks that come and create structures. There is not a person on the coast that doesn't see an AmeriCorps logo now. And if they wind up in any municipal meeting, they get a standing ovation, because people know that those are the people that are showing up every day and they are bringing the sweat equity required.

When people can't qualify for FEMA for whatever reasons, when they can't figure out who owned this property because it is six generations back and the seven or eight children have had never had a property and they can't afford to get one now, they are the ones that are building back these homes.

So national service is a huge part of this infrastructure. I don't want their funding to go diminished. And right this minute, the five campuses—one, I hope, is starting up in Mississippi in March of 2009—these five campuses, it was a \$29 million budget, is being cut to \$13 million in the President's budget, and they are being told that they should privately raise \$10 million.

If you are deploying a resource on behalf of this country, please don't tell them that they also have to raise private money in order to get the job done. Because then, when you are calling them to respond to the Midwest floods, then you have no response, because the budgeting is uncertain.

So there are major fixes in some things that—it was almost like we couldn't summarize quickly enough the work that needed to be done, but I am going to hit one more thing because I know my time is up and I am going upwards instead of down.

We were actually asked as a State agency now to step into the gap of case management. This is a nice word, but what this actually means is, 3 years later, we have the opportunity, utilizing

faith-based and nonprofit organizations, to be able to meet one on one with the families that are still left to be served.

Now, the wonderful thing is that they are doing that, that FEMA is doing that, and we are proud of that. The unfortunate thing is that, in this opportunity to respond on behalf of the citizens of the country—and I know that the congressional people and the mayors would tell you that—we have not had a streamlined response, because there is not a coordination of FEMA nationally in the programs that are under the response work.

So just like DHAP, this wonderful program that Congressman Thompson mentioned, the housing assistance program—and it will end March the 1st of 2009—we already know that we are not going to have enough housing on the coast in 9 months. If we could have it, we would have had that for our citizens.

But we have this body of work that we are now being asked to oversee. And for any individual family that is left in a temporary housing unit, we are now given 9 months—and we haven't got the contract finalized; we are hoping in the next week to get that finalized—but we are given about, start up, then—you know, you have to get people hired up and geared up to do this work—we are given about 9 months to try to help about maybe 10,000 families. Now, multiply that times 3.17. That is about 30,000 people that you are trying to move into a whole new place.

We shouldn't even go into this to try to find people to do this kind of level 3 years later. The complications of these families are so—they are so critical, the crisis is terrible, that if you had to actually case manage one of these families to find them to a new, safe, affordable housing situation, understand the mental health issues, understand the job employment issues, understanding every part of this individual, whether it is a single mom or an elder or whether it is someone with a disability, how do you move them into this next place is actually mission impossible. And we seem to be stepping in anyway.

We have to extend March 1, 2009, and we need to know that now. And this body of work cannot be accomplished in 9 months, but we will give it heroic efforts, as we have done over the past 3 years.

And I know I need to step. I appreciate the opportunity.

Ms. NORTON. Well, I can understand your passion, Ms. Kelly.

Who wants to go next?

Mr. Huseth?

Mr. HUSETH. Yes, good morning, Madam Chairman Norton, Members of the Committee. I would like to enter my submitted written statement into the record.

My name is Michael Huseth, and I am the executive director for Lutheran Episcopal Services in Mississippi. And I would like to thank the Subcommittee for inviting me to respond to the request to present testimony of our organization's recovery role in Mississippi following Hurricanes Katrina and Rita.

Established in 1991 and reconstituted in January of 2005, Lutheran Episcopal Services in Mississippi grew out of a unique partnership between the Episcopal Diocese of Mississippi, the Southeastern Synod of the Evangelical Lutheran Church of America, and

the congregations of the Southern District of the Lutheran Church Missouri Synod.

Since its inception, LESM continues to be on the cutting edge of unifying faith-based service ministry organizations, volunteer organizations, and other community-based nonprofit organizations to pool resources and assemble consortiums that sustain long-term recovery projects in Mississippi in the wake of the hurricanes.

Since August of 2005, LESM has continued to be wholly involved in the relief and recovery efforts on the Mississippi Gulf Coast. Among the first disaster response teams deployed, LESM established within days relief camps on the Gulf Coast and an evacuee resettlement effort in Jackson, Mississippi.

Today, LESM manages three case management and construction operations on the Gulf Coast, as well as one serving central Mississippi. Offices in the volunteer housing operations cover all the Mississippi Gulf Coast and southern/central Mississippi through locations in Ocean Springs, Long Beach, Bay St. Louis and Jackson.

With local, national and international support and more than \$10 million in cash, LESM has assisted thousands of survivors with both emergency and self-sufficiently needs. The driving force behind our work has been and remains the dedicated efforts of more than 50,000 volunteers who collectively have donated more than 2.9 million hours of service, valued at over \$58 million.

For the first several months after Hurricane Katrina, the work focused primarily on emergency relief efforts, which included distributing food and clothing and other necessary supplies. The work's focus gradually grew to address the critical need of housing, specifically returning clients to safe and affordable housing. Primarily with volunteer labor, we have gutted, repaired, rebuilt and built more than 5,000 homes over the past 3 years.

Additionally, we have acquired, renovated and built facilities to house, feed and support volunteers. This includes a government-owned building in Ocean Springs, Mississippi, which has been developed with the cooperation of the Board of Supervisors of Jackson County and the city of Ocean Springs into a relief camp site named Camp Victor. This 37,000-square-foot site is used for volunteer housing, food distribution, case management, construction management and warehouse space. Our three affiliated camp sites are able to accommodate and manage a total of 470 volunteers on a daily basis.

Last year, in 2007, LESM leveraged \$1.4 million in the cost of volunteer housing and construction management to produce more than \$10.7 million in direct services to the residents of lower Mississippi counties. These results are quite typical of LESM's operating protocol, as it is with other community and faith-based organizations operating in the Gulf Coast region. One can easily understand why recent polling showed that the Gulf Coast residents overwhelmingly trust faith-based organizations to continue the long-term recovery projects that will ultimately result in their being made whole once again.

From the beginning, a pivotal aspect of LESM's disaster recovery effort has been its case management program, wherein clients receive a continuum of services, including but not limited to assist-

ance with utility bills, rents, mortgages, health care, child care, transportation, employment and housing.

This continuum-of-services approach is designed to be holistic, comprehensive and results-oriented. The primary goal is to move clients from survival and dependency to self-sufficiency and independence. The program works to support client recovery efforts, address their short- and long-term needs, and effectuate positive and sustainable changes.

Over the last 3 years and through its Katrina Aid Today affiliation, LESM has served more than 2,000 clients, many of these poor, elderly and handicapped.

While LESM presently continues its case management operation statewide, it is increasingly difficult for us and all of our partners to sustain the programs necessary to provide sustainable long-term housing solutions for those still remaining in temporary and unsafe situations.

The primary reason for this ongoing challenge is the low inventory of affordable housing due to the destruction caused by the storms. While case management is a necessary function to assist in bringing residents to the resources they need, case management alone cannot build and repair housing units.

Funding for direct services that will complete the housing circle has dried up. Case management operations continue to be funded but are largely ineffective in resolving this issue without housing resources. There are two critical components that are needed to complete this process.

The first is funding for the long-term recovery committees so that they may continue the process of providing building resources to the residents once the case manager has coordinated all the pieces of the puzzle.

The second is a continued source of funds for the long-term recovery committees to allocate to organizations to rebuild the coast. The American Red Cross has run out of funds for the Gulf Coast, and the Salvation Army is nearly depleted. Garnering private grants and donations continues but becomes increasingly difficult as time passes and the process becomes more costly. Continued long-term recovery for the Gulf Coast residents through the case management model can only achieve a level of success equal to the level of funding provided to the case management as well as the long-term recovery committees.

Lutheran Episcopal Services in Mississippi has been designated as a statewide disaster preparedness and response coordinator by the National Voluntary Organizations Active in Disaster. It is a member of the Lutheran Disaster Response based in Chicago and the Episcopal Relief and Development out of New York City, and has recently been honored with an Award of Excellence from Lutheran Services in America, which represents over 300 service ministry organizations with outlays of over \$9 billion on an annual basis.

LESM has developed a statewide comprehensive education and awareness program for disaster preparedness, response and long-term recovery. With the support of its affiliated denominations, board of directors, volunteers, contributors, partners and dedicated staff members, LESM has become a recognized leader in the Mis-

Mississippi Gulf Coast disaster recovery efforts. With these entities, it is our goal to eventually make Mississippi whole.

We humbly request your continued support and prayers. And thank you, and may God bless you.

Ms. NORTON. Thank you, Mr. Huseth.

We go finally to Ms. Bloodworth.

Ms. BLOODWORTH. Good morning. Thank you, Madam Chairwoman Norton and Committee Members. I would also like to enter my submitted testimony into the record, please.

Ms. NORTON. So ordered.

Ms. BLOODWORTH. Thank you.

My name is Sherry-Lea Bloodworth. I am director of the Hancock County Housing Resource Center, which is a member of the newly formed Gulf Coast Association of Housing Resource Centers. We have tried to simplify everything by coming together as one entity.

I am also executive director of Hancock County Long-Term Recovery. For those of you that don't know—and I am sure you do by now—Hancock County was ground zero.

I would first like to thank you for holding these hearings and inviting me to share my almost 3 years of experience with you. I would like to thank you for your ongoing support, much of which I am learning about actually today.

As you have read in my testimony, although the people of Mississippi are survivors, we are far from recovered, and we need your support and awareness right now as much as ever.

I come before you to share my unique experience following the hurricane, which I hope will provide you with a little insight on what is working and what keeps us from moving forward in Mississippi.

In the early hours and weeks following Hurricane Katrina, I personally organized the evacuation and relocation of approximately 900 Mississippi residents. By October of 2005, I was serving on ESF-14, Transitional Housing Committee in Jackson. By November 2005, I was involved in the implementation of housing recovery programs, working to address countless and inevitable rebuilding issues and complicated construction standards. That program was actually funded by Oprah's Angel Network.

I prefer not to talk about statistics right now, which may or may not be accurate and, in my experience, many times are inaccurate, but instead offer a glimpse of what it is like for those of us leading the recovery effort day-in and day-out.

We often wonder in Mississippi what you are thinking here so long after Katrina has faded from the headlines. Each day we live with the impossible responsibility of finding affordable permanent housing for the thousands of families still without homes. Yet I consider myself fortunate to live and work in the hardest-hit area on the Gulf Coast, Bay St. Louis, Mississippi.

Through my work in this life that has chosen me, the need never fades. Every day I must console people as they describe their challenges. I am forced to explain to them that I am doing everything I can do but that HUD hasn't released the funding for the program that will allow us to build their home. I must explain to them that I can't stop FEMA from moving them out of their trailer. I must tell them that the rentals have not been restored due to a delay

in tax credits, and that the environmental studies and guidelines have yet to be completed because we can't find funding to pay for the very environmental assessments necessary to access that funding.

I must tell them that we are waiting for more case-management dollars through FEMA's Phase II Case Management Fund so someone will be assigned to help them soon. I don't even try to explain to them the problems of insurance affordability, safe, sustainable design and engineering, or how we are trying to start a fund to assist thousands who are still, after the disaster, no longer credit-worthy. How can I ask them to be patient when I am losing my own patience?

I choke back tears when the elderly couple in front of me have just finished telling me that they are living in their shed after losing their FEMA trailer because they want to stay on their property, one of the few things they still own.

Every day residents look back at me with despair, confusion and sometimes anger, but also with the smallest amount of hope that maybe they are finally in front of someone that can do something to help them. Yet, in so many ways, our hands have been tied.

And so I am here today doing what I can on behalf of the people of Mississippi, the Housing Resource Centers, the nonprofits, church organizations, and the residents still fighting to hang on. I am here to implore you to help us do our jobs better on the ground.

We are not the policymakers, but we are the ones who live by the policies you make. Our jobs are grueling. We live in struggling and broken communities, and search every each and every day to find some way to push forward with the remarkable optimism that Mississippians have.

Yet we live with the fear that you are so far away from us that we may have fallen from your radar screen, although I am seeing that is not a reality today. We hope that you haven't forgotten us and that Katrina fatigue that we all feel does not erase your memory of what happened on August 29, 2005.

We know that, in many ways, you are our only hope. You are the policymakers, our advocates and representatives to whom we have given our voice. I ask you to read my testimony, ask me questions. Many issues seem simple, but we do realize they aren't. They require communication and coordination that seems to us to be occurring often without consideration of what is actually occurring on the ground.

We respect everything you have to do to move and change policy. And we appreciate your holding these hearings to learn from Hurricane Katrina and to do this better the next time it happens, as it is in the Midwest at this very moment.

The answer to all of this is simple: Prepare and support community organizations prior to disaster; locate and communicate with them immediately after a disaster; and find a way to mandate that Federal agency support and coordinate with them as soon as possible following the disaster; encourage State government to do the same. Most importantly, listen to them when they say something is not working, and support the policy changes that will make the hurdles we have experienced easier to navigate following the next disaster.

We, the Housing Resource Centers and Long-Term Recovery Centers that were borne out of recommendations from the Federal agencies, have funded ourselves, navigated the complexities of HUD and FEMA ourselves, and have figured out a way to rebuild thousands of homes better and safer than before with no Government support. And now we are the agencies that will guide every remaining resident through the next steps, still with no funding.

Long-Term Recovery and Housing Resource Centers need technical assistance and funding as soon as possible after a disaster.

Finally, I ask that if you have not been down to the coast recently, please make a special trip. I am originally from New Orleans. I love New Orleans. But I am disappointed by the unbalanced attention that New Orleans has received. Come see us in Bay St. Louis and Waveland, where we lost 90 percent our housing stock, where my children are in school in trailers. Come see us there and live our frustration for just a moment, and you will come back here re-energized to give us the final push that we need.

Thank you very much.

Ms. NORTON. Well, this has been very enlightening, if not heart-breaking, testimony.

And, Ms. Bloodworth, I assure you, you are still on our radar screen. I mentioned in my opening statement that, clearly, when you wipe out an entire big city, that is going to get the attention of the world, but that doesn't mean that that is where this Subcommittee is focusing, or this Full Committee, and we have been focusing on the entire Gulf region.

And I also want you to know that, in terms of funding, Mississippi has not been short-changed in terms of funding. If anything, there have been complaints from Louisiana about the amounts and the way they were distributed between Louisiana. And that is why hearing your testimony makes me have a number of questions.

Let me begin with Mayor Longo.

You testified and, indeed, your Member of Congress talked about city hall not being built. Your testimony is that no public building has been rebuilt, not the city hall, not a single public school, not the housing authority. This would be public infrastructure—

Mr. LONGO. That is correct. Yes, ma'am.

Ms. NORTON. —where there would be first and foremost Federal funds. Could you explain what the holdup is in getting the public buildings that the residents look to for support at least in a state of construction?

Mr. LONGO. Yes, ma'am. My goal was and I have one lead engineer that all he does is push the architects and engineers that have these projects, and my goal was and, actually, sorry to say, threaten some of them with their jobs if they did not break ground by anniversary this year. And that won't happen because it is a conglomeration of funding that is rebuilding them. There are FEMA funds. There are CDBG funds. There are hazard mitigation funds. There are the mitigation funds that will be on each one of these buildings. And we have not received all those funds yet. The process hasn't even been completed on some of those things yet. And so it just—

Ms. NORTON. So, yeah, it is very difficult to do housing or infrastructure of any kind because typically the funds come from a number of courses. But 3 years afterwards, I want to know whether the major problem is with the Federal side of the funds or with the local side of the funds, like CDBG, and there is local and Federal and so forth. We here are particularly concerned if FEMA funds have not been on the line, if the Federal match for CDBG have not been on the line, where is the holdup to be found?

Mr. LONGO. Initially, and of course in Waveland, we are having to rebuild 100 percent of our utilities, our infrastructure.

Ms. NORTON. Has that been started?

Mr. LONGO. That has been started. And thankfully, quite frankly, is because at that time when we started, because in order to even have a FEMA trailer, you had to have water and sewer. So we had to piecemeal this together, and we raised, we went out and raised funds. The Bush-Clinton funds stepped up to the plate and helped us with our match. Later on, that was waived. But this was something that had to begin immediately for us to even sustain ourselves or even stay around. So, but that project is—we have completed 100 percent of the—

Ms. NORTON. Have all the Federal funds? I mean, where? If you were, say, here, and obviously we need some kind of facilitator down there since you have got to get together different kinds of funds. That is a whole language in itself, much less a process.

Mr. LONGO. It is monumental. Yes, ma'am.

Ms. NORTON. I am trying to find out if there has been a holdup of Federal funds, or if there are other funds that need to be in place as well.

Mr. LONGO. It is a mix. It is on both sides. The mitigation process can't even take place until the plans and specs are done, and that is overlaid on what has to be done and what needs to be raised or hardened in a building. So you have to get to that stage. CDBG, I can't officially hire the engineers and architects to do the work. Now, thankfully, they have been—all but one has been good enough to work knowing that, down the road, he will eventually get paid, so they have worked without a contract. But I can't officially enter into a contract with them unless I am willing to eat that. And being a city that went a year without any income, I can't afford to do that.

So the CDBG moneys, we have not received a nickel of our CDBG grants yet. And we have moneys in CDBG that are rebuilding each of those buildings. And then the FEMA funds, they are there, but they will kick in what the other ones don't pick up.

Ms. NORTON. Is HUD working with— is HUD working with FEMA where necessary?

Mr. LONGO. Yes, ma'am. In the State.

Ms. NORTON. Talk about facilitator. It takes a very skilled person to know how to, especially to advise a small town that has no reason to go through this kind of very complicated process.

Ms. Kelly, you wanted to respond to that?

Ms. KELLY. Well, I would like to say that the recommendation from our congressional delegation about the FEMA coaches or someone who would come in and cross all of the Federal bureaucracies is a fabulous idea. Pretty concrete coaching would be helpful,

and somebody who will stay so that we are not dealing with someone who comes for 3 months and someone else comes in. So I think that is a brilliant idea.

I would say to you, though, as we are entering into this case management world that is coming out of HUD, and its tied to the March 2009 deadline with HUD, which is that DHAP, the Housing Assistance Program, we actually have had an invisible infrastructure from HUD doing that work over the past 3 years. We couldn't actually—and I am on the State level. We couldn't actually pinpoint who was running that program. It took me really truthfully months to figure out now that it is out of one person's office here in D.C. That that DHAP program is being run. And that gentleman that is running that program has four other Federal programs that he is running, and he doesn't have a State level coordination out of HUD. And now I understand why I can't find them, because he is subgranting that grant to 34 different entities, and they are then subgranting as well. And I couldn't find the required—we are being required in case management to align our body of work, and I couldn't find the people who are doing the work.

So HUD actually does need immediately to put a State-level housing assistance coordinator in place in Mississippi, because, again, just one more outcome of this is that individuals who are now leaving these FEMA trailers and are going and using these vouchers are given their own list of names to call and try to find and see if these landlords will actually take these vouchers. And then when they actually call back and say, okay, I found somebody myself, when they get there—I had a young lady who told me last week that she is actually having to leave that, because I guess the Federal Treasury checks are so slow to pay the landlord that they are kicking them out because they can't afford to keep people there when they don't get the rent.

Ms. NORTON. One other thing, we have to be out of this room by 1:30, and we want to make sure we get to hear from FEMA.

One concrete point that has come through here, that unless we have some facilitator, coach, call it what you want, I don't see how anything is going to get built. This is a process that is so complicated that even in a big city like this, it takes very experienced people to wade through it.

Ms. Bloodworth, from your testimony there are some things I would like to get on the record. You indicated that people were giving up the FEMA trailers after being approved for the so-called cottages but then are finding that the cottages are no longer available. What do these people do then? And how could that happen? Don't they coordinate with HUD so that there is something in writing on the ground before they?

Ms. BLOODWORTH. That was the question I had for you all, was—and I felt like, you know, down there, there are four programs right now that are running, and it seems like no one is out with their calendars to figure out that the transitional housing programs might should not end until permanent housing programs are—

Ms. NORTON. This is something that the members have clearly left us with. And I can't believe, given the testimony, yours and theirs, that they could—that it could be cut off with no rental housing available in the State and no infrastructure being built.

Ms. BLOODWORTH. We are being charged for that at the Housing Resource Centers for building in-fill housing through a workforce housing grant coming from HUD. Our work plan was turned in, in February. And we can address a lot of the need in in-fill housing specifically. But when these other transitional housing programs are ending too soon, and our HUD funding is not in place—

Ms. NORTON. What do you mean when you said in your testimony that you have rebuilt thousands of homes without government support?

Ms. BLOODWORTH. That is correct. We build through grants. We build using grants. We have grant funds through Mississippi Hurricane Recovery Fund, American Red Cross, the Salvation Army, and LSSDR and some other groups. We couple that with an individual's resources that they have in hand, whether it be a little bit from insurance and some from MDA if they got any, and then we build their homes using volunteer labor, and we organize that all through the Housing Resource Centers with our partners like LESM.

Ms. NORTON. And where do you get the contractors? In other words, they just give you the money. Who do they give the money to?

Ms. BLOODWORTH. The money goes to the venders. We structure everyone's recovery plan personally, and it goes through the vendors. And we work all this through our in-house design studios, too, to make sure we are building back safer.

Ms. NORTON. Mr. Huseth.

Mr. HUSETH. In our camps, we have construction coordinators that basically work with volunteers, that they come down and they work on each one of these things ourselves. We build houses for \$55 a square foot, and we do this with volunteers that come from all over the country and from other countries as well.

Ms. BLOODWORTH. And LESM is one of our partners.

Mr. HUSETH. And these are funds, as she said, from American Red Cross and funds from our church affiliates.

Ms. NORTON. These are people who perhaps had a home?

Ms. BLOODWORTH. These were homeowners. Some of the funding is for renters as well, and we are able to build some renters' homes as well if they have property.

Ms. NORTON. The homes, owned by somebody that they are willing to rent out? They have got to be owned by somebody if they are renting it.

Ms. BLOODWORTH. No, no, these are—the majority of the people we build for were homeowners prior to Hurricane Katrina who lost their homes, and they have property.

Ms. NORTON. What is the source of funding for your various programs?

Ms. BLOODWORTH. We raise our own funds.

Ms. KELLY. It is all donated, and you know what—

Ms. NORTON. Wait. I haven't had an answer to that question.

Ms. BLOODWORTH. We raise our own funds. We raise funds through Oprah's Angels Network, various national foundations.

Ms. NORTON. Do any of you have Federal funds?

Ms. BLOODWORTH. No, ma'am. Even though it was a federally recommended structure, the Housing Resource Center, we were

told by FEMA that this is what we needed to do. And we have done it from day one.

Ms. NORTON. But they said, if you did certain things, that you could get funds?

Ms. BLOODWORTH. They recommended that we do it to recover, and we were doing what it took to recover.

Mr. LONGO. Now, if there were moneys that were received from MDA through the Katrina relief, that was Federal moneys that went through MDA. But the majority of moneys are the same in Waveland. The majority of the homes were rebuilt by volunteer groups, the church-based groups. I can't say enough about the AmeriCorps and what they have done. At the same time that we had AmeriCorps, the largest gathering of the AmeriCorps working in the City of Waveland, they also had teams working the range fires in Texas and in California. Amazing. And the amount of money that they actually saved the Federal Government by doing it through AmeriCorps and Vista.

Ms. NORTON. Next to housing, what is the most sought-after case management service that is provided or needed?

Ms. KELLY. I want to add one thing that I thought was just so strong, and I don't want the point to be missed, when the mayor said, I couldn't get the Federal dollars so I went to a foundation to get the money to back me. It is the Clinton-Bush fund. Every one of these groups are being funded through foundations, non-governmental organizations around the country that are supporting this work being done. And I would say, it's a powerhouse. It is an under-the-surface powerhouse that is getting people back in their homes.

Mental health—

Ms. NORTON. So these are privately funded case workers even.

Ms. KELLY. That is right.

Ms. NORTON. Are there any case workers from the Federal Government or the State government?

Ms. KELLY. Yes. Right after the hurricane, there were international donations that came to the Federal Government, and they didn't know what to do with those, and they used those funds, and they put them into United Methodist Committee on Relief. And across the country where you had the evacuees, they used those funds to do case management.

When that funding was coming to an end at the end of February, the FEMA went to a little pot of money called Cora Brown Funds, because again it was donated. A woman who had an inheritance left her money to FEMA. That is unusual. And those were the funds that we used to actually bridge this body of work for 60 days. So we had some entities in Mississippi that were getting international donations, but it was coming through FEMA, which I guess you could say is Federal money.

Mr. TAYLOR. Madam Chairman.

Ms. NORTON. Yes, indeed.

I am going to give it over to you entirely after this one question. Because Ms. Bloodworth indicated you even had or are having problems with communicating, with communications with citizens, Mississippi citizens. What is—what have you found to be the most effective way to communicate? What do you mean "problems even

with communicating—communications with the people who need the help”?

Ms. BLOODWORTH. There has not been a proper outreach in the State of Mississippi to the residents.

Ms. NORTON. Meaning what? What kind of outreach are you suggesting?

Ms. BLOODWORTH. Meaning outreach within the communities, door-to-door canvassing that is funded somehow, billboards, getting to where they are. Not in the newspaper, where a lot of people may or may not read the newspaper. But going door to door, going to where they are, finding them and telling them what programs. We just held an outreach in March with very little—we don’t have a budget for advertising, very little advertising in Hancock County. We got 500 residents that didn’t know that they could apply for assistance, 500 new residents. Just from going, we sent volunteers door to door to tell them, please come. Even if you don’t think you qualify, please come. They thought, well, I have got a little insurance money; I don’t think I qualify for anything else. So they gave up. And it has been a long time. They are tired.

Mr. LONGO. That has been one of the more difficult things since the hurricane, is getting the word out throughout the community. And remember that for a long time, people didn’t have vehicles to get around. They didn’t have TVs, computers. That infrastructure wasn’t there.

Ms. NORTON. You are talking a few thousand residents. And with the—16,000. You would think that FEMA could have gotten together with the groups on the ground and figured out a way.

Mr. LONGO. What is 16,000?

Ms. NORTON. What is the population we are talking about?

Mr. LONGO. It was 45,000.

Ms. BLOODWORTH. 45,000.

Ms. NORTON. Sorry. In our terms, a small population. But they are all scattered, and they don’t have computers, and they don’t have cell phones. But I must say, what is it, Ms. Bloodworth, you talked about door to door? It does seem to me it could be done if FEMA was willing to put together some list that said, A, B, C, and this is where you go to find out if you qualify.

Mr. LONGO. One of the problems—and of course, they did have resource centers set up. And, again, we would find people all the time that for whatever reason didn’t know about it or couldn’t get there or what have you. But one of the things that was extremely frustrating was that programs that were well needed and were really doing well were stopped way before it was time for them to stop. And there was a project that was funded to help the mental health, support the mental health system, and they were going door to door, and they were knocking on the FEMA trailers, making sure people were okay, sending them to the proper resources, 9 out of 10 people suffering from some level of posttraumatic stress. That funding and that help and support was ended way long ago. And now, at a time when it is really needed at the most, and the mental health system, local mental health system is just extremely overwhelmed.

But when Federal operations ceased and desisted in August, the second anniversary, the totality of the devastation and what hap-

pened in Hancock County and in Waveland, Bay St. Louis at ground zero, there were only so many trucks and so many bulldozers you could fit in a city, and everybody worked to the best of their abilities. But on August 29, 2007, when Federal operations ceased with the debris removal, we still had piles of debris lining streets in Waveland, Bay St. Louis. We still had 4,400 dead trees that were in threat of falling on the rights of way or infrastructure still standing ready to be cut. We still had 500 demolitions that had been approved to be knocked down. It was just the totality of the devastation, what needed to be done, and were working as hard as they could every day. That is just what we were left to find a way to do. And we have been working with FEMA to find a solution to that ever since. But things were just ended on a regional scale when special needs needed to be taken at ground zero.

Ms. NORTON. Mr. Taylor.

Mr. TAYLOR. Madam Chairman, just as a point of clarification.

Our Nation was generous I think in an unprecedented manner to the State of Mississippi. We did have the good fortune to have the Chairman of the Senate Appropriations Committee, Senator Cochran, going to bat for us. And for the first time, to my knowledge, the Nation actually compensated homeowners who had homeowners' insurance, who didn't get paid because the insurance company found a way to weasel out of the contract. In effect, our Nation paid that claim up to \$150,000. And a lot of the moneys that these groups turned around and used, the individual took that money to buy the materials; these groups were kind enough to contribute the labor, which is incredible when you consider building costs have escalated so much. So I certainly don't want to in any way minimize the generosity of our Nation, the generosity of my fellow Members of Congress for voting for this. And it is not really their job to remember all this, but we always want to say thank you when someone is good to us, and the Nation was good to us.

But it also leads to the other point of we have got to fix the insurance problem, because not every State can count on having the Chairman of the Appropriations when something like this happens. And so we need to. It adds credence. The Nation ended up paying bills that the insurance companies should have paid in the first place, and if we write the law properly, they will pay it next time.

Ms. NORTON. Thank you very much.

In order to make sure that FEMA doesn't escape without our hearing their testimony—I hate to use that word for my good friends with FEMA. We work closely together, and I do want to say they have been under pressure that we all also have to understand. There has never been anything like this. And for all the criticism of FEMA, only our continuing oversight can assure that FEMA and the rest of us, for that matter, do what is necessary.

There are a number of other questions we would like to ask you, and if you would not mind, we would like to be able to submit those questions to you when you are home and have your respond so that we can make sure we are being as responsive as we can.

Mr. LONGO. Positively.

Madam Chairman, I would like to finally say that our communities thank you and your fellow Congressmen and Senators for the generosity and the hard work. Many, many of you came down, not

once but twice and more. Getting your feet on the ground there was the way to find out what was going on, and you did that. And there were many, many firsts that this Nation did in reaching out to us, and many, many firsts that FEMA had to figure out a way to make it work. And it has been a difficult process. But I appreciate everything that you all have done for our communities.

Ms. NORTON. Thank you very much.

And particularly thanks to all of you for making such a long trip. I know how long that trip is.

Thank you for very, very important testimony.

I must tell you, I saw it, and what I saw was nothing. And I saw how everybody was pitching in. That encouraged many of us who returned to Washington to begin to work on this issue, and we haven't stopped now, and we are not going to stop until it is all recovered. Thank you for coming.

And we want to call the next witnesses.

TESTIMONY OF MICHAEL WOMACK, DIRECTOR, MISSISSIPPI STATE EMERGENCY MANAGEMENT AGENCY; AND SIDNEY MELTON, DIRECTOR, MISSISSIPPI TRANSITIONAL RECOVERY OFFICE, FEDERAL EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF HOMELAND SECURITY

Ms. NORTON. And the next witnesses are: Mr. Michael Womack, director of Mississippi State Emergency Management—or FEMA, Mississippi State director of FEMA; Sidney Melton, the Mississippi Transitional Recovery Office director.

Gentlemen, be seated.

Please start your testimony. I will be right back.

Mr. WOMACK. Thank you, Madam Chairwoman.

I am going to deviate from my written testimony just for a minute to say that—

Ms. NORTON. Excuse me, I am told that, wait a minute, Mr. Womack is the State Emergency Management. I am sorry. Mr. Melton is the FEMA person, the Mississippi Transitional Recovery Office.

Mr. WOMACK. The testimony that was given in the preceding hours was right on target. I just feel like it makes it sound like there has been no progress on the Mississippi Gulf Coast, and that is absolutely not the case.

Tens of thousands of families have rebuilt their homes based on the CDBG grant funding, and we have made a huge step in moving people out of travel trailers into the first program that I would like to talk about, and that is the Mississippi Alternative Housing Program.

This program was developed as part of a \$281 million FEMA grant that is administered by my agency. The Housing Program develops and produces safer and more comfortable housing units. We have one, two, and three bedroom units. All cottages meet HUD standards for manufactured housing, and with removal of the wheels, carriage, and metal frame on the base of the unit, the cottage can be attached to a traditional foundation and then structurally is indistinguishable from a site-built home. Both the modular and HUD installations are designed to meet a 150-mile-an-hour wind rating, and there are more than 2,600 cottages occupied

in Mississippi. These residents have been extremely pleased with the cottages.

I would like to take just a minute to say that I feel that FEMA's travel trailer program was extremely successful in Mississippi. Within 2 months of the disaster, more than 35,000 residents were moved out of the shelters and tents into FEMA trailers and mobile homes. The trailers were the best option at the time and provided many Mississippians with transitional and temporary housing during a critical time of need.

I would like to say that one of our biggest challenges to the Alternative Housing program or the Mississippi Cottage program has been problems dealing with citizens and jurisdictions who are concerned that these cottages would have a negative impact on the overall cost of community, the property values, and were concerned that we were placing a lot of low-income housing units into their communities in places they did not want.

We worked with these individual jurisdictions, Mayor Longo's being one of them, and we were able to convince them on a temporary basis that these were much safer and much more liveable housing units. By doing so, we were able to place these almost 26,000 units in these communities all along the Mississippi Gulf Coast and a few communities off the coast, but they all right now were set as temporary units.

Just recently, all three counties have agreed to allow the cottages to remain permanently in unincorporated areas that are zoned for mobile homes, which is a great step forward. But we would like to see every one of the communities, every one of the municipalities allow the cottages to be placed permanently in certain neighborhoods based on their zoning. So that is a big challenge for us.

The second thing I would like to talk about in addition to the housing program is briefly touch on the Public Assistance Program. Over \$2.5 billion has been obligated under FEMA public assistance to rebuild infrastructure and public buildings. Over 91 percent of the money provided for debris removal has been paid to local governments. Over 90 percent of the emergency protective measures, police and fire overtime, has been paid out. But only about 30 percent of the permanent work has been paid out. And Mayor Longo discussed some of the challenges there dealing with the need to merge many different programs.

Public assistance will pay to rebuild the structure exactly the way it was before the storm, but if you want to improve it using other funds or even private funds, other government funds or even private funds, then you have to go through this complicated process of trying to identify exactly what FEMA can pay for to put it back to the way it was, and then potentially using mitigation money to strengthen it, and then use CDBG or other funds to increase the size or increase the function of it. So as we have already talked about, the complexity of merging all these programs is one of the great difficulties.

We have already talked about the fact that FEMA has had to swap—bring in and other staff has left over the past 3 years. Some of that is quite natural, because a lot of the original staff that came in were reservists, these were retirees in many parts—from the Federal Government or other disciplines, and they did not want to

stay for 3 years, so they had to bring in permanent staff. And I am sure that Mr. Melton will talk a little bit about that in his presentation. But because we have had this change in staff, it has slowed the recovery process. But it is not really all FEMA's fault that we can't have someone come in, say something, and that stand throughout the disaster. The oversight provided by both the Office of Inspector General and by the Office of General Counsel requires FEMA to adhere to program standards, and that means that, as you get further into a process, there may be changes that have to be made to the project.

I think if we could change anything, that would be the one thing that we could change; that if the first FEMA person comes on the ground, tells a local official something, then FEMA stands by it, and it is never again questioned by FEMA, the Office of Inspector General, General Counsel, Office of Management and Budget. It would speed the recovery process more than anything else we could do.

I would like to say that one thing that you need to be aware of is the recent change in what is called the management costs policy for FEMA. Management costs is the funds that I use to help administer the program, so I can provide the assistance to local governments, like Mayor Longo's. Recently, a policy change that would state that, for public assistance, only 3.34 percent of the total cost for public assistance could be used for management costs. If that was the case, in my State, we would not have been able to administer the program as effectively as we had, disburse the funds that we have; and I feel comfortable that the financial safeguards that we put in place in Mississippi are possibly the best that any State has ever been able to put in place. But we could not do that without the management costs being restored to what they were pre-Katrina. Thank you.

Ms. NORTON. Thank you, Mr. Womack.

Mr. Melton.

Mr. MELTON. Good morning, ma'am, Chairwoman Norton and other Members of the Subcommittee.

My name is Sid Melton, and I am the director of FEMA's Mississippi Transitional Recovery Office. It is my pleasure to be here today to update you on FEMA's recovery efforts in Mississippi.

I joined FEMA in February of 2004 in Florida. That was following my retirement from the U.S. Army in 2002, after 20 years. I began my work in Mississippi early in September 2005, and I have currently been serving in my current position since July of 2007. And our main role as the Transitional Recovery Office is to implement policies and promote recovery for the State.

Much has been said about the methods and the way in which FEMA has performed this mission following Hurricane Katrina. While we readily acknowledge that we could have done things better, again, as Mike stated, we can't lose sight of what we have accomplished. We will continue to face those challenges, but we will focus on the mission, and our mission is to assist the communities, disaster victims, and to continue the recovery mission for Mississippi.

Our focus in Mississippi is in three program areas: individual assistance, public assistance, and mitigation. Each area represents

primary sections within the TRO, and we see successes, and we still see challenges, and there has been a number of positive signs to the recovery.

For nearly 3 years, our individual assistance staff has been working hand in hand with thousands of individuals. The IA programs are at the forefront of FEMA's recovery activities. We have provided more than \$1.2 billion for individuals and families under the Individual and Household Programs. More than 216,000 households have been approved for housing assistance, totaling more than \$876 million.

And of that, \$648 million have been disbursed in the form of rental assistance and expedited housing. We have placed over 45,000 households in temporary housing since the disaster. And to show, as Mike stated also, where we are, currently we have decreased that by 87 percent and just over 5,600 continue to live in temporary housing today. Now, of those remaining temporary housing units, 50 percent of them are homeowners on their private property.

FEMA's public assistance program is a vital and visible part of the recovery efforts of Mississippi. FEMA has been extremely active in working with the State and local governments to restore and rebuild public services and facilities.

Though funded by FEMA, the public assistance program is administered by the State. Local governments and other eligible applicants receive their funding through the State.

FEMA has obligated over \$2.8 billion under the PA program. More than 22,000 project worksheets have been written, which is over 97 percent of the expected total. Of the \$2.8 billion, \$1.5 billion has been committed from the State. FEMA also has developed a status report that tracks weekly and cumulative progress of the entire PA program, which can be found on our Gulf Coast Recovery Web site off of FEMA.gov.

FEMA's Hazard Mitigation funding is also available in several areas: to individuals and public entities to prevent future loss of lives and property due to disasters; to implement State and local hazard mitigation plans; to enable mitigation measures to be implemented during immediate recovery from a disaster; and also, to provide funding for previously identified mitigation measures. Funds available under HMGP may be used to flood-proof existing properties; acquire and relocate homes from hazard prone areas; develop State and local standards to protect new and substantially improved structures from disaster damage.

The amount of HMGP funds available to the State is formula driven, based on the total amount of disaster grants provided. For Mississippi, over \$413 million will be available, and as of now, currently \$57 million of that has been obligated to approved projects.

In the Mississippi TRO, we have piloted many new initiatives that have contributed to the recovery mission, and our lessons learned will help improve the effectiveness of FEMA programs in the future disasters.

None of this recovery effort could have been possible, though, without the close coordination and partnership with the State of Mississippi from the very beginning.

I look forward to discussing FEMA's efforts with this Subcommittee and answering any questions. Thank you.

Ms. NORTON. Well, thank you very much, Mr. Melton.

I want to thank you and Mr. Womack.

As we engage in a hearing in order to try to discover what more we can do and what the Federal Government can do, we certainly do not mean to indicate that we don't think any progress has been made in the State. In fact, it is said that Mississippi has made more progress than Louisiana. So I, clearly, and I would like to go down again to see some of this progress, but I was very, very concerned to see that I wouldn't see a single public building, for example.

In terms of—I am going to let you speak to that, Mr. Womack.

But I am must say one reason why I would expect to have heard less—we had some tears shed here in the last panel. One reason why I would have expected to have heard a better progress report from those on the ground is that Mississippi received, according to our records, 69 percent of the grants. I am told that that is considerably more than the other four States combined. So I am not prepared to hear about money problems in Mississippi. And I want to know if the grants came in such a proportion to Mississippi, I thought when I first heard about it and what the other jurisdictions were in comparison, I thought, well, they say that Mississippi is ready to pick up the caldrons and get going. Why are we hearing these concerns about money?

Mr. WOMACK. Madam Chairman, I—

Ms. NORTON. You heard Mr. Taylor say that Congress has been generous. So I am trying to find out where the money went when part of—at least some of the testimony indicated money problems.

Go ahead, Mr. Womack.

Mr. WOMACK. The grant funding was originally allocated for housing. The Governor's plan was to make sure that we had sufficient money to help those people rebuild their homes first. And I am talking about the Homeowner Grant Program, which was first allocated to those people outside of the pre-Katrina flood zones, and then it was allocated to people who were below median income inside the pre-Katrina flood zones. So that was the first step of making sure we didn't run out of the money. Because that was the intent—

Ms. NORTON. So that money has been—

Mr. WOMACK. For the most part, has been disbursed. Not completely, but a large portion has—

Ms. NORTON. Because we did hear very wonderful, wonderful testimony about how—

Mr. TAYLOR. Madam Chairman, very much to your point. Demographically, two-thirds of south Mississippians were homeowners. Demographically, two-thirds of New Orleanians were renters. So when you are talking a Homeowner Grant Program, it just stands to reason that we have more homeowners, and, therefore, a higher percentage of that money went in that direction.

Ms. NORTON. That is an important point that the Member is making.

And when I first heard this, Mr. Taylor, I was sure that nobody was just trying to hand out money on any kind of favoritism basis.

And look at what happened. When the homeowners were given the money, the private sector got in it and our last panel got in it, they testified that they built thousands of homes. But the testimony also from Mayor Longo and from them was that renters are in sorry shape; public buildings are in sorry shape.

So, first, let me ask you, are you recommending that the DHAP program be extended beyond March 2009?

Mr. WOMACK. If the question is directed to me, I think——

Ms. NORTON. Both of you.

Mr. WOMACK. I think that FEMA's plan is to evaluate what the situation is in the fall, and make a decision as to whether or not it is going to be extended.

Ms. NORTON. You heard testimony. Not one single rental unit built in the State. You heard testimony that there has been diversion—and a Member put this in some perspective.

Nevertheless, diversion of housing money to other revenue sources, if we leave out the judges. You heard that there are only 1,500 rental units—I believe that is the figure—rental units in the entire State. Now, I don't know what more investigation you need to do about DHAP once you lay those figures on the ground or on the table.

Mr. WOMACK. I think the figure that the Chairman quoted was the number of affordable rental units.

Ms. NORTON. Well, we are talking about people in trailers.

Mr. WOMACK. Right. Exactly. And——

Ms. NORTON. Not homeowners.

Mr. WOMACK. This is our challenge on the Mississippi Gulf Coast, as Congressman Taylor already alluded to. There were many, many, many families. Most of people we are dealing with, they were not living in public housing. They had no Federal subsidy for their housing before the storm. They were renting homes from \$400 to \$600 a month. When those homes are destroyed, they are not rebuilt with a rental property valued at \$400 to \$600 a month.

Ms. NORTON. Therefore, are you in favor of extended DHAP?

Mr. WOMACK. The problem that you have with automatically stating that you are going to extend the program is——

Ms. NORTON. For a given period of time. We don't—we are not asking—my question—you have got to answer this question so I can move on.

And I am asking you this question, Mr. Melton. I am not asking for whether you are for extending it permanently. I am not asking you how long it should be extended. I am asking you, given the facts that I just gave you, no, you are not the decision-maker's ultimately. Nobody is going to take your job if you say it. You are the experts. I simply want to know, if all things were being equal and you were just asked your opinion, would you say that it would be better to extend the DHAP program or not? Can you give me a straight answer so I can move on, on that?

Mr. Womack, you are the State man. So the extending of it, of the program, has to do with Federal funds. How about you?

Mr. WOMACK. I would say this, if there is a need for it next March, then I think we could——

Ms. NORTON. Okay. If there is a need for it. I am going to take that answer.

I am going to take that answer and ask Mr. Melton, since he is the Federal official who may be closest to it. Understand, I am not trying to put him on the spot. I understand that that—I am saying all things being equal. You don't know all the factors here in Washington and among those who have to make the decision.

But as the Mississippian on the ground from FEMA, all things being equal, would you prefer that it be extended?

Mr. MELTON. Again, and not to sound like I am avoiding your question—

Ms. NORTON. But in fact you do so.

Mr. MELTON. Well, no, ma'am. I just want you to understand what my position is with the State. We are team effort, and we sit down together and decide.

Ms. NORTON. I am asking you your opinion as an expert. I understand you could say, look, the team may in fact decide, all things being considered, and they know more than I do. I am just saying, given the facts I put before you, I am trying to figure out as the Washington official Chair of this Subcommittee how I ought to behave based on what I hear from people on the ground. We have got to be out of here before 1:30, I can't stay very long—much longer with this question, which has already taken more than 5 minutes to get a yes-or-no answer. What is your answer, Mr. Melton?

Mr. MELTON. If you—

Ms. NORTON. If the team says to you, all right, Mr. Melton, what is your recommendation? You are not the last answer here, but you are the closest to it. What would your recommendation be?

Mr. MELTON. At this point in time, if you are going to extend the housing, from just what I know right now, and of course, I know a little bit more than what has been presented here, I would say, no, at this point in time at today. Now that—

Ms. NORTON. Go ahead, Mr. Melton.

Mr. MELTON. Well, there are a lot of factors in there. As you just stated, there are 1,500 rentals available today. As I—

Ms. NORTON. In the entire State.

Mr. MELTON. No, ma'am.

At the bottom three counties. There are problems within Hancock County of limited resources. There are probably about 100 rental resources. In Harrison, there is a little over 1,100 rental resources. In Jackson County—

Ms. NORTON. You think they are affordable.

Mr. MELTON. No, ma'am. We are not talking about anything affordable. We are talking about these are what—my job is to try to move people out of unsafe trailers because of the weather and move them into safe and secure environment. And if that means they go into a transitional unit, which is an apartment of some sort, and it is above their means, the Federal Government is picking up that tab at this point in type.

Now, again, what you are talking about, from a case management standpoint, is it going to require longer to get them into affordable housing later down the road? Could be. But right now we need to focus on getting them out of—

Ms. NORTON. All right, Mr. Melton. Thank you.

I am going to hold you accountable then for getting all those people affording housing before March 2009, since you appeared your testimony is that there are rental units there, and you all—as your job to get them in. I am going to move on. I have spent enough time with that.

You heard something that you have to be sympathetic with, and I am certainly sympathetic with. I wouldn't know what to do if you said: Here, Eleanor Norton, you go down there and you've got some Federal funds. You put together what it would take to build the city hall, rebuild the city hall for Mayor Longo. I would say, you all have got to give me somebody who knows what they are talking about. I don't even know where to begin.

Now, these, of course, are small communities. Even here in the District, a very large and experienced community, only the most experienced people have any idea how to maneuver through these programs, much less put together public and private moneys, State and local money, and all that goes with it.

Do you agree that it would be helpful to have a—I will call it a facilitator, one witness called it a coach, who understands all of the Federal programs, has perhaps had experience of putting Federal, local, State, and private programs together to assist these small communities in Mississippi? Do you agree that some sort of person, technical assistance person, might be made? I am not saying that such a person exists. Remember, this is Washington trying to find out what Washington can do.

Do you agree that it would be helpful to these communities to have such a person available to them, and that it perhaps would hasten the rebuilding of their infrastructure?

Mr. WOMACK. Yes, ma'am, it would.

But let's go back to the statement I made earlier. If that person comes in and is there a week or a month or a few months after the event and they tell the local government something, then you can't have the Office of Inspector General or Office of General Counsel or some other oversight agency coming back a year or two—

Ms. NORTON. Agreed, Mr. Womack.

And of course, if we had an experienced person of the kind I am talking about, they would get the signoff, they would go to the IG and those kinds of things done. Those who know how to do this know how to make sure they protect themselves. So I understand what you are saying.

Your notion about more permanent staff, that also was mentioned by prior witnesses, very important. I do want to say that perhaps understandably in the normal kind of, if there is any such thing, but hurricane, that people go and come because, after all, their recovery is not going to last forever. One of the exceptions that should have been seen as necessary, either by us—and I don't know if this is included in the bill we are still awaiting—or by FEMA, was that confusion apparently was sown by having people come back and forth. That may be a lot of water over the dam now. And but to the extent that FEMA can recruit technical staff or other staff who would be willing to spend a specific announced-in-advance time in the community, I think it would bring some solace

to the community that somebody is paying attention and these are not pass-through people, bureaucrats from Washington.

Do you think that would help, Mr. Melton?

I don't know if such people can be found. They have their own families. They may be someplace else. But, again, from—and it is not anything that I think you could do, Mr. Melton or Mr. Womack.

Do you think that would be helpful?

Mr. MELTON. Yes, ma'am. No doubt, continuity. As within the military, we had people stationed to do 1-year tours in Korea, and we still have the same problem of continuity. I was fortunate enough to get assigned 2 years for stability as a senior leader. So having people in there—and we as the TRO stood up and in the summer of 2006, we hired 70 percent of our staff is from local—

Ms. NORTON. Where?

Mr. MELTON. Right there, local, on the ground.

Ms. NORTON. That is of course the best. They should have your accent.

Mr. MELTON. Well, I was born in Mississippi and raised for a little while.

Mr. WOMACK. It is very effective.

But you also have to know that these are incredibly complex programs. When you start talking about FEMA public assistance, FEMA mitigation, CDBG block grant funding, USDA, it takes very high quality people to be able to do it.

Ms. NORTON. Now, when it comes to that kind, and that is separate from the other permanent staff that your—or more permanent staff. Mr.

Womack, you know where of you speak. That person may well not be—that person is in heavy demand in the agency. But that person will know how to get signoff and passing it to somebody else.

Let's move on. I want to move to the Member, because there are some issues I simply have to get on the record. If we are going to do anything, and, look, we have had hearings on these trailers, devastated hearings—devastating hearings on these trailers. I have mentioned court suits. I have mentioned children with all kinds of issues from these trailers. How many in Mississippi are still in these trailers? Is the figure I use, kind of the 6,000, more or less, figure still there? And how quickly are they being moved out? Do they get any priority if they are in those formaldehyde trailers as I call them? Do they get any priority?

Mr. MELTON. As of this morning, a little over 5,600 are in temporary housing units with a little over 1,000 of those being mobile homes. As far as the priority, we have contacted every individual, per Chief Paulson's press release in February, we have contacted every applicant and offered to move them out immediately, whether it be to a hotel. And we have only had the responses of over 400 that have moved into hotels. So we are very active and aggressive in working with applicants and trying to move them out. We have recertification—

Ms. NORTON. Mr. Melton, that is important. And I am sure some of them are close to their jobs or close to their families and wouldn't want to move. But that leads to my next question.

I believe it was Ms. Bloodworth who talked about the difficulties in communication, getting people who know less about Federal programs than the government officials to understand where to come to the resource centers and the rest. And here am I sitting up here not knowing whether this is feasible asking, well, what is the population we are talking about? And believing—and I ask you to correct me if I am wrong—that a leaflet written in simple English passed out door to door or at least sent through the mail might be helpful to people who start with the notion, “I don’t qualify,” therefore may not be listening even though I am sure you have reached out to them? What I am asking you is if we can find a more simplified way, a more ordinary, low-tech way to reach people who continue to say, according to the last panel, they don’t have any idea whether they qualify, haven’t been there, and don’t know anything. I am not blaming that on you. I am just saying, when you hear that, what is the next thing to be done?

Mr. MELTON. Well, I will tell you what we have been doing. Since January of 2007, we have started a volunteer agency, Helping Hands Workshop we do monthly across in selected areas, and we hand out fliers—

Ms. NORTON. What does that—how does that—out of that workshop comes what?

Mr. MELTON. We have upwards of 14 different agencies that come in, the Public Housing Authorities, the Lutherans, the credit counseling, wind jobs.

Ms. NORTON. Yeah, I know all about meetings. Out of the meetings, what is the work plan? What is the action item from the meetings?

Mr. MELTON. The applicants are given a briefing of what each of those programs offer them. Then they break up after the meetings for 3 hours, they break up and meet with each one individually about their special needs. And our volunteer agency, as long as applicants services case workers are in there to assist and help move those along. I mean, we have been working this since January of 2007. We recognize some of the shortfalls that are out there. And we pass fliers, a bazillion fliers out.

Ms. NORTON. Mr. Melton, I am not sure what the education level is. Many of these may be senior citizens. Many of them may not be Ph.D.s. But what I would ask you to do, you and Mr. Womack, following this hearing, is to have a meeting with the prior panel in order to see if you can design—I hate to say it this way, We do it here all the time—a door-to-door way where people would not just have a flier but would go around. And apparently you have got a lot of volunteers down in Mississippi who are willing to be helpful or who would go around and say, “I am here to answer your questions. Here’s a phone number to call.”

I say this, we have a mayor who just got elected, who went to virtually every house in the District of Columbia in order to get elected and shook hands. And this is a city of more than 600,000 people. I don’t think he shook every hand in the city. But the fact is, if you set a goal, I am going to go to every house, did not—they even took numbers if they weren’t there at all.

So I have to say that in this population with—if the testimony we heard before is to be credited, it does mean that more has to

be done. And here I am not even asking you what should be done. I am simply asking you if a meeting could be held with the prior panel to see if a more direct way of reaching people who may not understand what is available or what they should be doing, if that can be done.

Mr. MELTON. Yes, ma'am.

And I just want to clarify one other thing, every applicant that is in one of our FEMA units has an assigned case worker, and that applicant has that case worker's phone number, and they meet monthly.

Ms. NORTON. Every applicant that is in. I am interested in the ones that are not.

Mr. MELTON. I understand. But I want to clarify that we are doing case work at the temporary housing level.

Ms. NORTON. One more question I want to ask Mr. Taylor.

One of the frustrations that Mayor Longo mentioned, I am trying to see if we can deal with getting a facilitator. That can't be either of you. And I understand the difficulty of getting such a person. But he talked about the CDBG, and they are at phase four, no dollars even for phase one. And it looked like the whole program was stalemated.

Mr. WOMACK. Can I address that program?

Ms. NORTON. Please do.

Mr. WOMACK. Both of us realized very early on that there were certain communities, Waveland being the most devastated, that were going to need extra assistance.

Ms. NORTON. Such as?

Mr. WOMACK. Well, I have got two of my staff members that are public assistance people that are in his offices, and I believe you have got the same thing where you have got the FEMA public assistance staff. We have tried to provide the staff to them within the limits of the law and regulation, because we are not allowed, under the Stafford Act, to do their job for them. We are not allowed to do it. But we try to take it as far as we can to provide as much assistance as we can.

Ms. NORTON. I am going to ask staff to look at the Hurricane Recovery Act we just finished. I mentioned the act is now in the Senate. Perhaps most important in the act—and I am not sure it deals with this, but there is going to have to be a conference—it streamlines procedures for the Gulf Coast that other communities cannot use, because we had so many complaints that you just can't get from here to there. So one of the things staff is going to look at is see if we can do more than have the local FEMA person say, "I am sorry, I can't do that for you, do it yourself." We obviously need somebody who can in fact be truly helpful.

I am going to and ask—I am going to ask the man who—did you want to say something? If you could step to the microphone. This is Mayor Longo who was the predicate for the last question.

Go ahead, sir.

Mr. LONGO. Yes, ma'am. Thank you, Madam Chairman.

I wanted to clarify a little bit. Both MEMA and FEMA have lent us personnel that have helped us through the process.

Ms. NORTON. You made that clear.

Mr. LONGO. The Federal Government made moneys available early on that we received in a grant and hired consultants in the private sector that have helped us through the process. It has just been an unbelievable situation to build, say, City Hall, to pull together the four different funding groups and the levels that have to come together.

Ms. NORTON. I think Mr. Taylor made the point best when he talked about the kind of expertise that may be more routine in larger cities, and so the ordinary kinds of assistance that FEMA has felt it could operate under—I am not saying that they were wrong, that they should have done more. But I am saying to you that your testimony and that of the other Members of the panel have driven home to me that, as long as we are cutting through and streamlining, in order to be able to do more quickly deal with a very special and need situation, we would like to take a look at this so that you get more than the kind of help you have gotten. And you cast no dispersion.

Mr. LONGO. Positively. And one of the biggest problems we are having now, and it sounds like Mr. Womack touched on it, is these PWs, some that have been written for almost 3 years that have gone over and gone over and gone over. Then we go out to the point to where we got out for bid now after the specs and plans have been approved, and they go out for bid, and then all of a sudden, the IG or someone steps in and puts a halt on it. That is something that continuity would change.

Ms. NORTON. And only an expert could help you to get so that once you are go, you really are on go.

Mr. Taylor.

Mr. TAYLOR. Thank you, Madam Chairman.

And a couple of clarifications, Mr. Womack. I am going to challenge your figure that 35,000 trailers were delivered within 2 months. I don't believe that, based on the calls that we got in my office.

In fact, I am glad Mr. Melton is here. Number one, he had a very difficult job. We had, at different times, some fairly strong words with each other, but we do appreciate his overall effort.

But what I saw, Madam Chairwoman, was truly a model of inefficiency that has to be corrected before the next storm. And today, if you were to go to Lamar County, Mississippi, you would see approximately 10,000 FEMA trailers. They have been cleaned. They have been refurbished. And they are waiting for the next emergency. And that is a good thing.

The part that I am not so sure of, and I hope Mr. Melton, or Colonel Melton, will enlighten us on, is the delivery factor, which I thought a model of inefficiency. It was a no-bid, cost-plus contract given to an outfit called the Bechtel Corporation, and they averaged getting \$16,000 per trailer to haul them the last 70 miles or so, to hook them up to a garden hose, a sewer tap, and hook them up to electricity. Now, the garden hose and the sewer tap, I could do. I could imagine with about a half day's training, I could learn to be the electrician as well.

And what really troubled me is that struck me as a heck of a lot of money. But then, on a cost-plus contract, no one has any incen-

tive to get faster, to get more efficient. As a matter of fact, the longer they drug it out, their salaried employees got paid.

There was some really dumb practices like, if the heater went out—it is a rooftop heater—if the heater went out on one unit, they would strip the heater out of a perfectly good unit and put it in the other. Now, it rains through the open hole in the perfectly good unit going to a particle wood floor, which ruins it. So you have ruined a \$16,000 trailer to replace an \$800 heater. And this happened quite frequently. I actually snuck into the boneyard and made an accounting for myself and found 50 ruined trailers. So that is 50 times \$16,000. Again, Washington, D.C., not big money. Bay St. Louis, Mississippi, huge money that we could have done better. Plus, that is 50 families that waited that much longer to get a trailer.

So, Mr. Melton, given that, on a regular basis, I was making you aware of where efficiencies could have been picked up, that I didn't see any changes, what are the lessons learned that FEMA is going to implement for the next time this happens as far as the delivery of the trailers? Has anything been done to make it easier for locals to bid on that? What has been done to pick up some economies of scale on everything from making the power poles, which took way too long, to the installation of the power poles? For example, has FEMA sat down with the different power companies, be it the electrical co-op or something like Mississippi Power, and said, "what if we paid you to install that power pole? You have got crews that know how to do this." I guarantee you, we would get economies of scale, and we would have crews from all over the country that could come in and do this.

What has changed since the last time that is going to give me a higher degree of confidence that the next community that gets hammered won't have to wait as long as the communities as south Mississippi had to wait?

Mr. MELTON. Well, I know, sir, one of the things that is working, just looking for alternative solutions, period, instead of the travel trailers. Of course, the travel trailers is a speed—is probably the fastest thing known right now. And contractually, I know that they have already gone out for pre-awards, I guess you would call it, to pre-identify potential vendors through the——

Mr. TAYLOR. Can I go point by point?

Mr. MELTON. Okay.

Mr. TAYLOR. Has FEMA come up with any sort of arrangement with the local power company to supply that power pole? Because that was a major hindrance to getting people in their trailers.

Mr. TAYLOR. Okay.

Second question, I thought one of the other mistakes was having propane tanks on those trailers. Again, if you are using it one weekend a month, it is no big deal to run out of propane every 3 days. If you are going to live in it for several years, and particularly if you have a disability or are up in age, changing out that propane tank—so has FEMA looked at all-electrical units?

Mr. MELTON. I believe they have looked at it, but one of the things that limits you, though, is utilization of commercial RV parts, which are only 30- and 50-amp parts. And when you start using all-electric units, you go up above 100 amps. So that would

mean we couldn't utilize already places that were already established.

Mr. TAYLOR. On that point, again, FEMA was good enough to loan my congressional office a trailer that we operated out of for several years. We ended up just using a plug-in electric heater rather than buying the propane. So, again, by default, that is the way people were going. And I would hope by default FEMA would look at jumping from a 30- to a 50-amp service and making that change.

What is being done to address the no-bid part of it? Because, again, as I mentioned, early on you can't buy diesel, you can't even get a flat fixed, you can't find a mechanic. You have to get help from outside. But after about 30 days, all of those things that I just spoke about are available locally.

Has FEMA looked at anything like a quick fix for the first 30 days and then a second contract to give some of those folks who lost their homes a chance to bid on this work so they can start rebuilding their lives?

Mr. MELTON. Yes, sir, I understand that the acquisition, which is run here from headquarters, has done a major overhaul and are looking at all those things that you just described.

Mr. TAYLOR. Would you ask those decision-makers to get in touch with this Committee to make us aware? Again, you guys in the military taught me the expression, there are lessons learn and lessons observed, and I sure as heck hope this is lessons learned, that we learn from our mistakes and we don't keep repeating them.

Mr. MELTON. Roger.

Mr. TAYLOR. Okay.

Thank you, Madam Chairman.

Ms. NORTON. Thank you very much.

I am sorry, at this point I do vote on the House floor. So I am going to have to ask that any further questions—and I, myself, have some, and Mr. Taylor may have some, and the Ranking Member may have some—be submitted for the record.

I want to thank each and every one of you for coming.

Your testimony, Mr. Melton and Mr. Womack, was absolutely essential. We sympathize with the position you have been put in, and we mean to make your job easier and to facilitate you, as well, in the way you deal with the community. We have been taking homework for ourselves, not simply homework for FEMA.

Thank you very much.

And this hearing is adjourned.

[Whereupon, at 1:20 p.m., the Subcommittee was adjourned.]

**Subcommittee on Economic Development, Public
Buildings and Emergency Management**

**Hearing on “Moving Mississippi Forward: Ongoing Progress and
Remaining Problems”
Thursday, June 19, 2008**

Statement – Congressman Jason Altmire (PA-04)

Thank you, Chairwoman Norton, for calling today’s hearing to further examine the recovery process occurring in Mississippi. I would like to begin by thanking our Mississippi colleagues for joining us today. I expect their testimony will provide this subcommittee with a vivid understanding of the current situation in their home state.

In 2005, Hurricane Katrina struck southern Mississippi with a devastating force – destroying a majority of the cities and towns located near or along the coastline. Unfortunately, almost 3 years later, there remain a number of recovery issues that have prevented the citizens of these communities from fully rebuilding. FEMA recently reported that over 6,300 Mississippi families continue to live in temporary trailers. Furthermore, much of the public infrastructure continues to need attention.

Last year, this Committee and the House of Representatives passed the Hurricanes Katrina and Rita Recovery Facilitation Act. This legislation was a positive step toward addressing the ongoing recovery issues in Mississippi and Louisiana and I commend the Chairwoman for all of her work on it. Unfortunately, the Senate has yet to pass the legislation, which has delayed the ongoing relief effort. I continue to believe that this legislation would have a positive impact on the communities of southern Mississippi and will work with my colleagues to see it enacted.

Madam Chair, thank you again for holding this hearing. I look forward to continuing our work on this important issue.

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**Statement of
The Honorable Eleanor Holmes Norton
Subcommittee on Economic Development, Public Buildings, and
Emergency Management
Hearing On
“Moving Mississippi Forward: Ongoing Progress and
Remaining Problems”
June 19, 2008**

We are pleased to welcome all of you, especially our Mississippi colleagues and our panel of witnesses, to this first hearing devoted exclusively to post-Katrina Mississippi and to how the Federal Emergency Management (FEMA) has served the needs of Mississippi for nearly three years since Hurricane Katrina.

We will be holding a hearing on Louisiana focusing principally on New Orleans this session. The demographics and geography of the Mississippi area are vastly different from big city New Orleans, which claimed much of the attention in the aftermath of the worst hurricane devastation in the nation's history. However, I flew low over affected Mississippi counties shortly after Katrina and saw first hand areas that quite literally had been blown away. The devastated Mississippi areas may not be as well known as legendary New Orleans, but they have been of equal importance to the Subcommittee.

Three years after Hurricane Katrina, it is apparent that there are still outstanding recovery issues in Mississippi. For example, there are reports that 67 of Mississippi's 82 counties still have trailers within their jurisdictions. As of May, FEMA reports that there are 6,414 temporary housing units in use in Mississippi.

This Subcommittee has jurisdiction over the activities and recovery programs of FEMA which are authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act and include the Individuals and Household Program, the Public Assistance Program, and Hazard Mitigation Grant Programs. Mississippi has benefited from significant the pre- and post-Katrina legislation of this Subcommittee, including major improvements in the Stafford Act and to FEMA's disaster assistance programs in the Disaster Mitigation Act of 2000. In the 109th Congress, the Committee approved H.R. 5316, which became the Post-Katrina Emergency Management Reform Act of 2006 (FEMA Reform Act).

Perhaps most important in this Congress has been the Subcommittee's leadership on H.R. 1144, the Hurricanes Katrina, Rita, and Wilma Federal Match Relief Act of 2007, to provide significant relief for communities devastated by these hurricanes. H.R. 1144 waives the non-Federal share of certain FEMA disaster assistance provided to Louisiana, Mississippi, Texas, and Florida under title IV of the Stafford Act by increasing the Federal share for the Public Assistance and Other Needs Assistance programs to 100 percent. Importantly, H.R. 1144 allows for the cancellation of loans to local governments for recovery from Hurricanes Katrina, Rita, and Wilma if the local governments meet the statutory test outlined in Section 417 of the Stafford Act. The legislation passed last year as part of the Emergency Supplemental Appropriations bill, PL 110-28.

In order to address the outstanding needs identified by members of the Mississippi and Louisiana delegations in the Subcommittee's May 10, 2007, hearing "Legislative Fixes for Lingering Problems that Hinder Katrina," the Subcommittee passed H.R. 3247, the Hurricanes Katrina and Rita Recovery Facilitation Act of 2007. The House passed the bill on October 29, 2007.

H.R. 3247 is designed to provide additional Federal relief targeted to Mississippi and Louisiana and, if enacted, would be applicable to the relief efforts in Mississippi. The 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 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. We were at pains to get this bill to the floor early last year and regret that it has not yet passed the Senate. However, we understand that this bill is now on its way to the Senate floor.

P.L. 110-161, the Kids in Disasters Well-being, Safety, and Health Act resulted from the concerns of many on the Committee about the problems with meeting the special needs of children displaced by Katrina. About a quarter of the people who lived in the ravaged areas were under the age of 18, and more than 400,000 of them were under the age of five. The National Commission on Children and Disasters will conduct a comprehensive study to examine the needs of children as they relate to preparation, response and recovery from emergencies and disasters.

Today we will be particularly interested in the overall housing policy, the rebuilding of public infrastructure and the case management services being provided through FEMA during these years of continuing recovery in Mississippi. We are particularly pleased to be able to hear from witnesses on the ground about whether the residents of Mississippi are being well served by the authority, programs and policies of FEMA in the wake of Hurricane Katrina. We welcome Members of Congress, FEMA, local citizens of Mississippi, and volunteer coordinators. The Subcommittee looks forward to hearing from each of you who have been active in Mississippi's recovery and to hearing your recommendations.

**Statement of
The Honorable James L. Oberstar
Subcommittee on Economic Development, Public Buildings, and
Emergency Management
Hearing On
“Moving Mississippi Forward: Ongoing Progress and
Remaining Problems”
June 19, 2008**

I am pleased that the Subcommittee is holding this hearing on the status of the recovery from Hurricane Katrina in Mississippi. First, let me welcome the Members from the Mississippi delegation who will share with us this morning a first-hand account of the challenges which remain in their districts. I look forward to hearing their testimony and the testimony of each of the witnesses.

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, the President declared a Major Disaster in the State of Mississippi on the date the storm made landfall.

Today's hearing will address the status of recovery in Mississippi and examine the challenges that the citizens of Mississippi continue to face nearly three years after the landfall of Hurricane Katrina. I look forward to receiving a status report on housing, the rebuilding of infrastructure in Mississippi, and the efforts to mitigate any damage in future disasters.

While FEMA, and more importantly the citizens of the State of Mississippi, have made great strides, there is still a great deal to be done. While the numbers of families living in trailers provided by FEMA has been significantly reduced, FEMA reports that at the end of last month over 6,000 families were still in trailers.

We will also hear today about the status of the rebuilding of infrastructure in Mississippi's communities under the Public Assistance program and attempts to rebuild better with the Hazard Mitigation Grant Program. As we will hear, these programs are not advancing the recovery as quickly as everyone would like. Over a year ago, this Subcommittee held a hearing to identify the specific issues that were hindering recovery, and we heard from members of the Mississippi delegation about many of these same issues that we will hear today.

As a result of that hearing, this Committee drafted and reported H.R. 3247, the Hurricanes Katrina and Rita Recovery Facilitation Act of 2007, a bill specifically targeted to expedite recovery efforts in Mississippi and Louisiana. This legislation passed the House on October 29, 2007, but has been pending in the Senate for nearly eight months. We urge the other body to pass that bill quickly.

Since Hurricane Katrina, FEMA has faced challenges in assisting in the recovery of state of Mississippi, partly because of the scale of this unprecedented disaster. Another part of

FEMA's challenge in response and recovery in the state of Mississippi is its status as an agency within the Department of Homeland Security (DHS). FEMA's performance as an agency has suffered since its inclusion in the Department of Homeland Security, as opposed to when FEMA was an independent agency that reported directly to the President of the United States and U.S. Congress. The overwhelming majority – in fact, nearly all -- disasters faced by the United States are natural disasters, not acts of terrorism. Unfortunately, DHS changed the focus of FEMA to an agency primarily focused on terrorism, and shifted away from the all-hazards approach favored by FEMA when it was independent agency.

I would also like to take this opportunity to express this Committee's and our Nation's great concern and heartfelt sympathy with the citizens of the Midwest that are currently facing devastating floods that appears to at least rival the damage of the great floods of 1993. This Committee stands ready to lend its support to ensure that the citizens of affected communities receive all the help they need as they respond to these floods, and will carefully monitor FEMA's efforts as we move from response efforts into recovery.

I commend Chair Norton for holding this hearing and look forward to the testimony.

**TESTIMONY OF SHERRY-LEA BLOODWORTH
DIRECTOR OF HANCOCK COUNTY HOUSING RESOURCE CENTER AND
LONG TERM RECOVERY**

**UNITED STATES HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT,
PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT
“MOVING MISSISSIPPI FORWARD: ONGOING PROGRESS
AND REMAINING PROBLEMS”**

June 19, 2008

I. Introduction

Good morning. My name is Sherry-Lea Bloodworth and I am the Director of the Hancock County Housing Resource Center, which is a member of the newly formed Gulf Coast Association of Housing Resource Centers. I am also the Executive Director of Hancock County Long Term Recovery.

I would like to first thank the members of these committees for holding these important hearings and for allowing me to share almost three years of relevant experience with you. Although the people of Mississippi are survivors, Mississippi is far from recovered and we need your continued support and awareness more today than ever.

I come before you with unique experience following Hurricane Katrina, to offer insight on what is working and what keeps us from moving forward. In the early hours and weeks following Katrina, I personally organized the evacuation and relocation of approximately 900 Mississippi residents. By October 2005, I was serving on the ESF-14 – Transitional Housing Committee. By November 2005 I was involved in the implementation of housing recovery programs to address the inevitable myriad of rebuilding issues and construction standards. The following is my account of recovery in Mississippi from August 29, 2005 through today.

II. Evacuations

Beginning at 2:00AM on August 30, 2005, I coordinated over a dozen evacuations of approximately 900 distressed, injured and homeless residents along the Mississippi Gulf Coast, delivering them to safe shelters throughout the region. I coordinated with the Georgia Emergency Management Agency (“GEMA”), Mississippi Emergency Management Agency (“MEMA”) and Alabama

Emergency Management Agency ("AEMA") and several nonprofit, NGO and church organizations. We also maintained steady communication with the Governor's offices of each of these states

By the night of August 30, 2005, when the first evacuation took place, it was clear that thousands of residents were in eminent danger of injury, illness, dehydration, infection and death. My first point of contact was the Director of the EOC (Emergency Operations Center) near Moss Point, Mississippi. A few members of the National Guard were present, but were already exhausted, overwhelmed, each having suffered extreme loss and trauma him/herself. I expected at some point during this evacuation to see a presence from FEMA, but did not. During this evacuation, approximately 150 rescued residents were evacuated to a shelter in Foley, Alabama.

On August 31, 2005, I brought in five buses filled with doctors, nurses and medical supplies to Biloxi, MS. Working again through the EOC, this time in Harrison County, Mississippi, I noticed a growing state of chaos and still no sign of FEMA, with the exception of a couple officers within the EOC office. The Jacksonville Florida Emergency Management mobile station was in the parking lot, but there was no help to be found. As in Moss Point, this is where the disconnect set in. Again there was no presence of emergency assistance on the ground and we were on our own. Our teams immediately headed out to evacuate a shelter of 300 in Biloxi. These 300 residents had walked to this damaged school (the only shelter) after swimming out of their homes, losing family members and suffering injuries. According to our medical staff, there was a bacterial infection present and a large percentage of the residents were sick and dehydrated, some, near death. Working with hospital administrators, we transported the critically injured and ill from this group to Providence Hospital in Mobile, Alabama. The remaining evacuees were transported to Thomasville, Georgia where the Southern Baptist Association and the American Red Cross received them. With the limited number of busses available and the dire circumstances in Biloxi, time was of the essence, we made round trips between Biloxi and shelter destinations in Georgia and Alabama, completing one trip after another until this evacuation was complete.

Several more evacuations followed by bus, as well as door-to-door visits to every flooded home we could find in East Biloxi (a low-income community where the majority of the residents did not have the means to evacuate) and surrounding communities. By this time, approximately five days after Katrina had passed through these communities, and still there were no signs of FEMA or the National Guard. There were numerous deceased residents, whose bodies had begun decomposing due to the extreme heat, causing grave concern for the health of the remaining residents in the area. Most of the injuries (cuts, burns, broken bones) we observed were, by this time, infected, and gangrene had begun to set in. Complications from pre-existing illnesses, such as diabetes, were prevalent, as was the incidence of heart attacks and strokes.

By the fifth day, clogged roads made deliveries of emergency supplies difficult, so I began delivering medical supplies to Hancock County via Angel Flight. It was there that the crisis was most obvious. We found hundreds of residents sleeping in tents or on the ground with no cover. Another trip was organized to bring crews to clear partially destroyed buildings for residents to sleep. The American Red Cross would not assist at this shelter, as their mandate requires the shelters they operate to have electricity, potable water and security. Hancock County had none of these things.

Military personnel began setting up camps at Stennis Airport and other sites along the Mississippi Coast, but there was a major disconnect between these operations and the residents they had arrived to serve. It was disheartening to observe that the military units possessed the very supplies and resources that residents needed only a few miles away. Somehow through their complex strategic planning processes, the people were left out for far too long. In my conversations with various military personnel at this time, our frustration was shared, but procedure took precedence. In our recovery, this very disconnect remains today.

It was during this time that I met the founders of an organization called Architecture for Humanity. They appeared to be the only organization discussing post-disaster reconstruction at this time. Architecture for Humanity began post-disaster design and reconstruction work following the war in Kosovo. As volunteers poured in to distribute food, water and clothing. I went in search of Governor Barbour, in order to bring Architecture for Humanity's work to his attention. It was after a brief meeting with the Governor followed by another meeting with his staff that I was asked to serve on the ESF-14 – Transitional Housing Committee.

III. ESF-14 Transitional Housing Committee

In the months that followed I worked pro bono with Architecture for Humanity to present the ideas of transitional neighborhoods. A proposal was quickly developed and presented to the committee which included representatives from HUD and FEMA from D.C. The proposal was called the Neighborhood Cluster Initiative and the premise was that reconstruction is most effective when residents are kept within close proximity of their own property, their community and personal family support systems. The proposal called for a pilot project in Bay St. Louis, Mississippi where residents would be placed on a site within their neighborhood and a coordinated rebuilding effort would immediately begin. The proposal was discussed at length, but was never implemented and the federally assisted recovery process continued on the path of what was accepted FEMA policy and what has become known as the "FEMA Trailer Parks" were developed.

IV. Housing Resource Centers

Transitional housing was moving in a very different direction from the recommendations and research used to develop the Neighborhood Cluster Initiative proposal. While FEMA trailer programs moved forward, the discussion turned to the design of the Mississippi Cottage (then called the "Katrina Cottage").

The next stage included the formation of Housing Resource Centers, a concept recommended by FEMA. The Housing Resource Centers were designed to coordinate the state, local, federal and nonprofit programs, and were to be located and run within the communities they served on a countywide basis. For these Centers to be successful, it was clear that they must be run by local leaders and community organizations. As evidenced by the difficulties in outreach plaguing state and federal programs, even now, with trusted local leadership at the helm, already confused and traumatized residents would have a better chance of accessing the assistance they needed.

With technical expertise from Architecture for Humanity we joined forces with East Biloxi City Councilman, William Stallworth, and established the first Housing Resource Center in East Biloxi, a low-income community surrounded by multiple casinos. We quickly learned that although the creation of these centers was recommended by FEMA, there was no funding to support them. In November, 2005, Architecture for Humanity's relationship with Oprah's Angel Network paid off. Oprah's Angel Network provided seed funding for this first full-service Housing Resource Center on the Gulf Coast, which now includes architectural design and engineering, case management, construction management, financial and homeownership counseling and volunteer coordination. This Center, now known as the Hope Community Development Center, stands out as a new and highly successful model for disaster recovery.

Oprah's Angel Network also provided a grant for the Biloxi Model Home Program through Architecture for Humanity. Through this program we were able to review, design and construct seven homes that addressed affordability, while developing engineering and construction standards that surpassed FEMA's new construction guidelines. This new program led the way for conducting these necessary discussions within the community where the re-building was being done, alleviating the disconnect that occurs when these discussions are held in a regionally or nationally centralized location.

After spending two years assisting in the establishment of this Housing Resource Center, I relocated to Hancock County (ground zero), Mississippi, to establish a similar Center. Without any government assistance, there are now four Housing Resource Centers along the Mississippi Gulf Coast. The Directors

of the Housing Resource Centers work together weekly to ensure that we are not functioning in a vacuum and to share resources and lessons learned.

These Resource Centers act as the gatekeepers of all nonprofit funding for housing, thereby encouraging coordination between all organizations in the region engaged in the housing recovery effort. This coordination allows our design studios to review and upgrade plans so that we are building back stronger and safer, while addressing the need for affordable housing. The coordination and effort of these organizations is responsible for the majority of all housing developments to date on the Mississippi Gulf Coast .

In addition to NGO's, these Housing Resource Centers, through our own outreach efforts currently coordinate programs with the following state and federal agencies:

FEMA – Cases are sent to our offices by FEMA employees when there are no viable housing options available for the resident. In March 2008, thousands of cases were delivered en masse to the Housing Resource Centers,. This caused chaos for the organizations, as well as unnecessary fear and confusion for the residents, which could easily have been preempted through early coordination between FEMA and the Housing Resource Center's. We are currently being asked to provide case management for 8,000-10,000 households in the transition from FEMA housing assistance to permanent housing through FEMA's Phase II Case Management pilot program – all to be completed in nine months. This impossible task comes on the heels of a Case Management Crisis Summit in January 2008, held by local nonprofits and Housing Resource Centers, which identified the impending predicament caused by the termination of FEMA's Katrina Aid Today case management program. With over 10,000 cases still open, this program should not have been permitted to conclude. This was obviously recognized by FEMA, as two new case management programs were released following the summit, but only after hundreds of case managers were laid off in March 2008, most of whom have since left the region.

FEMA's two new case management programs, Phases I and II, only support case managers who move residents from FEMA funded programs to other housing. Without the immediate funding of FEMA's Phase II case management plan, the retention of case managers cannot be guaranteed. In fact, if this funding is not received, the imminent loss of these remaining case managers can be guaranteed! This loss of case managers will cause a domino effect that will not only be highly detrimental to those 10,000 remaining FEMA cases, but on countless other federally funded programs as well, which will be impossible to implement without these case managers. Most importantly, the establishment of this program with a nine-month timeframe virtually ensures its failure. None of this can be accomplished in nine-months. A transition of thousands of households from FEMA assisted housing to permanent housing,

when most permanent affordable housing was rendered uninhabitable, requires time. We need a minimum of another 3-5 years, probably more.

MEMA – Alternative Housing Program (Mississippi Cottages). Housing Resource Centers are regularly sent cases from MEMA for residents who must begin securing (in the case of Hancock County this means building) permanent housing. Because the program expires in March, 2009 we are currently working on a daily basis with residents desperate for permanent housing. MEMA has also asked us to support and work with our local municipalities in hopes that they will accept the Katrina cottages as permanent housing. This was not the original purpose of the Katrina Cottages. Had this program been developed directly with the local leaders these Cottages could have been designed with minimum code requirements in mind that would have made it a viable option for permanent housing, and many more residents would currently have homes that could be considered permanent. The federal mandate that this be a pilot transition program is now causing widespread panic along the Mississippi coast among residents and local leaders alike. Wherever possible, it should be mandated that programs for post-disaster situations should be developed and coordinated with local municipalities, in order to be effective.

HUD – The Housing Resource Centers will be administering and/or coordinating several HUD funded programs and will play some part in almost every remaining program funded through HUD. These programs include the Homeowner's Assistance Programs (Phases I, II & III) administered by MDA, Workforce Housing programs (Phases I & II) and tax credit programs that have been allocated in our areas. Through our Housing Resource Centers, we will provide case management to local residents, including counseling in the areas of homeownership, foreclosure prevention and financial management. Through our design studios, we will employ our land use data to support planned and coordinated rebuilding. We are contacted on a daily basis by developers and are a regular resource data and information that assists them in making choices on where to invest.

These agencies have all come to the realization that in order to have more effective programs, they needed to coordinate with the local lead housing agencies who were tied in directly to the residents, the local councils and mayors and community leaders, the Housing Resource Centers.

We have worked hard to streamline recovery and make it easier for government agencies to access information from the ground. We formed the Centers and now we have joined together as one Association to further simplify our efforts and mission.

As the coordinators of multiple affordable housing programs that have facilitated the majority of rebuilding of affordable housing units to date, it is difficult to understand why we continue to be an unfunded and under utilized

resource. Policies continue to be made and programs implemented in our communities without our input. When these programs fail, the Housing Resource Center and Long Term Recovery Directors can only pick up the pieces, knowing that without outreach and coordination between government and community partners, the programs will not achieve the intended result.

V. Extent of Damage

Other witnesses may testify in detail about the extent of the housing damage and provide statistics. To my knowledge there is no single verified housing damage estimate that characterizes the housing unit losses of homeowners and renters by income level. This is vital information because so many of the HUD-funded programs specify that a portion of the funds be used to benefit persons of low and moderate income. Without this information it is difficult to determine the progress and design programs that effectively meet the need.

In the month of March, 2008 in Hancock County we received over 400 new applicants for housing assistance within a four-day period. This was through only very limited outreach, due to lack of funding. The residents ranged from below 60% AMI to well above 120% AMI, however the difficulties navigating the complex recovery process were shared and without case management, they were unable to move forward.

Efforts are underway to aggregate and evaluate unmet needs based upon data from our Housing Resource and Long Term Recovery Centers, but even those evaluations will almost certainly will be underrepresented, as many families with unmet needs have simply dropped out of the system in frustration after nearly three years of neglect.

Future housing assessments should be organized and coordinated through the Housing Resource Center Association of the Gulf Coast in collaboration with our partnering agency, the Gulf Coast Community Design Studio (a nonprofit organization of Mississippi State University). A task which must be directly and fully funded.

VI. Coordination of Federal Programs and the Impact

Since the day Katrina struck, August 29, 2005, the lack of coordination in federal programs has been a contributing impediment to the recovery process, creating a need for increased funding as time goes by. There are four federal programs that, if not coordinated immediately, will result in a new wave of homelessness.

Far from conjecture, this is what is happening today, June 17, 2008:

FEMA is removing trailers at a faster rate than ever, with residents having nowhere to turn. Residents are being told many things, far more than they can assimilate, but are not provided case managers or referred to an HRC for assistance in locating permanent housing. Simultaneously, many of the same residents had been previously approved for a Mississippi Cottage through the federal Alternative Housing pilot program. As of May 15, Mississippi no longer had cottages for these residents, several of whom allowed their trailer to be pulled with the legitimate expectation that this transitional cottage would be their home while the Housing Resource Centers case manage and coordinate the building of their new home. They are now living in various places, but are not on their property. Due to the lack of coordination, this is exactly the opposite effect than intended.

The multiple HUD program timing is also having a negative impact. The Housing Resource Centers (with their long term recovery organizations) were allocated a grant from HUD for Workforce Housing – Phase I in February 2008. This grant was written in order to leverage housing funds which Housing Resource Centers allocate to unmet needs, thereby filling the gap between insurance, state grant programs and other funding contributed by the resident. This funding was provided by the Salvation Army, the American Red Cross and the Mississippi Hurricane Recovery Fund. Now, because the HUD funding has not been forthcoming, those funds will all be depleted, making what was a \$15M proposal into an approximate \$45M need (the proposal provides for gap funding in the form of a forgivable loan for homeowners at 80% and below AMI). This is the very funding, coupled with other programs funded through this same allocation, that is necessary, in order to support those families who are losing their FEMA housing and have lost the promise of the Mississippi Cottage. If the Housing Resource Centers were funded properly and the HUD funding released, output would be markedly increased, transition time for residents would be decreased and the housing recovery, less costly.

Because all of these programs require skilled case management in order to run effectively, without the FEMA Case Management Phase II Program, none of the programs will run efficiently, if they can be run at all. The case manager is the conduit between the funds and the resident. If the 8,000-10,000 new families on HRC rosters could have recovered without case management they would have done so.

These are four very specific examples of programs coming to an end at this very moment, without taking into account the support necessary at this point in the recovery process. It is unrealistic to expect that any state handle this level of massive affordable housing programs without federal support. HUD recognizes this, and provides a liaison, but a single HUD officer is so obviously not sufficient in administering these programs for States. Organizations, like Local Initiative Support Corporation (“LISC”) exists to support and train local governments in such programs, and assists with program administration.

Through this kind of training and support system, the knowledge base and technical expertise remains with the local governments, creating an increased capacity for program management and allowing for lessened federal assistance in the face of another disaster.

Finally the environmental requirements placed on individual HUD funded projects is resulting in approximately 18 months of delays in construction. These requirements are especially difficult for the nonprofit developers and housing authorities building homes for the neediest of families, most frequently the same families that FEMA is pushing to move out of trailers. It is irreconcilable that families be removed from FEMA trailers when there is no transitional option for them and no opportunity for us to build permanent affordable housing in time to house them. If local community leaders and Housing Resource Centers are part of the coordination team and included in the stream of communication, we will be able to build more efficiently. To date, we are included in neither, and continue to do our very best on a daily basis to create a new stock of affordable, safe and secure housing, but are doing so in a vacuum and with very little support from those in whom we have placed our trust and given our voice.

VII. Conclusions and Suggestions

Coordination - Throughout the recovery following Hurricane Katrina, the lack of coordination remains a major cause of delay in progress. When a transitional housing program is scheduled to end, there must be coordination with the other programs that will fund initiatives to provide housing for those residents losing the transitional housing. It may not be simple, but I can tell you with certainty that the failure to coordinate these programs is unnecessarily costly and devastating for the residents affected.

Outreach – It is unrealistic to expect residents to find out about housing programs and grants with minimal outreach. The outreach must be coordinated by community organizations that work and live among residents and must be communicated specifically for the audience being addressed. Language, educational and cultural backgrounds should be considered and local organizations have the ability to identify and break through these barriers.

Case Management – Recognizing the importance of case managers (who should coordinate with local community organizations) is key. Case managers are the people who guide residents through the complexities of recovery – from financial planning, support services referrals and creating a building plan to ensuring that each family has accessed every available program while ensuring that there is not a duplication of benefits. They are also a conduit for reporting barriers to recovery on a weekly basis back to the Housing Resource Centers, which allows these problems to be addressed immediately, and the recovery progress to continue smoothly.

Technical Assistance and FEMA – Community organizations need technical assistance as soon as possible after a disaster. FEMA's Long Term Recovery department should be empowered to advise these organizations. If we are expected to request what we don't know we need, all is lost. We would benefit from knowledgeable FEMA agents taking a more proactive role in assisting community leaders and municipalities especially in the formation of Housing Resource Centers and comprehensive planning. It has taken almost three years for us to understand that in order to access assistance from FEMA, we must request it. Most times we are unaware of the available support, so requesting it is impossible.

Community Design Studios – It is difficult to imagine where our recovery would be without our partnership with the Gulf Coast Community Design Studio ("GCCDS"). With start-up funding from Architecture for Humanity and a small grant from a non-housing related HUD fund, and under the leadership of David Perkes who is a licensed architect and planner, the GCCDS has been an invaluable partner in our recovery. Working directly within our offices enables constant communication and response to design and engineering related issues. Now all of our partnering affordable housing building partners submit their house plans to be reviewed and changed by the Studio. Without this partnership, hundreds of homes built by non-profit organizations may have been substandard and unsafe in the event of future storms. Additionally, GCCDS offers GIS services and we regularly organize teams of volunteers to perform door-to-door assessments which GCCDS uses to create maps for our reference. These maps include overlay information about elevations and communities that help us navigate land use and planning. This information is vital to us, otherwise we are building back without long-term vision and community planning. GCCDS also receives very little support, yet plays an important role across the Mississippi Gulf Coast.

Community Conflict Resolution – With all of the difficulties facing communities post-disaster in the recovery process, increased conflict is prevalent in every phase of life. Organizations such as the Mississippi Mediation Project, a nonprofit created after Katrina to fill this void and train community residents in essential problem solving, communication, personal advocacy and mediation skills should be funded and supported. Programs like these not only serve residents, but provide support and training in these areas for the case managers who are dealing with residents on a daily basis, making them more effective in their jobs.

In the wake of Hurricane Katrina so many people approached the disaster zone as a blank slate. No amount of property damage can erase the financial, legal and cultural foundations of a community. In pursuing reconstruction it's important to recognize the community infrastructure that remains even when the physical infrastructure has been destroyed. You do that by working very closely

with communities at a grassroots level. Technical assistance must be provided where it is needed most—on the ground.

When these methods are employed what is left behind are invaluable resources and lessons learned in vulnerable areas of our country. The value goes beyond disaster recovery. Better communities are built which in turn builds a better quality of life and contributes to a stronger economy.

Chairmen and women, members of the Committees, thank you again for the opportunity to testify on this important subject. I look forward to answering any questions.

Congressional Testimony to Congress**Mike Huseth, CEO Lutheran Episcopal Services in Mississippi**

Established in 1991 and re-constituted in January 2005, Lutheran Episcopal Services in Mississippi (LESM) grew out of a unique partnership between the Episcopal Diocese of Mississippi, the Southeastern Synod of the Evangelical Lutheran Church of America and the Congregations of the Southern District of the Lutheran Church Missouri Synod. Since its inception, LESM continues to be on the cutting edge of unifying faith-based service ministry organizations, volunteer organizations, and other community-based non-profit organizations to pool resources and assemble consortiums that sustain long term recovery projects in Mississippi in the wake of Hurricanes Katrina and Rita.

Headquartered in Jackson, Mississippi, LESM is a faith-based 501c-3 organization that serves to bring dignity, healing, justice, hope and encouragement to all. LESM seeks to fulfill its mission by providing a wide range of programs and services for at-risk persons in Mississippi. The organization conducts and manages programs in: disaster preparedness and response; first responder relief; long term recovery; children's education; and restorative justice. LESM's current focus is to aid those affected by Hurricanes Katrina and Rita.

Since August 2005, LESM has continued to be wholly involved in the relief and recovery efforts on the Mississippi Gulf Coast. Among the first disaster response teams deployed, LESM established within days relief camps on the Mississippi Gulf Coast and an evacuee resettlement effort in Jackson, Mississippi. Today, LESM manages three case management and construction operations on the Mississippi Gulf Coast, as well as one serving central Mississippi. Offices and volunteer housing operations cover all of the Mississippi Gulf Coast and central/south Mississippi through locations in Ocean Springs, Long Beach, Bay St. Louis, and Jackson, MS.

With local, national and international support and more than \$10 million in cash, LESM has assisted thousands of survivors with both emergency and self-sufficiency needs. The driving force behind our work has been, and remains, the dedicated efforts of more than 50,000 volunteers who collectively have donated more than 2.9 million hours of service, valued at over \$58 million. For the first several months after Hurricane Katrina, the work focused primarily on emergency relief efforts (distributing food, clothing and other necessary supplies). The work's focus gradually grew to address the critical need of housing, i.e. returning clients to safe and affordable housing. Primarily with volunteer labor, we have gutted, repaired, rebuilt and built more than 5000 homes over the past three years.

Additionally, we have acquired, renovated and/or or built facilities to house, feed and support volunteers. This includes the Swingster Building in Ocean Springs, Mississippi, which has been developed, with the cooperation of the Board of Supervisors of Jackson County and the City of Ocean Springs, into a relief camp site named *Camp Victor*. This 37,000 square foot site is used for volunteer housing, food distribution, case management, construction management and warehouse space. Our three affiliated camp sites are able to daily accommodate and manage a total of 470 volunteers.

Last year (2007) LESM leveraged \$1.4 million in the cost of volunteer housing and construction management to produce more than \$10.7 million in direct services to the residents of the lower

Mississippi counties. These results are quite typical of LESM's operating protocol as it is with other community and faith-based organizations operating in the Gulf Coast Region.

One can easily understand why recent polling showed that Gulf Coast residents overwhelmingly trust faith-based organizations over governmental organizations (74%) to continue the long term recovery projects that will ultimately result in their being made whole once again.

From the beginning, a pivotal aspect of LESM's disaster recovery efforts has been its Case Management Program wherein clients receive a "continuum of services" including, but not limited to, assistance with utility bills, rent, mortgages, healthcare, childcare, transportation, employment and housing. This "continuum of services" approach to case management is designed to be holistic, comprehensive and results oriented. The primary goal is to move clients from survival and dependency to self sufficiency and independence. Thus, the program works to: support client recovery efforts; address their short and long term needs; and, effectuate positive and sustainable changes. Over the last three years and through its Katrina Aid Today affiliation, LESM has served more than 2000 clients, many of these poor, elderly, and/or handicapped.

While LESM presently continues its case management operations statewide, it is increasingly difficult for us and all of our partners to sustain the programs necessary to provide sustainable long term housing solutions for those still remaining in temporary and unsafe situations.

The primary reason for this ongoing challenge is the low inventory of affordable housing due to the destruction caused by the storms. While case management is a necessary function to assist in bringing residents to the resources they need, case management alone cannot build and repair housing units.

Funding for direct services that will complete the housing circle has dried up. Case management operations continue to be funded, but are largely ineffective in resolving this issue without housing resources.

There are two crucial components that are needed to complete this process. The first is funding for the long term recovery committees (LTRC) so they can continue the process of providing building resources to the residents once the case manager has coordinated all of the pieces of the puzzle. The second is a continued source of funds for the LTRCs to allocate to organizations to rebuild the coast. The American Red Cross has run out of funds for the Gulf Coast and the Salvation Army is nearly depleted. Garnering private grants and donations continues but becomes increasing difficult as time passes and the process becomes more costly.

Continued long term recovery for the Gulf Coast residents through the case management model can only achieve a level of success equal to the level of funding provided to case management as well as the long term recovery committees.

LESM has been designated as the statewide disaster preparedness and response coordinator for National Voluntary Organizations Active in Disaster (NVOAD) members Lutheran Disaster Response (LDR) and Episcopal Relief and Development (ERD). With a fulltime Disaster Preparedness and Response Director, LESM has developed a statewide comprehensive education and awareness program for disaster preparedness, response, and long term recovery. Relevant and up to date information is posted on the LESM website.

Under the leadership of Michael Huseth, CEO, and with the support of its affiliated denominations, Board of Directors, volunteers, contributors, partners and dedicated staff members, LESM has become a recognized leader in the Mississippi Gulf Coast disaster recovery efforts.

Questions for the Record

Michael Huseth, Executive Director, Lutheran Episcopal Services in MS

- What type of case management services do you provide in Mississippi?
 - We provide Case management to five client groups:
 - Disaster survivors seeking assistance with direct services and permanent housing
 - Families with educationally at-risk children
 - Families with members incarcerated in prison systems
 - Persons in recovery
 - Persons seeking support in microenterprise development
- After housing, what is the most sought after service provided by case managers in your organization?
 - Furnishings
 - Utility payments
 - Rent payments and mortgage assistance
 - Transportation
 - Day-care
- What role are Long Term Recovery Committees (LTRC) playing in the recovery in Mississippi?
 - Bringing Faith-Based and Community Volunteer Organizations Active in Disaster together to consolidate efforts and share resources
 - Vetting and prioritizing eligible cases for funding
 - Seeking and applying for funding sources for direct services
 - Housing Resource Centers (now encompassing the LTRCs in Mississippi) provide the additional features of Planning, Architectural and Engineering Design, and Construction Supervision.
- What are the expectations for the pilot program that you are currently considering entering into with FEMA?
 - We expect that the pilot program will provide the State of Mississippi with the resources necessary to make a significant dent in developing case plans

for over 8000 Katrina survivors remaining in FEMA subsidized housing in the State of Mississippi.

- We also anticipate that this pilot program will provide FEMA with an effective model for providing case management to survivors of future disasters by funding state governments contracting through local not-for-profit case management organizations.
- We expect to access permanent housing for a significant number of the pilot program clients.
- How long is the typical period in providing case management services individuals?
 - Six months to a year per family when dealing with housing issues.

**TESTIMONY OF MARSHA MEEKS KELLY
EXECUTIVE DIRECTOR OF THE MISSISSIPPI
COMMISSION FOR VOLUNTEER SERVICE**

**UNITED STATES HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT,
PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT
“MOVING MISSISSIPPI FORWARD: ONGOING PROGRESS
AND REMAINING PROBLEMS”**

June 19, 2008

Madam Chair, Ranking Member Graves, and other members of the Subcommittee, on behalf of the state of Mississippi and our office of volunteerism, I appreciate the opportunity to submit testimony about “Mississippi Moving Forward, Our Ongoing Progress and Remaining Problems”.

No one can deny that the effects of Hurricanes Katrina and Rita devastated not only infrastructure and property, but also the livelihood and quality of life across the Gulf Coast. By most accounts the Gulf Coast needs a minimum of 80,000 affordable housing units. In our best year in Mississippi, we built 3,000 homes. This means that in 25 years the current demand would be met. But even if we double that effort and build 6,000 homes each year, we still have 10 years of rebuilding ahead of us.

Many decisions, financial investments and service offerings have been executed using anecdotal information and in some cases, old-fashioned hunches as we work with individuals and families that are still recovering 33 months later. Our agency, the Mississippi Commission for Volunteer Service, the state’s office of volunteerism, is still critical to connecting the human voice in recovery which has been often overlooked by the sound of progress in rebuilding infrastructure. With nearly 700,000 volunteers that MS can document to date, there is no question to anyone in Mississippi that had it not been for the generosity of our US citizens and citizens from other countries as well that we would not be as far along as we are. The nonprofit and faith-based organizations that have responded to Mississippi’s relief, response and recovery have become a part of our story, of our history and critical to our future. How we approach human recovery is critical, we must listen and we must be the voice when those voices are not being heard.

The Mississippi Commission for Volunteer Service (MCVS), state office of volunteerism, **state-level response to Katrina was: Governor Haley Barbour** designated MCVS as the official coordinator of the state’s volunteers and donations. MCVS official functions were

- Early on-the-ground situation assessment for critical operational requirements and appropriate follow-through (e.g., the establishment of staging areas for incoming unaffiliated volunteers, and assistance regarding unaffiliated volunteers who organized large-scale donations and distribution centers throughout the state).

- Set up a Volunteer/Donations Coordination Center to include a Volunteer/Donations Coordination Team and volunteer and donations hotline.
- Established donations receiving and distribution facilities and assisted with the efficient operations.
- Coordinated with the DHS/FEMA Voluntary Agency Liaison, congressional affairs, community relations, logistics, and other Federal agencies as necessary.
- Utilized a national donations and volunteer management web-based application (1-800-volunteer.org; MississippiVolunteer.org) that enables the general public to register their offers of donated goods and services.
- Develop and expand the national network of NGO, private-sector, and government representatives and others to encourage effective volunteer and donations management collaboration at the State and local levels.
- Worked in concert with State and local governments, NGOs, faith-based organizations, and the private sector to facilitate an inclusive, multi-agency, communitywide, and coordinated response and recovery effort.
- Worked with local officials and private nonprofit organizations, the State, and others to establish a long-term recovery strategy to address the unmet needs of individuals and families.
- Coordinate nontraditional and new voluntary agencies, existing social service agencies, and other government agencies with formal coalitions such as Voluntary Organizations Active in Disaster and assist with setting up Long-Term Recovery Committees.
- Develop, maintain, and implement a comprehensive volunteer and donations management training program.
- Convene regular interagency meetings with cooperating agencies and other stakeholders to enhance collaboration and information sharing.
- Warehouse support for housing unsolicited donated goods.
- Coordination of unsolicited private and international donations to the Hurricane Recovery Fund.
- Addressed nationally organized collection drives.

Here are some concerns that we would appreciate your focus:

- 1) Pass H.R. 3247 which would authorize FEMA to provide temporary housing units (for examples, trailers and mobile homes) to state and local governments and nonprofit

organizations to house volunteers who are assisting in recovery and reconstruction in the Gulf Coast region. The lack of volunteer housing is an impediment to recovery and the tremendous assistance to building safe and affordable homes. Additionally, please seriously consider changing language in the Stafford Act that would allow for volunteers to be housed and fed in emergency operation centers in the case of a catastrophic event.

- 2) In the FEMA National Response Plan (NRP) and the National Response Framework (NRF) and Annexes elevate the Volunteer and Donation Management Annex to an Emergency Support Function (ESF). It is our belief that the NRF, as currently drafted, does not sufficiently respond to the White House "Katrina Lessons Learned" Report, as it fails to 1) account for the increasingly significant role that volunteers, voluntary agencies and private not for profit agencies and organizations play in disaster response; 2) provide for the development and classification of disaster response capabilities on a national level through ongoing response and preparedness capacity building; and 3) engage existing agencies with appropriate capacity and experience to remove the impediments to supporting and coordinating volunteer management.

There are critical differences in the roles that are played by ESF Annexes versus support annexes. The purpose of ESF Annexes, as defined in the NRF introduction, is to "group capabilities and resources into functions most likely needed during an incident," while Support Annexes "describe common support processes and specific administrative requirements." Volunteer and donations management activities conducted in disaster response have evolved with the capability of the Federal and non-governmental sector. These partnerships have expanded and adapted to historic and emerging emergency response models. Designation as "common support processes" has not proven an adequate structure to meet the needs of affected communities or the potential influx of unaffiliated volunteers and unsolicited donations.

Status as an ESF would provide ongoing coordination and leveraging of federal, voluntary and private non-profit, resources and capabilities available in this area. It would allow FEMA to task the ESF to immediate action in support of the integrated federal response effort. Volunteer and donation management organizations have developed broad capabilities that support both independent response activities, such as home repair, debris abatement, and temporary roof repair, as well as the specific response activities that cut across (or are related to) other ESFs such as Mass Care.

Volunteer management is more than a support process; it is a function with defined resources, capabilities and assets available to the federal response effort. As access to participation is enhanced for existing response organizations, new response organizations are likely to emerge. There is currently no mechanism to support emerging response organizations that bring resources and capacity to a federal response. These organizations require support. Additionally, a mechanism must exist to pre-identify and catalog the capacity of partner agencies and organizations. Without question, the revised framework should designate responsibility in the form of a coordinating function for volunteers and donations.

While the proposed NRF supports increased responsibility at the state level, it's necessary to note that most states model their emergency response plans on the federal framework. Recognizing value and worth in integrating the non-governmental sector into emergency response, many states have already established ESFs for Volunteer and Donations Management and support to this function will result in improved response to disasters. Accordingly, implementation of a Volunteer and Donations ESF in the revised NRF will encourage additional states to focus on this important function.

- 3) Mississippi could not have done the coordination work of Volunteer and Donation management if it were not for the Corporation for National and Community Service national service members. Thousands of AmeriCorps, AmeriCorps*NCCC and AmeriCorps*VISTA participants are still working alongside tens of thousands of volunteers in Mississippi's battle to recover. These national service members who also battling the raging floodwaters, piling sandbags, running shelters and hotlines, and assisting evacuees throughout the Midwest. Through their heroic efforts to save lives, homes, and entire towns, the programs of the Corporation for National and Community Service are a godsend to our communities. Mississippi knows first hand how important this body of work is for our homeland security.

Service has always been at the core of America's success and today's national service programs – overseen by the Corporation for National and Community Service – are an increasingly important part of our nation's social infrastructure. AmeriCorps, the National Civilian Community Corps (NCCC), Senior Corps, VISTA and Learn and Serve America, are highly effective and leveraged programs that enable Americans to serve together to strengthen their communities and address society's most pressing needs. We need to make a larger investment in this work, and we ask that you start by urging Congress to restore three years of funding cuts.

For fiscal year 2009, we strongly urge you to request a significant investment in our existing national service programs. National service is helping to transform our nation's culture, developing a sense of civic commitment and uniting Americans from all walks of life in shared sacrifice. Americans have stepped forward in record numbers to serve, but continued reductions in funding have prevented the programs from growing at the rate necessary to meet the demand. Increasing the investment in national service programs would deliver enormous benefits to the nation and our democracy, helping to address unmet needs and develop civic competencies.

A dollar spent on national service is leveraged many times over. Independent evaluations show that the benefits generated by the existing service programs are more than worth the federal investment. In fact, the Corporation for National and

Community Service estimates that in 2006 the market value of the services that national service participants provided to the nation was between \$1.8 and \$3.9 billion.

National service is compassionate conservatism at its best: decisions are made locally, programs must engage the private sector to match their federal support, and participants help to expand the reach of community and faith based programs. By design, the national service programs breed excellence through competition, performance review and rigorous evaluation. Now is the time to invest in program growth to meet the growing demand for services and service opportunities. **Reinvest in AmeriCorps State and National Grants, funding the program at its FY04 level of \$312 million.**

After its heroic service in the immediate aftermath of Hurricanes Katrina and Rita, the NCCC continues to serve as a key program in the Gulf Coast's long-term recovery efforts. Trained in disaster management and relief, the 1,100 NCCC members can immediately respond to a natural disaster anywhere in the United States. Furthermore, the NCCC builds important leadership skills in its members. NCCC members serve in schools, non-profit organizations and on community projects. The NCCC is a critical element of our nation's disaster preparedness capacity. We request that you fund **NCCC at \$27.5 million**, which would allow the program to operate five campuses in a regional cluster alignment and serve communities in every state. Additionally, Congress has added language to require annual fundraising of \$10 million for the NCCC campuses. Congress should eliminate this requirement. The NCCC program is important enough to provide all the operating expenses since it is authorized by Congress. NCCC should not have an unpredictable stream of funding for this vital cadre of first responders.

State service commissions administer approximately three-fourths of the AmeriCorps State and National funds, and grant oversight is critical to ensure that the federal resources are being utilized effectively and efficiently. State Commission Administrative Grants – matched by Governors and state legislatures – are used to run grant competitions and monitor the performance of sub-grantees. The federal needs to be increased as the administration and oversight requirements have increased. We recommend **\$15.6 million for administrative funding for the state service commission infrastructure**. A healthy state service commission infrastructure will continue to ensure strong, results-oriented programs.

It is critical for the Corporation for National and Community Service to have sufficient resources to ensure that participants in national service programs are able to continue their crucial work and that the community- and faith-based organizations that have come to rely on them can continue to serve their communities. Restoring our investment in AmeriCorps, NCCC, Learn and Serve America, VISTA and Senior Corps will allow more Americans of all ages and

backgrounds to serve, and create greater capacity to meet critical community needs.

- 4) Governor Haley Barbour has asked the Mississippi Commission for Volunteer Service to play a significant role in Disaster Case Management by partnering with FEMA in this important work. The State of Mississippi is applying for Disaster Relief Grant funds associated with FEMA's Disaster Case Management Pilot (DCM-P) Program. We have reviewed the DCM-P Program Guidance that was provided to the State on May 27, 2008. Based on our review of the program guidance, the State is submitting a proposal; however, we have some questions and concerns. The State's first major concern: the March 1, 2009 deadline must be extended for three years in order to accomplish the ambitious goals of moving all residents still residing in FEMA Temporary Housing Units into safe and affordable housing. That is why this DCM-P Program is mission critical to the citizens of this State, but must be longer than 9 months.

The program guidance indicates that the period of performance for the DCM-P will be June 16, 2008- March 1, 2009, which coincides with the current termination date for FEMA temporary housing assistance. Unfortunately, this termination point does not reflect the housing realities in coastal Mississippi.

According to the guidance: "The DCM-P grantees must be able to transition clients from FEMA supported temporary housing programs to a long term, sustainable housing solution by March 1, 2009." Given the limited housing stock available in coastal Mississippi, this is not an attainable goal within this timeframe. To be most effective, the DCM-P period of performance should be extended until adequate, long term sustainable housing is available for this population, or until the population in need of case management services returns to the pre-Katrina levels.

It is our understanding that FEMA and HUD will cease providing housing assistance on March 1, 2009. We look forward to learning more about FEMA and HUD's program closure plans so that we can better understand and plan for what case management services may be needed, particularly for those that are still in FEMA or HUD Disaster Assistance Housing Program (DHAP) housing at the end of the program. At a minimum, the DCM-P period of performance must be extended beyond the March 1, 2009 housing deadline so that those who remain in temporary housing at that time can be case managed and realistic housing options are identified.

It should be expected that the people still living in temp housing at the end of the program are likely to be the hardest cases and most in need of case management to help move them out when the housing program ends and the State of Mississippi can not manage a large homeless population

The guidance says that FEMA will define the target population and project the number of cases expected to need case management services critical, immediate need for continued case management to assist the most vulnerable survivors in Mississippi – those in travel trailers who must be moved immediately to healthier environments, as well as poor, disabled, elderly, and single parent family households who remain in unstable conditions with no plan for improvement.

Further, while the state of Mississippi continues to move forward with its recovery efforts, much of the funding that has been available for meeting the needs of cases is ceasing to be available at this critical juncture in the recover process. For example, the recent cessation of the American Red Cross Means to Recovery Program will make it very difficult for case managers to be able to receive necessary resources on behalf of the cases that they represent to various Long Term Recovery Committees throughout the state.

Therefore, we do not believe that it is reasonable to expect that 100% of the cases managed under this program will attain the goal of long term sustainable housing without a drastic increase in available rental housing stock and an infusion of funding to the communities that will cover direct services and construction costs associated with rebuilding and rehabilitating homes.

The lack of available housing and a dwindling amount of direct service funds both represent significant boundaries to the recovery efforts thus far as well as potential boundaries to the overall success of this DCM-Pilot program.

At this time we have estimated a number of populations that we expect to serve. Success completion is dependent on the receipt of client information from FEMA and DHAP as well as the ability to locate clients, their willingness to participate, and the availability of housing stock to ensure clients are moved to permanent and stable housing that is safe, secure, and accessible.

Population	Total to be Served
Provide case management to Katrina-Rita survivors who remain in temporary FEMA funded housing. Note: this plan for permanent housing may require transitional temporary housing in order to assure the health and safety of clients	6,334
Provide case management to Katrina-Rita victims who remain in hotels who vacated FEMA temporary housing due to health concerns.	425

Provide case management to those in vulnerable populations who remain un-served or underserved in the Katrina-Rita impacted area, cases remaining at the conclusion of the “bridge” project.	1270
Provide case management to those in vulnerable populations who remain un-served or underserved in the Katrina-Rita impacted area, cases being served by non-Bridge MCMC partners (inclusive of individuals residing in other temporary housing as described in previous sections)	1971
Total	10,000

The State of Mississippi appreciates the opportunity to consider applying for grant funds associated with FEMA’s Disaster Case Management Pilot program and we are asking for FEMA’s support in addressing at a minimum the 10,000 clients listed above.

Other issues of concern are how to support the Long Term Recovery Committees (LTRC’s) and Roundtables. (LTRC’s) and Roundtables are key players in the success of case management’s goals of permanent housing. Mississippi must find a creative solution for LTRC’s or we will not have a Roundtable for the Case Managers to go to solutions. Will FEMA consider as part of this DCM-P Program a model that would allow a percentage of funding to support the LTRC’s administrative costs? For example, when a case is presented to the LTRC Roundtable, and is awarded \$40,000 and that results in the individual being permanently housed, can the LTRC utilize a processing fee at the rate of ___% with a minimum of \$_____ and a maximum of \$_____. This is mission critical to the success of the DCM-P Proposal. FEMA can provide many resources for case management, however without funding for the LTRC’s to continue to provide funding and to consolidate funding on behalf of clients, Mississippi will have case management plans without resources to address the needs. LTRC’s are mission central to this work. As we pilot this program let us look for new solutions through the changing definition of the LTRC structure of support.

Lastly, without the nearly 700,000 faith-based and non-profit volunteers that Mississippi can document over the last 33 months who have come to assist in the relief and recovery. Mississippi would not be as far along with repairing and building homes. Through the FEMA’s Disaster Case Management Pilot (DCM-P) Program, the State asks for Public Recruitment staff that can assist with ensuring that the message to national and international groups gets out, “Mississippi needs

your help to finish the job.” Without volunteers and the vital support of faith-based and nonprofits from around the country, this work will not get done.

We appreciate your attention to this important issue, and thank you for your support for more effective use of volunteers and donations in the nation’s response to disasters. We would be glad to provide further information or meet with you to discuss this further. Or better yet, please come, we would love to offer you the South’s Warmest Welcome and let you hear the voices of our people first hand.

Respectfully,

Marsha Meeks Kelly, Executive Director
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**Mayor's Testimony
June 19, 2008**

**Mayor Tommy Longo
P.O. Box 539
Waveland, MS 39576**

**City of Waveland
228-467-4134**

The citizens of Waveland, having been ground zero for Hurricane Katrina's ferocious landfall continue to struggle. With 100% of our infrastructure destroyed all City buildings reduced to the slab, including the three story Historic City Hall and 95% of residential homes destroyed along with 100% of the businesses.

Waveland residents are very proud and hardworking. They haven't placed blame or pointed fingers. They have simply worked hard everyday at rebuilding, hoping to end the day having progressed at the task.

Many still have received no insurance or enough money to rebuild. Approximately 1,200 Citizens in Waveland remain in a FEMA trailer, MEMA cottage or other form of alternative housing.

Senior Citizens lose hope and die in their FEMA trailers, seeing no hope for the future.

Coleman Avenue, the old "Business Downtown" had forty-eight (48) businesses. This old downtown was the heart and soul of our Community. To date only one (1) business has been able to rebuild. The problem is the cost of building has increased by, as much as \$75.00 a square foot and insurance premiums are now ten (10) times greater than they were pre-Hurricane Katrina.

These independent businesses and "Mom and Pop" stores were the backbone of our City. Its tragic that zero funds were allocated for them to rebuild.

I have been promised at all levels of Government that everything was being expedited to begin rebuilding in Waveland. Yet we stand here almost three (3) years post Katrina's landfall still trying to build the first structure.

Waveland went one (1) year without any income, therefore we are at the mercy of FEMA and Grant Funds in order to begin rebuilding.

We haven't received any additional FEMA Funds in the past forty-five (45) days for a myriad of reasons. One example of the hold ups occurring is the City's Municipal waterfront pier and park has had a Project Worksheet written for two years. The City's Project Worksheets or P.W.s have been devoured and combed through checking for accuracy. In March of 2008 after FEMA taking 2 ½ months approving the Engineers plans and specifications the City received a visit from FEMA to tell us that two weeks into the bid process they have problems with the project. We are still trying to work through their last minute issues.

We have had monies allocated to purchase critical equipment. Again, P.W.'s were written and gone over numerous times. There are e-mails supporting the step by step action FEMA needed us to take. Months after the bid was awarded FEMA removed as much as 50% of allocated funds from our bank account saying they made a mistake.

We have been trying to keep the City afloat financially and it hasn't been easy, however when FEMA makes us come up with 50% of monies that we didn't plan to use nor do we have its just devastating.

We have chosen architects and Engineers more than a year ago. However we haven't been able to officially hire them under contract because we are still waiting for our Community Development Block Grant Funding (C.D.B.G.) C.D.B.G. does not allow the City to enter into a contract if you expect them to pay for it, until the City receives the C.D.B.G. Funds.

There are other glitches, for example we are still trying to satisfy the Mitigation Grant process for FEMA. Which each building will need to utilize some FEMA Mitigation Funds.

Please don't' misunderstand, since Hurricane Katrina made landfall, there have been great FEMA personnel that truly help us in our recovery effort.

The citizens of Waveland have been through hell the past three years. Nothing will raise their spirits like seeing their Government buildings going up.

The first responders, all of whom are heroes, will have their spirits lifted when we move them out of the trailers they have been operating from into a new Police or Fire Complex.

We have come a long way, yet we have a long way to go.

Thank you for giving me this opportunity and thank you for not forgetting us.

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TESTIMONY OF

SID MELTON

DIRECTOR

MISSISSIPPI TRANSITIONAL RECOVERY OFFICE
FEDERAL EMERGENCY MANAGEMENT AGENCY
DEPARTMENT OF HOMELAND SECURITY

BEFORE THE

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC
BUILDINGS and EMERGENCY MANAGEMENT

COMMITTEE ON
TRANSPORTATION AND INFRASTRUCTURE

UNITED STATES HOUSE OF REPRESENTATIVES

WASHINGTON, DC

JUNE 19, 2008

Introduction

Good morning, Chairwoman Norton and other members of the Subcommittee. My name is Sid Melton, and I am the Director of the Federal Emergency Management Agency's (FEMA) Transitional Recovery Office (TRO) based in Mississippi. It is my pleasure to be here with you today to update you on FEMA's recovery efforts in Mississippi. I joined FEMA in 2004, following my retirement from the US Army, after 20 years of service. I began my work in MS in early September of 2005 and I have served in my current capacity as Director of the MS TRO since July of 2007

Much has been said about the methods and ways in which FEMA has housed disaster victims following the 2005 Hurricane Season. While we readily acknowledge that we could have done some things better, we must not lose sight of the fact that nearly three years after the most damaging storms in American History, nearly two-thirds of those who were impacted by the disaster have either returned to their pre-disaster housing or have moved on to other housing options. In response to the 2005 Hurricane Season, FEMA provided 143,000 direct housing units. And while we continue to face challenges, we have learned and applied many lessons, and we have renewed focus on our mission to assist communities and disaster victims.

Overview of Recovery

To administer FEMA's recovery and mitigation programs, Transitional Recovery Offices (TRO) were established in Alabama, Mississippi, Louisiana, and Texas. The TROs were established to ensure that FEMA's recovery and mitigation programs are administered correctly and delivered consistently and aggressively across the Gulf. Each TRO is led by a Director, who reports to the Associate Administrator for Gulf Coast Recovery. Established in April 2006, the Mississippi and Louisiana TROs currently have over 1800 staff to support FEMA's recovery and mitigation efforts. A significant number of staff are from the local areas, and many were disaster victims themselves. The Mississippi TRO is headquartered in Biloxi, with an area field office in Clinton.

Nearly three years after Hurricanes Katrina and Rita, the Gulf Coast States continue to press forward and make progress toward recovery. The recovery is not without its challenges, as the magnitude of these storms presented an unprecedented level of destruction. FEMA continues to be an integral part of the recovery. Through our TROs in Alabama, Mississippi, Louisiana, and Texas, we have worked diligently to balance expediency and accountability, and support the efforts of our State and local partners. This collaboration has resulted in significant progress.

Our focus in Mississippi, as well as the other States, is in three programmatic areas: Individual Assistance, Public Assistance, and Mitigation. Each area represents a primary section within the TROs, and we see successes and challenges in each. There have been a number of positive signs of recovery.

OVERVIEW OF RECOVERY IN MISSISSIPPI

Individual Assistance

For nearly three years, Mississippi's Individual Assistance program staffs have worked hand in hand with thousands of individuals. Individual Assistance programs are at the forefront of FEMA's recovery activities. The success of recovery will be made up of the individual stories of Katrina survivors.

Direct Monetary Assistance

To aid in the recovery of individuals in Mississippi, FEMA has provided assistance directly to individuals through monetary awards as well as through the direct provision of housing.

- FEMA has provided more than \$1.2 billion to individuals and families in Mississippi under the Individuals and Household Program (IHP).
- More than 216,000 households from Mississippi have been approved for Housing Assistance totaling more than \$876 million. Housing Assistance includes temporary housing and repair and replacement assistance. More than \$648 million of that amount has been disbursed in the form of rental assistance and expedited housing.
- 134,849 Mississippians have received more than \$418 million in Other Needs Assistance, which includes personal property replacement, transportation assistance, medical and dental expenses, funeral expenses and assistance with other expenses such as moving and storage.

Direct Housing Assistance

FEMA's Direct Housing Operations has provided temporary housing to tens of thousands of Mississippi residents throughout the State.

- There were 45,404 eligible households for direct housing units in Mississippi.
- FEMA has placed over 45,000 households in temporary housing units (travel trailers and mobile homes) since the disaster.
- In a sign of progress, the total number of households currently living in temporary housing in Mississippi has decreased 87% to 5,741 households (as of June 13, 2008).
- Of the remaining temporary housing units, approximately 50% are occupied by owners rebuilding on private sites.
- For pre-disaster renters or those without a private site, FEMA utilized over 130 commercial sites as well as constructed 13 mobile home group sites and 30 travel trailer group sites. Currently in Mississippi, we are still utilizing 88 commercial sites and eight mobile home group sites. The eight mobile home group sites are scheduled to close by December, 2008. In Mississippi, travel trailer group sites were closed as of May, 2008. FEMA no longer has any travel trailer group sites open in Mississippi.

In Mississippi, FEMA has already moved over 39,000 households out of temporary housing units into alternate or long-term housing solutions. While a majority of group site residents have successfully transitioned into more functional and long-term housing,

some of the remaining residents are experiencing challenges. FEMA officials understand this and are working diligently to assist these residents.

FEMA is aggressively identifying alternate temporary and long-term housing and matching up housing occupants with available resources as quickly as the occupants can coordinate with landlords. Those occupants who have voiced a health concern to FEMA have all been offered multiple options to relocate out of their travel trailer.

FEMA has assigned case workers to contact every applicant currently residing in a travel trailer, park model or mobile home in the Gulf Coast to make them aware of available housing resources, and we continue to provide case management services to applicants while they make final decisions about their housing alternatives. No occupant of a FEMA provided travel trailer has to wait for the results of air quality testing to take advantage of these alternative housing options -- they are available now.

FEMA is also actively working to increase the rental resources available to the applicants by utilizing the following resources:

- HUD's National Housing Locator System;
- Internet sites;
- Newspaper classified ads;
- Realtor associations;
- Real estate magazines;
- Local governments and agencies, such as City Halls and Chambers of Commerce;
- Word of mouth; and
- Landlord housing fairs.

In Mississippi, approximately 69,000 homes were destroyed and 71,000 rental units were affected by Hurricane Katrina. Affordable housing, particularly rental units, is very limited in many areas along the Mississippi Gulf Coast. Fifty percent of the rental units available are above fair market rent. However, FEMA has taken steps to increase the amount of available rental units and reduce the other barriers that may slow the process for an applicant. FEMA redefined the current Corporate Lodging Consultants contract on August 24, 2007, to encourage greater landlord participation and expand the universe of rental properties and reduce common barriers for the remaining disaster population. These incentives and additional actions include:

- Payment of rental assistance above the current Fair Market Rate;
- Payment to landlords for utilities if included in the rent payment;
- Payment to landlords for repairs to property damage made by disaster applicants;
- Payment of security deposits, and processing fees for background checks required by some landlords; and,
- Assistance with locating furniture and other necessities to meet basic living needs.

Case Management

Case management involves referral assistance for applicants with such continuing needs as housing, restoration of benefits, access to voluntary agency resources, furniture,

utilities and services, transportation, employment, application assistance, and health and well being.

Prior to March 31, 2008, victims of Hurricane Katrina received case management services through funding provided by FEMA to the United Methodist Committee on Relief (UMCOR) and National Voluntary Organizations Active in Disaster (NVOAD). UMCOR and NVOAD requested, and were granted, two years of funding to provide case management services through the creation of the Katrina Aid Today (KAT) program. The grant duration ran from October 2005 through September 2007. In August 2007, FEMA extended the program through March 31, 2008. KAT provided case management assistance for more than 73,000 disaster victims.

Although the grant agreement with UMCOR for long-term case management services ended March 31, 2008, FEMA established a two-phase disaster case management program for individuals and families affected by Hurricane Katrina that will continue until March 1, 2009. The first phase of the program began April 1, 2008, for which individuals currently involved in case management through KAT will continue to receive case management services. Funding for phase one will come from the Cora Brown Fund. The States of Louisiana and Mississippi will oversee the program, which will be implemented through the existing KAT agencies providing case management services.

The second phase of the program will focus on providing case management services through a State-managed Disaster Case Management Pilot program in Louisiana and Mississippi. Through this pilot, case management services will be provided to occupants of FEMA-provided housing and FEMA direct lease apartments for victims of both Hurricanes Katrina and Rita. This phase of the program will provide case management services through March 1, 2009.

The State of Mississippi and FEMA met on June 11, 2008 to discuss Mississippi's proposal for their State-managed Disaster Case Management Pilot program. FEMA, the State of Louisiana, the State of Mississippi, the Department of Housing and Urban Development, the Department of Health and Human Services, the Methodist Committee on Relief and National Voluntary Organizations Active in Disaster are working together to ensure that the case management services are offered in a effective and efficient manner.

Additionally, victims of Hurricanes Katrina and Rita are receiving case management services through the Disaster Housing Assistance Program (DHAP), created through a partnership between FEMA and the U.S. Department of Housing and Urban Development. DHAP is a temporary housing assistance program that terminates as of March 1, 2009. In order to prepare families for this eventuality, case management services are required as part of DHAP. These case management services include assisting participants in identifying non-disaster supported housing solutions, such as affordable housing options available for income eligible families.

DHAP case management services must include a needs assessment and an individual development plan (IDP) for each family. The assessment and IDP will guide the service provision to the family for the duration of the family's participation in DHAP. The objective of the case management program is greater self-sufficiency for participating families. In cases where families may continue to need rental assistance when DHAP ends, the case management service provider must help the family identify other non-disaster supported housing solutions.

Alternative Housing Pilot Program

In 2006, Congress appropriated \$400 million to FEMA for the development of an Alternative Housing Pilot Program (AHPP) to identify and evaluate better ways to house disaster victims. In response, FEMA designed and implemented the AHPP as a competitive grant to the Gulf Coast states. Five projects of the 29 submitted were awarded to 4 states. Two projects were awarded to Mississippi and one each to Alabama, Louisiana, and Texas.

FEMA awarded \$275,427,730 (69% of a requested \$400,000,000) to the State of Mississippi for the Park Model and Mississippi Cottage project, and awarded \$5,890,882 (85% of a requested \$6,930,450) for the Green Mobile/Eco Cottage project on April 11, 2007. The Mississippi Alternative Housing Program (MHAP) is administered by the Mississippi Emergency Management Agency.

- The State expects to deploy 3,100 MAHP units and 80 to 90 Eco Cottages.
- The first MAHP unit was occupied June 21, 2007.
- 2,665 units are occupied as of June 16, 2008.

Challenges

FEMA's temporary housing program is scheduled to end in March of 2009. The shortage of affordable housing in the affected areas, presents a challenge in the de-population of temporary housing units. FEMA will continue to work with HUD to assist residents in the transition from temporary housing through the Disaster Housing Assistance Program (DHAP). The President's 2009 budget includes a request for \$39 million, as part of HUD's Tenant-Based Rental Assistance account, to provide assistance to elderly and disabled households remaining from the DHAP program.

Public Assistance

FEMA's Public Assistance program is a vital and visible part of the recovery efforts in Mississippi. FEMA has been extremely active in working with the State and local governments to restore or rebuild public services and facilities. Though funded by FEMA, the Public Assistance program is administered by the State; and local governments and other eligible applicants receive their funding through the State.

Project Worksheets

All of the damage to eligible projects in Mississippi from Hurricane Katrina will eventually be described by an estimated 22,500 Project Worksheets (PW). PWs are

jointly developed by FEMA, State and public/private non-profit applicants. I would like to briefly provide an overview of the progress we have made in this area.

- FEMA has obligated over \$2.8 billion to the State of Mississippi under the Public Assistance program. This represents 78 percent of the estimated total expenditures. It is expected that the remaining 22% of estimated total expenditures will be obligated as the applicants are able to bring their large projects to advertisement and bid. FEMA will be providing updated estimates for the projects to include design and project management fees and will obligate the new estimates as these projects progress. While FEMA is trying to be proactive, some of the applicants will not be able to push all of their large projects to construction for some time yet.
- More than 22,000 project worksheets have been written for MS Katrina applicants; over 97 percent of the expected total.
- Of the \$2.8 billion FEMA has obligated to the State of Mississippi, the State has dispersed \$1.5 billion of these funds.
- FEMA also has developed a status report that tracks weekly and cumulative progress of the entire Public Assistance program, which can be found on the Gulf Coast Recovery Office website (www.fema.gov/gulfcoastrecovery).

While we believe that this is extraordinary progress given the scope of the devastation, we realize that we must rethink our business processes. In addition to obligating funds as quickly as possible, FEMA has modified its approach to Public Assistance activities in Mississippi to improve accountability and streamline our processes.

- In addition to re-training staff, establishing mentor programs for newer Public Assistance staff, and changes in the management team, FEMA has also retained the use of experts in various fields to refine the needs and cost estimates of projects requested by the State and its sub-grantees.
- As we move closer to the completion of projects, FEMA will continue to work with the State and other applicants to ensure accurate and timely completion of projects.
- FEMA is working with the counties to identify high priority projects that are crucial to recovery and giving those projects priority status for review and approval.
- For the PWs that have not yet been written, FEMA is ready to engage as soon as the applicants are ready. We have the right skill sets and the right people to focus on the applicants' highest priorities. Public Assistance teams meet with applicants weekly to discuss problems and how to address their top concerns.

Water and Sewer Utility Repair

There are many keys to the recovery of Mississippi from Katrina. A vital area is the repair of water and sewer utility projects. Biloxi, Gulfport, Long Beach, Pass Christian, Bay St. Louis and Waveland all suffered major damage to water and sewer utilities. Eighty project worksheets have been written to obligate \$585 million to these six cities. Major reconstruction projects are underway in Bay St. Louis, Waveland, Long Beach and Gulfport; Biloxi and Pass Christian will begin reconstruction work in the very near future. In each case, the storm surge caused an unusual amount of head pressure on the systems causing damage as debris was washed into the systems creating blockages and damages. Both water and sewer lines are being replaced. FEMA staff will continue to

work closely with local applicants and the Mississippi Department of Transportation (MDOT) to help align the sequencing of water/sewer projects with road projects.

Dry Debris Removal

FEMA issued a Direct Federal debris removal mission to the United States Army Corp of Engineers for \$975 million dollars. We have written over \$715 million in Category A (debris removal) project worksheets in Mississippi to handle debris from Hurricane Katrina. All the physical debris removal work has been completed in Mississippi and a small amount of demolition may remain as Category B emergency work. However, Hancock County has identified a number of dead or dying trees that they consider to be threats to public rights of way. FEMA will continue to work with local applicants to determine eligibility for reimbursement.

Approximately 46 million cubic yards of land based debris has been collected and disposed of in Mississippi. The applicants are beginning to request closeout of these debris projects. Of the Category A PWs, approximately 374 Final Inspection Reports have been written as the first step to closing out the debris project worksheets. There are about 782 project worksheets remaining that will need a Final Inspection Report completed throughout the State.

Marine Debris Removal

FEMA allocated \$237,000,000 to remove debris from the waterways in Mississippi's three Coastal Counties. The applicant for this Public Assistance project is the Mississippi Department of Marine Resources.

The purpose of the project to clean up the waterways from Interstate Highway 10 south to 4 miles into the Mississippi Sound. The U.S. Coast Guard accepted the task when two Mission Assignments were issued to the organization. The Mission Assignments were later converted to an Interagency Agreement between FEMA and the U.S. Coast Guard. The cleanup operation developed new methods by the forming an Eligibility Team which established criteria to be used by the contractors and the contract monitors. New tools and methods were used to manage the project by maximizing the use of human resources to cover concurrent operations which covered the entire coastline. Some of the tools used to enhance efficiency were Geographic Information Systems, Global Positioning Systems and electronic load tickets which greatly reduced error rates in capturing and reporting data.

- To date 14 of the 15 contracts have been completed.
- Debris removal operations ceased May 31, 2008.
- The project is in the initial stages of de-mobilization. The Coast Guard will inspect and transfer all equipment purchased with FEMA funds and the process of closing out the project is underway. The equipment and boats used by the Coast Guard will be transferred through FEMA to the Louisiana Coast Guard for continued use in marine debris removal operations there.

- \$237,000,000 was allocated in the Mission Assignments and the IAA. Due to management oversight, the work was accomplished under the projected budget, resulting in a de-obligation of \$125,000,000.
- The amount of debris removed from the waterways along the Mississippi coastline is 389,935 cubic yards.
- The IAA has a deadline date of September 30, 2008 and all indicators show that this goal will be met.

Public Assistance Challenges

While progress has been made in streamlining and expediting funds to the State and local governments, a number of unique and significant hurdles remain facing the State and local governments. We will continue working with the more rural applicants to finalize identification of damaged structures for condemnation and demolition for health and safety reasons.

Mitigation

FEMA's Hazard Mitigation funding is available for individuals and public entities to prevent future losses of lives and property due to disasters; to implement State or local hazard mitigation plans; to enable mitigation measures to be implemented during immediate recovery from a disaster; and to provide funding for previously identified mitigation measures to benefit the disaster area. Grants are administered through the State and may be used for both pre- and post-incident mitigation activities.

FEMA has provided a great deal of technical assistance to the State, its local communities and citizens since Hurricane Katrina to give them the knowledge and tools to rebuild safer and stronger and reduce their vulnerability to future disaster events. Our Mitigation Assessment Team (MAT) conducted forensic engineering analysis of building performance and published design guides that contributed to Mississippi's adopting strong building codes in the coastal counties. We developed and published pre-engineered disaster resistant foundation guidance for the thousand of homes needing to be rebuilt to the new codes, and conducted dozens of briefings, and workshops in the State, and provided grants to assist local communities to establish building departments and training individuals on building codes and standards.

FEMA's primary mitigation efforts over the last year have focused on working with local communities to rebuild better and safer communities. FEMA re-evaluated its floodplain maps, which have not been updated since 1985. Many communities adopted advisory maps and established higher standards for building to make their citizens more disaster resistant in the future. FEMA released Digital Flood Insurance Rate Maps on January 26, 2008.

Hazard Mitigation Grant Program (HMGP)

Authorized under the Stafford Act, HMGP funding is available to States following a disaster to fund cost-effective mitigation projects. Funds available under HMGP may be used to flood-proof existing properties; acquire and relocate homes from hazard-prone

areas; and develop State and local standards to protect new and substantially improved structures from disaster damage. Potential projects submitted by applicants must conform to the State Hazard Mitigation Plan and meet environmental/historic preservation requirements. FEMA may contribute up to 75 percent of the costs of the projects. This program is not designed for immediate response, but as a long-term solution to flooding and other hazards. The amount of HMGP funds made available to the State is formula driven, based on the total amount of disaster grants provided. For Mississippi, over \$413 million will be available under the HMGP for Hurricane Katrina.

- Of the \$413 million, over \$57 million has been obligated to the State. The Mississippi TRO is working closely with the State of Mississippi to obligate over \$100 million of the remaining \$356 million by August 29, 2008.
- Governor Barbour is committed to using HMGP for its mitigation purposes and has outlined a State plan for utilizing these funds.

The State has outlined six general areas of expenditure for the \$413 million:

- \$125 million for drainage and flood mitigation projects.
- \$150 million for shelters and safe rooms.
- \$30 million for generators and sirens.
- \$55 million for retrofits for fire and police stations, hospitals, and to upgrade public buildings to withstand up to 200 mph winds.
- \$20 million for reconstruction of the housing stock.
- \$33 million for traditional HMGP (management costs, administrative fees and planning grants).

In order to give the State time to develop project applications, FEMA granted an extension for the HMGP application period to September 1, 2008.

Challenges

Many Mississippi communities impacted by Katrina do not have the required resources to provide the 25 percent non-federal match for potential HMGP projects. As a result, the States of Mississippi is working to satisfy the 25 percent match requirement on a global basis, as opposed to a project-by-project basis. This approach is commonly referred to as "global match." As part of a global match approach, non-federal funds are used to fund entire projects which have been reviewed and determined to meet all HMGP eligibility requirements. Because many non-federally funded projects which the State would like to consider were not initiated with the HMGP in mind, it is sometime difficult for these projects to be implemented consistent with HMGP requirements. FEMA is working closely with the State to address these challenges and support the State in identifying options for the required match.

The significant amount of HMGP dollars available alone has created challenges. As previously noted, the total amount of HMGP funding available to the State of Mississippi following Hurricane Katrina is \$413 million. In this one disaster alone the State has received more than ten times the \$37 million made available to it as a result of 20 individual declarations between 1989 and 2005. The State and local communities simply were not prepared to handle this infusion of resources.

The deadline for the State to submit HMGP application is September 1, 2008. FEMA will continue to support the State in efforts to identify and fund eligible projects for the full amount of funds available.

Conclusion

The President is committed to the recovery and rebuilding of the Gulf Coast, and FEMA will remain on the ground until the job is finished. In our TROs, we have piloted many new initiatives that have contributed not only to the recovery of the Gulf Coast but have also contributed to the re-tooling and improvement of FEMA. These initiatives and our lessons learned will help to improve the effectiveness of FEMA's programs in future disasters. I look forward to discussing FEMA's efforts with the Subcommittee.

Question#:	1
Topic:	Mississippi residents
Hearing:	Moving Mississippi Forward: Ongoing Progress and Remaining Problems
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: Has FEMA set a time frame from moving Mississippi residents out of temporary housing permanently?

Answer:

FEMA provided temporary housing units to 45,358 households in Mississippi in response to Hurricane Katrina. As of July 1, 2008, Mississippi has 5,327 households still living in FEMA-provided temporary housing units. In Mississippi, all travel trailer group sites have been closed. There are 7 mobile home group sites remaining. However, nearly 80% of the remaining temporary housing units in Mississippi are located on private home sites. These households are, for the most part, making repairs so they can return to their pre-disaster dwelling and the timeframes for their moving out of temporary housing is thus dependant on the speed at which those repairs can be completed.

FEMA has implemented an aggressive action plan to move disaster victims in temporary housing units into alternate housing, namely apartments or other rental units. The priority in relocation are those occupants expressing a health concern, those most susceptible to health risk (elderly, households with young children, and those with respiratory challenges), and then those in group and commercial sites, as well as pre-disaster renters on private sites. All priority households have been contacted and offered an immediate move to a hotel/motel while alternate housing is located for them.

Question: How long does FEMA anticipate providing aid for Katrina victims in the State of Mississippi?

Answer:

FEMA's disaster assistance programs are short-term programs with a statutory limitation. FEMA may provide up to \$26,200 (for Katrina and Rita) to an eligible disaster applicant, or assistance up to 18 months, unless extended by the President. Due to the severity of Hurricanes Katrina and Rita, and the unprecedented number of individuals who continue to require housing, the President extended the period of assistance until March 1, 2009.

The President also determined that the rental assistance program for Hurricanes Katrina and Rita individuals should be transitioned to the U.S. Department of Housing and Urban Development (HUD), which has expertise in assisting families with long-term housing

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Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

needs. Therefore, on July 26, 2007, FEMA and HUD executed an Interagency Agreement (IAA) establishing the Disaster Housing Assistance Program (DHAP). DHAP is a FEMA-HUD joint pilot grant program that provides rental assistance and a case management support for identified individuals and households displaced by Hurricanes Katrina and Rita. The program will provide this assistance until March 2009.

Question: How many residents of Mississippi continue to be housed in trailers? Other forms of temporary housing?

Answer:

As of July 1, 2008, there were 5,327 households in Mississippi still residing in Temporary Housing Units. This includes mobile homes, park models and travel trailers on group, commercial and private sites. As of June 25, 2008, FEMA was providing rental assistance payments to 673 households in Mississippi. In addition, HUD is providing rental support to households in Mississippi as part of DHAP.

Question: Where are the residents housed – mostly in southern Mississippi or in other parts of the state?

Answer:

The largest percentage (about 70%) of households living in temporary housing units are located in the lower three counties which include Hancock, Harrison and Jackson County.

Question: What are the plans to provide permanent housing for this population? Is this plan dependent on the case management services being provided by the Mississippi Commission for Volunteer Services?

Answer:

FEMA Recertification Housing Advisors are working with the applicants that currently occupy temporary housing units to assist them in finding alternative and longer-term housing arrangements. They offer rental resources to the applicants and they work with HUD to identify applicants that are eligible for DHAP. Once an applicant is identified for DHAP the Housing Advisors work with the participating landlords to match the applicant

Question#:	1
Topic:	Mississippi residents
Hearing:	Moving Mississippi Forward: Ongoing Progress and Remaining Problems
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with the rental. The Housing Advisors process all DHAP paperwork from the applicant and the landlord and submit it to DHAP. DHAP then assumes the case management of the applicant.

FEMA's efforts to support applicants in finding longer-term housing is not dependent on Mississippi Commission for Volunteer Services providing case management services although these services will certainly augment what is currently being done.

Question: What other types of case management services are being provided for these residents besides housing?

Answer:

Case managers are working with residents to develop a long term recovery plan for the household. The plan will identify and prioritize the disaster-related unmet needs of the household that may be hampering the household's recovery. Once the plan is developed, the case manager and the family will work to find resources for the identified needs.

Unmet needs may fall into a variety of categories; i.e., transportation issues at the new residence for the applicant to get to work or get children to school, need for household items, or need for services such as a mental health referral, or volunteers to assist in relocating. Other needs may be financial, i.e. utility deposits. In some situations, case managers may provide advocacy for a family, i.e. job training programs.

Question: How many people are currently receiving case management services in Mississippi?

Answer:

FEMA projects that up to 8,000 households will receive case management support through the Mississippi Disaster Case Management Pilot program. HUD is also administering case management support through the DHAP program.

Question: Why was the Alternate Housing Program a competition between states rather than based on need?

Answer:

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As required by the legislation authorizing the Alternative Housing Pilot Program (AHPP), FEMA submitted to the Committee on Appropriations an expenditure plan for the AHPP on August 14, 2006. At that time, FEMA explained it intended to use a competitive grant process; invite Alabama, Florida, Louisiana, Mississippi, and Texas to submit applications for what they considered to be the most innovative disaster housing solutions; and have HUD manage the evaluation of the pilot projects so that FEMA could find new ways to do emergency housing better in future disasters.

DHS anticipated that a competitive grant would best maximize the number of innovative housing approaches that could be tested. Neither of the Committees on Appropriations expressed any concern with this approach. On September 15, 2006, FEMA released the AHPP Guidance and Application Kit to the states.

Question#:	2
Topic:	AHP grants
Hearing:	Moving Mississippi Forward: Ongoing Progress and Remaining Problems
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: Why did Mississippi receive 69% of the AHP grants? Was the need determined to be twice as great in Mississippi than the other four states combined?

Answer: In 2006, Congress provided a \$400 million special appropriation to FEMA to identify and evaluate better ways to house future disaster victims while also assisting those impacted by the 2005 hurricane season. This legislation did not stipulate that funds be allocated based on a formula. In response, FEMA developed the Alternative Housing Pilot Program (AHPP) as a competitive grant program and invited the Gulf Coast States to submit innovative proposals. In a competitive grant, projects that maximize the selection criteria receive first considerations in the awards. Mississippi's project submissions ranked #1 and #2 out of 29 proposals, and if fully funded would have precluded the funding of projects in other states. To increase the diversity of the projects under consideration, Mississippi's projects were partially funded, opening the opportunity for FEMA to fund the top project from each state. Through the selected projects, FEMA is piloting modular, manufactured, site-built, and panelized housing.

Question#:	3
Topic:	housing
Hearing:	Moving Mississippi Forward: Ongoing Progress and Remaining Problems
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: At what level of FEMA is a long term plan being devised for satisfying the need for more permanent housing for residents displaced by Katrina? Are you working in any type of coordination with HUD or any other federal agency tasked with providing federal support to the recovery effort in Mississippi?

Answer: This year, FEMA established the Joint Federal/State Housing Task Force. The FEMA Associate Deputy Administrator for Gulf Coast Recovery is the chair of the task force with active participation from our partners in Louisiana and Mississippi as well as other representatives from the U.S. Department of Housing and Urban Development (HUD) and U.S. Department of Health and Human Services (HHS). The task force was created to identify new approaches to provide safe, compassionate, timely and consistent implementation and integration of the capabilities and capacity of Federal and State agencies to facilitate an aggressive relocation of households in FEMA temporary housing units into interim or permanent housing by identifying and rapidly overcoming barriers to relocation progress.

FEMA also partnered with HUD to create and implement the Disaster Housing Assistance Program to assist households living in rental units with long-term housing needs.

Question#:	4
Topic:	HUD
Hearing:	Moving Mississippi Forward: Ongoing Progress and Remaining Problems
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: Testimony from the previous panel has indicated that there is a lack of coordination between FEMA and HUD. However in your testimony you indicate that you are working closely with HUD through the Disaster Housing Assistance Program (DHAP). Please describe the level of coordination you have DHAP? How often do you meet? How do you incorporate the concerns of case managers who often have an on the ground perspective on housing issues?

Answer: FEMA coordinates with HUD on a daily basis. The level of coordination includes senior leaders, advisors and staff members. Coordination efforts include, but are not limited to, discussions in regards to the budget, the IAA, the performance of Public Housing Authorities (PHAs), and congressional inquiries.

Question#:	5
Topic:	housing program
Hearing:	Moving Mississippi Forward: Ongoing Progress and Remaining Problems
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: In your testimony you indicate that FEMA's temporary housing program is scheduled to end in March 2009. Is that a realistic deadline given the amount of residents still in temporary housing and your own admission that over half the rental units available are about fair market rent?

Answer: FEMA is authorized to provide housing assistance to eligible applicants in Mississippi until March 2009. While FEMA works to transition affected families to self-sustainable housing, the President's FY 2009 Budget also included \$39 million for the Disaster Displacement Assistance program, which will continue rental assistance for elderly and disabled families that remain in HUD's Disaster Housing Assistance Program (DHAP) until March 2009. FEMA is working to transition affected applicants into the DHAP program to assist them in establishing to self sustainable housing by that time. FEMA will continue to work with Mississippi and the other affected states in finding more permanent housing solutions for those affected by the disaster

FEMA has also taken steps to increase the amount of available rental units and reduce the other barriers that may slow the process for an applicant. FEMA redefined the current Corporate Lodging Consultants (CLC) contract on August 24, 2007, to encourage greater landlord participation and expand the universe of rental properties and reduce common barriers for the remaining disaster population. These landlord incentives and additional actions include:

- o Payment of rental assistance above the current Fair Market Rate;
- o Payment to landlords for utilities if included in the rent payment;
- o Payment to landlords for repairs to property damage made by disaster applicants;
- o Payment of security deposits, and processing fees for background checks required by some landlords; and,
- o Assistance with locating furniture and other necessities to meet basic living needs.

FEMA recognizes the challenges faced by remaining applicants living in temporary housing units. We are marshalling federal, state and voluntary agency resources to provide long-term housing options for residents in temporary housing units and working one-on-one with them to fit these resources to their needs.

We continue to provide extensive support services to help make residents' transition to more permanent housing as easy as possible. Some of these support services include:

Question#:	5
Topic:	housing program
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- Caseworkers to work one-on-one with residents
- Housing fairs
- Temporary hotel stays for eligible applicants who move out of their units while continuing to search for permanent housing
- Stipends and food vouchers for residents whose hotels do not have access to cooking facilities
- Kenneling services for residents housed in hotels that do not allow pets
- Temporary storage of personal items for residents who are in the process of securing permanent housing

In October 2007, FEMA also reinstated and expanded a reimbursement program that provides relocation assistance to disaster victims displaced by Hurricanes Katrina and Rita. This program provides or reimburses relocation expenses up to \$4,000 for applicants returning to their pre-disaster States.

Question#:	6
Topic:	fraud
Hearing:	Moving Mississippi Forward: Ongoing Progress and Remaining Problems
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: The testimony of Mr. Womack has indicated that that fraud is a primary concern of FEMA officials when approving projects. Have there been any documented cases of fraud in Mississippi since FEMA has started to release funds for Individual Assistance or Public Assistance? If so, what has been the nature of the fraud?

Answer:

FEMA takes its responsibilities very seriously as a steward of tax-payers money. FEMA has improved its internal processes to prevent fraud during the disaster assistance application process. This includes implementation of applicant identity verification systems, use of external vendors in verifying ownership and occupancy claims of applicants, and enhanced checks for duplicate applicants.

In Hurricane Katrina, FEMA has also supported the efforts of the Hurricane Katrina Fraud Task Force, headed by the U.S. Department of Justice, and the Department of Homeland Security Office of Inspector General. Inquiries with regard to specific cases related to fraud would best be answered by those entities.

Below is a breakdown of cases for the State of Mississippi identified for review for possible fraud under the Individual Assistance program. Of the cases referred to the National Coordination Team at the FEMA Processing Center, only a small number resulted in recoupment action – return of FEMA funds. Several cases are pending review and are likely to result in recoupment action.

	OCC	Prosecutor	Investigators
Cases Referred to NCT	11	38	13
Cases Where No Recoupment Action was Taken	8	29	11
Cases Where a Recoupment was Initiated	1	8	2
Total Assistance Recouped	\$2,000	\$57,009	\$8,860
Average per applicant recouped	\$2,000	\$7,126	\$4,430

Question#:	6
Topic:	fraud
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Cases where a recoupment is likely to occur once ban is lifted	2	1	0
Total Potential Amount of Assistance to be Recouped	\$6,358	\$2,000	—
Average Potential Amount of Assistance to be Recouped	\$3,179	\$2,000	—

Question#:	7
Topic:	technical assistance
Hearing:	Moving Mississippi Forward: Ongoing Progress and Remaining Problems
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: What type of technical assistance is FEMA providing Mississippi municipalities for Project Worksheets?

Answer: The Mississippi Transitional Recovery Office continues to support the State with Project Officers working directly with the Applicants to write their project scopes of work. The State and FEMA have monthly meetings with the applicants to ensure that any issues are brought to the table and a proper method agreed upon to ensure that applicants are getting the maximum reimbursement eligible. The Public Assistance Section Chief has established weekly meetings with the applicants to mainly address any issues they bring to the table.

Question#:	8
Topic:	restrictions
Hearing:	Moving Mississippi Forward: Ongoing Progress and Remaining Problems
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: Which restrictions in FEMA aid have state officials in Mississippi indicated are the most problematic?

Answer: There have been many challenges since Hurricanes Katrina and Rita. However, FEMA has worked consistently with the State to work through any concerns they have presented. FEMA would have to defer to the State of Mississippi to identify any restrictions they considered problematic.

Question#:	9
Topic:	staff
Hearing:	Moving Mississippi Forward: Ongoing Progress and Remaining Problems
Primary:	The Honorable Eleanor Holmes Norton
Committee:	TRANSPORTATION (HOUSE)

Question: In your testimony you state FEMA has 1800 staff in Louisiana and Mississippi. How many are in each state. How many are contractors and how many are FEMA employees?

Answer: FEMA currently has 1,740 CORE staff in Mississippi and Louisiana (993 in LA and 747 in MS). A CORE employee is the Cadre of On-Call Response Employees and they are Full-Time Temporary excepted service employees who receive benefits. CORE employees are treated similarly to a full time permanent employee with the exception that their positions are not permanent and they are typically only hired in 2 to 4-year appointments.

In addition to the CORE employees, FEMA currently has 1,310 contractors in Mississippi and Louisiana (1,230 in LA and 80 in MS).

**MIKE WOMACK
MISSISSIPPI EMERGENCY MANAGEMENT AGENCY DIRECTOR**

**TESTIMONY
BEFORE THE**

**HOUSE TRANSPORTATION AND INFRASTRUCTURE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT,
PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT**

ON

MOVE MISSISSIPPI FORWARD: ONGOING PROGRESS AND REMAINING PROBLEMS

THE UNITED STATES HOUSE OF REPRESENTATIVES

JUNE 20, 2008

INTRODUCTION

Thank you Chairwoman Norton, Ranking Member Graves, and distinguished members of the Committee for allowing me the opportunity to provide you with a statement for the record on Mississippi's progress in rebuilding communities after Hurricane Katrina and the problems our state faces three years later. I am Mike Womack, the Director of the Mississippi Emergency Management Agency. My tenure with MEMA began in 2002 and I served as Director of Response and Recovery and Deputy Director, leading up to my appointment as the Director in December 2006. I bring more than 29 years of experience in active and reserve military service, retiring in June 2001 as a Lieutenant Colonel from the Mississippi Army National Guard with an extensive operations management background. I have served in numerous positions including Administrative Officer, Operations Officer, Intelligence Officer, Civil Affairs Officer and Chief of Staff of a 5,000-soldier armor brigade.

Today I wish to discuss the development, implementation and current status of the Mississippi Alternative Housing Program. I will also explain initial hesitations and concerns of the affected communities as well as current barriers we face in moving individuals and families from temporary to transitional or permanent housing.

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Additionally, I will provide you with an update of progress made through the federal Public Assistance program and recommend changes to improve the Public Assistance process. Lastly, I want to discuss the management system Mississippi has in place to track the spending of Public Assistance funds and the importance of not limiting state's ability to effectively manage funds awarded.

The Mississippi Alternative Housing Program is a pilot program funded by a \$281,318,612 FEMA grant administered by MEMA. The MAHP developed and produces safer and more comfortable temporary housing units for use after a disaster. Mississippi has built two different ADA-compliant units – the Park Model and Mississippi Cottage – as part of the MAHP pilot program and is planning a third energy efficient unit. The Park Model is a one-bedroom unit that replaced the FEMA travel trailer. The Mississippi Cottage comes in two- and three-bedroom styles to replace the FEMA mobile home. The first unit was occupied on June 20, 2007. MEMA also plans to produce a “green” unit in one- and two-bedroom styles, which will also be ADA-compliant as well as energy efficient. The “green” cottage is in its final design stage and will soon be sent out for bids.

All cottages meet HUD standards for manufactured housing. With the removal of the wheels, carriage and metal frame on the base of the unit, the cottages can be attached to a traditional foundation and are then structurally indistinguishable from a site built home. Both the modular and HUD installations are designed to meet a 150 mile-per-hour wind rating. There are more than 2,600 cottages occupied in six Mississippi counties and the residences of these units have been extremely pleased with the design and quality of the unit. The state plans to produce a total of 3,150 MAHP units.

At this point, I'd like to take a moment to mention that FEMA's travel trailer program was extremely successful in Mississippi. Within two months of the devastating disaster, more than 35,000 residents were moved out of shelters and tents and into FEMA trailers and mobile

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homes. The trailers were the best option at that time and provided many Mississippians with transitional and temporary housing during a critical time of need.

The MAHP is strictly a voluntary program for both applicants and local jurisdictions. Since MEMA knew that it could not supply cottages for all those in need with the funds available, the agency intended to award a portion of the 14,187 eligible applicants logged into the official FEMA database housing units by random, proportional selection. Applicants whose names were selected were to be notified and given an opportunity to accept or decline the offer to receive an alternative housing unit.

Despite MAHP's success in creating safer, temporary housing for at-risk families along the Gulf Coast, the program faces a number a challenges. The biggest challenge we deal with is the reluctance of some local communities and governments to allow the units to be placed in their jurisdictions. The cottages are available in 21 different jurisdictions. Memorandums of Understanding were made with many of the jurisdiction at the beginning of the program. The MOUs outlined the role and responsibility of MEMA and local governments with regard to the MAHP and installation of cottages.

The second biggest challenge, which also happens to be the strength of the program, is the group of applicants themselves. Most of the residents in need have recovered, and less than 5,000 remain, and these are the least able to recover. These individuals may have particular conditions that existed before the hurricane such as illiteracy, mental health problems, disabilities or other special needs. Other remaining applicants' lives have changed dramatically over the course of the past three years because of divorce, family deaths, births and other extenuating circumstances. In some instances, these life changes or pre-existing conditions have made it difficult for residents to receive assistance and/or return their lives to normal.

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Personal situations and dynamic changes combined with the increasing insurance, property values and cost of living have made it difficult for others to rebuild and live the lives they had pre-storm. Cost and availability of wind and flood insurance have been huge impediments to rebuilding. Rental units are available, but have increased in cost substantially since the storm, rendering them unaffordable for some residents.

While housing has been a top priority for Mississippi after Katrina, the federal Public Assistance program has also helped the state make major strides in recovery efforts. For example, 1,156 debris removal projects were obligated at a total amount of \$715,947,692.26 and 91 percent of that amount has been paid to local governments. The federal government obligated funds for 2,035 emergency protective measures projects and 95 percent of the obligated funds have been paid. Projects for road systems, water control facilities, and public buildings and equipment trail behind the other categories, with all of these categories less than 30 percent completed. More than \$2.5 billion in FEMA Public Assistance funds were obligated for public recovery projects in Mississippi.

A difficulty related to the PA process has been the staff changes with new personnel overriding decisions made by previous FEMA personnel regarding local projects' scope and funding. After the disaster, FEMA brought in teams to do estimates of repair and record these estimates on the Project Worksheets or PWs. Local governments made decisions and in some cases designed new construction based on the estimated funding they'd receive. After the initial teams left, other FEMA teams were deployed with differing opinions about what projects should and should not be eligible for federal funding. Recovery efforts were impeded by the varying interpretations of PA projects. To prevent this from happening in the future, my recommendation is that either through law or policy, FEMA staff be required to follow through on the decisions made by those first teams deployed to the affected areas about what projects will be funded and by how much. That way money initially promised local governments is not subsequently taken away or changes made to eligible costs that delay the rebuilding process.

Another recovery-related issue is a state's continued ability to establish and monitor a management system to track federal funds as they are received and spent. It is critical that the federal government not strictly limit a state's ability to create effective management systems. Under Governor Haley Barbour's guidance, Mississippi has put in place one of the most efficient management systems for PA funds. The system minimizes the potential for fraud and ensures local governments keep track of the completion of and payments for their funded projects.

The system required the state to hire an engineering firm to make sure the scope of work was properly determined and an accounting firm to confirm that finances are properly documented and that there will be no de-obligation of funds. The state developed a software system that automatically tracks the funds from the original estimate of the project, through request from reimbursement, to disbursement of funds and is integrated with FEMA's and the state's disbursement systems. It is quite possible that we are able to effectively manage PA funds at the highest level of any other state.

FEMA's latest Disaster Assistance Policy proposes to reimburse state manage costs in an amount not to exceed 3.34 percent of the federal share of the projected total Public Assistance eligible program costs. Had this policy been implemented during Hurricane Katrina recovery, Mississippi's management program would not have been able to be implemented. My suggestion is to rescind the new policy and allow states the ability to be funded at a level that allows for effective management.

For the most part, FEMA staff on the Mississippi Gulf Coast has been dedicated, hardworking and outstanding partners to state and local governments. In many cases they have been hampered by an oversight system that focuses on recovery of federal funds, not identification and proposed solutions to problems in the FEMA recovery process.

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The Department of Homeland Security Office of Inspector General contributed greatly to ensuring that misuse of federal funds has been minimized; however, I believe that OIG should not recommend de-obligation of funds that were paid to local governments unless there was an attempt to defraud. If local governments made mistakes, either based on guidance from FEMA staff or based on their inability to get any guidance, they should not be penalized. OIG staff should be required to issue an opinion on critical issues when requested by state or local governments rather than continue to follow the current policy of offering general and non-definitive guidance until months or years after projects are completed and money has been disbursed that will have to be repaid by state and local governments.

There are many other issues that could be discussed concerning the state of recovery on the Mississippi Gulf Coast from Hurricane Katrina, but I would like to conclude by stating that I do not believe that the FEMA recovery process is broken. There are changes that need to be made, but most of the programs are well designed and have for the most part worked. As I have stated before, most FEMA employees are very dedicated and hard working people that care very deeply about what they do. I do not believe major changes need to be made to the Stafford Act, only changes in policy or interpretation of regulations. The OIG as well as the FEMA Office of General Counsel appear to be influencing decisions that do not allow FEMA senior management to use an interpretation of law and regulations that would most benefit local government and speed the recovery process. We need effective oversight of federal recovery programs, but the oversight should not hamper recovery.

I would like to thank the subcommittee for this opportunity to voice my concerns about the Hurricane Katrina recovery process and hope that I have provided information that will assist you in addressing potential changes needed in law and policy that will make recovery from other disaster more effective and efficient.

Questions for the Record

Mike Womack, Director, Mississippi Emergency Management

- How many “Park Model” housing units are currently in use in the State of Mississippi?
1,400 Park Model have been received - 68 have not yet been installed as of Thursday, 26 June, 2008.
- Have you found that many of the people being placed in housing units have needed wraparound services to take advantage of the programs?
Yes, many people placed in housing units need additional services to aid in their recovery. Each family faces individual challenges and the response must be tailored to each families individual needs.
- Are the Park Model or Cottage units only available to former homeowners pre-Katrina or is the program available to renters pre-Katrina?
The program is available to both homeowners and renters.
- What have you found to be the most effective means of communicating to Mississippi residents the requirements and potential benefits of your Mississippi Alternative Housing Program?
A combination of information obtained through the Call Center and individual discussions with the applicants’ assigned Housing Advisors and the mscottage.org web site which has answers to most general questions listed in a frequently asked questions page as well as an overview of the program.
- Besides funding, what other changes in FEMA policy would you recommend in order to move the remaining Mississippi residents in more permanent housing units?
For long term recovery there must be faster replacement of affordable housing and additional counseling services geared to the individuals needs i.e.: financial, job placement, mental health etc.
- What do you see as the challenges with the Project Worksheets (PW) that FEMA have identified as problematic? Did FEMA point out why changes were made in the PW after the initial teams of FEMA workers were replaced by the second wave of FEMA workers?

The challenges with the Project Worksheets stemmed from FEMA's staff changes and new personnel overriding decisions made by the previous FEMA staff regarding local projects' scope and funding. After the disaster, FEMA brought in teams to do estimates of repair and record these estimates on the Project Worksheets or PW. Local governments made decisions and in some cases designed new construction based on the estimated funding they'd receive. After the initial teams left, other FEMA teams were deployed with differing opinions about what projects should and should not be eligible for federal funding

- **Did Mississippi hire a private contractor to implement its management controls or did they use in house services?**

Mississippi's management system requires the state to hire an engineering firm to make sure the scope of work was properly determined and an accounting firm to confirm that finances are properly documented and that there will be no de-obligation of funds. In addition to contracted work, the state relies on in house services for its software system that automatically tracks the funds from the original estimate of the project, through request from reimbursement, to disbursement of funds and is integrated with FEMA's and the state's disbursement systems.