FEMA ACCOUNTABILITY, MODERNIZATION AND TRANSPARENCY ACT OF 2017

REPORT

OF THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

H.R. 1679

TO ENSURE THAT THE FEDERAL EMERGENCY MANAGEMENT AGENCY’S CURRENT EFFORTS TO MODERNIZE ITS GRANT MANAGEMENT SYSTEM INCLUDES APPLICANT ACCESSIBILITY AND TRANSPARENCY, AND FOR OTHER PURPOSES

SEPTEMBER 18, 2017.—Ordered to be printed
The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (H.R. 1679) to ensure that the Federal Emergency Management Agency’s current efforts to modernize its grant management system includes applicant accessibility and transparency, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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I. PURPOSE AND SUMMARY

H.R. 1679, the FEMA Accountability, Modernization and Transparency Act of 2017, establishes requirements for the Federal Emergency Management Agency’s (FEMA) ongoing efforts to modernize its grant systems.

The Act requires FEMA to implement improvements for administering disaster assistance grants, including an online interface for applicants; mechanisms to eliminate duplication of benefits; a
means for the agency to share information with state, local, and tribal governments, if appropriate; and any additional tools to improve implementation that the FEMA Administrator deems necessary. The FEMA Administrator is responsible for delivering these capabilities in increments to the extent practicable.

II. BACKGROUND AND THE NEED FOR LEGISLATION

Disaster and preparedness grants

Under the Robert T. Stafford Disaster Relief and Emergency Assistance (Stafford) Act, 1

[t]he President can declare a major disaster for any natural event, including any hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought, or, regardless of cause, fire, flood, or explosion, that the President determines has caused damage of such severity that it is beyond the combined capabilities of state and local governments to respond.1

The President may also issue emergency declarations, which “supplement State and local or Indian tribal government efforts in providing emergency services, such as the protection of lives, property, public health, and safety, or to lessen or avert the threat of a catastrophe in any part of the United States.”2 FEMA coordinates the Federal response and is authorized under the Stafford Act to provide assistance to state governments, local governments, and individuals.3 After a major disaster declaration, grants that can be deployed, if they meet the requirements, include public assistance (PA), individual assistance, and hazard mitigation assistance.4

In addition to disaster assistance, “FEMA provides state and local governments with preparedness program funding in the form of Preparedness (non-disaster) Grants to enhance the capacity of state and local emergency responders to prevent, respond to, and recover from a weapons of mass destruction terrorism incident involving chemical, biological, radiological, nuclear and other explosive devices, and cyber-attacks.”5 FEMA Preparedness Grants include the Emergency Management Performance Grant Program; Homeland Security Grant Program; Intercity Bus Security Grant Program; Intercity Passenger Rail Security Grant Program; Non-profit Security Grant Program; Port Security Grant Program; Tribal Homeland Security Grant Program; and Transit Security Grant Program.6 FEMA awards an average of $10 billion per year in disaster grants and preparedness grants.7

2 Stafford Act § 502, 42 U.S.C. § 5192 (2016); see also The Disaster Declaration Process, supra note 1.
4 The Disaster Declaration Process, supra note 1.
6 Id.
7 High Risk: Government Operations Susceptible to Waste, Fraud, and Mismanagement: Hearing Before the S. Comm. on Homeland Sec. & Governmental Affairs, 115th Cong. 8 (2017) (state-
Grants management modernization

The Department of Homeland Security (DHS) Office of Inspector General (OIG) and the U.S. Government Accountability Office (GAO) have identified issues within FEMA grant programs and emphasized the need for a better grants management system. Earlier this year, the Inspector General testified before the Committee that although FEMA effectively responds to disasters, significant problems remain with its management of recovery grants.8 According to the Inspector General, FEMA has not held grantees accountable for managing subgrantees.9 As a result, “the entire layer of oversight intended to monitor the billions of dollars awarded by FEMA in disaster assistance grants is ineffective, inefficient, and vulnerable to fraud, waste, and abuse.”10 In addition, the GAO has identified numerous issues and challenges with disaster grants, including inconsistencies in PA project approvals across regions and project closeout timeframes.11

The DHS OIG has also identified issues within the FEMA Preparedness Grants program. For example, the DHS OIG found that FEMA had not sufficiently examined recurring recommendations because they “did not clearly communicate internal roles and responsibilities and did not have policies and procedures to conduct substantive trend analyses of audit recommendations.”12

In 2015, FEMA implemented the Grants Management Modernization program to improve the efficiency and effectiveness of FEMA’s grant operations.13 The purpose of the program is to streamline the agency’s 40-plus grant programs into a single grants management information technology platform.14 Also, when possible, it intends to provide unified business processes and a common grants management life cycle.15

To help ensure FEMA’s grants modernization effort continues, this legislation directs FEMA to integrate improvements for administering disaster assistance grants, including an online interface for applicants; mechanisms to eliminate duplication of benefits; a means for agencies to share information with state, local, and tribal governments, if appropriate; and any additional tools to improve implementation the FEMA Administrator deems necessary.

III. LEGISLATIVE HISTORY


The bill was referred to the Committee on Homeland Security and Governmental Affairs. The Committee considered H.R. 1679 at
a business meeting on July 26, 2017. The Committee favorably reported the bill by voice vote en bloc. Senators present for the vote were Johnson, Portman, Lankford, Daines, McCaskill, Tester, Heitkamp, Peters, Hassan, and Harris.

IV. SECTION-BY-SECTION ANALYSIS OF THE ACT, AS REPORTED

Section 1: Short title

This section provides the Act’s short title, the “FEMA Accountability, Modernization and Transparency Act of 2017”.

Sec. 2. Requirements

Section 2 ensures that the ongoing modernization of FEMA’s grant systems includes improvements for administering disaster assistance grants, including an online interface; mechanisms to eliminate duplication of benefits; enables agencies to share information with state, local, and tribal governments, if appropriate; and facilitates any additional tools to improve implementation that the FEMA Administrator deems necessary.

Sec. 3. No additional funds authorized

This section states that no additional funds are authorized to carry out this Act.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this Act and determined that the Act will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office’s statement that the Act contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

AUGUST 4, 2017.

Hon. RON JOHNSON,
Chairman, Committee on Homeland Security and Governmental Affairs, United States Senate, Washington, DC.

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

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

Sincerely,

KEITH HALL.

Enclosure.

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

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

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

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

• An online interface for applicants to complete grant application forms,
• Mechanisms to eliminate duplication of grant benefits, and
• The capability to share information among other federal agencies and levels of government.

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

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

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

On May 2, 2017, CBO transmitted a cost estimate for H.R. 1679, the FEMA Accountability, Modernization and Transparency Act of 2017, as ordered reported by the House Committee on Transportation and Infrastructure on March 29, 2017. The two versions of the legislation are similar and CBO’s estimates of their budgetary effects are the same.

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

VII. CHANGES IN EXISTING LAW MADE BY THE ACT, AS REPORTED

Because this legislation would not repeal or amend any provision of current law, it would not make changes in existing law within the meaning of clauses (a) and (b) of paragraph 12 of rule XXVI of the Standing Rules of the Senate.