

**DEPARTMENTS OF VETERANS AFFAIRS AND  
HOUSING AND URBAN DEVELOPMENT, AND  
INDEPENDENT AGENCIES APPROPRIATIONS FOR  
1993**

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**HEARINGS**  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED SECOND CONGRESS  
SECOND SESSION

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SUBCOMMITTEE ON VA, HUD, AND INDEPENDENT AGENCIES

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**PART 5**

|  |                   |
|--|-------------------|
| <b>Federal Emergency Management Agency .....</b>           | <b>Page<br/>1</b> |
| <b>Federal Deposit Insurance Corporation.....</b>          | <b>515</b>        |
| <b>Resolution Trust Corporation—Inspector General.....</b> | <b>681</b>        |



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### NOTES:

The Honorable Silvio O. Conte was Ranking Minority Member of the Committee until his death on February 8, 1991.

The Honorable William H. Gray III resigned from the Committee on September 11, 1991.

**DEPARTMENTS OF VETERANS AFFAIRS AND  
HOUSING AND URBAN DEVELOPMENT, AND  
INDEPENDENT AGENCIES APPROPRIATIONS  
FOR 1993**

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**WEDNESDAY, MARCH 25, 1992.**

**FEDERAL EMERGENCY MANAGEMENT AGENCY**

**WITNESSES**

**WALLACE E. STICKNEY, DIRECTOR**  
**OLIN L. GREENE, JR., ADMINISTRATOR, UNITED STATES FIRE ADMINIS-  
TRATION**  
**STEVEN GADDY, DEPUTY ASSOCIATE DIRECTOR FOR EXTERNAL AFFAIRS**  
**ANTONIO LOPEZ, ASSOCIATE DIRECTOR FOR NATIONAL PREPAREDNESS**  
**GRANT C. PETERSON, ASSOCIATE DIRECTOR FOR STATE AND LOCAL  
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ISTRATION**  
**GREGG CHAPPELL, CHAIRMAN OF THE NATIONAL BOARD, EMERGENCY  
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**PATRICIA M. GORMLEY, GENERAL COUNSEL**  
**THOMAS R. McQUILLAN, EXECUTIVE DIRECTOR**  
**RUSSELL F. MILLER, INSPECTOR GENERAL**  
**BARBARA A. JACOBIC, BUDGET OFFICER**

**INTRODUCTIONS**

Mr. TRAXLER. We will convene the FEMA hearing and we are pleased to welcome our guests. Isn't that a distinguished title?

Mr. STICKNEY. Best I have heard yet, sir.

Mr. TRAXLER. Witnesses. But I would be most pleased if you would, once again, introduce the first team or such members of the staff as are appropriate. Then I will make a statement, and then we will have yours.

Mr. STICKNEY. Thank you, sir, I would be pleased to do that.

Beginning on my right, we have Olin Greene, who is the U.S. Fire Administrator.

Mr. GREENE. Sir.

Mr. STICKNEY. Next are Bud Schauerte, who is the Federal Insurance Administrator running the Federal Flood Insurance Program; Russ Asher, who is the Chief Financial Officer, and a new face, I think, to the committee, but not to your staff. Grant Peter-  
son—

Mr. PETERSON. Hi.

Mr. STICKNEY. Associate Director for State and Local Programs; Tony Lopez—

Mr. LOPEZ. Mr. Chairman.

Mr. STICKNEY [continuing]. Associate Director for National Preparedness. We have Steve Gaddy, who is the Deputy Associate Director for External Affairs, sitting in for Tom Kranz, the Associate Director for External Affairs, who had some family obligations that prevented him from being here today.

We also have some other staffers whom you recognize.

Mr. TRAXLER. Please, sir. I always like to see the second row.

Mr. STICKNEY. Ed Wall, who works for Olin Greene; Jim Taylor, very important person to us; Russ Miller, who is our Inspector General; Barbara Jacobik, the FEMA Budget Officer.

Mr. TRAXLER. Always delighted to see the Inspector General, and later on Mr. Green will have some questions for you.

Mr. STICKNEY. Kerri Newman, who is our Deputy General Counsel. Our general counsel has a medical examination this morning and will be in later.

Dirk Vande Beek, my special assistant; Gregg Chappell, Chairman of the National Board, Emergency Food and Shelter Program; Ed Kernan, who has done yeoman work for us during this year in actually helping to prepare this material earlier; Tom McQuillan, who is our Executive Director; and David Cole, whom you know as head of our congressional affairs.

I believe that completes the list, sir.

#### BUDGET OVERVIEW

Mr. TRAXLER. All right. We note that the agency is requesting \$436,268,000 for its operating programs in fiscal year 1993, and the request is \$19,066,000 or 4.2 percent below the 1992 level.

In addition, FEMA is requesting \$292 million for the disaster relief fund. An additional \$28 million in savings through the regulatory changes is requested for a total program level of \$320 million for fiscal year 1993.

For fiscal year 1993, \$100 million is requested for the emergency food and shelter program, down from the \$134 million appropriated in fiscal year 1992. And finally, FEMA is proposing that the radiological emergency preparedness program be fully funded by offsetting receipts.

The 1993 budget requests a total of 2,672 workyears, a decrease of 7 below the 1992 level in the operating programs.

We look forward to your statement, Mr. Stickney, and we will place it in its entirety in the record. You may proceed as you choose.

Mr. STICKNEY. Thank you, sir. With your permission, I would like to make a short opening summary statement.

Mr. Chairman, and members of the subcommittee, my name is Wallace Stickney. I am Director of the Federal Emergency Management Agency, and we are appearing here today to present testimony on the budget request for fiscal year 1993.



In addition to the numbers, I would like to focus on some of the issues surrounding the agency including the new directions for civil defense and some other highlights.

#### INTRODUCTION OF EMERGENCY MANAGEMENT PROGRAMS

Over the past year we have begun restructuring individual emergency management programs into a comprehensive integrated emergency management framework. Mr. Chairman, you will find in our agency today more consultation between directorates than in the past. For example, hazardous materials activities are closely coordinated between the Fire Administration and State and Local Programs; flood issues are coordinated between the flood and disaster programs; and urban search and rescue activities are discussed between State and Local Programs and the Fire Administration. And we will continue to do that.

#### REASSESSMENT OF CIVIL DEFENSE

We have, of course, been involved in a reassessment of the civil defense policy as a result of the dramatic changes in the world and expect to issue a formal report on that in the relatively near future. It is, however, not quite ready for today's meeting.

The revised civil defense approach will reaffirm the partnership amongst Federal, State and local governments and that civil defense is an integral part of the U.S. national security posture. However, the policy continues to move toward an all-hazards approach, but will be even more dramatically emphasized in the future.

#### PROGRAM HIGHLIGHTS

The past year has been busy for us, as you know. It was a year of unusually high disaster activity. We have responded to 53 requests for disaster assistance which resulted in 39 declarations in 520 counties. This compares to an average year in which there were 38 requests that result in an average of 27 declarations.

So far in 1992, there has been no relief in that regard. Disasters have been declared in 21 situations with estimated costs in excess of \$400 million at this point in the year. Even if the rest of the year is an average one, estimated costs will probably approach something on the order of \$600 million. As you can see, the \$800 million supplemental was a much needed addition to the resources.

I would like to thank you and members of your committee for helping to resolve that problem and would also like to note that I think structurally the problem has been solved by agreeing that anything over the 10-year average disaster cost would be, considered an emergency under the budget agreement.

Given the difficulty of forecasting earthquakes and hurricanes one year in advance, that is going to be very helpful to us. We have been seeking to apply the lessons learned from everything; from that we have seen from the fires in Oakland, to the floods in Texas, to the freeze problem in Southern California.

In the flood insurance program, our policy base has increased by over 5.4 percent. We are now up to about 2.5 million policies in force this year.

The Fire Administration continues its leadership for our 1.25 million fire fighters in this country, and we continue to creatively seek constructive partnerships with the State and local governments in that regard.

#### 1993 BUDGET REQUEST

You have very capably reviewed our budget request, so I won't go into that. However, I would note that we have made some simplifications in the budget which you perhaps would like to focus on. We would be pleased to explain in more detail should that be required.

In response to the Chief Financial Officer's Act and the statutory Inspector General requirements, we have provided for increased resources for both the Inspector General's office and the Chief Financial Officer's office. And, of course, we will be hoping to recoup all of the expenses of our radiological emergency planning program for fixed facilities. That us a change in this year's budget.

#### IMPORTANCE OF PREPAREDNESS

Mr. Chairman, members of the committee, I really believe that this has been a year of coming together. Hurricane Bob threatened the entire East Coast from Cape Hatteras to New England, where it made landfall. We had all of our capabilities on alert in concert with the State capabilities, and I believe that when it did make landfall in New England, the response was fast and supportive and the reconstruction activities followed very quickly.

But many of the things we do in terms of education are not often noticed. In Lansing, Michigan, for instance, last year at the Michigan Fire Chiefs Association they awarded their Lifesaver of the Year award to a five-year-old boy, who had saved his sister from burning to death. When he was asked how he knew what to do, he said he simply did what the fireman told him to do when he came into the classroom to talk to them.

Montpelier, Vermont has been in the news recently. The city manager, operating from a \$2,000 a year emergency preparedness budget, was pleased to tell us their plans that they had practiced faithfully year after year had worked perfectly during the flood. This flood, which cost 67 lives when it happened in past years due to an ice jam, cost no lives at all. He also cited key skills learned at our Emergency Management Institute as being very helpful.

In Austin, Texas, we have seen very efficient use of the emergency food and shelter capabilities in leveraging, for instance, the capabilities of volunteer efforts.

And we are pleased to see, Beaufort, South Carolina, utilizing the hurricane protection program money. They have, with our help, created a management model which takes our hurricane SLOSH modeling and presents it in a format that makes for easy decision-making. The list goes on and on and on.

I would also say that one of my most rewarding times this year was a couple of days spent with General Burba in Forces Command at the Joint Command Readiness Program, where we got into great detail with Grant Peterson and others, on how the Department of

Defense could be best postured in order to help us should the Federal response plan need to be implemented.

Here in DC, we have completed a quality of work life study, which dealt with space, surroundings, and working conditions. Now for the first time since I have been privileged to be Director, we have some concrete proposals for responding to concerns about space and what the future situation and location of the agency should be.

So we feel that the past year has been a very successful year. This concludes my opening remarks, sir, and we are available to answer whatever questions you might have.

Mr. TRAXLER. Thank you very much for that statement.

[Mr. Stickney's statement follows:]

6

STATEMENT OF

THE HONORABLE WALLACE E. STICKNEY

DIRECTOR

FEDERAL EMERGENCY MANAGEMENT AGENCY

BEFORE

THE SUBCOMMITTEE ON VA-HUD-INDEPENDENT AGENCIES

COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

MARCH 24, 1992

Mr. Chairman and Members of the Subcommittee:

We appear before you today to present testimony on the budget request for the Federal Emergency Management Agency (FEMA) for fiscal year 1993. Today, in addition to the numbers, I will focus on issues surrounding the Agency, including the new direction of civil defense.

In the past year, FEMA has begun restructuring individual emergency management programs into a comprehensive, integrated emergency management framework. As a result, in FEMA today, you will find that we are using expertise attributable in one program area to benefit another. For example, staff from various organizations have worked together to address several issues.

#### REASSESSMENT OF CIVIL DEFENSE POLICY

Over the past year, FEMA has been involved in a reassessment of civil defense policy as a result of dramatic changes in the political face of Eastern Europe and the former Soviet Union. I am pleased to say that the policy review, conducted by an interagency group, is complete, and FEMA expects to report next month on the policy and other issues requested by Congress.

The revised civil defense policy reaffirms the partnership among Federal, State, and local governments and that civil defense is an integral part of the U.S. national security posture. The policy moves toward an all-hazards approach, including attack in any form, and away from a heavy emphasis on nuclear attack. Emphasis is placed on building base capabilities, common to all hazards and those unique to attack, which are necessary to ensure preparedness for effective management of the consequences of disasters regardless of cause. The review concluded that no changes are needed at this time in the Civil Defense Act, as amended, and that funding should continue to come through defense authorizations. This does not preclude future investigations into the proper funding role for civil defense by the domestic budget.

The policy also establishes the Civil Defense Program as the focal point for working with States and local governments on integrated, multi-hazard response planning to deal with the consequences of catastrophic emergencies. I am excited to say that this year we have completed revisions of the Federal Response Plan to which 27 agencies and the American Red Cross have agreed. By signing the Plan, each agency agrees to perform functional mission assignments stated in annexes to the Plan when asked to respond in Presidentially declared emergencies or disasters. This planning effort, supported by the Civil Defense Program, has provided an effective vehicle to bring all of FEMA's emergency management programs into closer cooperation and mutual support.

#### OVERVIEW OF THE 1993 BUDGET REQUEST

FEMA's request for all appropriations totals \$817,886,000. The

outlay request is \$1,192,575,000, and FEMA's full-time equivalent needs are estimated at 2,771. Compared to 1992 appropriations, including the supplemental appropriation of \$800,000,000 for the Disaster Relief Fund, requested appropriations decrease by \$755,198,000, outlays increase by \$40,493,000, and full-time equivalents increase by 9.

The 1993 budget request for FEMA's operating accounts is \$430,320,000, a decrease of \$19,870,000 or approximately 4% below 1992. The request includes funds to support FEMA's full complement of requested workyears, to provide for specific initiatives such as enhanced disaster assistance and earthquake hazard reduction efforts, and funding for uncontrollable cost increases, including GSA rent increases, the three-month 1993 cost of the 1992 pay increase, and for 1993 pay-related costs, including the January, 1993 pay raise.

#### CHANGES IN THE 1993 BUDGET REQUEST

FEMA's 1993 request proposes some significant changes from the 1992 enacted levels. An appropriation of \$292,095,000 is being requested for the Disaster Relief Fund. The request assumes an average disaster year of \$320,000,000 plus \$95,000 for administrative expenses associated with state share loans. An offset of \$28,000,000 in cost savings is anticipated from program regulatory and policy changes. These cost savings would be available if the proposed changes were adopted without modification after the opportunity for public comment.

The 1993 appropriation for the Emergency Food and Shelter program of \$100,000,000 represents a decrease of \$34,000,000 from the 1992 enacted level. Government-wide, however, the Administration proposes a 6% increase in funding for programs to assist the homeless. The decrease in the Emergency Food and Shelter program reflects a shift away from funding short term, emergency shelter activities to a policy of funding programs linking transitional and permanent housing with support services.

In operating programs, changes are reflected in both our staffing and funding request. The request for the Civil Defense Program reflects a pause in acquiring new facilities and equipment until a requirements study is completed. Under the National Earthquake Program and Other Hazards activity, resources targeted for enhancements to the existing earthquake program will be offset by the discontinuation of the Dam Safety program. The Training and Fire Programs activity reflects, among other items, the elimination of one-time increases. The Disaster Relief Administration request contains increased workyears and funds for programmatic and financial management improvements. Enhancements to the Management and Administration activity will provide for support for the collection of user fees, improvements to financial management and various uncontrollable price increases.

Other increases include resources for the Inspector General appropriation to meet the requirements imposed on the Office as the result of the creation of a statutory Inspector General in FEMA and the Chief Financial Officers Act. Estimates for the National Insurance Development Fund (NIDF) assume the continuation of the Crime Insurance Program through September 30, 1995.

In 1993, FEMA proposes the full recoupment of direct expenses of the Radiological Emergency Preparedness Program from the utility companies serviced in the licensing process with the funds being deposited in the Treasury but credited to FEMA. In addition, the full cost of the Flood Insurance and Mitigation activity will be recovered from flood insurance policyholders.

#### CHANGES TO THE BUDGET STRUCTURE

The 1993 request contains budget structure changes for the Civil Defense and the Federal Preparedness activities. The restructuring and consolidation of the Civil Defense activity structure includes five programs: these are (1) State and Local Emergency Management (2) Facilities and Equipment (3) Planning, Exercising and Response (4) Training and (5) Telecommunications. The proposed restructuring of the Federal Preparedness activity combines the previously separate Emergency Information Coordination Center (EICC), Mobilization Preparedness and Federal Readiness and Coordination programs into a single program called Government Plans and Capabilities in order to better reflect the interrelationships between these programs and their mission responsibilities and to increase management flexibility to more effectively apply the available resources. The 1993 budget also includes a proposal for the Management and Administration activity to consolidate the Offices of Personnel and Equal Opportunity, Management Services, Security, and Acquisition Management as well as the Administrative Support Staff and other Administrative Expenses elements into a single line item called the Office of Executive Director. In addition, the Office of Program Analysis and Evaluation (PA&E) will be eliminated and the functions, resources and personnel of PA&E will be redistributed to the Office of Executive Director and the Office of Financial Management (formerly the Office of the Comptroller). This latter name change results from the establishment of the Chief Financial Officer organization.

#### CIVIL DEFENSE

FEMA requests \$142,565,000 and 366 workyears, a decrease of \$16,056,000 and 14 workyears from the 1992 estimate, for the civil defense program. These resources support the continued development and maintenance of a base capability at Federal, State and local levels to prepare for and respond to the consequences of disasters regardless of cause. The 10 percent reduction in funding reflects a "pause" in acquiring new equipment and facilities pending a comprehensive study of program requirements based on new civil

defense policy.

You will recall that last year I informed you of a proposed reorganization. We have consolidated emergency response planning for all hazards in one Division and State and local capability building in another Division. The Office of Civil Defense has been renamed the Office of Emergency Management within our State and Local Programs and Support Directorate. Also, as I mentioned earlier, the civil defense budget has been restructured into a simpler, more understandable and flexible format.

In 1993, the Civil Defense Program will emphasize an all-hazards, consequence management approach which is consistent with existing law, but at the same time is more responsive to perceived threats. A major requirements study will help to identify a base emergency management capability for the Nation and the appropriate Civil Defense Program contribution.

#### NATIONAL EARTHQUAKE PROGRAM AND OTHER HAZARDS

The request for the National Earthquake Program and Other Hazards activity is \$19,882,000 and 66 workyears, a decrease of \$2,614,000 from the 1992 enacted level. The decrease is primarily a result of the elimination of a fiscal year 1992 increase for an earthquake research laboratory in Nevada. The reduction also reflects the termination of the National Dam Safety Program since substantial goals set for the program have been met.

An increase of 3 workyears in the 1993 request for the National Earthquake Program will provide additional resources to complement current regional earthquake program staff. The total number of workyears for the activity remains at 66, however, because the increase for the earthquake effort is being funded by terminating the Dam Safety Program and its 3 workyears.

The National Earthquake Program and Other Hazards activity supports FEMA's statutory responsibilities as lead agency for the National Earthquake Hazards Reduction Program and encompasses programs which work with State and local governments, volunteer and educational organizations and the private sector to reduce the potential loss of life and property from earthquakes, hurricanes, and related natural hazards. This is accomplished through comprehensive programs of mitigation, preparedness and response planning, training and public education.

#### TECHNOLOGICAL HAZARDS

The Technological Hazards budget activity comprises the Radiological Emergency Preparedness (REP) and Hazardous Materials Programs. This activity supports FEMA's effort to provide technical and financial assistance in developing and fostering Federal, State, and local capabilities to prepare for, respond to,



and mitigate the consequences of technological emergencies. The request for Technological Hazards is \$12,262,000 and 121 workyears, an increase of \$1,004,000 and 4 workyears over 1992. This increase will enhance the funding base for the existing 95 workyears in the REP program, and the 4 additional workyears will support implementation of the user fee under the REP program.

In 1993, under its REP Program, FEMA will continue to assess the adequacy of State, local, and utility emergency planning and preparedness around fixed nuclear power facilities. Under the Hazardous Materials Program, FEMA will continue to emphasize development of a comprehensive exercise program with which to assess emergency planning and response capabilities at the State and local level. Additionally, FEMA will continue to expand the services and enhance the accessibility of the joint FEMA/Department of Transportation (DOT) Hazardous Materials Information Exchange, a major information source for State and local governments.

FEMA has issued a final rule and is now collecting fees charged to utilities for services which are site-specific in nature, and which are performed under the REP program. Under current projections, FEMA expects to collect \$4 to \$6 million in user fees in 1992. In keeping with the Administration's continuing emphasis on user fees, the 1993 budget proposes to recover the full cost of the REP program from the utility companies serviced in the licensing process. The fees would be credited as offsetting proprietary receipts of the Agency.

#### FEDERAL PREPAREDNESS

The request for Federal Preparedness is \$150,896,000 and 927 workyears, a net increase of \$2,266,000 and a decrease of 15 workyears from 1992. The major portion of this increase is in the Government Preparedness Program, which is justified separately.

The Federal Preparedness activity encompasses a wide range of programs whose purpose is to achieve Government readiness to ensure that the nation is prepared to respond to, manage, and recover from peacetime or wartime national security emergencies, and to enable Government at all levels to cope with the consequences of accidental, natural, and man-caused occurrences.

Under the Federal Preparedness activity, FEMA supports a variety of mobilization planning and coordinating activities to assure that Federal departments and agencies have, in place, the necessary plans, systems, procedures, and resources to support national emergency mobilization by providing guidance to the Federal departments and agencies to prepare for and effectively respond to national security emergencies. This program also provides guidance, policy, and management for the Government-wide National Defense Executive Reserve (NDER) as well as support to planning and exercises involving NATO/Canada/Mexico.

The Federal Preparedness activity provides national-level emergency managers with data, communications support, and facilities to direct the national response to a wide range of emergencies through the operation and maintenance of the Emergency Information Coordination Center (EICC).

In addition, this activity allows for the deployment of appropriate resources in a FEMA Emergency Response Capability (FERC) designed to respond to the full range of potential catastrophic emergencies. The FERC includes a quick response, air-transportable communications capability to support natural and man-made disasters. The capability includes a satellite hub terminal and five communications vans equipped with High Frequency (HF) and line-of-site radio equipment as well as satellite equipment. Each communications van will possess a quick response capability which can supply long distance communications to link hundreds of telephones, radio, data, and video disaster-area response services with supporting capabilities in the Headquarters, Regions, and States or in the public infrastructure. The FERC also includes the Agency's highly successful Mobile Air-Transportable Telecommunications System (MATTS) as well as an automated Information Display System (IDS).

#### TRAINING AND FIRE PROGRAMS

The 1993 request for Training and Fire Programs is \$28,764,000 and 124 workyears, a net decrease of \$8,142,000 from 1992. This activity provides the funds to support the development and delivery of programs that prepare Federal, State, and local officials, emergency first responders, volunteer groups, and the public to meet the responsibilities and challenges of domestic emergencies through planning, mitigation, preparedness, response, and short and long term recovery. Fire prevention and control activities are developed and delivered through the United States Fire Administration, and educational programs are accomplished through the Emergency Management Institute and the National Fire Academy, which is organizationally a part of the Fire Administration.

The 1993 request eliminates funding for the SARA Title III training grants for first responders to hazardous materials incidents since similar program goals should be met through funding in accordance with the Hazardous Materials Transportation Uniform Safety Act; discontinues funding at this time for the renovation program at the Emmitsburg facility since corrections related to fire code violations and handicap accessibility requirements will be done by the end of 1992; and eliminates the one-time funding for the hazardous materials training facilities in Vermont and Waterloo, Iowa.

At my appearance before this Committee on the 1992 budget, I made you aware of my decision to place the National Fire Academy back under the United States Fire Administration and place the Emergency

Management Institute under the State and Local Programs and Support Directorate. It has been over a year since this decision was implemented, and I am pleased to report to you that the transition went smoothly with minimal disruption of operations. Credit goes to the employees in the various organizations involved who worked to continue to serve the Federal, State, and local officials and members of volunteer groups throughout this transition. The National Fire Academy and the Emergency Management Institute continue to work together on matters of interest to both educational institutions.

#### MANAGEMENT AND ADMINISTRATION

The request for Management and Administration is \$55,027,000 and 477 workyears, a net increase of \$2,424,000 over the 1992 enacted level. The net increase in this activity includes resources to support the collection of user fees in the Radiological Emergency Preparedness (REP) Program. This request will also provide enhancements to improve the Agency's financial management capabilities and to meet requirements under the Chief Financial Officers Act. Additional resources are also requested for uncontrollable cost increases for rent and increased space.

#### INSPECTOR GENERAL

In 1993, FEMA is requesting \$5,948,000 and 78 workyears for Inspector General activities, an increase of \$804,000 and 8 workyears over 1992. The increase requested for 1993 will be utilized to enhance audit, inspection and investigative coverage of the Agency's programs and operations. Emphasis will be placed on internal audits that report on the performance of FEMA programs and audits of financial management functions.

#### NATIONAL FLOOD INSURANCE FUND

In 1991, the National Flood Insurance Program's (NFIP) policy base increased by over 127,000, or 5.4 percent, to approximately 2.5 million policies. This is just one indicator of the success of the NFIP's partnership with the private insurance industry as the most effective means of promoting the sale of flood insurance policies, providing improved services to insurance agents and brokers, and improving claims services to policyholders, should a catastrophic flooding event occur. At the end of fiscal year 1991, 85 companies were actively writing in the program, representing over 2,100,000 policies or 85 percent of all flood insurance policies.

The Omnibus Reconciliation Act of 1990, which authorized the NFIP through September 30, 1995, formally transferred all costs for the floodplain management component of the National Flood Insurance Program and salaries and expenses for both Insurance Activities and Floodplain Management to flood insurance policyholders. In July 1991, a \$25 policyholder service fee was implemented to cover these

expenses. In fact, the NFIP has not received or requested any appropriation for these activities since 1985.

In 1993, FEMA is requesting \$62,070,000 and 208 workyears for both salaries and expenses and program costs for Flood Insurance and Mitigation, a net increase of \$3,653,000 over 1992. The increase is necessary to support letters of map amendments/revisions, mapping as a result of the Coastal Barriers Improvement Act, erosion/riverine studies, and implementation of the Community Rating System (CRS) which will create a major workload for information, technical verification of eligible community flood loss reduction actions and additional compliance activities. In 1991, 295 communities, which account for 25 percent of all flood insurance policies, earned a 5 percent reduction in flood insurance premiums for participating in the CRS. CRS recognizes and potentially credits communities that undertake activities beyond those required for NFIP participation. The activities required to receive premium reductions are designed to reduce flood losses, facilitate accurate flood insurance rating, and promote the awareness of flood insurance. Over 300 new communities have applied for participation in 1993. Any cutback in other activities, in order to meet these demands, could expose the NFIP and related Federal disaster assistance programs to greater program expenditures.

#### NATIONAL INSURANCE DEVELOPMENT FUND

The Omnibus Reconciliation Act of 1990 authorized the Federal Crime Insurance Program through September 30, 1995. FEMA continues to support discontinuation of the program, unless it is made actuarially sound. The program is expected to continue to require a taxpayer subsidy of over \$130,000 per month through 1993 for fewer than 21,000 policies, of which 83 percent are in five states. In order to make the program more efficient and less costly to the taxpayer, FEMA will raise premium rates 15 percent each year as authorized by the Omnibus Budget Reconciliation Act of 1990.

#### DISASTER RELIEF

The 1993 appropriation request of \$292,095,000 for the Disaster Relief Fund reflects a \$320,000,000 "average" annual disaster estimate, less \$28,000,000 in cost savings anticipated from proposed revisions of program regulations. These cost savings would be available if the proposed regulations were adopted without change after the opportunity for public comment. Proposed appropriation language limits funding for Hazard Mitigation projects to \$20,000,000 and limits states share loans to \$8,000,000. We continue to fund disasters on a cash/obligation basis; that is, funds are only provided for present, rather than anticipated total claims.

With the increasingly severe funding shortfall during 1991,

extraordinary measures were employed during 1991 to provide relief for disaster victims. With the exception of a few emergency projects, all funding for the Public Assistance Program was frozen in April, 1991. This successfully allowed for the continued funding of the Individual Assistance programs and administrative costs until the supplemental appropriation was approved in December, 1991. The backlog of \$194 million in Public Assistance projects was immediately funded at that time, and all open disaster claims are being funded.

As of the end of February, \$625 million remained unobligated in the Disaster Relief Fund. The \$409,000,000 projected as the eventual cost for the disasters declared during the first five months of this year is extraordinarily high. Including a projection of "average" costs of \$179,000,000 for the remaining seven months of the fiscal year, FEMA is projecting that fiscal year 1992 disaster declarations will eventually cost about \$588,000,000. Estimates are expected to change as new data become available.

FEMA intensively tracks the status of the Disaster Relief Fund and can advise you on how we expect funding requirements to change as we progress through this and future fiscal years. Since there is a delay between when disasters occur and when obligations actually have to be made, we anticipate, under this projection, having approximately \$25 million of unobligated balances in the Disaster Relief Fund available to carry over into fiscal year 1993. It is important to remember, however, that even though we anticipate being able to meet all claims for reimbursement for the remainder of the year, under this scenario, we will carry into fiscal year 1993 a total unfunded liability of approximately \$207 million. Actual funding requirements for fiscal year 1992 and future fiscal years depend on the rate and magnitude of disaster occurrences.

In 1991 and 1992, FEMA began implementation of a major Hazard Mitigation Program evaluation effort in conjunction with agencies and organizations outside of FEMA. On the Federal level, an evaluation of the Interagency Hazard Mitigation Team planning process (implemented immediately following a declared disaster) is being undertaken by the Interagency Hazard Mitigation Task Force. The purpose of this review is to bring up to date this 12 year old process consistent with requirements of the Stafford Act. In addition to FEMA, this Washington-level Task Force is composed of members of the Federal agencies that have programs and responsibilities related to post-disaster recovery and mitigation. On the State and local level, FEMA has established a task force with representatives of the National Emergency Management Association and the Association of State Floodplain Managers to evaluate the implementation of the Hazard Mitigation Grant Program and related hazard mitigation activities. The objective is to provide greater emphasis and direction on hazard mitigation activities following major disaster events.

## EMERGENCY FOOD AND SHELTER

FEMA is requesting \$100 million to continue support to emergency food and shelter programs for the homeless through a national board of major private charities. This funding level reflects a decrease of \$34 million from the 1992 level in accordance with the Administration's policy of shifting resources into programs that assist the homeless on a more transitional or permanent basis.

Thank you, Mr. Chairman. My staff and I will be pleased to answer any questions.

## REORGANIZATIONS

Mr. TRAXLER. I want to discuss with you the reorganization within the management and administration element. You will note on page S-7 of your justifications that you have provided a cross-walk explaining the reorganization. Although this reorganization took place in November, the justification was the committee's only notification that reorganization took place within FEMA.

As you are aware, this committee and the Senate require that any agency undergoing a reorganization must notify the Committees on Appropriations prior to the planned reorganization implementation. Last year you provided the committee with a letter concerning the reorganization within the State and Local Programs Office and Support Directorate, but you did not do that in connection with the management realignment. Why didn't you tell us you were going to do that; why did we have to read it in the justifications?

Mr. STICKNEY. I believe there may be one additional notification we made, and that was the notification relative to U.S. Fire Administration and its changes relative to the Office of Training.

That realignment was essentially a realignment of the existing boxes with no real changes in the duties or the resources, except for some adjustments that were necessitated by the Chief Financial Officer's Act, which required that some of the internal control functions be included under the Chief Financial Officer.

As far as lack of notification, there was no reason not to notify you. It was an oversight on our part and I apologize for that, and assure you should any changes being made in the future, we will follow the language explicitly.

## SURVEYS AND INVESTIGATIONS TEAM VISIT

Mr. TRAXLER. Well, we would hope so. I have to tell you that my impression is that in most instances the agency does extremely well dealing with its mission. I have commended the agency, yourself, and your staff in connection with the way in which the last few year's disasters were handled. To my knowledge, your civil defense training and functions are well-administered, also.

What I am distressed, about is that we keep having darn problems—and that is polite language—with the way the agency is administered at headquarters. I am rather frustrated because periodically we have these difficulties, and I am not sure what is going on. What we are going to do is to send our full committee S&I people out to visit with you to do a report for the Committee. Perhaps after you have had conversations with them, you will better appreciate the roles and expectations of this subcommittee and the Senate subcommittee. We also want them to review carefully all the administrative practices that management has been engaging in because it is most distressing to us.

Mr. STICKNEY. Sir, I would be pleased to undergo any review that you would put forward.

Mr. TRAXLER. You are certainly going to have it.

Mr. STICKNEY. I want to make a couple of points. When I came on the scene, we were an agency of command and control. We had a Chief of Staff who ran the agency with the political appointees

essentially looking on and taking no responsibility. I came down here with a thought that this group of political appointees was not here to play golf or learn how to dance, they were down here to run their organizations.

I did not need a Chief of Staff to tell me what to do, neither did our deputy director. I wanted to be involved. Therefore, we needed to change somewhat to an executive directorate type of organization rather than a Chief of Staff.

I believe that the involvement of all of us together is one of the reasons why our responses this year have been smoother than they have in the past. And in making management decisions, there are some people who feel that they would have made a different decision and there would be some disagreements. However, I would be pleased to lay out, in any forum, what has happened and be pleased to hear what the comments are about that.

Mr. TRAXLER. We look forward to that also.

#### REORGANIZATION OF MANAGEMENT SERVICES

Mr. TRAXLER. According to page SE-76 of last year's justification, in fiscal year 1991 the Office of Management Services was established when the functions were moved out of the Chief of Staff's office. Why did you reorganize this area again? What was the purpose of the reorganization?

Mr. STICKNEY. The purpose of the change, frankly, was to lessen the management authorities of the Chief of Staff and place them where they belonged, in the Director's Office and the Deputy Director's Office. The functions are essentially the same with acquisition management and management operations under that office. The functions have not changed, except for those which will need to be transferred to the Chief Financial Officer's office because of the requirements of the Chief Financial Officer's Act. That switch was as follows.

The program evaluation capability that was in management services stays there, but the internal controls function was split from management services and moved under the Chief Financial Officer. It was simply a reorganization that fit the more involved management style of the leadership team at FEMA.

#### MEANING OF S&I

Mr. TRAXLER. We have a number of issues that the S&I team will be looking at. We expect answers, and I am confident of your full cooperation with the staff when they get out there.

Mr. STICKNEY. We beg your forgiveness, but S&I stands for?

Mr. TRAXLER. Surveys and investigations. It is an archaic term left over from the last century. It preceded the GAO, I think. Does that sound right? Where is our institutional memory? Was S&I here before the GAO?

Mr. GREEN. Got me. That is before my time.

Mr. TRAXLER. Anyway, they are our investigative staff for the full committee, briefly.

Mr. STICKNEY. All right.



## STATUS OF DISASTER RELIEF FUNDS

Mr. TRAXLER. Another issue of concern to this committee has been the disaster relief fund and program. As you know, the program has been highly visible. You have been very active during the last year; we are going to talk a little bit about it later in the course of the hearings, but I just have a few thoughts here and some questions for you.

We received your report on the status of the disaster relief fund. Based on your projections, current funding levels for 1992 will be insufficient. Could you tell us exactly what the financial status of the fund is at this time?

Mr. STICKNEY. Yes, sir, we realize that we are required to let everyone know if the eventual cost of these disasters as we projected will exceed the money that we have available. However, that money is obligated as the projects are completed or started or approved. So in terms of cash flow at this point, we are all right, but without question, the additional monies that were requested in the recent request for the amendment to the 1993 budget, I think, are very important.

Sir, with your permission, I would like Grant Peterson to provide the details.

Mr. TRAXLER. Sure.

Mr. PETERSON. Mr. Chairman, I think you asked us where we are today in the Fund if we were on an accrual basis. We would be \$72 million short, on a cash basis where we are paying the bills as they come in. We have a fairly hefty amount of money in reserve, \$546 million.

By the end of this year, our projections are based upon two things; one, we have \$420 million worth of business on the books today, and two, if we have for the rest of the year, a conservative year, a normal year, then we will be looking at close to a \$600 million year for this year.

What that would mean to us and to the committee is that we would go into 1993 with about \$25 million in cash in the bank, but about \$207 million in accrued liabilities.

Mr. TRAXLER. That is certainly no good news.

Mr. PETERSON. No, sir. It has been an extremely active year. And that is based on a conservative projection for the rest of the year.

Mr. TRAXLER. How many accounts do you have open now? How many disasters are we looking at in 1991? You have the dates listed. What are there; 18, 19?

Mr. STICKNEY. Twenty-one.

Mr. PETERSON. Twenty-one in this year.

Mr. STICKNEY. For 1992. Fiscal year 1992.

Mr. TRAXLER. For fiscal 1992. You don't deal with calendar disasters, you deal with fiscal.

Mr. PETERSON. Fiscal years, sir. That is what we have on the books right now, 21 disasters at \$420 million.

Mr. GREEN. Mr. Chairman?

Mr. TRAXLER. Bill.

Mr. GREEN. Is it safe to assume that all of that would qualify for emergency treatment under the conference report and the budget act?

Mr. PETERSON. Mr. Director, should I—

Mr. STICKNEY. Sure.

Mr. PETERSON. Yes, my understanding is that once we broke that \$320 million cap, you gave us \$143 million in reserve and, therefore, that would be available for utilization in this fiscal year, if necessary.

If we continue to function on a cash basis, we believe we will get to the end of the year with some cash in the bank and not have to use that. But we will have to pay for that in 1993 and we will utilize that money then.

#### BUDGET AMENDMENT FOR DISASTER

Mr. GREEN. If we should have a supplemental this year to make up the budget authority that you need, that would all qualify for emergency treatment under the conference report agreement between the Congress and the administration?

Mr. PETERSON. I believe that there is a request coming through for \$200 million. That would be treated in the same way as the \$143 million was treated in the supplemental. It is a budget amendment request, I believe, and would be used for extraordinary disasters in 1993.

Mr. GREEN. I am told it has arrived.

Mr. PETERSON. Yes, sir.

Mr. STICKNEY. And as you will note, sir, I hope we have refined our statistics to a minor degree in that the emergency threshold is based on a 10-year moving average. So that might help fit into the national trends better.

Mr. PETERSON. If I could offer just a little bit more to broaden the picture, Mr. Chairman. If we receive the \$200 million, use the \$143 million you gave us in the supplemental, consider our carry-over from 1992 as well as contingent liabilities, add in the normal appropriation in 1993, and we have a normal year in 1993, heavy quotes and underlined, we would come out the other end with about \$90 million in the bank, using all of those resources on a cash basis again in 1993.

Mr. GREEN. What would be your budget authority deficit at that point?

Mr. PETERSON. At the end of 1993 we would have a full allocation of about \$270 million in accrued liability. We are trying to give you a better picture this year, sir, than we did last year.

Mr. TRAXLER. Mr. Green, I want to pursue that for a moment.

Refer to the administration request for the additional \$200 million in emergency funding for 1993, I believe it is called the contingency fund for the disaster relief program. Why would you be seeking these funds as an emergency for fiscal 1993? You have \$143 million in emergency funds currently in reserve, why do we want to deal with this in terms of the 1993 bill?

Mr. PETERSON. I think that we are trying to do a couple of things, Mr. Chairman. First, we are trying to enhance our ability

to do projections and to be upfront right out of the barrel as to what we think is going to impact not only this year but next year.

We have a very clear indication right now that we have already exceeded our projections in 1992 by a very large amount, and under the cash basis we will be able to make it through this year, but under the accrual we will not. So we know we will not make it through 1993 with the resources we requested for the normal budget, not even with the \$143 million and a normal year in 1993.

So we are trying to give an upfront signal that additional resources are necessary. The other compounding aspect is that we deal with high fluctuations in this disaster program. By having a reserve, if we have less than a normal year next year we may not need to use all of it. However, the indications are today that we will need the additional \$200 million requested in 1993, and we are trying to be upfront with you, sir.

#### PROGRAMS REQUIRING REAUTHORIZATION

Mr. TRAXLER. We appreciate that. This issue is one that is being discussed now with the full committee chairman. We don't know how it will work out, but we will be looking at it.

Finally in this area, we note that you are requesting funding in 1993 for a number of programs requiring reauthorization this year. Would you, for the record, provide a list of the programs that should be reauthorized in 1993, and what their dollar amounts are to be.

Mr. STICKNEY. Yes, sir.

[The information follows:]

## PROGRAMS REQUIRING APPROPRIATION AUTHORIZATION BEYOND FISCAL YEAR 1992

(In thousands of dollars)

|   | S&E           | EMPA           | Total          |
|---|---------------|----------------|----------------|
| Civil Defense: Section 408 of Federal Civil Defense Act (50 U.S.C. App 2260). While authorized through 1993, the amount authorized (\$137,728,000) is insufficient to cover the 1993 request.....                             | \$20,423      | \$122,142      | \$142,565      |
| Fire Programs: The Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2201) authorizes the Agency's fire programs.....  | 6,874         | 16,631         | 23,505         |
| Emergency Food and Shelter Program: Stewart B. McKinney Homeless Assistance Act of 1987, as amended, Public Law 100-77, (42 U.S.C. 11331 et seq., as amended) authorizes the Agency's emergency food and shelter program..... | 256           | ...            | 100,256        |
| <b>TOTAL.....</b>   | <b>27,553</b> | <b>138,773</b> | <b>266,326</b> |

Note: TOTAL figures for S&E and EMPA do not add to Total column because Emergency Food & Shelter program funds (which are not in the EMPA appropriation) are included in Total column only on line above.

## LOMA PRIETA EARTHQUAKE IN 1989

Mr. TRAXLER. We are also pleased to welcome a member of the full committee, Congresswoman Pelosi, from the San Francisco area. She has several questions concerning one of our favorite topics: the earthquake. How many years has it been?

Ms. PELOSI. Two and a half. October 1989.

Mr. TRAXLER. Please proceed.

Ms. PELOSI. And the beat goes on.

Thank you very much, Mr. Chairman, for your courtesy in allowing me to be here today, because FEMA, of course, is very important to San Francisco in the wake of the earthquake and beyond. I thank Mr. Green for his hospitality as well.

Every chance I get I want to thank you for the work of this committee and your leadership in helping us through a difficult time. The citizens of San Francisco will never forget your commitment to the extent of your physical presence there to review the 8th Avenue site and other damage.

Mr. TRAXLER. We had good hosts, you and Grant.

## SEISMIC RETROFIT OF SAN FRANCISCO CITY HALL

Ms. PELOSI. Yes, and Mr. Peterson was there as well.

We have appreciated the opportunity to work with FEMA and they have been very cooperative. Mr. Stickney has helped us a great deal with one very important project there, the Geary Theater, whose loss had a tremendous impact on our community, and his leadership there has been very important to us and I am grateful.

However, there is one other issue I want to bring up today, and I know time is short so I will refer to my notes in the interest of time.

My question centers on the applicability of San Francisco's building codes, which the city has used to amortize the cost of seismically upgrading buildings by requiring seismic upgrades when certain repair alteration thresholds are reached.

The ACT, a private nonprofit structure which housed the American Conservative Theater, received funding based on the seismic retrofit required by San Francisco building codes. This funding was in conformance with the intent of Congress in the Stafford Act.

The Stafford Act mandates that the Federal Government help pay for the cost of repairing facilities damaged by natural disasters. However, out of concern for future safety, and out of concern for ensuring that Federal money not be wasted, the Stafford Act required that repairs be in conformance with building codes and standards in force at the time of the disaster.

Now the problem arises that FEMA has informed the city that City Hall, the building in question, is not eligible for seismic retrofit funding. That leads to my question, Mr. Stickney and Mr. Peterson: why is City Hall not eligible for hazard mitigation funds when the San Francisco Building Inspector, the city attorney, and the governor's representative all agree the Stafford Act requires that funding be available for a seismic retrofit of City Hall?

Mr. STICKNEY. Ma'am, I know the City Hall has been an issue for some time. I can assure you the standards that were originally uti-

lized in making the proposals for the repair of City Hall were the same standards that were utilized in making the proposals for the repair of the Geary Theater.

It is my understanding, and our people believe, that in the interim there has been an interpretation by the San Francisco building official which may or may not, we feel, allow us to fund these extensive repairs that he asks about.

As I understand it, there is a group of structural engineers out there who are also concerned about the interpretation by the building official because of the very significant costs it will force onto the private sector. The group is concerned that rather than renovating buildings, the private sector won't do anything at all, if, indeed, they have to incur the sorts of costs that would be required by this interpretation.

So I can tell you I understand that discussion is going on. I am following it very carefully myself. I hope that people of good faith can work through that, and we can come to a conclusion on it.

#### LEGAL AUTHORITY FOR SAN FRANCISCO'S POSITION

Ms. PELOSI. I hope so, Mr. Stickney, but I don't know who these private people are who are concerned about what it is going to cost them in other buildings. According to the San Francisco code, which is in effect, and according to the legally binding precedent, the superintendent does have the authority to make the kind of interpretation that is applicable—"that is an applicable code or standard," which is contemplated by the Stafford Act.

Has FEMA examined the legal authority cited by the city attorney's office of San Francisco in this regard?

Mr. STICKNEY. I think the appeal is in process, as far as I know. Perhaps Mr. Peterson can add something more to that.

Mr. PETERSON. If I might, sir, just a couple of points. We are very well aware of this issue. I went to San Francisco myself, and we have talked with the regional people, who are concerned about doing what is absolutely right here as well. As you know, we have already authorized \$4 million for the restoration of City Hall to bring it to pre-existing levels.

We have a problem with the seismic upgrading issue at this point in time because the San Francisco building code itself states the seismic retrofitting is required when more than 30 percent of those area's tributary to the vertical load carrying components of the building will be involved in a substantial structural alteration and/or repair work. Damage to the City Hall does not trigger that requirement. That requirement was even added post-earthquake.

There is now an interpretation being made by the superintendent to expand that interpretation beyond what is written, to not only vertical but lateral; therein lies the dilemma.

It is an important issue to all of us because while we want to do what is right, we are talking about a difference in his newest interpretation that is beyond the scope of the written interpretation of approximately \$120 million for the structure. So it is an important issue that we want to take time to review and receive good legal counsel on.

We do have a disagreement at this point in time in interpreting the written law, even though it was written post-earthquake, and we have further considerations to be given to an extended interpretation of that.

#### OAKLAND CITY HALL AS A PRECEDENT

Ms. PELOSI. Just because you are comparing 4 to \$100 million plus. How much was the cost for the Oakland City Hall? What are you committing there?

Mr. PETERSON. We are at about \$45 million in commitments. And as you know, we had some disagreements over costs that ranged between \$45 million and around \$90 million.

But these city halls are two different buildings with different engineering and different structural damage.

Ms. PELOSI. Also different risks in terms of safety. That is, of course, what our primary concern is. We don't want to throw good money after bad to spend \$4 million on something that in the next tremor is going to cause more damage and risk public safety.

I would like to know if your general counsel has examined the precedent? Does FEMA mean that any question of interpretation or clarification that is not in the statute is not legally binding?

Mr. PETERSON. I will let the General Counsel speak, but I would like to, if I may, respond to your comment on safety.

As I mentioned before, we are dealing with two different buildings: different engineering and different structure. In Oakland, the City Hall was evacuated and, at that time, was determined to be hazardous. San Francisco's City Hall was not. I have had meetings with the Mayor in San Francisco, and the City Hall is continuing to function.

Ms. PELOSI. If you visit now you would see.

Mr. PETERSON. It does not at this time exceed the requirements that were initially written post-earthquake by the San Francisco bureau itself. So we are dealing with two different issues here, and the Oakland City Hall cannot be considered a precedent for San Francisco.

Ms. PELOSI. I am talking about amounts of money involved. When you say \$4 million versus \$100 million and you think, wow, how can we have that kind of money. I am just saying that the figures are more comparable than the \$4 million. That was my only point there.

Mr. PETERSON. Our desire is to make sure we are doing the right thing without money being the driving factor.

Ms. PELOSI. I agree. I would like to know if the general counsel has examined the precedent.

Mr. STICKNEY. We have our Deputy General Counsel here, Kathryn Newman.

Ms. NEWMAN. Our office is in the middle of looking at the legal problems involved in the decision-making process right now. The process is not complete yet.

Ms. PELOSI. So in other words you are not saying interpretation cannot be considered precedent?

Ms. NEWMAN. I don't think we are prepared to give a legal opinion now because we are still working on it in our office.

Ms. PELOSI. Well, I appreciate your attention to this. As you know, it is a critical issue to us. It is no use spending \$4 million to paint and cosmetically repair a building if the risk remains, and I think that is what the Stafford Act and the retrofit was all about in the first place. Mitigation, mitigation, mitigation, saves lives and saves money in the long run. So I appreciate hearing more from you about what you are basing your decision on, whether it is on the interpretation of the regulations, or whether precedent counts in your interpretation, et cetera. I think we have, hopefully, not as many areas of disagreement as there may appear to be.

But this will be something that we absolutely must pursue. It is essential to our city's full recovery to have our City Hall be a safe building.

Again, I want to thank you for the cooperation that the FEMA has given to San Francisco. I think we have all gotten over a lot of obstacles in trying to work for the public there.

#### TEMPORARY HOUSING FOR 8TH AVENUE RESIDENTS

Mr. Chairman, I mentioned you visited 8th Avenue. I had one quickie since my 10 minutes is nearing an end.

Mr. TRAXLER. Please.

Ms. PELOSI. The residents are still out of homes due to delay in finishing construction on the retaining wall. Will FEMA continue to honor its promise to maintain temporary housing assistance to ensure minimal disruptions to the lives of those people while their homes are being finished?

Mr. PETERSON. There is an 18-month clause, but it can be reviewed and extended for extenuating circumstances, and we will take a look at that.

Ms. PELOSI. Thank you, Mr. Peterson. Thank you, Mr. Stickney. Thank you, Mr. Chairman and Mr. Green, so much.

Mr. STICKNEY. As I mentioned in my note to you, we will continue to work with these very difficult and unusual situations, and we will do our best.

Ms. PELOSI. You have been very responsive, and I want the committee to know that. We just have this one major obstacle of about \$100 million, Mr. Chairman.

Mr. TRAXLER. Well, it was kind of you to come by.

Ms. PELOSI. It is job producing, it will stimulate the economy.

Mr. TRAXLER. Certainly would. Certainly would.

Ms. PELOSI. Thanks, Mr. Chairman.

#### DUAL USE EMPHASIS IN CIVIL DEFENSE

Mr. TRAXLER. You are welcome.

Returning to some questions regarding your statement, you are currently reassessing your civil defense policy at the request of Congress. I understand that the report is due to the Armed Services Committee April 1. For several years you have emphasized the concept of dual use. How will your agency's new position on civil defense differ from the dual use concept?

Mr. STICKNEY. Sir, I think it is best to say it would be an extension of the recognition of dual use. I perhaps should have mentioned in my opening statement that FEMA is in a delicate posi-



tion in that there is no peace dividend for us. All of our civil defense activity comes out of Department of Defense funding. Much of that activity is dual use and is used every day by the State and local emergency managers around the country and FEMA in dealing with the basic emergency response and mitigation needs.

So to the extent we lose defense funding, then we will have to really be concerned about picking it up on the domestic side. So that is definitely an issue that we are concerned about, but we believe, frankly, that the additional policy studies that we will be doing on civil defense will lead to the conclusion that Main Street, USA, is where the action is going to take place, rather than being concerned about massive nuclear attack. Our concerns on the national security side will be on more limited but perhaps to more probable events by irresponsible people.

In that case, particularly, the first responders and the people who will be dealing with that firsthand will be our State and local emergency people, and they will be using their capability. So I am quite comfortable in saying that I am sure that the report and the policy recommendations are going to even more strongly suggest that the dual use concept is what we should be doing.

This is a critical period for us because of the relationship between the defense funding and the domestic funding.

#### DEFENSE VERSUS DOMESTIC FUNDING FOR CIVIL DEFENSE

Mr. TRAXLER. You tell us in your testimony that no changes are needed in the Civil Defense Act at this time. You go on to say that this policy does not preclude future investigations of funding civil defense through the domestic budget. Although, a number of FEMA's activities are dual in nature, it seems to me that civil defense is a function of defense. Why should it be funded in the domestic budget?

Mr. STICKNEY. I think—and I would like Grant Peterson to supplement this answer—it is because we have been lucky enough not to have to use it for defense in 45 years, yet those capabilities have been used consistently on the domestic side, and there are those who worry about the defense budget who are saying that that is the way it is being used and that is how we should pay for it.

That is a sweeping generalization. Perhaps Grant can add to that.

Mr. PETERSON. I will try to add to that.

Mr. Chairman, in my opinion, the civil defense expenditures have been some of the best investments and the cheapest investments that the Federal government has made in its partnership with State and local government emergency management. I know of no other account before me where States pay more than 50 percent of the cost of building an emergency management system in the United States to deal with all hazards. I would like to emphasize that.

Emergency managers at State and local levels as well as the Federal level do not get to pick and choose their disasters. Yet, they are required to respond with equal vigor and capability to protect the lives of citizens in this country regardless of the name of the

disaster. We are really in the business of all-hazards, consequence management, sir.

Your question specifically is why should the domestic side be considered for funding as a downstream issue, and I would submit to you the following. The infrastructure and the personnel funded out of the civil defense program, some 7,000, with about 30 percent funding from civil defense money, are the people who respond in disasters. In all these disasters we are talking about, the infrastructure is funded by civil defense, not the disaster program.

For radiological emergency preparedness, sir, around all the nuclear power plants, it is the emergency managers of this country that are funded in part by civil defense and the infrastructure; the emergency operations centers, the direction control and warning systems, and the sirens come out of civil defense.

Just a few examples, Mr. Chairman, of the tremendous benefit that the domestic side of the budget gets because of DOD's willingness in the past to fund a piece of legislation that in its very self is dual use, for attack and all other hazards.

So we just don't have the option of picking and choosing disasters depending on who funds it. The domestic side of the budget, sir, has been getting a great deal for many years in not having to pay for any infrastructure or any individuals in a partnership at State and local level.

Mr. TRAXLER. We do have these sorts of differences with OMB on these questions. They try to pass off to us, and we try to pass off to them. It will be interesting to see how this comes out. Excuse me.

Mr. GREEN [presiding]. I am sorry.

Mr. LOPEZ. I wanted to add something, Congressman Green, to what Grant Peterson just said. We do have a terrific communications system within FEMA which is for the majority funded by the defense portion of the budget, and it is because of this communications system that FEMA has a network unmatched in the Federal Government.

In addition, we have a Federal emergency response capability that ties into that network. When Grant needs assistance in the area of communication, we can mobilize state-of-the-art assets that will go out there to provide the communications on the spot.

This past year we did so, while Grant was running an exercise, RESPONSE 91-A, at three locations along the New Madrid fault. We had state-of-the-art communications tying the whole network together. So this is part of the dual use of defense-funded assets, if you will.

#### SUPPORT FOR DISASTER FIELD PERSONNEL

Mr. GREEN. It was a little over two years ago, I guess, that the committee staff and I went around with Grant, about three months after Hugo, to see what FEMA was doing and what lessons were to be learned from that experience.

And I came away with an impression that was different from what I had experienced in the past, particularly when I was HUD regional administrator and had worked with what was then the Federal Disaster Assistance Administration within HUD. In most of the disasters that I had been familiar with, it was a relatively

narrow band, either a coastal area or a river valley that had been devastated, and there were locations nearby—motels, electricity, food, water—that the FEMA staff and people they brought in from the other agencies could live off while they tried to assist the State and local governments in restoring things in the disaster area.

But this had not been true in Puerto Rico, not true in the Carolinas where literally you had half of the jurisdiction with no electricity and no water, roofs off all the buildings, so that there was no school gym in which you could set up your disaster relief offices because they had the roofs off all of them, no electricity, no water, and no place to stay.

That raised the question of whether you didn't need more in the way of emergency support for your own crews coming in, generators, water supply, temporary and emergency structures that you could use in order to get started.

Where does that all stand as you have looked at this and you have reviewed what lessons are to be learned from that experience? Have you moved in that direction?

Mr. STICKNEY. We have been reviewing that, sir, and Tony Lopez and Grant Peterson have been in close coordination on it. The challenge is whether or not the capabilities, some of which Tony had to reserve for other missions, could be utilized for that sort of public disaster support.

But, as you know, since things have dramatically changed in the past six months, we have a real feeling that those support capabilities which already may be in place throughout the agency can be marshaled to support the natural and technological disaster responses.

Tony, I would be pleased to defer to you for what details you might be able to furnish.

Mr. LOPEZ. I wish I could add more here, Congressman Green. You have requested from Mr. Stickney an update of where the program I am responsible for stands, and I would be glad to do this as soon as possible.

Mr. STICKNEY. I would say, given the world situation now, the capability of generators and communication, even more than the communications that were present for Hurricane Hugo as well as other support facilities, would probably be made available.

Mr. GREEN. Obviously, that will require some decision to declassify the availability of that capacity if it is to be made available and usable.

Mr. STICKNEY. Yes, sir. We have been moving steadily towards that, and some of the equipment that you may not have seen a few years ago was coordinating communications at forest fires and in other areas of concern this year.

Mr. GREEN. Let me await that briefing then before I pursue that further.

Mr. LOPEZ. Yes, sir.

#### ALLOCATION FORMULA FOR EMERGENCY FOOD AND SHELTER

Mr. GREEN. One of my concerns has been the formula for allocation of the Emergency Food and Shelter funds. And I guess I am concerned because, while statistics are very difficult to come by as

to the number of homeless, between advocates for the homeless and others, they vary in magnitude in terms of the number nationally and in given localities.

Nonetheless, I have a gut feeling that New York City's share of the homeless is more than the 3.8 percent of the food and shelter funding that it used to get, or the 3.4 percent it now gets as a result of the, I presume, 1990 census.

I would really like to know what look you have taken to see whether we cannot refine those statistics. I know originally they were influenced by the fact that the first food and shelter legislation came out of this subcommittee in March, 1983, as part of an emergency jobless bill. So there was a tendency to start it off with people looking at the percentage of unemployment in the community. It so happened in that recession New York City was not badly hurt, and so we started off at a relatively low basis in this program, even though it does appear that much of the homeless problem is significantly disconnected from the unemployment problem at the present time.

I really wonder if you couldn't do better in terms of coming up with some allocation that will reflect the true numbers in terms of the homeless. What have you done in that area to try to refine the allocation formula?

Mr. STICKNEY. Sir, I would be pleased to answer part of that and then pass the question to Gregg Chappell or Grant Peterson, whoever should respond.

I have been learning more about our part of the Emergency Food and Shelter Program this year after having had the opportunity to visit local providers, and I am an enthusiastic supporter of that program. One of the things that I have begun to understand is that our program is not really designed to deal with those who might be having problems with alcohol or drugs, the clearly homeless, but rather a preventive program which assists families to stay together, helps people stay in their homes and that sort of thing.

I say that only because when we say food and shelter I think we envision those people on the grates, and it is really not that. As you know, it is people, sometimes much like those of us in this room, who come upon hard times and just need a little help to keep things together.

So, with that, I would like to pass the question to Grant or Gregg, whoever should make that response.

Mr. PETERSON. I think, speaking specifically to the formula, that Mr. Chappell as Chairman of the National Board could certainly deal with that as well or better than I can. So, Mr. Chappell, would you feel comfortable in addressing that specifically?

Mr. CHAPPELL. Certainly.

Mr. Green, we are well aware of New York's problems, and I share your concern about the situation there. This year's allocation reflected at \$19,000 increase over the base amount that was allocated last year, which reflects a very severe problem in the city because very few other jurisdictions in the country received any increase at all.

Last year, as you recall, the Board was able to reallocate an additional \$500,000 to New York City because the Board feels strongly that we should do more to deal with those types of situations. This

year we did not have available to us at the time of the allocation the census figures. We expect to incorporate those into the next allocation.

We continue to look for other systems, other data, that might be available to us to deal with plant closings and things of this type to reflect the changing national economic conditions and particularly those communities that have very severe problems.

So we are continuing to look at it. We are well aware of the New York situation. We share your concern, and we are trying to deal with it as best we can with the funds available to us.

#### EARTHQUAKE INSURANCE

Mr. GREEN. Again, I wish you would because it has been since 1983, and we still have not come up with the formula, in my view, which reflects the severity of the problem jurisdiction by jurisdiction.

Let me turn to another area, and that is the question of earthquake insurance and whether we are likely to move in that direction. I think, as we discussed this last year, there had been an indication that you had started to establish some criteria for the development of such a program. I am wondering where you stand on that. Is the administration likely to come up with legislation?

Mr. STICKNEY. Sir, my understanding is that those same four or five basic elements that we felt needed to be there are still the basic premise for the program, and as we pass this back and forth, I am not sure. I think two of our ADs should respond to that.

Mr. PETERSON. I will give a real quick answer and turn it over to the Federal Insurance Administrator. As you know, there is a bill that is being considered with a number of sponsors—I think 40 some at this point in time—and we are reviewing that collectively. It is an amendment to the Earthquake Hazard Reduction Act, so that would fall under the responsibilities of my directorate; therefore, I am speaking to it at this point in time. Also, this issue has some interesting similarities to experiences that the Federal Insurance Administrator is dealing with on a daily basis.

But there were some basic elements that we feel and the administration feels should certainly be addressed, and one of those is that any bill that deals with insurance and earthquakes should have a strong mitigation factor. That mitigation factor should have equity across the recipient's base. I have strong concerns at this point in time that that bill does not meet that criteria.

Another is to address market failure. And there are a lot of definitions coming out as to what market failure is, and that is being hotly debated at this point in time.

But those two issues are two issues that are under consideration at this point in time. Also, there is some question about equity in the base of the recipient. And I think there is still a strong question about ties to mitigation and the equity base.

So I think there is a lot more discussion that needs to take place on this bill before it would be considered for moving forward. We have been working back and forth. Mr. Schauerte and I had a meeting last week and are coordinating with each other as much

as we possibly can to get our two houses in order. But, Mr. Schauerte, I would pass the time to you.

Mr. SCHAUERTE. I would like to say I certainly agree with you. A great deal must be discussed on this piece of legislation. It is H.R. 2806, I believe, Congressman.

One aspect of the bill, which I think possibly could work, and could be implemented, is the reinsurance aspect of it in which private sector insurers could reinsure their book of business with the Federal government.

Some other elements of the bill, which would be an insurance program for residences, and businesses, would be somewhat difficult to implement. While it may appear to be another line of insurance similar to flood, it is far from being a flood-type program.

#### DIFFERENCES BETWEEN EARTHQUAKE AND FLOOD INSURANCE

Mr. GREEN. Could you spell out the differences?

Mr. SCHAUERTE. First of all, while we do not know the frequency of earthquakes, we can predict fairly well the frequency of floods. We know the times of the year when floods can happen. We can't predict the intensity of the earthquake, how much of an area it might cover, and in what parts of the nation it might occur.

We would have to immediately require a great deal of assets that are perhaps taxpayer-funded as part of an earthquake reserve. We already have, in the case of the Flood Insurance Program, a well-established reserve program.

Mr. GREEN. When the Flood Insurance Program started you didn't have a reserve.

Mr. SCHAUERTE. That is right. We had a plan to reach that juncture, which we have done by now.

#### SUPPORT FOR EARTHQUAKE INSURANCE

Mr. GREEN. I guess my question is really whether the administration's posture is simply that it is not interested in supporting earthquake insurance legislation, or whether you are interested in working with those who are pushing it to see if a bill can be devised that can meet your—

Mr. SCHAUERTE. Well, I believe if such legislation does pass, it really should include the private sector as much as possible, rather than shift all of the liability to the taxpayer. I think that is an element of the program, and I think the way parts of that bill are structured now, there is a realization of that.

Mr. GREEN. I guess the advantage of a bill would be that you could couple it with something like the Flood Insurance Program and require coverage and mitigation as a condition for future disaster payments.

Mr. SCHAUERTE. Mandated coverage would certainly be of help in building up that initial reserve.

Mr. GREEN. That was certainly part of the trade-off in the Flood Insurance Program when it was first passed.

Mr. PETERSON. And certainly that is an area that may be flawed in the present legislation. That is not completely clear. There are a number of elements at this point in time that give us great pause in that particular piece of legislation, and I don't think anyone is

saying we don't want to look at this. That is not what I have heard. That is not what we are doing collectively. It is not what I have heard from the Administration.

But I think there have been some responsible challenges laid down that the legislation should meet, and at this point in time it comes up short in a number of areas.

Mr. SCHAUERTE. Probably, in addition to earthquakes, there might be some consideration of other forms of catastrophic coverage which would include such things as mud slides, wildfires, sinkholes, that sort of thing. If it was to be mandated, there would have to be elements of subsidization mandated to help pay for the losses of lenders or other forms of catastrophic coverage.

#### AVAILABILITY OF EARTHQUAKE INSURANCE IN PRIVATE SECTOR

Mr. GREEN. What is your assessment of the availability of earthquake insurance in the private sector at this time?

Mr. SCHAUERTE. There are some companies that are selling earthquake insurance. However, they do require very high deductibles. I am not too sure the companies are able to reserve the amount of funds necessary in order to prepare to pay off in sufficient amounts.

Mr. PETERSON. If I might add something to that.

Mr. GREEN. Please.

Mr. PETERSON. I think Mr. Schauerte hit on an important point. Is there a problem with the inability of private insurers to establish the reserves or is there a problem with the caps on amounts that can be held in reserve, or is there a need for an earthquake insurance program at the Federal level?

I think those issues need to be addressed to make sure we don't end up with a bill for earthquake insurance that could be solved in other ways by the market.

#### WORKYEAR LAPSE IN 1991

Mr. GREEN. If we can turn now to the salaries and expenses appropriation. Your request for fiscal year 1993 is \$171,277,000, an increase of \$6,914,000 or 4.2 percent above the fiscal year 1992 level. Additionally, the budget proposes a transfer of \$13,978,000 from the National Flood Insurance Fund in 1993 to the salaries and expenses appropriation for the administrative expenses of the Flood Plain Management Insurance programs and \$95,000 for administrative expenses associated with disaster loans.

In last year's justification you estimated 2,563 workyears for fiscal year 1991. Now, we note that the actual number for fiscal year 1991 was 2,386 workyears, a difference of 177 workyears in the operating programs. That is on page S-22.

Why didn't FEMA meet its target in fiscal year 1991?

Mr. STICKNEY. Sir, I think there are two general reasons, and there may be some more specifics that we might add. One is that there is always the challenge of meeting the total workyear number because of the time delays involved in filling positions, particularly if they are filled from within, because there are advertising times and lead times. And our personnel policies mandate, in essence, that those positions be open during that time.

Secondly, we are recruiting in some of the instances for some unusual skills and talents, and that, of course, creates some challenge. I guess it is also appropriate to say in this forum that we have the added need for some of the positions for fairly involved security clearances. That also takes some time.

Our goal is to, of course, be staffed up to that number as close as we possibly can.

#### CURRENT ON-BOARD PERSONNEL

Mr. TRAXLER [presiding]. For fiscal year 1992 we provided a total of \$164,363,000 in the salaries and expense account, which is an increase of \$22,861,000 or 16 percent above the 1991 level—a rather substantial increase to fully fund this account. How many workyears are on board at this time?

Mr. STICKNEY. Sir, I believe the number is 2,781. Do you have a better number on that?

Ms. JACOBK. Our FTE projections for 1992 show us getting to 2,606 workyears in the salaries and expenses account by the end of the year. This includes reimbursable workyears.

Mr. TRAXLER. The question just was how many workyears are on board currently. What was the answer?

Mr. STICKNEY. We are projecting what, Barb?

Ms. JACOBK. At the end of January, there were 2,501 full-time permanents on board and 903 other, including disaster assistance employees.

Mr. STICKNEY. Could you repeat this?

Mr. TRAXLER. I am going through a cold and my ears are horrible. You have a soft voice, which is wonderful of course, but you will have to speak louder or someone will translate for me whatever the response was.

Ms. JACOBK. At the end of January, there were 2,501 full-time permanents on board and 903 other than full-time permanents, but those included disaster assistance employees.

#### WORKYEAR ESTIMATES FOR 1992

Mr. TRAXLER. Given the lapsed workyears in fiscal year 1991, will you be able to achieve your current estimate of 2,611 workyears for fiscal 1992?

Mr. STICKNEY. 2,611 is going to be a difficult goal to meet. We are going to try to meet it.

One of our difficulties has been in staffing up on the Disaster Assistance Program, getting those skills and those people to the right place. I think last year we hit our targets within about one or two percent in the Disaster Program.

Mr. TRAXLER. At this point in time, what do you anticipate your workyears to be at the end of this fiscal year?

Mr. STICKNEY. Sir, I think we will have to make that approximate. Do we have that?

Ms. JACOBK. Against the budgeted figure of 2,611 directly-funded workyears, 2,510 are estimated to be filled at the end of the year.



## PAY RAISE IN 1993

Mr. TRAXLER. For fiscal year 1993, the agency is requesting a total of \$171,277,000 for the salaries and expense account.

Does that request include the 1993 pay raise? Is that factored in already?

Mr. ASHER. The answer is yes.

Mr. TRAXLER. How much would you save by implementing the President's proposal to delay the pay raise until April?

Ms. JACOBIC. If we were to delay the pay raise until April, we would save approximately \$1,119,000 in the salaries and expenses account, \$108,000 for the Flood Insurance and Mitigation Program, and \$39,000 in the Inspector General appropriation.

## COST OF LOCALITY PAY FOR 1993

Mr. TRAXLER. How much do you estimate the locality pay will cost in fiscal year 1993?

Mr. ASHER. We will have to provide that for the record.

[The information follows:]

*Locality pay*

| Locality pay projected for fiscal year 1993:              |  | Amount    |
|---|--|-----------|
| New York, New York .....                                  |  | \$179,717 |
| San Francisco, California .....                           |  | 236,129   |
| Law Enforcement: (San Francisco & Washington, D.C.) ..... |  | 33,586    |
| Total .....   |  | 449,432   |

## 1993 REDUCTION IN WORK YEARS

Mr. TRAXLER. We note on page S-22 of the justifications that while FEMA is requesting an increase of \$6,914,000 in the salaries and expense account for the operating programs, your workyear request is 15 below last year's level.

What is the explanation for the reduction in workyears when we are increasing the level of funding? How do you answer that?

Mr. ASHER. Basically, there are reductions in civil defense where 14 workyears are being decreased and in Federal Preparedness, that are offset by an increase of 10 in the Disaster Relief Administration and 4 in Technological Hazards. So the net effect is 15.

## WORKYEARS BY LOCATION

Mr. TRAXLER. For the record, you will find a table on pages 51 to 54 of last year's hearing. Update that table for fiscal year 1990, 1991 and 1992, please.

[The information follows:]

FEDERAL EMERGENCY MANAGEMENT AGENCY  
Budgeted Workyears by Location  
FY 1991 Actuals

| Location             | National Earthquake |                         |                          |                         | Emergency                  |  |                    |                   |                                |                      |    |       | TOTAL |
|----------------------|---------------------|-------------------------|--------------------------|-------------------------|----------------------------|--|--------------------|-------------------|--------------------------------|----------------------|----|-------|-------|
|                      | Civil<br>Defense    | Prog.& Other<br>Hazards | Technological<br>Hazards | Federal<br>Preparedness | Government<br>Preparedness | Training Flood Insur.<br>& Fire & Mitigation | Disaster<br>Relief | Food &<br>Shelter | Management &<br>Administration | Inspector<br>General |    |       |       |
| Washington, DC.....  | 84                  | 40                      | 34                       | 64                      | 845                        | 5  | 102 *              | 55                | 5                              | 306                  | 24 | 1,564 |       |
| Berryville, VA.....  | 16                  | 0                       | 0                        | 0                       | 0                          | 0  | 0                  | 0                 | 0                              | 9                    | 0  | 25    |       |
| Charlottesville, VA. | 0                   | 0                       | 0                        | 0                       | 0                          | 0  | 0                  | 0                 | 0                              | 0                    | 0  | 0     |       |
| Emmitsburg, MD.....  | 44                  | 0                       | 0                        | 0                       | 0                          | 98   | 1                  | 0                 | 0                              | 11                   | 0  | 154   |       |
| Elkridge, MD.....    | 0                   | 0                       | 0                        | 0                       | 0                          | 0  | 2                  | 0                 | 0                              | 0                    | 0  | 2     |       |
| Bluegrass, KY.....   | 0                   | 0                       | 0                        | 0                       | 0                          | 0  | 0                  | 4                 | 0                              | 0                    | 0  | 4     |       |
| Forest Park, GA..... | 0                   | 0                       | 0                        | 0                       | 0                          | 0  | 0                  | 1                 | 0                              | 0                    | 0  | 1     |       |
| Palo Pinto, TX.....  | 0                   | 0                       | 0                        | 0                       | 0                          | 0  | 0                  | 0                 | 0                              | 0                    | 0  | 0     |       |
| Colorado Springs, CO | 10                  | 0                       | 0                        | 0                       | 0                          | 0  | 0                  | 0                 | 0                              | 0                    | 0  | 10    |       |
| Puerto Rico.....     | 0                   | 0                       | 0                        | 0                       | 0                          | 0  | 0                  | 1                 | 0                              | 0                    | 1  | 2     |       |
| Brussels, Belgium... | 0                   | 0                       | 0                        | 0                       | 0                          | 0  | 0                  | 0                 | 0                              | 2                    | 0  | 2     |       |
| Boston, MA.....      | 16                  | 1                       | 13                       | 0                       | 0                          | 0  | 7                  | 14                | 0                              | 11                   | 0  | 62    |       |
| Maynard, MA.....     | 5                   | 0                       | 0                        | 0                       | 0                          | 0  | 0                  | 0                 | 0                              | 0                    | 0  | 5     |       |
| New York, NY.....    | 16                  | 1                       | 9                        | 0                       | 0                          | 0  | 5                  | 16                | 0                              | 10                   | 0  | 57    |       |
| Philadelphia, PA.... | 16                  | 0                       | 6                        | 0                       | 0                          | 0  | 10                 | 16                | 0                              | 9                    | 0  | 57    |       |
| Olney, MD.....       | 11                  | 0                       | 0                        | 0                       | 0                          | 0  | 0                  | 0                 | 0                              | 6                    | 0  | 17    |       |
| Atlanta, GA.....     | 2                   | 2                       | 9                        | 0                       | 0                          | 0  | 16                 | 21                | 0                              | 8                    | 11 | 69    |       |
| Thomasville, GA..... | 23                  | 0                       | 0                        | 2                       | 0                          | 0  | 0                  | 0                 | 0                              | 3                    | 0  | 28    |       |
| Chicago, IL.....     | 13                  | 2                       | 9                        | 0                       | 0                          | 0  | 9                  | 16                | 0                              | 11                   | 0  | 60    |       |
| Battle Creek, MI.... | 10                  | 0                       | 1                        | 0                       | 0                          | 0  | 0                  | 0                 | 0                              | 0                    | 0  | 11    |       |
| Denton, TX.....      | 17                  | 1                       | 8                        | 3                       | 0                          | 0  | 14                 | 18                | 0                              | 11                   | 0  | 72    |       |
| Kansas City, MO..... | 16                  | 0                       | 9                        | 0                       | 0                          | 0  | 6                  | 12                | 0                              | 9                    | 0  | 52    |       |
| Denver, CO.....      | 24                  | 1                       | 1                        | 0                       | 0                          | 0  | 5                  | -15               | 0                              | 9                    | 0  | 55    |       |
| San Francisco, CA... | 17                  | 2                       | 4                        | 0                       | 0                          | 0  | 9                  | 21                | 0                              | 10                   | 6  | 69    |       |
| Bothell, WA.....     | 20                  | 0                       | 3                        | 0                       | 0                          | 0  | 5                  | 13                | 0                              | 9                    | 0  | 50    |       |
| TOTAL.....           | 360                 | 50                      | 106                      | 69                      | 845                        | 103  | 191                | 223               | 5                              | 434                  | 42 | 2,428 |       |

\* Includes 6 workyears funded from the National Insurance Development Fund

FEDERAL EMERGENCY MANAGEMENT AGENCY  
Budgeted Workyears by Location  
FY 1992 Current Estimate

| Location              | National Earthquake |                          |                          | Federal<br>Preparedness | Government<br>Preparedness | Training<br>& Fire | Flood Insur.<br>& Mitigation | Disaster<br>Relief | Emergency         |                                |                      | TOTAL |
|-----------------------|---------------------|--------------------------|--------------------------|-------------------------|----------------------------|--------------------|------------------------------|--------------------|-------------------|--------------------------------|----------------------|-------|
|                       | Civil<br>Defense    | Prog. & Other<br>Hazards | Technological<br>Hazards |                         |                            |                    |                              |                    | Food &<br>Shelter | Management &<br>Administration | Inspector<br>General |       |
| Washington, DC.....   | 79                  | 48                       | 41                       | 68                      | 868                        | 3                  | 109 *                        | 66                 | 5                 | 334                            | 48                   | 1,669 |
| Berryville, VA.....   | 15                  | 0                        | 0                        | 0                       | 0                          | 0                  | 0                            | 0                  | 0                 | 9                              | 0                    | 24    |
| Charlottesville, VA.. | 0                   | 0                        | 0                        | 0                       | 0                          | 0                  | 0                            | 0                  | 0                 | 0                              | 0                    | 0     |
| Emmitsburg, MD.....   | 43                  | 0                        | 0                        | 0                       | 0                          | 121                | 1                            | 0                  | 0                 | 11                             | 0                    | 176   |
| Elkridge, MD.....     | 0                   | 0                        | 0                        | 0                       | 0                          | 0                  | 2                            | 0                  | 0                 | 0                              | 0                    | 2     |
| Bluegrass, KY.....    | 0                   | 0                        | 0                        | 0                       | 0                          | 0                  | 0                            | 5                  | 0                 | 0                              | 0                    | 5     |
| Forest Park, GA.....  | 0                   | 0                        | 0                        | 0                       | 0                          | 0                  | 0                            | 1                  | 0                 | 0                              | 0                    | 1     |
| Palo Pinto, TX.....   | 0                   | 0                        | 0                        | 0                       | 0                          | 0                  | 0                            | 3                  | 0                 | 0                              | 0                    | 3     |
| Colorado Springs, CO  | 11                  | 0                        | 0                        | 0                       | 0                          | 0                  | 0                            | 0                  | 0                 | 0                              | 0                    | 11    |
| Puerto Rico.....      | 1                   | 0                        | 0                        | 0                       | 0                          | 0                  | 1                            | 4                  | 0                 | 0                              | 2                    | 8     |
| Brussels, Belgium...  | 0                   | 0                        | 0                        | 0                       | 0                          | 0                  | 0                            | 0                  | 0                 | 2                              | 0                    | 2     |
| Boston, MA.....       | 17                  | 2                        | 12                       | 0                       | 0                          | 0                  | 8                            | 17                 | 0                 | 12                             | 0                    | 68    |
| Maynard, MA.....      | 5                   | 0                        | 0                        | 0                       | 0                          | 0                  | 0                            | 0                  | 0                 | 0                              | 0                    | 5     |
| New York, NY.....     | 18                  | 2                        | 9                        | 0                       | 0                          | 0                  | 8                            | 19                 | 0                 | 11                             | 0                    | 67    |
| Philadelphia, PA....  | 18                  | 1                        | 8                        | 0                       | 0                          | 0                  | 10                           | 19                 | 0                 | 11                             | 0                    | 67    |
| Olney, MD.....        | 11                  | 0                        | 0                        | 0                       | 0                          | 0                  | 0                            | 0                  | 0                 | 6                              | 0                    | 17    |
| Atlanta, GA.....      | 1                   | 3                        | 10                       | 0                       | 0                          | 0                  | 18                           | 28                 | 0                 | 9                              | 12                   | 81    |
| Thomasville, GA.....  | 24                  | 0                        | 0                        | 3                       | 0                          | 0                  | 0                            | 0                  | 0                 | 3                              | 0                    | 30    |
| Chicago, IL.....      | 14                  | 1                        | 10                       | 0                       | 0                          | 0                  | 10                           | 21                 | 0                 | 12                             | 0                    | 68    |
| Battle Creek, MI....  | 11                  | 0                        | 1                        | 0                       | 0                          | 0                  | 0                            | 0                  | 0                 | 0                              | 0                    | 12    |
| Denton, TX.....       | 23                  | 2                        | 9                        | 3                       | 0                          | 0                  | 15                           | 29 **              | 0                 | 12                             | 0                    | 93    |
| Kansas City, MO.....  | 21                  | 1                        | 8                        | 0                       | 0                          | 0                  | 8                            | 17                 | 0                 | 11                             | 0                    | 66    |
| Denver, CO.....       | 24                  | 1                        | 1                        | 0                       | 0                          | 0                  | 7                            | 16                 | 0                 | 11                             | 0                    | 60    |
| San Francisco, CA...  | 22                  | 3                        | 5                        | 0                       | 0                          | 0                  | 10                           | 32 ***             | 0                 | 12                             | 8                    | 92    |
| Bothell, WA.....      | 22                  | 2                        | 3                        | 0                       | 0                          | 0                  | 7                            | 15                 | 0                 | 11                             | 0                    | 60    |
| TOTAL.....            | 380                 | 66                       | 117                      | 74                      | 868                        | 124                | 214                          | 292                | 5                 | 477                            | 70                   | 2,687 |

\* Includes 6 workyears funded from the National Insurance Development Fund

\*\* Includes 5 workyears for the National Teleregistration Center. Budgeted under headquarters.

\*\*\*Includes 3 workyears for the Hawaii field office whose permanent location has not yet been determined.

FEDERAL EMERGENCY MANAGEMENT AGENCY  
Budgeted Workyears by Location  
FY 1993 Request

| Location             | National Earthquake |                      |                       |                      | Government Preparedness | Training & Fire | Flood Insur. & Mitigation | Disaster Relief | Emergency      |                             |                   | TOTAL |
|----------------------|---------------------|----------------------|-----------------------|----------------------|-------------------------|-----------------|---------------------------|-----------------|----------------|-----------------------------|-------------------|-------|
|                      | Civil Defense       | Prog.& Other Hazards | Technological Hazards | Federal Preparedness |                         |                 |                           |                 | Food & Shelter | Management & Administration | Inspector General |       |
| Washington, DC.....  | 75                  | 46                   | 43                    | 67                   | 860                     | 3               | 110 *                     | 66              | 5              | 334                         | 46                | 1,655 |
| Berryville, VA.....  | 15                  | 0                    | 0                     | 0                    | 0                       | 0               | 0                         | 0               | 0              | 9                           | 0                 | 24    |
| Charlottesville, VA. | 0                   | 0                    | 0                     | 0                    | 0                       | 0               | 0                         | 0               | 0              | 0                           | 0                 | 0     |
| Emmitsburg, MD.....  | 42                  | 0                    | 0                     | 0                    | 0                       | 121             | 1                         | 0               | 0              | 11                          | 0                 | 175   |
| Elkridge, MD.....    | 0                   | 0                    | 0                     | 0                    | 0                       | 0               | 2                         | 0               | 0              | 0                           | 0                 | 2     |
| Bluegrass, KY.....   | 0                   | 0                    | 0                     | 0                    | 0                       | 0               | 0                         | 5               | 0              | 0                           | 0                 | 5     |
| Forest Park, GA..... | 0                   | 0                    | 0                     | 0                    | 0                       | 0               | 0                         | 1               | 0              | 0                           | 0                 | 1     |
| Palo Pinto, TX.....  | 0                   | 0                    | 0                     | 0                    | 0                       | 0               | 0                         | 3               | 0              | 0                           | 0                 | 3     |
| Colorado Springs, CO | 11                  | 0                    | 0                     | 0                    | 0                       | 0               | 0                         | 0               | 0              | 0                           | 0                 | 11    |
| Puerto Rico.....     | 1                   | 0                    | 0                     | 0                    | 0                       | 0               | 0                         | 4               | 0              | 0                           | 2                 | 7     |
| Brussels, Belgium... | 0                   | 0                    | 0                     | 0                    | 0                       | 0               | 0                         | 0               | 0              | 2                           | 0                 | 2     |
| Boston, MA.....      | 17                  | 2                    | 12                    | 0                    | 0                       | 0               | 8                         | 18              | 0              | 12                          | 0                 | 69    |
| Maynard, MA.....     | 5                   | 0                    | 0                     | 0                    | 0                       | 0               | 0                         | 0               | 0              | 0                           | 0                 | 5     |
| New York, NY.....    | 18                  | 2                    | 9                     | 0                    | 0                       | 0               | 8                         | 20              | 0              | 11                          | 0                 | 68    |
| Philadelphia, PA.... | 18                  | 1                    | 8                     | 0                    | 0                       | 0               | 10                        | 20              | 0              | 11                          | 0                 | 68    |
| Olney, MD.....       | 11                  | 0                    | 0                     | 0                    | 0                       | 0               | 0                         | 0               | 0              | 6                           | 0                 | 17    |
| Atlanta, GA.....     | 1                   | 3                    | 11                    | 0                    | 0                       | 0               | 18                        | 29              | 0              | 9                           | 19                | 90    |
| Thomasville, GA..... | 22                  | 0                    | 0                     | 0                    | 0                       | 0               | 0                         | 0               | 0              | 3                           | 0                 | 25    |
| Chicago, IL.....     | 12                  | 2                    | 11                    | 0                    | 0                       | 0               | 10                        | 22              | 0              | 12                          | 0                 | 69    |
| Battle Creek, MI.... | 11                  | 0                    | 1                     | 0                    | 0                       | 0               | 0                         | 0               | 0              | 0                           | 0                 | 12    |
| Denton, TX.....      | 21                  | 2                    | 9                     | 0                    | 0                       | 0               | 15                        | 30 **           | 0              | 12                          | 0                 | 89    |
| Kansas City, MO..... | 21                  | 2                    | 8                     | 0                    | 0                       | 0               | 8                         | 18              | 0              | 11                          | 0                 | 68    |
| Denver, CO.....      | 22                  | 1                    | 1                     | 0                    | 0                       | 0               | 7                         | 17              | 0              | 11                          | 0                 | 59    |
| San Francisco, CA... | 22                  | 3                    | 5                     | 0                    | 0                       | 0               | 10                        | 33 ***          | 0              | 12                          | 11                | 96    |
| Bothell, WA.....     | 21                  | 2                    | 3                     | 0                    | 0                       | 0               | 7                         | 16              | 0              | 11                          | 0                 | 60    |
| TOTAL.....           | 366                 | 66                   | 121                   | 67                   | 860                     | 124             | 214                       | 302             | 5              | 477                         | 78                | 2,680 |

\* Includes 6 workyears funded from the National Insurance Development Fund

\*\* Includes 5 workyears for the National Teleregistration Center. Budgeted under headerquarters.

\*\*\*Includes 3 workyears for the Hawaii field office whose permanent location has not yet been determined.

# REDUCTION IN FUNDS, INCREASE IN DOLLARS FOR EXECUTIVE DIRECTOR

Mr. TRAXLER. On page SE-65 of the justifications, the estimate for salaries and expenses in the Office of Executive Director is \$28,806,000 for fiscal year 1993, an increase of \$1,844,000.

Your request for workyears is down by 10 from the fiscal year 1992 level. Again, we are reducing staffing, and we are increasing funding. Can you explain that for us?

Mr. ASHER. We better pass that to Tom McQuillan.

Mr. McQUILLAN. Mr. Chairman, the reduction in staff years is the result of a transfer of those positions from the Office of Program Analysis and Evaluation and a reduction of five as part of a government-wide reduction in personnel. The increase is almost entirely to provide for approximately 38,000 square feet of space for FEMA in 1993 and increased space costs.

## INCREASE IN TRAVEL

Mr. TRAXLER. On page SE-4 of the justifications, FEMA is requesting a 17 percent increase in the travel object class. This is one of the highest object classes in the salaries and expense request. Why do you have such a large increase in travel?

Mr. McQUILLAN. Is that in the Executive Director's Office?

Mr. STICKNEY. That is a FEMA-wide circumstance I believe, right? The travel account serves the needs of the entire agency.

As I said earlier, the action, the activity and the people implementing our programs are not here in D.C., but they are located in state capitals and county offices around the country. We also need to travel to those areas, of course, when a disaster takes place. So we believe that represents what is going to be needed to implement the programs properly.

## TRAVEL IN MANAGEMENT AND ADMINISTRATION

Mr. TRAXLER. We note that under management administration, which includes the Office of the Director, the Executive Director's Office, the General Counsel and so forth, the current estimate for travel and transportation is \$1,119,000. I note that this estimate for travel is 68 percent above the 1991 level and 31 percent above the level you requested for 1992. You will find that on page SE-66.

Why has the travel and transportation increased so dramatically above what you anticipated for management for fiscal year 1992? Further, over the last couple of years there has been a dramatic increase. How do you explain that for management?

Mr. STICKNEY. I can say at the outset the travel budget is accumulated from the requests and needs identified by the various programs. But we also, under that one account, aggregate a significant amount of our agency travel.

In terms of that specific number, I would have to provide you with the detail.

Mr. TRAXLER. We will want those, please.

Mr. STICKNEY. Right.

[The information follows:]

## TRAVEL INCREASE

Estimated travel increases for FEMA program offices from 1991 to 1993 are due primarily to: Efforts to increase the travel base of the Radiological Emergency Preparedness (REP) program; training programs requiring increased travel; additional funding for new hire travel for the Disaster Assistance Program; and a additional funding for increases in air fares.

In the Management and Administration (M&A) activity, estimates for increased travel costs from 1991 to 1993 occur primarily in the Human Resources Management Office and the Regional Executive Direction Office, as the following chart indicates. These increases are due to the enhancement of the rotational travel program for FEMA interns, and the establishment of new offices in Puerto Rico in Region II and Hawaii in Region IX.

## MANAGEMENT AND ADMINISTRATION TRAVEL EXPENDITURES FY 1991-93

(in thousands of dollars)

| Office                      | FY 1991<br>actual | FY 1992<br>estimate | Increase/<br>decrease | FY 1993<br>request | Increase/<br>decrease |
|-----------------------------|-------------------|---------------------|-----------------------|--------------------|-----------------------|
| Director .....              | \$66              | \$75                | \$9                   | \$75               | .....                 |
| Executive Director .....    | 10                | 22                  | 12                    | 25                 | \$3                   |
| Acquisition Mgmt .....      | 13                | 23                  | 10                    | 23                 | .....                 |
| Admin/Operations .....      | 0                 | 1                   | 1                     | 1                  | .....                 |
| Other Admin. Expenses ..... | 44                | 45                  | 1                     | 48                 | 3                     |
| PAGE .....                  | 4                 | 0                   | -4                    | 0                  | .....                 |
| Security .....              | 18                | 10                  | -8                    | 10                 | .....                 |
| Human Resources .....       | 88                | 270                 | 182                   | 270                | .....                 |
| General Counsel .....       | 24                | 35                  | 11                    | 38                 | 3                     |
| CFO .....                   | 12                | 60                  | 48                    | 65                 | 5                     |
| Info. Services .....        | 3                 | 20                  | 17                    | 20                 | .....                 |
| Regional Liaison .....      | 14                | 29                  | 15                    | 30                 | 1                     |
| Regional Exec. Dir .....    | 287               | 437                 | 150                   | 437                | .....                 |
| External Affairs .....      | 74                | 92                  | 18                    | 60                 | -32                   |
| Total .....                 | 657               | 1,119               | 462                   | 1,102              | (17)                  |

## TRAVEL UNDER CONTRACTS

Mr. TRAXLER. We have found that several other agencies within the jurisdiction of the subcommittee have been using contracts to cover travel costs. Instead of charging these contracts to the travel object classification, these costs have been charged to other services in these other agencies. In certain instances using contracts does not present a problem; however, the costs should be charged against the travel category.

Has FEMA used contracts for travel costs of employees and charged those costs to categories other than the travel object classification? Is all of your travel showing up in your travel object classification account or—

Mr. ASHER. The answer is no, as far as we know. But we can re-search it for you.

Mr. TRAXLER. Is what, please?

Mr. ASHER. As far as we know, it is being charged correctly.

Mr. TRAXLER. You may expand for the record if you discover otherwise, please.

Mr. ASHER. We will, sir.

[The information follows:]

### TRAVEL BY CONTRACT

After exhaustive search, we are unable to find any situation where FEMA employees have traveled under contracts rather than through travel authorizations. All travel for FEMA employees has been obligated against object class 21.

Mr. STICKNEY. That would be of great concern to me if I discovered otherwise, too, sir. I want you to know that.

### POLITICAL APPOINTEES

Mr. TRAXLER. Now, for the record, also provide the number of political appointees on board during fiscal years 1990, 1991, 1992, and those that are projected for 1993. Identify those working at FEMA and those that may be working elsewhere outside of the agency.

[The information follows:]

### POLITICAL APPOINTEES

The following chart shows the number of political appointees authorized and on-board as of September 30 of fiscal years 1990 and 1991. Data for 1992 and 1993 are based on actual people on board as of February 29, 1992.

| Pay plan                                       | 1990 | 1991 | 1992 | 1993 |
|--|------|------|------|------|
| Executive Level:                               |      |      |      |      |
| Authorized.....                                | 9    | 9    | 9    | 9    |
| On-board.....                                  | 8    | 8    | 8    | 8    |
| Noncareer Senior Executive Service (SES):..... |      |      |      |      |
| Authorized.....                                | 13   | 14   | 14   | 14   |
| On-board.....                                  | 11   | 14   | 14   | 14   |
| GS/GM—Schedule C:                              |      |      |      |      |
| On-board.....                                  | 4    | 13   | 12   | 12   |
| Total On-board.....                            | 23   | 35   | 34   | 34   |

Included in the above numbers is one noncareer SES employee who has been on detail to the National Security Council staff since fiscal year 1990.

### FUNDING FOR EQUIPMENT IN 1993

Mr. TRAXLER. Now, on page——

Mr. STICKNEY. Sir, I must say I am thinking about 1993 myself at this point.

Mr. TRAXLER. Well, a lot of us are. Mr. Green and I understand those issues.

On page SE-4 of the justification, the equipment category request is down by \$974,000 for fiscal year 1993. This is primarily due to the large decrease in equipment under the management and administration category. Why are you looking at such a large decrease in equipment category?

Ms. JACOBK. It is due to the one-time equipment buy for the local area-wide network in 1992. It was a \$1.2 million decrease.

### OFFICE SPACE

Mr. TRAXLER. I understand that FEMA is seeking new office space. Didn't you just sign a 10-year lease for the current location? Why are you seeking new space?

Mr. STICKNEY. Sir, I would be pleased to discuss that. When I came on the scene a year and a half ago, FEMA's agreement with

GSA was dated—GSA's lease on the building we are in was ready to run out, and nobody seemed to care. I was very concerned about that situation.

As you know, GSA leases the space, and then we occupy it under agreement with GSA. We have worked through several alternatives. We now have a clear picture of what our future space alternatives are and how much we might be able to save the Federal government in that regard. We are in active discussions with the GSA relative to occupying a new building at the new Southeast Federal Center.

We also are reviewing alternatives on the private market with GSA with a constraint that those alternatives be located on the Metro system.

In our existing situation, as we work through the solutions with GSA, we feel very comfortable that if we are able to come up with either a permanent building or private space, that GSA will utilize their 10-year lease on the existing building to house other agencies. I believe they call it swing space for renovation for the other agencies in the area.

But for the first time since I have been here we have a picture of what our future space location and situation might be.

#### OFFICE SPACE ON K STREET

Mr. TRAXLER. Did you recently acquire new office space on K Street?

Mr. STICKNEY. Yes, sir.

Mr. TRAXLER. Who is located there, and what is the cost of that space?

Mr. STICKNEY. Earthquake and Other Hazards and some administrative support there. I would have to consult in order to get the cost of that space.

Tom, can you help us with that?

Mr. MCQUILLAN. Sir, it is approximately 8,900 square feet that we have on two floors at 1411 K Street, and I believe the annual cost is approximately \$250,000.

#### CONSULTANT ON SPACE

Mr. TRAXLER. I understand that you have hired a consultant to assist you in looking for available space in the Washington area. Why did you hire a consultant? Isn't that GSA's responsibility?

Mr. STICKNEY. Sir, we have utilized some assistance in that, and yes, it is GSA's responsibility. It turns out, though, in order to help GSA arrive at conclusions, we must assemble some of that data ourselves.

As I understand it, we did not hire a space consultant as such.

Tom, can you fill in the details on that?

Mr. MCQUILLAN. Sir, we had a small contract of less than \$2,500 and a two-week effort for an individual to help us look at what real estate was available so we could assist GSA to guide and inform them of what space we thought would be suitable for FEMA's needs.



As Mr. Stickney earlier testified, the space situation hadn't been addressed in FEMA in almost two years, and we had to get the ball rolling or we would have been out on the street.

Mr. TRAXLER. What were the costs associated with FEMA's efforts to survey the Washington area for relocation?

Mr. McQUILLAN. \$2,477.

Mr. TRAXLER. How many people, including the consultant, worked on this project?

Mr. McQUILLAN. The consultant and two members of my staff. About three.

#### SITES SELECTED BY CONSULTANT

Mr. TRAXLER. And provide for us the location and description of the 16 sites selected by the consultant and the seven sites by selected by GSA. You can do that for the record.

Mr. McQUILLAN. Certainly.

[The information follows:]

#### 16 SITES FOR RELOCATION

Location and description of sixteen sites considered for relocation of FEMA headquarters and identification of 7 selected.

The 16 sites considered for relocation are:

The Portal Phase I—1250 Maryland Avenue, SW., Washington, DC; 416,000 square feet, available 1991.

The Portal Phase II—1250 Maryland Avenue, SW., Washington, DC; 275,000 square feet, available late 1993-early 1994.

1425 New York Avenue—1425 New York Avenue, NW., Washington, DC; 249,000 square feet, available 1991.

1401 H Street—1401 H Street, NW., Washington, DC; 335,000 square feet, available 1991 (May).

1200 K Street—1200 K Street, NW., Washington, DC; 365,000 square feet, available 1992.

Franklin Court—1099 14th Street, NW., Washington, DC; 408,000 square feet, available 1991.

1100 New York Avenue—100 New York Avenue, NW., Washington, DC; 420,000 square feet, available 1992.

Thurman Arnold Building—1200 New Hampshire Avenue, NW., Washington, DC; 242,000 square feet, available between 12/94 and 7/95.

The Warner Theater Building—1299 Pennsylvania Avenue, NW., Washington, DC; 520,000 square feet, available mid-year 1992.

800 North Capitol—Additional information unavailable at time report was submitted.

Stuart Park—4520 N. Fairfax Drive, Arlington, VA; 272,000 square feet, available 1994.

Two Monument Place—12150 East Monument Drive, Fair Oaks, VA; 225,000 square feet, available 1993.

MetroPlace Phase II—2650 Park Tower Drive, Dunn Loring, VA; 240,000 square feet, available late 1993.

Fairview Park—3190 Fairview Park Drive, Falls Church, VA; Less than 232,000 square feet, available now.

Colonial Place III—2107 Wilson Boulevard, Rosslyn, VA; 225,000 to 250,000 square feet, available August 1993.

The 7 sites selected are:

1425 New York Avenue, Washington, DC.

800 North Capitol, Washington, DC.

Summit 66, Fair Oaks, VA.

Two Monument Place, Fair Oaks, VA.

MetroPlace Phase II, Dunn Loring, Va.

Fairview Park, Falls Church, VA.

Colonial Place III, Rosslyn, VA.

## STUDY ON SPACE

Mr. STICKNEY. You should know that I was briefed on the results of that effort, and we were able to compare the potential locations with the locations of our employees and understand what possible changes would mean in terms of relocation costs or just changes in the lives of our employees. So that was a rather significant study.

We would be pleased to present to you the entire study.

Mr. McQUILLAN. Certainly.

[The information follows:]

## SPACE CONSULTANTS REPORT

## Contents

|             |                             |
|-------------|-----------------------------|
| SP.1 .....  | The Portal Phase I          |
| SP.2 .....  | The Portal Phase II         |
| SP.3 .....  | 1425 New York Avenue        |
| SP.4 .....  | 1401 H Street               |
| SP.5 .....  | 1200 K Street               |
| SP.6 .....  | Franklin Court              |
| SP.7 .....  | 1100 New York Avenue        |
| SP.8 .....  | Thurmund Arnold Building    |
| SP.9 .....  | The Warner Theatre Building |
| SP.10 ..... | 800 North Capitol Street    |
| SPV.1 ..... | Stuart Park                 |
| SPV.2 ..... | Summit 66                   |
| SPV.3 ..... | Two Monument Place          |
| SPV.4 ..... | MetroPlace Phase II         |
| SPV.5 ..... | Fairview Park               |
| SPV.6 ..... | Colonial Place III          |

OFFICE SPACE AVAILABILITY REPORT  
(District of Columbia)

Location: \_\_\_\_\_ The Portal Phase I  
1250 Maryland Avenue

Date Available: 1991

Construction Status: Est. 90% complete

Total Square Feet: 416,000 plus hotel (Fairmont)

Available Square Feet: 416,000

Name of Owner/Developer: Republic Properties Corp.

Contact/Phone David Richards/(202)785-8740

Black's Directory Reference: 30

Anticipated Lease Rate: \$33.00 - \$34.00

Note: Great location near metro and many employee conveniences; however, the design of the building is oval and probably would not present an efficient core factor. Also, the property appears to have a very high level of finish which would push cost up since tenant would share.

Also, see Portals Phase II which appears to long-term be a more desirable option.

Some question regarding stability of Developer. Offices and presentations are not great.

OFFICE SPACE AVAILABILITY REPORT  
(District of Columbia)

Location: The Portal Phase II  
1250 Maryland Avenue, SW

Date Available: Late 1993 to early 1994

Construction Status: Site ready & Phase I near  
completion. Building not  
begun as of this date.

Total Square Feet: 575,000

Available Square Feet: 275,000

Name of Owner/Developer: Republic Properties Corp.

Contact/Phone: David Richards/(202)785-8740

Black's Directory Reference: 30

Anticipated Lease Rate: \$33.00 - \$34.00

Notes: The developer has indicated that he expects the Federal Trade Commission to occupy 300,000 sq. feet effective August, 1993 (no firm commitment at this date). This leaves approx. 275,000 square feet available in a separate section of the building. Design is good, better than Phase I in regard to layout options. Also, finish level should be more in line with desired standard permitting lower cost than Phase I.

Excellent location near metro plus attractive setting for employee convenience.

Some question regarding stability of Developer. Offices and presentations are not great.

See Portals Phase I.

OFFICE SPACE AVAILABILITY REPORT  
(District of Columbia)

Location: 1425 New York Avenue  
1425 New York Ave., NW

Date Available: 1991 -

Construction Status: Ready for occupant  
buildout.

Total Square Feet: 268,226

Available Square Feet: 249,000

Name of Owner/Developer: The Linpro Company

Contact/Phone: Alex Green/(202) 347-1425

Black's Directory Reference: 30

Anticipated Lease Rate: \$25.00 - \$32.00

Notes: Excellent building, right size for sole occupancy &  
convenient to metro. Reasonable rate for quality of building.

Available now.

OFFICE SPACE AVAILABILITY REPORT  
(District of Columbia)

Location: 1401 H Street  
1401 H St., NW

Date Available: 1992 (May)

Construction Status: Building est. 70%  
complete

Total Square Feet: 335,000

Available Square Feet: 335,000

Name of Owner/Developer: Orix Real Estate

Contact/Phone: Lock Swift/(202)775-1401

Black's Directory Reference: 30

Anticipated Lease Rate: \$32.50 - \$36.50

Notes: Excellent location near metro. Reasonably good timing.

OFFICE SPACE AVAILABILITY REPORT  
(District of Columbia)

Location: 1200 K Street

Date Available: 1992

Construction Status: est. 70% complete

Total Square Feet: 365,000

Available Square Feet: 365,000

Name of Owner/Developer: Prudential Insurance

Contact/Phone: Bill Anderson/(202)467-8200

Black's Directory Reference: 29

Anticipated Lease Rate: \$34.00

Note: Close to metro. Good timing.



OFFICE SPACE AVAILABILITY REPORT  
(District of Columbia)

Location: Franklin Court  
1099 14th Street, NW

Date Available: 1991

Construction Status: Soon to be ready for build  
out.

Total Square Feet: 445,000

Available Square Feet: 408,000

Name of Owner/Developer: Chubb Realty & The Evans  
Shure Partnership

Contact/Phone Tom Birmingham/(212) 935-7900  
(202) 682-0145

Black's Directory Reference: 30

Anticipated Lease Rate: \$33.00 - \$36.00

Notes: Excellent location. Building offers good options for  
expansion.

OFFICE SPACE AVAILABILITY REPORT  
(District of Columbia)

|                              |  |
|------------------------------|--|
| Location:                    | 1100 New York Avenue<br>1100 New York Ave., NW |
| Date Available:              | 1992   |
| Construction Status:         | Nearly complete                                |
| Total Square Feet:           | 433,000  |
| Available Square Feet:       | 420,000  |
| Name of Owner/Developer:     | ManuLife Real Estate                           |
| Contact/Phone:               | Irv Leiberman/(202) 682-9543                   |
| Black's Directory Reference: | 31   |
| Anticipated Lease Rate:      | \$29.00 - \$33.00                              |
| Notes:                       | Near metro                                     |

OFFICE SPACE AVAILABILITY REPORT  
(District of Columbia)-

Location: Thurmund Arnold Building  
1200 New Hampshire Avenue, NW

Date Available: Between 12/94 and 7/95

Construction Status: Building is complete & fully  
occupied.

Total Square Feet: 242,000

Available Square Feet: 242,000

Name of Owner/Developer: JMB Realty

Contact/Phone: Harry Harkaway/(202) 682-2044

Black's Directory Reference: 28

Anticipated Lease Rate: No estimate

Notes: This building is now occupied by the law firm of Arnold Porter who will vacate when their new building is complete in 94/95. The building is well finished; however, it is probably a 10 minute walk to metro. Timing is not good and size is marginal. Lease rate is expected to be at top of market.

Recent decisions by the American Bar Association affecting the ability of lawyers to engage in non-legal activities should be monitored to determine effects on availability of space. Arnold Porter is believed to be heavily involved in activities such as lobbying and non-legal consulting services.

OFFICE SPACE AVAILABILITY REPORT  
(District of Columbia)

Location: The Warner Theatre Building  
1299 Pennsylvania Ave., NW

Date Available: Est. mid-year '92 (building  
appears to behind schedule).

Construction Status: 70% complete

Total Square Feet: 520,000

Available Square Feet: 520,000

Name of Owner/Developer: The Kaempfer Company

Contact/Phone: Byrne Murphy/(202) 778-6254  
Mr. Nicolosi/(202) 331-4300

Black's Directory Reference: 34

Anticipated Lease Rate: \$43.00 - \$45.00

Notes: Very large building with great location near metro center. Listed lease rate is unrealistically high given today's market. Good timing and opportunity to build in expansion.

OFFICE SPACE AVAILABILITY REPORT  
(Northern Virginia)

Location: Stuart Park  
4250 N Fairfax Drive  
Arlington, VA

Date Available: 1994

Construction Status: Lot cleared - ground not  
broken.

Total Square Feet: 272,000

Available Square Feet: 272,000

Name of Owner/Developer: Oliver Carr & Buverno  
Properties

Contact/phone: Merideth LaPier  
(703)624-1700

Black's Directory Reference: 108

Anticipated Lease Rate: NA

Notes: Present plans are to obtain a major tenant before  
beginning construction.

Excellent location at Balston metro stop.

Near several other federal buildings including DOL & FDIC.

OFFICE SPACE AVAILABILITY REPORT  
(Northern Virginia)

Location: Summit 66  
11250 Waples Road  
Fair Oaks, VA  
(At intersection of Rts  
66 & 50)

Date Available: Now

Construction Status: Ready for tenant build out

Total Square Feet: 290,000

Available Square Feet: 240,000

Name of Owner/Developer: RDS

Contact/Phone: Tom Fountain  
(703) 359-0606

Black 's Directory Reference: 125

Anticipated Lease Rate: \$8.00 - \$15.00

Notes: Plans exist to build an additional two buildings each comparable in size to the above building.

Excellent facility including common theatre and fitness center.

Approximately 10 minute drive to metro.

Metro Bus service available to building.

OFFICE SPACE AVAILABILITY REPORT  
(Northern Virginia)

|                              |  |
|------------------------------|--|
| Location:                    | Two Monument Place<br>12150 East Monument Drive<br>Fair Oaks, VA |
| Date Available:              | 1993   |
| Construction Status:         | Site cleared   |
| Total Square Feet:           | 225,000 (1)  |
| Available Square Feet:       | 225,000  |
| Name of Owner/Developer:     | Union Pacific Realty co.   |
| Contact/Phone:               | David C. Meyer/(703)591-4200                                     |
| Black's Directory Reference: | 125  |
| Anticipated Lease Rate:      | NA   |

Notes: This office complex consists of three separate buildings, of which one is built and 50% occupied.

(1) Two Monument place is the second building to be constructed; however, the developer is delaying construction until the first building is leased out or until a major tenant is signed for Two Monument place.

Appears to be a high quality project.

Metro Bus service available to building lobby.

OFFICE SPACE AVAILABILITY REPORT  
(Northern Virginia)

|                              |   |
|------------------------------|---|
| Location:                    | Metrophase II<br>2650 Park Tower Drive<br>Dunn Loring, VA |
| Date Available:              | Est. late 93  |
| Construction status:         | Site ready for excavation                                 |
| Total Square Feet:           | 240,000   |
| Available Square Feet:       | 240,000   |
| Name of Owner/Developer:     | NV Commercial -   |
| Contact/phone:               | No name/(703)734-9839                                     |
| Black's Directory Reference: | 137   |
| Anticipated Lease Rate:      | \$26.50 +   |

Notes: This is the second of three buildings for this Site.  
The first is complete and partially occupied.

The building is located next to the Dunn Loring Metro Stop  
which is within easy walking distance.

Appears to be of excellent build quality.



OFFICE SPACE AVAILABILITY REPORT  
(Northern Virginia)

Location: Fairview Park  
Falls Church, VA  
(at Rts. 495 & 50)

Date Available: Now

Construction Status: Ready for occupancy

Total Square Feet: 232,000

Available Square Feet: Something less than 232,000

Name of Owner/Developer: Prentiss Properties Ltd.

Contact/Phone: Chris Hipps/(703)560-4700

Black's Directory Reference: 136

Anticipated Lease Rate: \$19.50 - \$21.50

Notes: This project consists of 12 office buildings of which several have been constructed.

(1) The building described above is listed as unoccupied; however, upon inspection, some tenants now exist.

Prentice Properties will build to suit for dimensions ranging from 100,000 to 325,000 SF.

Appears to be a quality project.

OFFICE SPACE AVAILABILITY REPORT  
(Northern Virginia)

Location: Colonial Place III  
2107 Wilson Blvd.  
Rosslyn, VA

Date Available: Aug, '93

Total Square Feet: 225,000 - 250,000

Available Square Feet: 225,000 - 250,000

Name of Owner/Developer: Boston Properties

Contact/Phone: Ray Ritchey/(202) 646-7600  
(Karren Taylor)

Black's Directory Reference: 109

Anticipated Lease Rate: NA

Notes: This project would be developed in partnership with Mobile Land which owns site rights.

Excellent location at Courthouse metro.

Boston Properties is an excellent building which has proven its ability to deliver on schedule. They just completed the FCC building on E Street, SW.

## SUITABILITY OF HEADQUARTERS SPACE

Mr. TRAXLER. I think you have a 10-year lease currently on your present headquarter's building.

Mr. STICKNEY. Sir, the GSA does. We occupy it under an agreement with GSA.

Mr. TRAXLER. Will you explain to me again why you believe that site to unacceptable, and why you are looking for new space.

Mr. STICKNEY. We are looking for new space because of several reasons.

A key reason is we do not have an appropriate emergency operations facility for the Federal Emergency Management Agency. I notice we have Lacy Suiter, Director of Emergency Management in Tennessee, and Dale Shipley, Director of Emergency Management in Ohio, both of whom have much better emergency operation facilities than we do here in D.C.

It is not that we cannot operate, but certainly during Loma Prieta and the hurricane it was very difficult for the 27 agencies to operate from our facilities.

Secondly, we have very little common space. We rent conference room space at this point simply because we do not have adequate space.

Thirdly, one of the things which was identified in our quality-of-life study which is now completed, was the concern of the employees that they are continually losing space and being squeezed together.

So those are, basically, the three reasons. The needs are there. The existing situation is difficult to work with on even an average business day. And the employees feel very much like they need better space to operate from.

Mr. TRAXLER. Out of the——

Mr. GREEN. Mr. Chairman, may I——

Mr. TRAXLER. Yes.

## SPACE COMPARED TO GSA STANDARDS BY GRADE

Mr. GREEN. Is the space you have below the GSA standards for the number of grades of employees you have?

Mr. STICKNEY. My short answer would be yes, but my long answer would have to be, I better make sure about that.

Mr. GREEN. If you could for the record.

[The information follows:]

## GSA SPACE STANDARDS

GSA no longer has square foot per grade standards. The GSA standard is 125 sq. ft. per person agency average, plus a 22% support area threshold ( $125 \text{ sq. ft.} \times 22\% = 28$ ) = 153 sq. ft. overall average.

In headquarters, average space per person is 151 sq. ft.: total office sq. ft. 174,783 minus 12,060 (libraries, file rooms, files storage, eating lounge, records holding area, supply room, photo room, mail room sorting area, receiving and shipping area, and copy machine rooms) = 162,723 divided by 1080 workstations = 151 sq. ft. per person.

Existing headquarters space is inadequate for providing conference rooms, an employee eating/lounge area, and an appropriate emergency operations facility. The largest conference room, also used for in-house training, has a capacity for only 75 chairs. The Agency routinely rents space outside the building for meetings and other Agency functions because they cannot be accommodated in-house. The only

common area available to employees to eat or take a short break is a small room with a microwave, five tables with four chairs each, and four stools.

One of the biggest space needs is an adequate emergency operations facility. Such a facility is needed to accommodate the Federal department and agency support personnel who coordinate response efforts to crisis situations. For example, representatives of 27 agencies were involved in the coordination efforts for Hurricane Hugo. A facility that can be quickly activated, accommodate an emergency support team function, and is operationally sound is important to meeting a primary Agency mission.

Mr. PETERSON. Director, maybe I could add just a couple of points here.

Mr. STICKNEY. Okay.

Mr. PETERSON. One of the problems is that we have been in that building a long time, and as our mission has matured, especially in the Disaster Assistance Program with the advent of the Federal Response Plan being developed over the last number of years, one of the lessons we have learned is the need to have coordination among 27 Federal agencies. And we are very pleased to see the agreement in writing as to how we are going to function.

There became a strong need in lessons learned out of Hurricane Hugo, that if you are going to coordinate all of the resources in the Federal government and support state and local governments, you need a facility that is operationally sound. Programmatically and operationally sound.

When you bring 27 agencies into a facility in an emergency support team function to support the policymakers at that level and to support all field activities, we found an almost impossible situation up to and including the reality that some people just went back to their own agencies. That is debilitating in a crisis situation.

That issue of an emergency operations center that is functional, competent and can come up to speed quickly and function to manage a major catastrophic event is not inherently within the confines of that structure at this point in time.

Mr. GREEN. Thank you, Mr. Chairman.

Mr. PETERSON. I have one other thing.

You have been generous in some respects and have recognized that we were understaffed in some areas like the Disaster Assistance Program and, earlier on, in the Radiological Emergency Preparedness Program, which is, as you know, a very critical aspect of the health and safety of the citizens of the United States around nuclear power plants.

We have 72 nuclear power plants. It is FEMA's responsibility to ensure and certify that reasonable assurance is in place around those facilities to protect the health of the public.

You have given us additional people there several years ago. We have 59 new positions in the Disaster Assistance Program, of which about 15 are to reside in the headquarters area, including those going to the Chief Financial Officer, and we don't have space for those people.

So just from my narrow perspective, there are legitimate impacts that have happened that have overstressed the capacity of a building that was acquired a number of years ago for the missions at that time.

So I think we can bring a number of issues like that to the forefront that kind of points to the problem we have and why some

people are over on K street right now to accommodate the Earthquake and Other Natural Hazards People.

Mr. GREEN. Thank you, Mr. Chairman.

#### SITES IN VIRGINIA

Mr. TRAXLER. I note that, of the seven potential sites that were recommended to GSA, at least five are in Virginia. Is that correct?

Mr. STICKNEY. Yes, sir.

Mr. TRAXLER. Well, this committee has been involved in a number of efforts on the part of different regional Congressmen to locate facilities in their states and in their districts. I just want to caution you very strenuously that if that gentleman from Virginia attempts to raid you and move you into Northern Virginia, you are not going.

I don't want anyone to misunderstand that, because we will deny it. It ain't going to happen.

I don't know who originated this, but I have a strong belief—I do know. I can't prove it, of course, but I just want you to carry the message back. It ain't going to happen.

Mr. STICKNEY. I understand, and Tom McQuillan and I had discussions about the sensitivity of that issue.

I would love to be able to make a deal that was advantageous to the Federal government, for the Federal government to move into the Southeast Center. I think we could have a good operations facility there. We would be next to GSA and the Corps of Engineers, who are two of our key partners.

But I can say without any reservation on my part that I believed I was reviewing an objective study of space costs which would represent lower cost to the Federal government.

But I am aware of the concern, I certainly have heard the concern, and we will take note of that concern.

Mr. GREEN. Mr. Chairman, could I add one thing?

This is quite a bipartisan thing because both President Nixon and President Carter have issued, in their respective tenures, executive orders requiring agencies to try to assist central cities and to maintain locations in central cities. So I think this is something that is a bipartisan effort to try to improve our nation's cities, and I would hope that you would be aware of those two executive orders.

Mr. STICKNEY. I appreciate the advice up front.

#### IG INVESTIGATION ON USE OF GOVERNMENT VEHICLES

Mr. TRAXLER. The Inspector General conducted an investigation last fall of the potential misuse of government vehicles. The report of the IG stated the allegations were unfounded.

Do you agree with the results of that investigation?

Mr. STICKNEY. Sir, I have reviewed that report with the IG. I believe it was a comprehensive investigation, and I certainly accept those conclusions. I would be pleased to have him discuss that, should you wish.

Mr. TRAXLER. Did you file any recommendations with the Agency in connection with your investigation?

Mr. MILLER. Yes, we did.

Mr. TRAXLER. And did the Agency act on those recommendations?

Mr. MILLER. Yes, they did.

Mr. TRAXLER. Are you satisfied that all is being done with regards to the potential misuse of government vehicles?

Mr. MILLER. Yes, I am.

Mr. TRAXLER. Do you have any other information that you want to bring to the attention of the committee at this time?

Mr. MILLER. Not in this forum—being a public forum here today. If you have any other questions I would be happy to discuss them with you privately at your leisure, but—

Mr. TRAXLER. We are going to return to that issue, perhaps a little later in the hearing.

Mr. MILLER. All right, sir.

#### RESOURCES FOR THE CFO'S ACT

Mr. TRAXLER. Turning to page SE-65, FEMA is requesting additional resources for the implementation of the Chief Financial Officer's Act. Agencywide, how many resources are being requested for the CFO Act implementation? What are you anticipating in 1993 for that implementation?

Mr. STICKNEY. Sir, as you know, the Chief Financial Officers Act was a legislative requirement, and we are moving as quickly as we can to fulfill the requirements of that legislation.

Russ, is there an additional number of five workyears for that?

Mr. ASHER. In terms of what we are requesting in the way of additional workyears, we have a net increase of nine from 1992 up to 1993, and that includes the transfer of those five individuals from PA&E that were associated with the internal controls activity.

The increase in our budget is \$1.5 million, of which approximately \$500,000 is associated with contract services to go forward with systems improvements, particularly in the financial systems arena. In addition to that, we have approximately \$400,000 which would be a continuation of the upgrade of the equipment that we use to support our financial systems.

Mr. TRAXLER. How about the IG? What additional resources are you requesting in 1993 for the IG's office?

Mr. MILLER. We are asking for eight additional FTEs and an additional \$804,000 in funds.

Mr. TRAXLER. What about the CFO? How many FTEs there?

Mr. MILLER. From an IG auditing point of view we are allocating four people from our audit staff to review the financial statements when they are prepared. But they are to come from within our current FTE strength.

#### BILATERAL AGREEMENTS WITH MEXICO

Mr. TRAXLER. We note on page SE-69 that among the activities of the Management and Administration's for fiscal year 1992 are to plan and coordinate a bilateral emergency preparedness/disaster consultative agreements with Mexico.

How many people and how much money do you anticipate are devoted to this activity? Why is it in Management and Administration?

Mr. STICKNEY. Sir, it is in Management and Administration because of a budget structure which included external affairs as part of Management Administration, traditionally. We have not revised that budget. We are doing it within our existing resources.

Is there anything you can add to that, Steve?

Mr. GADDY. Yes, sir. There will be one person that will be designated for the U.S.-Mexico bilateral agreements.

Mr. TRAXLER. Would you expand for the record the purposes of those agreements with Mexico?

Mr. STICKNEY. Yes, sir.

[The information follows:]

#### UNITED STATES-MEXICO BILATERAL AGREEMENTS

The United States-Mexico Consultative Committee on Natural Disasters (CCND), as it is formally known, has the mission to reduce human suffering and damage to property. This relationship began twelve years ago. The CCNA has a Geological Phenomena Subcommittee, which through its efforts has increased hazard mitigation, preparedness, and response in the San Diego-Tijuana area. Such activities as seismic data exchange, planning evaluation routes, and vulnerability assessment are completed. Mexican members of the subcommittee have been invited to observe FEMA exercise in the future.

Currently under discussion is the reactivation of the Hydrometeorological Subcommittee which would serve as an information exchange and forum for the study of weather patterns. This would encompass an educational exchange, public information activities, frequency of occurrence of storm and other characteristics of tropical weather phenomena, and prevention, and mitigation of loss of life and property.

Mr. STICKNEY. We have Canadian agreements as well as with Mexico.

#### INCREASE FOR THE IG

Mr. TRAXLER. Let us come back to the Inspector General. An appropriation of \$5,948,000 is requested for the Inspector General's office in 1993, which is an increase of \$804,000 above 1992. The budget also requests 78 workyears for 1993, which is an increase of eight.

For fiscal year 1992, FEMA requested a rather large 53 percent increase for the Inspector General, and this amount was subsequently appropriated. We are looking here at a 16 percent increase for 1993. Why are you requesting such a sizable increase?

Mr. MILLER. I am looking upon this, by the way, as the final phase of our build-up from 42 in fiscal year 1991 to the total we hope for, which is 78, if you agree with our budget request for this year.

It goes back to what we discussed in last year's hearing which was that of some 150 auditable activities in FEMA, because of the small staff preceding my arrival, the IG's office had only been able to audit around 40 of those auditable activities. The increased staff gives us a broader coverage and a reduced audit cycle doing it faster than we could have done it otherwise.

Mr. TRAXLER. How many do you currently have on board?

Mr. MILLER. We have a total of 65 people. 65 out of our authorized 70 FTE strength.

Mr. TRAXLER. For 1992, your target is 70.

Mr. MILLER. Yes, sir.

Mr. TRAXLER. And will you meet that target by the end of the fiscal year?

Mr. MILLER. We will be very close, yes. We have a number of people in the pipeline, and I think we should meet that target.

Mr. STICKNEY. Sir, I am scrutinizing that closely as well. On the one hand I recognize our need to comply with the law. On the other hand, as we have discussed within our agency, we recognize we are adding, to a certain degree, review and overhead to our activities.

I am convinced, after long discussions with both Russ Miller and Russ Asher, that these are required. Russ knows that if he doesn't use that FTE I am going to use it for something else.

Mr. MILLER. Rest assured we will.

#### OFFICE OF INSPECTOR GENERAL

Mr. TRAXLER. Incentive. We understand a new Office of Inspections in the Office of Inspector General has been established. When was this established, and why were we not notified of this new office?

Mr. MILLER. It was established not quite a year ago. And you were not notified because I wasn't aware we should have notified you. It was an oversight for which I apologize.

Mr. TRAXLER. And you are aware now?

Mr. MILLER. Yes sir, I am.

Mr. TRAXLER. Very good. Please provide for the record a breakdown of the resources that you will have in that new office, and explain for the record what the purposes of it are.

Mr. MILLER. All right, sir.

[The information follows:]

#### OFFICE OF INSPECTIONS

The Office of Inspections evolved from the previously established Office of Special Projects which had been administratively approved by the FEMA Comptroller on February 1, 1991. After identifying and arranging for the assignment to my office of several program inspection functions of the Office of Special Projects, I did so and renamed it the Office of Inspections, Office of Inspector General on July 1, 1991.

The Office of Inspections is designed to complement the Office of Audits and the Office of Investigations by providing program, activity and management evaluations which will fall into four general types: (1) Efficiency and effectiveness studies—How well and at what cost is an activity, program or organization performing? (2) Policy analysis studies—Are changes needed in policy, regulations or legislation in order to be more responsive to changing situations or missions? (3) Snapshot studies—What does the organization, program or activity actually look like in operation? (4) Compliance reviews—Is the program or organization doing what it is required to do?

Nine personnel are currently assigned to the Office of Inspections in the positions and grades indicated below:

|   |        |
|---|--------|
| Positions:                              | Grades |
| Acting Assistant Inspector General..... | SES    |
| Program Analyst .....                   | GM-15  |
| Program Analyst .....                   | GM-15  |
| Program Analyst .....                   | GM-14  |
| Computer Specialist .....               | GM-14  |
| Program Analyst .....                   | GM-13  |
| Program Analyst .....                   | GM-13  |
| Program Analyst .....                   | GM-05  |
| Secretary (typing) .....                | GM-06  |



## AUDITS

Mr. TRAXLER. On page 83 of last year's hearing, we discussed the fact that of the approximately 150 auditable activities, only about 42 or 43 of the activities, had been audited by your predecessors. Have you been able to increase that number during this year?

Mr. MILLER. Yes, sir. Rather markedly.

Mr. TRAXLER. What do you think the number is?

Mr. MILLER. I don't have that off the top of my head, but I would say we have hit at least another 20 auditable activities.

## HIGH DOLLAR INVESTIGATIONS

Mr. TRAXLER. Last year you told us that there were about 200 outstanding cases involving high dollar investigative matters. What is the status of those cases? What is the disposition?

Mr. MILLER. We have now boiled the 200 down to 96 or 97, and of that 96 or 97 we have focused on 25 of the most high dollar cases.

Mr. TRAXLER. Mr. Green, did you have any questions at this point?

## IG'S SUPPORT FROM MANAGEMENT

Mr. GREEN. Simply like to ask if you have had the full cooperation of the management and managers of all the directorates?

Mr. MILLER. Yes, sir. In spite of the fact of our increased strength and more thorough presence that we are demonstrating throughout the agency, we are still meeting with good cooperation from all hands.

Mr. STICKNEY. Yes, sir. And I would add that one of the clear advantages is that we are able to ask for people to be assigned, for instance, to a disaster site where we feel there may be a potential for fraud, and the IG is able to respond to us. For instance, in the California freeze situation, we had Inspector Generals on the scene, and they were very helpful.

Mr. GREEN. The second question I usually ask at the end of the hearing, and, obviously, you cannot respond to it now. But if at the end of the hearing there are matters that we have not asked about that you think the subcommittee ought to be asking about, I would appreciate your speaking up and letting us know.

Mr. MILLER. Yes, sir.

Mr. TRAXLER. We will get there. Thank you, Mr. Green. Do you have any questions, Marcy?

Ms. KAPTUR. I have three.

Mr. TRAXLER. Well, proceed.

## FUNDING TO ACHIEVE 50-50 MATCH FOR EMA GRANTS

Ms. KAPTUR. Thank you, Mr. Chairman.

Mr. Stickney, I will be submitting several questions for the record, but I would like to ask three publicly now.

In the area of your emergency management assistance grants, the real dollar value of those is declining. And I am curious—in your opinion, how much do you estimate would be required to fund this program on the 50-50 match in all states?

Mr. STICKNEY. That, ma'am, would be a significant increase. I believe our average funding on personnel is down to around 30 percent. I know we have a backlog of requests for equipment which are already matched by state funds, but I would have to provide that to you for the record.

[The information follows:]

#### EMERGENCY MANAGEMENT ASSISTANCE [EMA]

FEMA estimates that Federal funds now provided under the EMA program cover about 35% of eligible expenses nationwide. Therefore, raising the Federal contribution to 50% (while holding the total of the Federal, State, and local expenditures to the same level) would require that the annual Federal appropriation be increased from \$62,128,000 by \$26,626,000 to \$88,754,000.

An alternative approach to answering the question would be to assume that the 65% share, now covered by the States and local jurisdictions, should be fully matched with Federal funds. This would require that the Federal appropriation be increased from \$62,128,000 by \$53,253,000 to \$115,381,000.

#### CONDITION OF STATE AND LOCAL PROGRAMS/PERSONNEL

Ms. KAPTUR. Is it your general sense that as a result of this declining funding that state and local programs are deteriorating?

Mr. STICKNEY. My sense is that—and the information I have gotten from people who are familiar with the program of years ago or have just come back into it for one reason or another—the professionalism of the state and local programs has increased significantly over the past several years. But without question, I think that whether it is on the firefighter side or the emergency management side, they are in a real squeeze in terms of equipment and capability right now. In terms of the individuals, I believe it has come a long way.

#### TERMINATION OF DAM SAFETY

Ms. KAPTUR. I know our State of Ohio is quite concerned about the results of those cutbacks.

I wanted to ask a question on dam safety. The program is recommended as terminated in the budget submission. Can you tell me what specifically will be lost if this program ultimately is terminated?

Mr. STICKNEY. Ma'am, that was one of our most difficult decisions in reviewing the budget. It is a small program, but we believe it very effectively provides states with the information and capability that their own dam inspectors need to do their jobs well. In terms of the specifics that would be lost, Grant, can you help me with that?

Mr. PETERSON. Maybe we can say a couple of good things, if I might bear your indulgence.

When FEMA took this program on in 1979, there were 16 states that had active programs. Six had no legislation whatsoever. There were about 63,040 regulated dams with about 5 percent that were unsafe.

Under FEMA's leadership, we have 36 states who have developed adequate programs. Only two have no legislation. And out of over 80,000 dams now being regulated, only two percent are unsafe.

So we have come a long way, and there has been a lot accomplished. There is a lot of momentum and a lot of initiative that is out

there. I think that initiative and momentum in those states that are up to speed will not deteriorate from this program.

The dam inventory of information which has been collected from reports will have to be assumed by the Corps or someone else if this program goes away. And the only other thing I would say is that 36 states are not 50 states; there are still 14 states with less than adequate programs.

And so those are the principal points I think we would like to make.

Ms. KAPTUR. When you submitted your budget to OMB, was this program recommended for termination?

Mr. PETERSON. I can't remember that.

Mr. STICKNEY. No. That was the reallocation of resources to Earthquake Programs which took place during the discussions with OMB.

Mr. PETERSON. That is right. I remember that.

#### HAZARDOUS MATERIALS TRAINING FUNDS

Ms. KAPTUR. I have a final question concerning training for response to hazardous materials incidents, which also has no request for funds in the budget.

Could you tell me—do you feel that planning and training for fixed facility is complete and, therefore, this program is not necessary? How do you propose that the required training will be accomplished without the money?

Mr. STICKNEY. We understand that there is a great need for training out there and a continual need for training. The program, as now organized, will use the user fees under HMTUSA, Hazardous Materials Transportation Uniform Safety Act, or to reimburse the local communities and the states in their training activities.

Do you want to follow up on that?

Mr. PETERSON. HMTUSA is supposed to come on line in 1993. There is about \$7.8 million designated under the Hazardous Materials Transportation Uniform Safety Act for training, and about \$5 million for planning grants.

There is a difference in the program, in that the \$3 million in SARA Title III money that you are talking about, is directly appropriated up-front money, and the HMTUSA money is reimbursable. But I think the plan was that these funds from HMTUSA, the \$7.8 million, would, in part, at least, replace the \$3 million that comes out of the SARA Title III authorization.

We have trained almost 72,500 people in FY 1991 with that SARA Title III money, and much of that was focused towards the point of your question, which is fixed facilities.

Ms. KAPTUR. Do you think the money will go out at the beginning of 1993 and also will it be used for transportation or for fixed facilities? What is your sense of what is going on?

Mr. PETERSON. My sense is I don't know quite the answer to that because the regulations just barely hit the street. I think until there are comments on those regulations and until there is a finalization of those regulations I would not be in a position to answer what DOT's intent is on that.

Mr. STICKNEY. I would agree with Grant. Because it is a user-fee funding mechanism that is just being set up, there probably is going to be some stretching out of the training capability.

Mr. PETERSON. There will be some gaps.

Ms. KAPTUR. I thank you for those comments.

#### GAO VERSUS THE SURVEYS AND INVESTIGATION FUNCTION

Mr. TRAXLER. Just as a little trivia, I am reminded that the GAO was created by the 1921 Accounting Act, and the surveys and investigation function was established within the full Appropriations Committee in 1943. The original function, of the GAO was simply to be a green eye shade and deal only with accounting questions, not with management audits. They began those functions in the early 1970s, and management audits were the function of the S and I staff from its inception in 1943.

So an answer to a bit of trivia.

I must say that there was an excellent docudrama on one of the television networks involving the Iowa commercial airplane crash in a corn field. The story was fascinating, and it was well done. It was a fine tribute to the emergency preparedness of that Iowa community and the surrounding towns—I think in Kansas also.

My only regret was that it didn't mention the role that FEMA plays in the training aspects of the preparedness people.

Having said that, we are going to break for lunch before we discuss emergency management planning and assistance. We will come back at two o'clock, and we are confident we will finish with you this afternoon.

Mr. STICKNEY. That would be very helpful. Thank you, sir.

[Recess.]

#### ADDITIONAL INTRODUCTIONS

Mr. GREEN [presiding]. The Chairman has asked me to get the meeting going. I understand, Mr. Stickney, you want to introduce some additional staff people who are here.

Mr. STICKNEY. Yes, sir, pleased to introduce our general counsel Pat Gormley, and the superintendent of the National Fire Academy, Al Kirchner. Al comes to us with long experience with the U.S. Marine Corps and the National Fire Academy.

#### DISASTER OBLIGATIONS IN 1992

Mr. GREEN. I understand he is a New York native.

If we can turn to the disaster relief program, in fiscal year 1992, the committee appropriated \$185 million in its regular spending bill for disaster relief. An additional \$943 million in emergency funds were provided in a supplemental. Of the \$943 million, \$800 million was handled immediately, and \$143 million is to be made available upon submission of a formal budget request by the President designating these funds as emergency.

As we previously stated, FEMA is requesting \$292 million for fiscal year 1993. Further, the administration has just submitted a budget amendment requesting an additional \$200 million for the disaster relief program to be designated as emergency funds for fiscal year 1993.

On page DR-4, FEMA has estimated that \$976,150,000 will be obligated in fiscal year 1992. Is that still an accurate number?

Mr. STICKNEY. Grant?

Mr. PETERSON. This was put together before we entered into the accelerated year of 1992. So those obligation figures are going to move on us somewhat. We can give you a more definitive reply for the record, if you would like.

Mr. GREEN. If you could, it would be helpful.

[The information follows:]

#### DISASTER OBLIGATIONS

We are currently projecting Disaster Fund obligations in FY 1992 at between \$1,243,870,000 and \$1,371,670,000, depending on the type of disaster activity we have during the balance of the year. Both figures are higher than the \$976,150,000 that was included in our budget request because disaster activity for the first one-half of fiscal year 1992 has been well in excess of the budgeted 10-year average.

#### UNOBLIGATED BALANCE IN DISASTER RELIEF FOR 1992

Mr. GREEN. Also for the record submit what the unobligated balance will be at the end of the fiscal year.

Mr. PETERSON. I think I gave that in my previous answer, but I will be glad to do it again.

[The information follows:]

#### UNOBLIGATED BALANCE IN DISASTER

On the basis of the projected obligations indicated above, and considering the current rate of disasters, we could experience a shortfall of obligational authority which would require utilization of some or all of the \$143 million previously appropriated.

#### HISTORICAL DISASTER LEVEL

Mr. GREEN. According to DR-4, the fiscal year 1993 request of \$320 million is based on an historical average for disaster activity from 1981 to 1990. In previous years, you have stated that \$270 million was the historical average. Is there a new formula for calculating the average disaster activity level, is it the result of a more accurate accounting of disaster activity levels, or has the level gone up?

Mr. STICKNEY. I think, sir, it is simply a case of taking an arithmetic average, excluding the disasters from Hurricane Hugo and the Loma Prieta earthquake. Basically it is an average of experiences.

Mr. PETERSON. That is going up, by the way.

Mr. GREEN. Yes. As we noted previously, fiscal year 1992 has already been a busy disaster year. According to your letter dated March 6, the current estimate for this fiscal year is \$588 million. I assume this will increase the historical average for disaster activity for fiscal year 1994. That is self-evident.

Mr. STICKNEY. Yes.

Mr. PETERSON. We are looking at about \$360 million as the average.

#### ALLOCATION BASIS FOR DISASTERS

Mr. GREEN. Mr. Stickney, in your March 6 letter to the committee you state that due to the high level of disaster activity in fiscal

year 1992, it would be, and I quote, "prudent to hold back unobligated balances and continue to allocate from balances on a first-come, first-serve basis." Is that how you are currently proceeding?

Mr. STICKNEY. Yes, sir.

#### DISASTER ALLOCATIONS IN THE EVENT OF SHORTAGE

Mr. GREEN. For fiscal year 1991, FEMA temporarily suspended obligations for public assistance and hazard mitigation projects due to lack of funds. Have you considered taking this approach again in fiscal year 1992 if the disaster activity level continues at its current pace?

Mr. STICKNEY. We believe that should a shortage develop from a group of relatively small disasters, that this is the best way to handle it while making sure there is enough money remaining to deal with emergency situations.

If there were a cataclysmic event, we would immediately request additional money for that.

Mr. PETERSON. Yes.

#### PROPOSED REGULATORY CHANGES TO DISASTERS

Mr. GREEN. For fiscal year 1993, the budget proposes a level of \$320 million for disaster relief, offset by an estimated savings of \$28 million from regulatory changes to the program. According to page DR-17, three regulatory changes will achieve the estimated savings.

Could you briefly describe the changes you have in mind. Do they require legislation, or can FEMA do it itself under the budget agreement?

Mr. STICKNEY. Yes, I would be pleased to. These proposals for regulations stem from the OMB-FEMA task force and from reviewing our prior programs. There are three. One involves the extent to which we should pay ordinary expenses of a community during a disaster as well as extraordinary costs; the second was whether or not certain nonprofits would be eligible; and third involves—

Mr. PETERSON. Raising the threshold for eligibility for public assistance projects from \$250 to \$1,000.

Mr. STICKNEY. Yes. Third, we were going to raise the minimum threshold for a project eligible for assistance from \$250 to \$1,000.

Indeed, we are developing those regulations, but in the interim period, the President has indicated that he is concerned about the effect of regulatory programs on the States and localities. Those are still under review.

We believe, however, that these can be done with regulations and would not require legislation, although, in the case of private nonprofits, Grant, I need to ask you this question: should there be more done in legislation than we could do in regulation?

Mr. PETERSON. I think the regulation as it is now under consideration would substantially narrow the context of assistance to private nonprofits, limiting assistance to those providing essential governmental service. I think that would do it, sir.

Mr. GREEN. You have indicated that the regs are not on hold, but you are trying to figure out where they fit under the President's

moratorium. Do you expect to be able to promulgate final regulations by the beginning of fiscal year 1993?

Mr. STICKNEY. I am getting my dates confused. That is by September—

Mr. GREEN. By October 1 of this year.

Mr. STICKNEY. October 1. Sir, I believe the administration's view on the regulations is dependent on the condition of the States and the condition of the economy. One of the concerns is, of course, whether some of these regulations will cost the States and localities out of their own budgets, and we are very concerned about that.

Mr. GREEN. I gather, then, that you expect to receive a significant number of comments from the affected people?

Mr. STICKNEY. Yes, sir, we do.

Mr. GREEN. And that might lead to some revisions?

Mr. STICKNEY. It may. And it may be that rather than place that burden on the States and localities, the particular one dealing with extraordinary expenditures, rather than all expenditures, may not be published in the near future.

Mr. GREEN. What will you do if the anticipated cost savings are not achieved?

Mr. STICKNEY. If that is the case, then, clearly, it is the responsibility of the Administration to deal with the difference.

One of the challenges with this program, as you know, is that it is not as if we are purchasing a new airplane and the contract is going over budget. It is a case of plus or minus an earthquake. So it is always a difficult issue for us.

#### EMERGENCY FUNDING BASE LINE

Mr. GREEN. But it seems to me there is another issue here. As I recollect the formula from last year's conference report, if the Administration request is less than the historic average in the year, then that becomes the year's base line in terms of what qualifies as an emergency request and what does not.

I am curious about the Administration's position concerning this base line request for fiscal year 1993. If we enact what you recommend, would it be \$292 million or \$320 million?

Mr. STICKNEY. Sir, I can't answer that at this point, but it was an interesting trade-off to suggest that \$28 million savings actually lowered the limit after which we would call it an emergency.

#### TEMPORARY HOUSING/DISASTER UNEMPLOYMENT REFORMS

Mr. GREEN. Well, you are, in fact, requesting \$292 million.

In the fiscal year 1992 budget amendment sent to Congress, the Administration proposed a couple of program reforms, including limiting Federal assistance for temporary housing and disaster unemployment benefits to 75 percent and limiting the benefit period for disaster-related unemployment. Do you expect to propose these reforms again sometime?

Mr. STICKNEY. Sir, those reforms are still under review, and need to be carefully reviewed. We want very much to develop a proposal, with the advice of those who are affected by the proposal, and to

establish a blue ribbon study committee to help us do that. Those are still under review, but we have no definite proposal.

Mr. GREEN. On page DR-1, appropriation language is requested that would limit the total amount provided for hazard mitigation projects to \$20 million. What is the purpose of this language, and what was the cost for hazard mitigation projects in fiscal years 1990, 1991, 1992, and projected for 1993?

Mr. STICKNEY. Sir, I think the reason for limiting the hazard mitigation was based on a concern by the budget people, that there would be an inordinant amount of work in communities devoted to hazard mitigation, reconstruction of buildings, and that sort of thing; and also, as I recall, the \$20 million was much higher than we had spent in the past. Grant, do you have that number?

Mr. PETERSON. Well, roughly. This section of the Stafford Act was not implemented until November of 1988. So in 1989, we didn't have regs out, and in 1990 we were dealing with Hurricane Hugo and Loma Prieta, so that skewed it.

1991, I believe, Director, was less than \$10 million. But the program is very young in implementation, and the amount would vary depending upon how much——

Mr. GREEN. And projected for 1993?

Mr. PETERSON. Well, 1993 would be capped at \$20 million, sir.

Mr. GREEN. You would project using it all.

Mr. PETERSON. If I may, Director, that is based upon an average year of \$320 million, and \$200 million of that being public assistance, which is what the formula of participation on 50-50 by State and local governments is based upon.

So based upon an average year, \$200 million of public assistance, about \$20 million in hazard mitigation. If it goes higher than \$200 million in Public Assistance, then we will be in trouble.

#### DIRECT LOAN LIMIT

Mr. GREEN. I note on page DR-26, FEMA is proposing to increase the disaster assistance direct loan account from \$6 million to \$8 million in fiscal year 1993. The justification states that the increase above the fiscal year 1992 level reflects the anticipated increase in requests for State share loans as a result of proposed legislation.

Could you briefly describe the proposed legislation?

Mr. STICKNEY. Grant, would you pick that up?

Mr. PETERSON. We are dealing with the Credit Reform Act, and the \$6 million cap moving to \$8 million. We are absolutely convinced that \$6 million is too low. This year alone we have already exceeded that cap and are going to have to deal with it in requests from American Samoa, Puerto Rico, and Marshall Islands. So we have a dilemma that we are trying to work through with the Administration at this point in time; \$8 million is an increase over 1992 and is a best guess based upon, once again, the fact that we are going to have an average year. We know \$6 million is too low, sir, and so we are trying to do an adjustment.

Mr. GREEN. This number reflects the increase under the Credit Reform Act and the Budget Act?

Mr. PETERSON. That is absolutely correct.



Mr. STICKNEY. Thank you for reminding me which legislation, Grant. I lost that.

But as you probably know, sir, it is a key issue for us, because if a State is unable to advance its 25 percent share of individual family grants and we are not able to loan them that share, then people could do without vitally needed help. So it is a serious concern for us.

Mr. PETERSON. Under the Stafford Act Law, sir.

#### MOBILE HOMES IN WATSONVILLE

Mr. GREEN. Let me turn to the question of the mobile home inventory. How many remain in Watsonville at this point?

Mr. PETERSON. Not——

Mr. GREEN. If you want to provide it for the record.

Mr. STICKNEY. Yes.

Mr. PETERSON. In Watsonville, well under 100. We will provide the exact figure for the record, sir.

[The information follows:]

#### MOBILE HOMES REMAINING IN WATSONVILLE, CA

For approximately the past 3 months, only 6 of FEMA's mobile homes have remained in Watsonville, CA.

#### MOBILE HOME/INVENTORY

Mr. GREEN. At one point you proposed eliminating the mobile home inventory. I gather from the answer submitted for the record last year that you plan to keep some supply of mobile homes?

Mr. PETERSON. Absolutely. There was some discussion as to the viability of eliminating the mobile home program. We believe, after analysis, that would be a serious mistake, especially if you deal with catastrophic disasters.

#### LESSONS LEARNED REPORT

Mr. GREEN. Let us turn to emergency management planning assistance. The administration is requesting \$259,043,000 for EMPA in fiscal year 1993, a decrease of \$26,784,000—or 9.4 percent—below the 1992 appropriation.

Additionally, FEMA is proposing a transfer reimbursement of \$48,092,000 from the National Flood Insurance Fund for flood plain management activities in 1992.

This morning we discussed briefly the lessons learned, and at last year's hearing we also discussed how FEMA's "lessons learned" report may help the agency better cope with future disasters.

At the hearing last year you stated that FEMA was still in the process of completing that report, and it would be out in about a month. It is now a year later, and the report is still not completed. What is the problem, and when can we expect to see it?

Mr. STICKNEY. The problem, sir, is the ever-changing scene that we are dealing with. To the credit of our State and Local Programs Directorate, they are essentially solving the problems on a daily basis, and the lessons that have been learned are being incorporated into the program and the original concerns that the general

public and others had back at the time of the hurricane have been responded to.

I believe that the best way for us to handle this request at this point would be for us to file a report which indicates not only the lessons learned but the progress made, and I would rather do that as an agency report and would propose to certainly get that done.

#### IMPLEMENTATION OF LESSONS LEARNED

Mr. GREEN. Well, have any of the lessons learned been implemented, whether in a report or not? Have you started to implement any changes besides the reorganization within the State and local preparedness directorate?

Mr. STICKNEY. Yes, sir. The reorganization was a part of that. The further development and honing of the Federal Response Plan, which is nearly completed, was a large part of that. The improved integration of our own activities such as communications capabilities, simplification of the forms that are used, and encouragement of the State and local officials to develop more exercises and do more training are the sorts of things that are going on. And I would be pleased to submit a list of these for the record.

Mr. GREEN. If you would.

[The information follows:]

### Implementation of Lessons Learned

Major lessons learned from study of the FEMA response to Hurricane Hugo and the Loma Prieta earthquake are indicated below, along with steps taken to implement those lessons.

#### Evacuation Plans Work

Evacuation and warning programs funded by FEMA and implemented by State and local governments worked well during Hurricane Hugo and, continued funding for this program provides for broader local and State systems.

#### Evolution of Federal Response Plan

The continuing development of the Federal Response Plan has resulted in a Federal capability which had not been envisioned prior to Hugo and Loma Prieta. The plan has been refined, tested and utilized and now provides a system for responding to the consequences of all types of emergencies and disaster events.

#### Congressional Approval of New Staff Resources

FEMA's Office of Disaster Assistance Programs has been provided with additional staff resources. Funds have been appropriated to increase staffing from 233 to 292. The benefits of this 25 per cent increase are beginning to be realized.

#### Disaster Assistance Employees

FEMA has increased its Disaster Assistance Employee (Reservists) cadre to in excess of 2,000 individuals and we continue to evaluate an ultimate, ideal reservist level.

#### Training for State and Local Officials

Additional training and orientation for State and local emergency managers has enhanced their capabilities to be more effective during the response and recovery phases of major disasters.

#### FEMA Organizational Changes

FEMA has restructured its organizational alignment in order to assure that both response and recovery activities can be accomplished simultaneously. This reorganization is now in place and has already proved to be very effective in supporting and developing on-going disaster activities.

#### Urban Search and Rescue Teams

FEMA has developed, in support of State and local governments, an urban search and rescue team system, whereby trained, certified and ready teams are available for development in catastrophic events or when urban search and rescue assistance is otherwise required. There are 28 teams now in place.

#### All Hazards Approach to Emergency Management

FEMA continues to develop an all hazards approach to emergency

management and is working closely with State and local emergency management organizations to assure that this process is understood and a capability exists to respond to a full range of hazardous events.

#### National Teleregistration Facility

FEMA is now putting in place a permanent National Teleregistration Facility in order to assure timely response to the needs of disaster victims. This center was developed as an emergency measure during the Loma Prieta Earthquake, has proven its value, and will now become a permanent part of FEMA's disaster assistance program.

#### Training of Other FEMA Personnel

FEMA has provided training for many of its non-disaster related personnel in order to provide a capability to support large scale disaster activity. This cross-training continues on a wide scale.

#### FEMA Assumes Responsibility for Public Schools

As a result of the confusion resulting from lack of clarity concerning Federal assistance to disaster-affected school districts, authority for this program has been transferred from the Department of Education to FEMA.

#### Flood Insurance

FEMA's National Flood Insurance Program has initiated an intensive insurance marketing program to expand this base of insurance coverage in areas subject to potential flood hazards.

#### Early Deployment of Aid to States

The FEMA Regional offices now routinely dispatch technical advisors to work with their State counterparts in emergency situations where Federal assistance requirements appear likely. This pre-deployment assures close State-Federal interaction when a disaster event is imminent.

#### Caribbean Area Office

FEMA has established a permanent Disaster Field Office in the Caribbean in order to provide preparedness, mitigation, response and recovery capabilities in close proximity to the hazard-prone Virgin Islands and Puerto Rico. This office is staffed with bilingual personnel and will soon provide additional emergency equipment support to the Territory and to the Commonwealth.

#### Pacific Area Office-Hawaii

The Congress has authorized establishment of a similar Pacific Disaster Field Office in Hawaii and the Agency is moving forward to put this office in place.

#### FEMA-OMB Task Force

A team of FEMA and Office of Management and Budget (OMB) personnel has evaluated the financial management of the President's Disaster Relief Fund resulting in an improved estimating and allocation processes. The Congress also provided \$800 million in supplemental

disaster resources.

#### Federal Coordinating Officer

Training has been conducted in order to assure that a larger cadre of Federal Coordinating Officers (FCO's) is available to orchestrate disaster recovery activities. All FEMA Regional Directors have had this orientation and many have, for the first time, assumed these important responsibilities in current disaster operations.

#### Interagency Agreements

Memoranda of Agreement have been developed and/or improved with

- The Tennessee Valley Authority
- U.S. Army Corp of Engineers
- Soil Conservation Service

#### Modular Housing

An assessment has been completed concerning the use of modular housing in disaster situations when local housing resources are inadequate.

#### Disaster Worker Stress Reduction Effort

A stress reduction analysis has been undertaken to determine ways to reduce harmful stress for disaster workers.

#### Formation of Emergency Support Team

A Headquarters Emergency Support Team roster has been developed to provide an organizational structure to support field disaster operations and the multi-agency capability to respond to disaster events.

#### Utilization of Special Disaster Authority

For the first time, FEMA has utilized Section 403c, P.L. 93-288 authority to direct assistance from the Department of the Defense in advance of a Presidential Disaster Declaration where the event appeared likely to eventually warrant such a declaration.

#### Hazard Mitigation for Individuals and Families

FEMA has undertaken a pilot effort to determine the effectiveness of hazard mitigation activities for individuals and families.

#### Mobile Home Inventory Analysis

The Agency has evaluated its mobile home inventory to insure its readiness and improve cost-effective management.

#### Inspector General Activity

The FEMA Inspector General continues to pursue swift prosecution of disaster-related criminal issues.

#### Public Affairs Capability

FEMA Regional Public Affairs staff are being expanded and reservist trained in order to provide timely information to citizens and governmental officials in disaster situations.

Improvements to Disaster Field Office Structure

The organizational structure of Disaster Field Office operations has been restructured to track with that normally used by other agencies and organizations using an expandable incident command system process.

Use of Hand Held Computer

A hand held computer system is nearly completed for field utilization in cost estimating of disaster damage.

Information for Governor

A comprehensive disaster briefing and orientation package for State Chief Elected Officials has been developed and deployed in cooperation with the National Governor's Association.

Donations Task Force

In concert with major voluntary organizations, an Interagency Donations Task Force has developed a much improved process of dealing with public and private donations of equipment, supplies, personnel and consumable goods during catastrophic disaster situations.

Mr. GREEN. I gather from this morning's discussion that when we get our classified briefing there will be further reference to this area. Again, I would suggest that if this is going to become useful in terms of the natural kinds of disasters, there ultimately has to be a decision to declassify it.

Mr. STICKNEY. Yes, sir.

#### FUNDING LEVEL FOR CIVIL DEFENSE

Mr. GREEN. Let us turn to civil defense. In this account you are requesting \$142,565,000 for fiscal year 1993—a decrease of \$16,056,000 below the 1992 level. FEMA is requesting \$62,128,000 for emergency management assistance in fiscal year 1993, \$2 million more than you requested last year, but the same amount as provided in the appropriation.

As I am sure you are aware, this is an important program to local communities. Do you believe that the levels you are providing are sufficient?

Mr. STICKNEY. We recognize that that reduction is going to be a burden on the communities who have been standing in line waiting for equipment and aid, and we recognize, too, that survival crisis management is one of the key elements of what we must do.

Without question, it is a new world out there and a new situation. We believe that a year of reappraisal will be of benefit in the long run.

Grant, you might wish to add more details to that. There are certain things that will continue to be funded in that account, right?

Mr. PETERSON. And I could break that down quickly to show you where the impacts are.

As the Director has indicated, the highest impact in civil defense is in the equipment and infrastructure area, which used to be under direction, control and warning. And at this time, under direction, control and warning, the cuts you are going to see are in emergency operation centers, where funding drops from about \$6 million on a 50-50 match with States, down to \$742,000.

State and local warning and communications was \$4,700,000; and will now be \$560,000. The EBS system, which was funded at \$3,700,000 will now be at \$228,000. The maintenance category of other direction, control and warning—for maintenance of generators and things of that nature—was at \$2.7 million and will be at \$2.2 million, in compliance with OMB's directive to try to maintain.

And the other category, which involves underground storage tanks, is straight-lined at \$2 million. So you can see the big impact in the pause is in the infrastructure of the State and local government's use for command and control of crisis circumstances, communications, emergency operations centers, EBS, et cetera.

#### TERMINATION OF FACILITY SURVEY PROGRAM

Mr. GREEN. Turn to page EM-12. At the end of fiscal year 1992, FEMA plans to terminate the facility survey engineering and development program for States to identify fallout and reception and care shelter for use by planners. Are the shelters identified

only for use in the case of nuclear attack, or are these shelters used for natural disasters as well?

Mr. STICKNEY. Sir, it is my understanding that the shelters which are the subject of this particular survey were shelters providing protection from nuclear attack, nuclear fallout.

Mr. GREEN. How much will this termination save FEMA?

Mr. STICKNEY. Once again I will need some advice on the numbers, but I believe in this case we have directed that money to another activity which we think is more important.

Mr. PETERSON. That is right, sir.

Mr. STICKNEY. Survival crisis management.

Mr. PETERSON. That is right. What we had was a transfer of resources. The area of the facility survey, for a little history, was about \$3.9 million in funding. We were never able to accommodate the mission at that funding level and requested additional funding increases over a number of periods of time to get it up to the \$10 million it would require. We never reached that, either through the lack of administration or congressional concurrence.

So the program itself was not functioning and was not delivering with the resources the way that it should. We are transferring those resources in personnel and in dollars to the survival crisis management concept at State and local governments. Where there were 45 people in 40 participating States in the facility survey, there will now be 50 people funded at \$54,000 each with all 50 States participating in the survival crisis management concept, which is the overall concept for command and control of State and local governments. This will give some engineer capabilities that are greatly needed at the State level.

The Federal personnel will be transferred from the Facility Survey Program. There are 28 Federal personnel in the Facility Survey Program; 24 of those will be transferred to Planning Exercising and Response, which is the Federal Program for planning, exercising and responding in support of States, and out of those 24, 20 will go to the region and four would be retained in headquarters.

So I think it is a more effective and more directed utilization of personnel in a much needed area and the elimination of an area that was not functioning and was very narrowly focused, as the Director has said, on nuclear attack and fallout.

Mr. GREEN. According to the justification, the so-called non-grant portion of the program will continue. What is the request for that, and what is the remaining purpose for that?

Mr. PETERSON. The monies were grants to the States for personnel and to acquire personnel in summer months to go out and inventory all of these facilities. That grant money now will go directly to the States for acquiring those 50 States' capability in survival crisis management and shall be allocated at \$54,000 per State. So there is no loss for the States.



## REQUEST FOR OTHER ASSISTANCE

Mr. GREEN. On page EM-14 of the request, it states that \$18,990,000 of the \$20,617,000 requested for, quote, "other assistance," programs will be passed through to the States.

For the record, please provide a breakdown of the types and amounts of grants that will be passed on to the States. Also state what the additional \$1,627,000 would be expended for.

Mr. PETERSON. Certainly.

Mr. STICKNEY. Yes, sir.

[The information follows:]

## CATEGORIZATION OF "OTHER ASSISTANCE"

The following table shows the amount requested for Other Assistance broken down by program element and divided into the part to be passed through to the States and the part to be expended at the Federal level.

| Program element   | Grants      | All other | Total       |
|---|-------------|-----------|-------------|
| Radiological defense [RADEF] officers.....                  | \$2,815,000 |           | \$2,815,000 |
| RADEF printing.....   |             | \$35,000  | 35,000      |
| RADEF technicians.....                                      | 5,150,000   |           | 5,150,000   |
| Population protection planning [PPP].....                   | 8,325,000   |           | 8,325,000   |
| PPP technical support.....                                  |             | 60,000    | 60,000      |
| Facility survey—survivable crisis management engineers..... | 2,700,000   |           | 2,700,000   |
| Individual mobilization augmentees [IMA's].....             |             | 1,235,000 | 1,235,000   |
| Family protection program.....                              |             | 257,000   | 257,000     |
| SMARTLINK.....  |             | 40,000    | 40,000      |
| Totals.....   | 18,990,000  | 1,627,000 | 20,617,000  |

## PROBLEMS WITH UNDERGROUND STORAGE TANKS

Mr. GREEN. In fiscal year 1992, the committee added \$2 million for the repair or replacement of underground storage tanks. This level of funding will continue in fiscal year 1993. How big is the problem? Are there major environmental problems associated with these underground tanks?

Mr. STICKNEY. Sir, the issue of underground tanks is one that we have been wrestling with. As you know, there are tanks at facilities which we own, and then there are tanks used by emergency broadcast stations and others which, although we helped purchase them, we do not have responsibility for operating them. As such, we are making good progress on the tanks that we own.

On the tanks that belong to these other stations, we believe that they are showing up in the inventory that the States must do on underground storage tanks, and in coordination with EPA, we are continuing to develop a plan by which we can be sure of that and direct those funds to those who need it—if, indeed, we are liable for the tanks.

There are some on the list I just mentioned that our General Counsel's Office feels are a Federal responsibility, and some that are not. We will have to sort that out in every instance.

Mr. GREEN. Again, even in the case of some that are Federal responsibilities, the FCC holds title to the tanks and EBS Stations; is that correct?

Mr. STICKNEY. Yes, I believe that the FCC is supposed to have ownership. I don't know if they take responsibilities.

Mr. GREEN. Do they share the responsibilities and expense of the repair and replacements of these tanks?

Mr. STICKNEY. Sir, if I might, I will ask our General Counsel to respond.

Ms. GORMLEY. The FCC is, as a matter of fact, the owner of record while the EBS Stations are the operators. But we are still working with the FCC to see what any plans would be as far as any costs, because that still is in the survey stage. That is what the procurement will be for, surveys to see where we stand.

Mr. PETERSON. Director, may I make a comment to correct the record? I would like to clarify and correct what is written on EM-20, where it talks about underground storage tanks.

It says "continued implementation of underground storage tanks monitoring and remedial action plan to register, test, monitor, and repair or replace underground storage tanks at approximately 500 EBS stations."

That is correct if there was a period there, but the sentence goes on to say "and 1,800 EOCs."

We feel that the responsibility clearly lies with the Federal Government on the 500 EBS stations to be worked out between the FCC and us. We have very stringent program requirements at the Federal level to make sure EBS works.

The 1,800 EOCs would be dealt with in the normal manner under our policy that we use at this time to deal with underground storage tanks; that is, a 50-50 match under the maintenance category of civil defense, subject to availability of funds.

#### FUNDS FOR UNDERGROUND STORAGE TANKS

Mr. GREEN. Your letter to the Chairman of March 19, 1992, states that the actual magnitude of the U.S. problem is uncertain. A parallel cost estimate for both EBS and State and local emergency operating center tanks is between \$31 million and \$46 million.

For fiscal years 1990 and 1991, less than \$2 million has been expended on underground storage tanks. Why hasn't FEMA expended more funds on this problem before now?

Mr. STICKNEY. Sir, I think that underground storage—

Mr. GREEN. Why is only \$2 million being requested for fiscal year 1993 in view of the dimensions you estimate?

Mr. STICKNEY. I think that this problem takes the same dimensions as many of these problems in that on the one hand you can develop a worst case that would require significant funding, and on the other hand, we have not been made aware of, through either the State emergency management directors or the State environmental monitoring organizations, significant problems.

So it is something that could cost that much if indeed every tank had to be replaced. It is not clear at all at this point that that is going to be required.

Mr. GREEN. How much would it cost per year for FEMA to meet the 1998 deadline imposed by RCRA?

Mr. STICKNEY. Sir, I would have to provide that for you.

Mr. GREEN. If you could, I would appreciate it.

[The information follows:]

#### UNDERGROUND STORAGE TANKS [UST]

The original cost estimate to complete all requirements of the Resource Conservation and Recovery Act was \$31 million to \$46 million. This included \$13 million to \$19 million for repair and/or replacement of UST's at 500 Emergency Broadcast System (EBS) sites, and \$18 million to \$27 million at 1,800 State and local Emergency Operating Center (EOC) sites. At present, the number that must be replaced is not known. Based on industry experience, approximately 77% or 1,771 of the tanks will require replacement. However, the Federal Government is legally liable for only the tanks at the EBS Stations.

In 1992, FEMA received \$2 million for this effort. If FEMA undertakes resolving only the problems associated with the UST's at the 500 EBS Station sites, the current budget level of \$2 million, which will provide a total of \$14 million through Fiscal Year 1998, may be sufficient to accomplish repair and replacement of tanks at EBS Station sites where required.

Repair and replacement of UST's at State and local EOC's would not be addressed at a funding level of \$2 million per year.

#### EFFECT OF AGING STORAGE TANKS ON CIVIL DEFENSE

Mr. GREEN. Have the aging underground storage tanks compromised FEMA's civil defense capabilities in any way?

Mr. PETERSON. Very minimally, if at all.

Mr. STICKNEY. I am searching my mind to know if we have had any EOC problems that we have heard about during exercises. To the best of my knowledge, no.

#### FUNDING LEVEL FOR EARTHQUAKE PROGRAM

Mr. GREEN. Turning to the national earthquake program and other hazards activity, we note that there is a proposal to eliminate the dam safety program. The three workyears in this program will be shifted to the earthquake program.

As we just noted, the earthquake program received an increase of three workyears and \$407,000 in salaries and expenses in fiscal year 1993. That is on S-20. However, in the EMPA account the earthquake program was flat. Do you believe this funding level is sufficient?

Mr. STICKNEY. Well, the earthquake program budget was developed through the activities of the four agency consortium, and there is, I believe, consensus that that program level will do the job. Grant, do you have a comment?

Mr. PETERSON. I would concur with your statement at this time. As you know, in previous years, we had almost a 100 percent increase in resources in program money in this account for FEMA. We had a modest increase this year. And those additional FTE, which would go to the field, would be very supportive to us and would give great assistance to us to implement and deliver those newly-acquired resources in a very responsible manner.

Mr. GREEN. Will the increase in workyears help to expand the program, or will it simply help you to stay abreast of the growing work load in the program?

Mr. PETERSON. I think a little bit of both.

#### NEW STATES IN THE EARTHQUAKE PROGRAM

Mr. GREEN. In earthquake reauthorization legislation, a new non-Federal cost sharing schedule was implemented to encourage

new States to participate in the program. In last year's hearing record on page 90, it stated that 4 new States joined the program in fiscal year 1991 and 3 additional States would begin participating in fiscal year 1992. Have those 3 States joined the earthquake program yet?

Mr. PETERSON. I believe they have, but I would like to check that for the record to see if all three have come on.

[The information follows:]

#### STATES JOINING EARTHQUAKE PROGRAM IN 1992

There were actually five States that began participating in the Earthquake Program in FY 1991 and ten in FY 1992, in accordance with Section 5(b)(2)(C) of P.L. 95-124 (as amended), as depicted below.

#### FY 1992 STATE EARTHQUAKE PROGRAM PARTICIPATION

| 50 percent cash     |                     | 25 percent in-kind <sup>1</sup> | No contribution <sup>2</sup> |
|---------------------|---------------------|---------------------------------|------------------------------|
| Alaska.....         | Arizona.....        | Colorado                        |                              |
| Arkansas.....       | Idaho.....          | Georgia                         |                              |
| Hawaii.....         | Nevada.....         | Guam                            |                              |
| Illinois.....       | North Carolina..... | Montana                         |                              |
| Indiana.....        | Oregon.....         | New Hampshire                   |                              |
| Kentucky.....       |                     | New Mexico                      |                              |
| Mississippi.....    |                     | Oklahoma                        |                              |
| Missouri.....       |                     | Rhode Island                    |                              |
| New York.....       |                     | Vermont                         |                              |
| Puerto Rico.....    |                     | Virginia                        |                              |
| California.....     |                     | <sup>3</sup> Virgin Islands     |                              |
| South Carolina..... |                     |                                 |                              |
| Tennessee.....      |                     |                                 |                              |
| Utah.....           |                     |                                 |                              |
| Washington.....     |                     |                                 |                              |

<sup>1</sup> FY 1991 new States.

<sup>2</sup> FY 1992 new States.

<sup>3</sup> Original State/territory—no cost share required

Mr. GREEN. I note on page EM-38, that in fiscal year 1992 FEMA expects a total of 31 States to be participating in the program. What new States do you expect to participate in the program? If you need to supply that for the record, that is fine, too.

Mr. PETERSON. I would be glad to do that, sir.

[The information follows:]

#### NEW STATES IN EARTHQUAKE PROGRAM

As noted above, there are ten new States that began participating in the Earthquake Program in fiscal year 1992.

#### CAJON PASS LIFELINE STUDY

Mr. GREEN. Recently, FEMA completed its study on the replacement of lifeline systems in Cajon Pass, California. Could you briefly outline the findings of this study?

Mr. STICKNEY. Sir, I will begin and perhaps we can share.

The study indicates scientifically what many of us might have perceived, and that is because of the topography and the geography many of our pipelines and electrical transmission facilities are located in close proximity with one another. In evaluating the risk, both in terms of the earthquake risk or risk of another incident at

a pipeline location for the impact on our economy and our needs we must take into account combination accidents that might occur.

Grant, is there something we should add?

Mr. PETERSON. I think that is pretty much where it is.

Mr. STICKNEY. I might add, though, in this day and age locating any sort of a lifeline is a very difficult thing to do.

#### HURRICANE HAZARD ANALYSES

Mr. TRAXLER. Turning to the hurricane program, you are requesting \$896,000 in 1993. That is the same as 1991 and 1992 levels. According to last year's justifications on page EM-98, FEMA projected initiating and/or revising two hurricane hazard analyses using the SLOSH computer simulation model.

We see on page EM-42, that a SLOSH simulation and hazard analysis is being initiated for Matagorda Bay, Texas. Where will the other analysis be conducted?

Mr. PETERSON. Boston, Massachusetts in 1993.

Mr. TRAXLER. Boston, Massachusetts. How do you determine the priority of which community should be analyzed?

Mr. PETERSON. The priorities are primarily set up on the frequency and patterns that they have had for hurricanes in the area.

Also, quite candidly, the availability of the States and willingness of the States to move forward in participation at the same time weighs into that equation. But it is looked upon as prioritized by areas of impact. We have SLOSH models in a lot of areas, and we are trying to pick up those areas, especially along the East Coast, that have a high degree of vulnerability.

Obviously, with Hurricane Bob, we saw why Boston could use some of that SLOSH modeling.

#### REQUEST TO OMB FOR DAM SAFETY

Mr. TRAXLER. You are proposing to terminate the dam safety program. Can you tell us what your request of OMB was for that program?

Mr. STICKNEY. Yes, the Dam Safety program is sort of a boutique program, a small program, but one which over the years has provided significant assistance, especially in relationship to the size of the program. However, many of the States have come up to speed on their own programs and it was felt that the resources could be better used in the Earthquake program.

Mr. TRAXLER. How much did you request of OMB for the program?

Mr. STICKNEY. \$574,000.

#### NUMBER OF UNSAFE DAMS

Mr. TRAXLER. \$574,000. The scope of FEMA's dam safety program includes Federal and non-Federal sectors. Currently, how many dams are classified as high hazard, unsafe, or requiring emergency action? Do we have any numbers there?

Mr. PETERSON. I can give them.

Mr. STICKNEY. Grant?

Mr. PETERSON. We have 80,000 dams that are now being regulated, of which two percent are determined to be unsafe.

Mr. TRAXLER. How much do you estimate was spent on flood mitigation and disaster relief as a result of dam failures in fiscal years 1991 and 1992.

Mr. STICKNEY. I think that is very difficult.

Mr. PETERSON. I would have to get that for the record.

Mr. TRAXLER. If you can find an answer put it in the record.

[The information follows:]

#### DISASTER COSTS FROM DAM FAILURES

There have been no FEMA funds spent during FY 1991 and 1992 for flood mitigation or disaster relief as the result of dam failures.

Mr. STICKNEY. Thank you, sir.

#### FEEES FOR RADIOLOGICAL EMERGENCY PREPAREDNESS

Mr. TRAXLER. In the fiscal year 1993 budget request, FEMA is proposing language to allow FEMA to promulgate rules to recover the full cost of radiological emergency preparedness through fees. For fiscal 1993 you anticipate collecting \$10,477,000 in offsetting receipts.

Spell out for the record how you arrived at that number. Does this amount include all direct and indirect costs of the program?

Mr. STICKNEY. I think in terms of the details of how we arrived or didn't arrive at it, Grant?

Mr. TRAXLER. You can do that for the record. What are the direct and indirect costs of the program, and will they be covered with the anticipated fees?

Mr. PETERSON. The goal is to collect all indirect and direct costs which would be contractor costs as well as our salaries and expenses costs. That is the \$10.5 million figure.

Right now we are collecting for site-specific costs. We have already collected, through our first billing, about \$1.9 million. We have collected almost all of that from site-specific costs and believe it is reasonable to assume that we can collect nearly 100 percent of the cost of the REP program if our request for the full reimbursement that we have in here is honored.

Mr. TRAXLER. Are there any penalties or rewards for collecting more or less than the anticipated amount?

Mr. PETERSON. The money goes directly to the Treasury, Mr. Chairman, so it does not roll into our account. I think that is a fair way of doing things.

Mr. TRAXLER. What is the status of your proposed rule?

Mr. PETERSON. It has not been submitted at this point in time for the 100 percent, but the legislative proposal is anticipated to be submitted through authorization committees.

Mr. TRAXLER. Will FEMA be able to recover the full amount that you are anticipating for fiscal year 1993?

Mr. PETERSON. We believe we have a very good shot at doing that, sir. It is a new program; so I hate to say yes, we are absolutely going to do it, but I think we have a good chance of doing that, sir.

Mr. TRAXLER. In 1992 FEMA recovered site-specific fees from the utilities in the amount of \$1.9 million. According to last year's hearing, FEMA anticipated collecting over \$2 million, maybe a \$100,000 difference. Do you feel comfortable with that figure; is that the ballpark figure?

Mr. PETERSON. For 1992, we actually expect to collect, if I may, sir, about \$4 million a year. The \$2 million figure is the first six months of collecting for fiscal year 1991 activities. We are now in the process of acquiring the necessary information to submit the second set of billings. I think it will be around \$4 million to \$4.5 million, sir.

Mr. TRAXLER. What do you think it costs to collect these fees?

Mr. PETERSON. It has been extremely burdensome, quite frankly, as far as administrative work goes. We have found that there has been cooperation from the utilities, but the contractors do charge us for providing the information from their side as well. We have at least \$200,000 that we have been billed by the contractors. We bill the utilities but the collections go to the Treasury so we don't get it in our salaries and expenses funds to reapply which makes it rather challenging. So a minimum of \$200,000 in administrative expenses for site-specific costs, that could easily double for the 100 percent requirement. In our request, we have asked for four workyears—which I think is being conservative—to try to administer this program properly.

#### TECHNICAL ASSISTANCE FOR COMMUNITIES WITH UNIQUE NEEDS

Mr. TRAXLER. We note on page EM-62, that FEMA will support technical assistance programs for communities with unique needs, including the United States-Mexican border communities. How much money will be devoted to that activity?

Mr. STICKNEY. I am sorry, the question was unique needs and?

Mr. TRAXLER. That is, the effort in support for technical assistance programs for communities with unique needs, including the United States-Mexican border communities.

Mr. STICKNEY. Right.

Mr. TRAXLER. What are we looking at? How many dollars?

Mr. STICKNEY. That, sir, is part of the duties assigned, basically. Just as on the Northern border, our regional directors and the States work together with the communities across the border. That would be essentially the same thing there.

Mr. TRAXLER. What is the total dollar amount involved in those technical assistance programs for communities nationwide?

Mr. STICKNEY. I would have to get that for you. I am trying to think back to the elements of the U.S.-Mexican agreement. I just can't give it to you at this point.

Mr. TRAXLER. Do it for the record, but we are asking for nationwide, not just for Mexico. I think your initiative sounds to me like it is broader than the Mexican-U.S. border.

[The information follows:]

#### TECHNICAL ASSISTANCE TO COMMUNITIES WITH UNIQUE NEEDS

During FY 1992 FEMA is participating in four hazardous materials exercises along the U.S.-Mexican border. These exercises are joint endeavors involving both U.S. and Mexican communities. The cost to FEMA of these efforts is about \$22,000.

In FY 1992 FEMA has provided \$24,000 in hazardous materials training support in the Pacific Trust Territories. This support has enabled FEMA to provide extensive training in three of the territories.

FEMA is administering a \$250,000 grant to the Navajo Nation to develop a capability to respond to incidents involving hazardous materials. Work is proceeding on the implementation of the tasks called for under this grant. This grant is funded out of FY 91 appropriations.

Of the funds provided to FEMA in FY 1992 SARA Title III grants, \$150,000 has been set aside to provide hazardous materials training to Native Americans. FEMA has provided an additional \$7,000 of FY 1992 grant funding to Indian Tribes to increase the level of preparedness to deal with incidents involving hazardous materials.

#### HAZARDOUS MATERIALS INCIDENTS ON MEXICAN BORDER

Mr. TRAXLER. Speaking of that, we note that there has been a joint response team established by both the United States and Mexico as part of the environmental plan that will respond to hazardous materials and emergencies along the border. Are you involved or a party to that response team?

Mr. STICKNEY. In our discussions with the Mexicans, we made it very clear that our involvement with that response team would be the same involvement that we have with the EPA, and the Coast Guard in the United States. That we are not doing anything special.

Mr. TRAXLER. You are not an international agency?

Mr. STICKNEY. No, sir.

#### SARA TITLE III VERSUS HMTUSA

Mr. TRAXLER. Looking at your testimony, you tell us that the SARA Title III training grant funds are not necessary because similar program goals could be met through funding in accordance with the Hazardous Materials Transportation Uniform Safety Act. Would you help us understand how these two funds are similar or alike?

Mr. STICKNEY. Of course, sir. SARA funds have been utilized very effectively for training, and the intent of the HMTUSA legislation would be to fund similar training through user fees assessed to the hazardous materials carriers.

Mr. TRAXLER. Is funding requested under the HMTUSA program? Do you know whether it is for that program?

Mr. STICKNEY. It is, sir—I need to defer that question. I believe that there is an allocation of some \$18 million for training; right, Grant?

Mr. PETERSON. The Hazardous Materials Transportation Uniform Safety Act established authority for the Department of Transportation to acquire funds through permitting processes and the purchase of plaques. That will generate, they believe, about \$7.8 million for training, approximately \$5 million in planning grants, about \$1 million per year for curriculum dissemination, and around \$750,000 for each of four agencies to do monitoring and technical assistance. So that is money collected through fees. It is to be in place and implementable by October 1, 1992.

The proposed regs have just been published by the Department of Transportation. So the definitive aspects of implementation of the program and how it will cross over SARA Title III money is not clear in our minds yet, sir.



## SARA TITLE III FUNDING

Mr. TRAXLER. How much did you request of OMB for SARA Title III funding?

Mr. STICKNEY. We did not request any funds for that.

Mr. TRAXLER. How much was requested by the States for these training grants in fiscal year 1991, and how much has been requested so far in fiscal year 1992?

Mr. PETERSON. Our 1991 and 1992 funding was based upon, if I could put it this way, our appropriations which we received. From that, we put out requests through the comprehensive cooperative agreement, and funding was then put out to the States, as it was requested, to the limit of the appropriated funds.

In the States and localities, FEMA will train in the States and localities approximately 44,000 individuals in 1992, and in the year we had a \$5 million appropriation, we trained approximately 77,000.

Mr. TRAXLER. So is your answer, then, the training grants in 1991 equal the appropriation?

Mr. PETERSON. Yes, basically, though we use a small amount for printing and monitoring.

Mr. TRAXLER. How much has been requested so far in 1992? How much money have you put out so far in 1992?

Mr. PETERSON. As of this exact date, I would have to look it up and give it to you for the record.

[The information follows:]

## SARA TITLE III REQUESTS AND GRANTS IN 1992

Once again this year, requests from State and local governments will equal the appropriation. To date, of the \$3 million appropriation, we have allocated \$2.5 million to the Regions and, of that, the Regions have allocated \$2.4 million to the States. Ultimately, we expect to allocate \$2.6 million to the States and \$150,000 to the Indian tribal groups.

Mr. TRAXLER. We would like to know what the requests are to the State.

Mr. PETERSON. It is geared to be all out by the end of this year, sir, with the exception of \$205,000 that we will spend on printing and monitoring.

## FORMULA FOR SARA TITLE III GRANTS

Mr. TRAXLER. Do you continue to use past performance as one of the criteria for making these allocations?

Mr. PETERSON. There is a section in the formula that does deal with past performance, yes, sir.

Mr. TRAXLER. And did the formula that you are using for distribution of the SARA funds change in any way between 1991 and 1992?

Mr. PETERSON. I believe the change was 1990-91 not 1991-92, but I would like to check that for the record.

[The information follows:]

## SARA TITLE III FORMULA CHANGES

The formula was changed only to the extent that the appropriation was reduced. Since our appropriation was \$3 million for 1992 as opposed to \$5 million for 1991, in order to get the funds distributed as quickly as possible, we simply pro-rated the amount available in 1992 against the 1991 allocation to each Region. In FY 1991, a

two phase allocation process was used. A State's initial allocation was equivalent to eighty percent of its total FY 1990 allocation, subject to a review of the State proposal by the FEMA Regional Office. An Interagency Technical Review Committee developed a funding formula and review criteria for distribution of the supplemental allocations which included enhancing compliance with Occupational Safety and Health Administration/Environmental Protection Agency standards, State priorities, innovative approaches, past performance, compliance with FEMA guidance, training hours versus training support, and average cost per student hour.

Mr. TRAXLER. Also, provide for the record the estimated SARA training grants by States and territory for fiscal year 1992.

Mr. PETERSON. We can do that, yes, sir.

[The information follows:]

#### SARA TILE III GRANTS BY STATE

Below is a table which displays SARA training grant allocations by State for FY 1992.

FY 1992 SARA TITLE III  
Allocations

| <u>Region I</u>        | <u>Amount</u>    |
|------------------------|------------------|
| Connecticut            | \$ 24,000        |
| Maine                  | \$ 16,000        |
| Massachusetts          | \$ 29,000        |
| New Hampshire          | \$ 16,500        |
| Rhode Island           | \$ 16,000        |
| Vermont                | \$ 17,000        |
| Regional Response Team | \$ 12,310        |
| *Unallocated           | \$ 34,500        |
| <b>TOTAL</b>           | <b>\$165,310</b> |

| <u>Region II</u> | <u>Amount</u>    |
|------------------|------------------|
| New Jersey       | \$144,069        |
| New York         | \$100,492        |
| Puerto Rico      | \$ ...           |
| Virgin Islands   | \$ 17,950        |
| <b>TOTAL</b>     | <b>\$262,511</b> |

| <u>Region III</u>    | <u>Amount</u>    |
|----------------------|------------------|
| Delaware             | \$ 10,000        |
| District of Columbia | \$ 10,000        |
| Maryland             | \$ 45,000        |
| Pennsylvania         | \$ 55,000        |
| Virginia             | \$ 55,000        |
| West Virginia        | \$ ...           |
| *Unallocated         | \$ 35            |
| <b>TOTAL</b>         | <b>\$175,035</b> |

| <u>Region IV</u> | <u>Amount</u>    |
|------------------|------------------|
| Alabama          | \$ 44,000        |
| Florida          | \$ 46,000        |
| Georgia          | \$ 48,000        |
| Kentucky         | \$ 45,000        |
| Mississippi      | \$ 35,260        |
| North Carolina   | \$ 50,000        |
| South Carolina   | \$ 44,000        |
| Tennessee        | \$ 44,000        |
| Unallocated      | \$ 29,790        |
| <b>TOTAL</b>     | <b>\$386,050</b> |

\*Region retaining funds pending completion of negotiations.

| <u>Region V</u>   | <u>Amount</u>    |
|-------------------|------------------|
| Illinois          | \$ 75,000        |
| Indiana           | \$ 60,000        |
| Michigan          | \$ 90,000        |
| Minnesota         | \$ 90,000        |
| Ohio              | \$ 90,000        |
| Wisconsin         | \$ 65,000        |
| Regional Response | \$ 16,208        |
| <b>TOTAL</b>      | <b>\$486,208</b> |

| <u>Regional VI</u> | <u>Amount</u>    |
|--------------------|------------------|
| Arkansas           | \$ 58,000        |
| Louisiana          | \$ 58,000        |
| New Mexico         | \$ 34,084        |
| Oklahoma           | \$ 34,000        |
| Texas              | \$ 95,000        |
| <b>TOTAL</b>       | <b>\$279,084</b> |

| <u>Region VII</u> | <u>Amount</u>    |
|-------------------|------------------|
| Iowa              | \$ 37,708        |
| Kansas            | \$ 33,797        |
| Missouri          | \$ 61,730        |
| Nebraska          | \$ 70,000        |
| <b>TOTAL</b>      | <b>\$203,235</b> |

| <u>Region VIII</u> | <u>Amount</u>    |
|--------------------|------------------|
| Colorado           | \$ 21,000        |
| Montana            | \$ 21,000        |
| North Dakota       | \$ 25,200        |
| South Dakota       | \$ 15,000        |
| Utah               | \$ 36,000        |
| Wyoming            | \$ 27,662        |
| <b>TOTAL</b>       | <b>\$145,862</b> |

| <u>Region IX</u>    | <u>Amount</u> |
|---------------------|---------------|
| Regional Response   |               |
| Team Library        | \$ 8,000      |
| Regional Response   |               |
| Team Training       |               |
| (American Samoa and |               |
| Northern Marianas)  | \$ 15,398     |
| Arizona             | \$ 37,000     |
| California          | \$168,000     |
| Hawaii              | \$ 33,000     |
| Nevada              | \$ 45,500     |
| American Samoa      | \$ ...        |

|                   |                  |
|-------------------|------------------|
| Guam              | \$ 7,000         |
| Northern Marianas | \$ 7,000         |
| <b>TOTAL</b>      | <b>\$320,898</b> |

| <u>Region X</u> | <u>Amount:</u>   |
|-----------------|------------------|
| Alaska          | \$ 36,240        |
| Idaho           | \$ 37,150        |
| Oregon          | \$ 37,200        |
| Washington      | \$ 37,217        |
| <b>TOTAL</b>    | <b>\$147,807</b> |

## REDUCTION TO THE NATIONAL FIRE ACADEMY

Mr. TRAXLER. We note on page EM-95 that the National Fire Academy is being reduced by more than \$2 million in 1993, excluding the congressional earmark for the National Emergency Training Center. How will this reduction affect the delivery of the Fire Administration's training and education programs?

Mr. STICKNEY. Sir, I believe that figure represents a pause in the Capital Improvement Program, but I would like to turn that over to Olin Greene.

Mr. GREENE. Yes, sir.

Mr. Chairman, that does represent a reduction in this year for the capital improvements and should not affect the courses at all. What it is affecting is the implementation of the five-year plan for the improvement of the buildings.

## CAPITAL IMPROVEMENTS AT NETC

Mr. TRAXLER. Would you, for the record, elaborate on what those improvements are, please?

Mr. GREENE. For the record?

Mr. TRAXLER. Yes, sir.

Mr. GREENE. Yes, sir. Be happy to.

[The information follows:]

## CAMPUS RENOVATION PROGRAM

The initial emphasis after purchase of the Emmitsburg facility in 1979 was to bring the facility to an occupiable state. This required interior renovation of most structures for immediate use but did not include long range goals. Studies conducted prior to and immediately after occupancy identified the conditions and estimated remaining years (10) of use which could be expected from the physical plant and systems. In most cases the maximum life expectancy of the equipment and systems has been exceeded. Incomplete and deferred maintenance and system up-grades during the past several years, in addition to age, have contributed to the deterioration of the physical plant and structures. The structural integrity of the buildings, though fairly sound, requires considerable work to correct existing deficiencies and to prevent further deterioration. Deficiencies exist in foundations, masonry, brickwork and utilities in all buildings. Failure to make the necessary corrections will lead to certain structural and utility failures and the eventual condemnation of buildings due to unsafe conditions. The NETC facility is old (buildings range in age from 30 to 100+ years old) and the physical plant and structures are in need of major repair/up-grade.

In addition to normal wear and tear, existing fire and life safety deficiencies and continued overload of deteriorating utilities create a situation which dictates the need for immediate actions to be initiated to provide a safe environment for students and staff. Many of the fire safety deficiencies were detected during an inspection conducted by the Maryland Fire Marshal's Office in 1987. The facility is also deficient in complying with current Occupational Safety and Health Administration and Environmental Protection Agency regulations. These aging buildings and supporting utilities are not suitable to meet the current training demands nor to provide the environment and facilities necessary to support current advanced technological training.

In order to address the need for correction of facility deficiencies and make necessary renovations, a three-year renovation program was developed and addressed in the 1992 budget process. With the appointment of an Administrator in the United States Fire Administration (USFA) and the consolidation of the USFA and the National Fire Academy, this renovation program was re-visited. The plan was subsequently revised into a five-year renovation program. This new program began in 1991 and was built on the \$4,600,000 provided by the Congress to correct many of the fire and life safety deficiencies as well as address some of the handicapped accessibility concerns. Funding for 1992 totals \$4,274,000, including a \$2,260,000 increase from Congress.

Based on this increased funding level, the renovation plan was reviewed and adjustments made to better insure that renovation efforts were being undertaken in the proper sequence. The adjustments also address the elimination of renovation funding in the 1993 Congressional request and the need to have projects which could be completed in a timely manner. A copy of the current renovation plan is depicted below.



## FIVE-YEAR RENOVATION PLAN

1991

## Fire and Life Safety Projects:

|                |  |
|----------------|--|
| 1,998,000      | Renovation of Building K cafeteria and upper floors and Building E auditorium and third floor, construct stair towers, elevator tower, correct entrances and exits, install sprinkler systems and upgrade building to meet life safety and Uniform Federal Accessibility Standards |
| 265,462        | Renovation of Building N to correct sprinkler system deficiencies and renovate offices for fire egress and life safety measures  |
| 1,044,577      | Renovate Building H, construct stair tower, elevator tower, central HVAC system, upgrade building to meet life safety and accessibility standards  |
| 443,900        | Install campus-wide Central fire alarm system with remote panels in each building, central monitoring and control  |
| 6,500          | Upgrade electrical service in Building B   |
| 6,864          | Installation of fire doors (modification)  |
| 48,707         | Replacement of PCB transformers  |
| 17,750         | Generator for Building A   |
| 1,900          | Pad for Building A generator   |
| 13,250         | Portable Generator   |
| 110,368        | A/E services for Buildings E and K   |
| 60,219         | A/E services for central fire alarm system   |
| <u>312,264</u> | A/E design work for 1992 projects  |
| 4,329,761      | Subtotal   |

## Other Renovation Projects:

|         |  |
|---------|--|
| 284,590 | Renovation of buildings and structures for compliance with the Uniform Federal Accessibility Standards (UFAS) to remove barriers for mobility impaired individuals |
|---------|--|

## Page 2

|              |  |
|--------------|--|
| 199,327      | Replacement of roofs on Buildings J and L and the breezeways between Buildings B and C and Buildings G and R |
| 106,305      | Replacement of communications cabling  |
| 5,327        | Hi-flo depth filter for drinking water in dining hall  |
| 11,284       | Installation of steam valves   |
| 9,427        | Fluorescent lamps and adaptors for dorms   |
| 6,081        | Installation of facility sign  |
| 6,318        | Replacement of gear reducer in cooling tower in Building J   |
| 1,200        | Install air compressors  |
| 9,609        | Replacement of shrubbery around Building N   |
| <u>2,921</u> | Install water heater in Building G   |
| 642,389      | Subtotal   |
| \$ 4,972,150 | 1991 Total   |

Planned for 1992

## Fire and Life Safety Projects:

|                |   |
|----------------|---|
| 1,000,000      | Site electric survey and upgrade of campus electric distribution system to include installation of additional transformers to increase load capacity and correction of existing interior power circuits to comply with National Electrical Code |
| <u>400,000</u> | Renovate Building L to meet fire codes and install central heating, ventilation and air conditioning  |
| 1,400,000      | Subtotal  |

## Other Renovation Projects:

|           |   |
|-----------|---|
| 2,900,000 | Renovate classrooms, offices, and utilities in Building J |
| 500,000   | Comply with EPA standards by removing all asbestos        |

Page 3

|                  |   |
|------------------|---|
| 500,000          | Expansion and updating of the existing Fire Protection Laboratory and Incident Command Simulator in Building R                              |
| 125,000          | Replacement of Building M heating, ventilation, and air conditioning  |
| 125,000          | Correction of mechanical system deficiencies in Building H  |
| 325,000          | A/E design services for 1994 projects   |
| <u>1,000,000</u> | Repairing exterior of Building N and replacing built-up roofs on Buildings G and M and slate and metal roofs on Building E, D, F, K, and O. |
| 5,475,000        | Subtotal  |
| \$ 6,875,000     | 1992 Total  |

Planned for 1994

Fire and Life Safety Projects: None planned

## Other Renovation Projects:

|                |   |
|----------------|---|
| 1,020,000      | Upgrade of all roads and grounds, sidewalks, and exterior building structures   |
| 4,000,000      | Additions to Building C (approximately 150 beds) to provide single rooms with baths. Existing rooms do not have separate baths and are of the dormitory style. The rooms are small and not well lighted or spaced for students trained at NETC. |
| 500,000        | General site maintenance and repair. Painting of building interiors and exteriors is scheduled for completion over a three-year period.   |
| <u>552,000</u> | Design work for 1995 projects   |
| 6,072,000      | Subtotal  |
| \$ 6,072,000   | 1994 Total  |

Page 4

Planned for 1995

Fire and Life Safety Projects: None planned

## Other Renovation Projects:

|                |   |
|----------------|---|
| 1,796,000      | Renovate Buildings A and C to convert all rooms to single occupancy with bath   |
| 2,252,000      | Renovate Buildings D and F to provide single rooms with baths on 2nd and 3rd floors and classrooms and/or office space on 1st floor |
| 900,000        | Install energy management system  |
| <u>620,000</u> | Design work for 1996 projects   |
| 5,568,000      | Subtotal  |
| \$ 5,568,000   | 1995 Total  |

Planned for 1996

Fire and Life Safety Projects: None planned

## Other Renovation Projects:

|                  |  |
|------------------|--|
| 2,432,000        | Site survey and upgrade of all building mechanical systems to include HVAC systems, pumps, plumbing, water systems, and steam distribution systems |
| <u>3,153,000</u> | Renovate barn and construct buildings in surrounding area to provide warehouse and maintenance complex and recreation area                         |
| 5,585,000        | Subtotal   |
| \$ 5,585,000     | 1996 Total   |

Renovation Projects Planned for 1992  
Status as of February 28, 1992

Complete an electric survey of the site and upgrade the electric distribution system. This would include the installation of additional transformers to increase load capacity and correct interior power circuits to comply with electrical codes.

Status: Final specifications due from architect/engineer on April 30; bid solicitation to be issued May 1; contract award planned for July 1.

Expand and update the Fire Protection Laboratory and Incident Command Simulator in order to provide state-of-the-art training facilities. This project would include a small addition to Building R.

Status: Specifications due from architect/engineer on April 30; bid solicitation to be issued May 1; contract award planned for July 1.

Replace built-up, slate and metal roofs on nine buildings (now seven). Many roofs leak and have been repeatedly patched. The slate roofs on Buildings E and K pose a safety threat during periods of high wind due to loose slate blowing off of them.

Status: The roofs on Buildings J and L are currently being replaced using year-end 1991 funds. The final specifications for the remaining roof work are due from architect/engineer on March 13; bid solicitation to be issued March 26; contract award planned for May 8.

Upgrade (replace) the central heating and air conditioning system in Building L.

Status: Final specifications due from architect/engineer on March 27; bid solicitation to be issued April 10; contract award planned for May 20.

Complete a much-needed renovation of Building J (NFA offices and classrooms) including classrooms, offices, and the utility system.

Status: Final specifications due from architect/engineer on April 1; bid solicitation to be issued April 2; contract award planned for June 1.

Page 2

Remove asbestos and replace PCB transformers to bring the facility into compliance with regulations of the Environmental Protection Agency.

Status: The PCB transformers were removed from the campus using year-end 1991 funds; they were found to be leaking and had to be removed immediately. Specifications for removal of all asbestos are due from architect/engineer on July 13; bid solicitation to be issued July 24; contract award planned for September 1.

Complete design and engineering work on future projects needed at the Training Center.

Status: Specifications for planned 1994 projects are to be completed by September 1992.

Mr. TRAXLER. According to your justifications, the Fire Administration is continuing its efforts in residential sprinkling research. Also regional demonstrations on new rural mobile sprinkler packages are to be continued as well.

Tell us about those demonstrations, please. If HUD has any similar program, to your knowledge are you coordinating your efforts? Give us a description, and tell us whether or not you do anything with HUD.

Mr. GREENE. Yes, sir, we do. We are dealing not only with HUD but with other agencies. This is a new type of system. The demonstration project uses a prototype of a sprinkler head, and the project is designed to develop technical data that will be fed back through the consensus code process so that the manufacturers could then create a fully listed head.

These are designed for areas that have limited or no municipal water supply. That is a benefit of the new system, and that is where the mobile home industry comes into play.

It is something we are excited about because the water supply with the sprinkler heads and sprinkler systems is not available in rural areas.

Mr. TRAXLER. Mr. Green.

#### SMOKE DETECTORS

Mr. GREEN. I would like to pursue that a little bit for the record, if I could.

I will deal with the smoke detectors. On page EM-109 apparently a significant amount of Fire Administration's funds are to be spent on dissemination of information on sprinklers and smoke detectors. Could you tell me a little bit about that and how much is involved?

Mr. GREENE. Yes, sir. Congressman Green, the smoke detector issue is also being developed and we have some good technical data. Also we have had a good consensus code, and so manufacturers can make a particular type head.

What this is providing, in that particular issue, is a smoke detector for the hearing impaired. Our statistics are showing us that by the year 2010 over half of our population will reach the age of 65. We know, because our records are showing, that one-half of our fire deaths are children under five or people over 65, and we are trying to address a concern and a situation in that area.

#### COMMUNITY-BASED ANTI-ARSON PROGRAM

Mr. GREEN. We have been interested, as a subcommittee, in the community-based anti-arson program. Could you give me some assessment of how that program has worked?

Mr. GREENE. Yes, sir. We are very proud of the program because it has been a big success over the past eight years. It involves individual grants of between \$10,000 and \$15,000, and we treat those as competitive grant programs.

Part of the grant process is how this community-based organization has performed, and we rank them. The better community-based organizations end up with \$15,000, and the others get the lesser amounts.

We want to put the community-based organizations on a two-year period of performance. We feel it is a better way to measure their performance and grants for that past year. Fiscal year 1992 has an evaluation instrument built in.

Mr. GREEN. Since you are proposing, as I understand it from EM-108, to complete the phase-out distribution of the final products in the National Community Volunteer Fire Prevention Program, where do you see the Fire Administration going in terms of these community-based programs in the future?

Mr. GREENE. Well, sir, we are looking to the future of taking those that have provided the better instruments and turning them out and utilizing those instruments to implement throughout the rest of the country and not just in those communities.

Mr. GREEN. So, basically, you see yourself taking the products of that program and trying now to make it more generally available?

Mr. GREENE. Yes, sir.

Mr. STICKNEY. If I may, also, sir—

Olin, isn't it also true that all 50 states have developed programs on their own with our help?

Mr. GREENE. That is correct. And I happen to have a figure for New York, if I might. We have six community-based organizations in New York, including one which I think is of particular interest, The People's Firehouse in Brooklyn. The entire CBO program is normally at the \$300,000 level. The CBO's in New York State received nearly \$74,000 in 1991.

These programs are not being phased out. There is a program that is being piloted for the community-based volunteer fire program in the 50 states, and 80 percent now are on maintenance programs.

Mr. GREEN. Yes.

Thank you, Mr. Chairman.

#### STUDY ON FOOD AND SHELTER PROGRAM

Mr. TRAXLER. Turn to the Emergency Food and Shelter Programs. For fiscal year 1993 FEMA is again requesting \$100 million for this category, a decrease of \$34 million below the 1991 and 1992 levels.

At last year's hearing we discussed the study that was being conducted on the effectiveness of the Emergency Food and Shelter Program, and the study had not been completed. Is it completed now? And, if so, tell us about it.

Mr. STICKNEY. Yes, sir. I would be pleased to. The study has been completed. And I would like to allow Gregg Chappell, who I believe does a superb job with that program, to describe it to you.

Mr. CHAPPELL. The study has been completed, Mr. Chairman, and it does show the program has worked very effectively. This sounds rather self-serving to say these things, but we were pleased from the board level as to the cooperative types of efforts this program has brought about at the state and local levels.

I think what you see reflected in our appropriation this year is not reflective of the administration's efforts to broaden its base in dealing with the problems of the homeless, but it does reflect that



this program has worked and that it will be sustained by this administration.

Mr. TRAXLER. For a \$134 million-plus program, your administrative fees and costs are remarkably low. We commend you for that.

Mr. STICKNEY. It is wonderful.

Mr. TRAXLER. We think it is a very effective program also. So you get a gold star on that one.

Mr. CHAPPELL. Thank you, sir.

Mr. TRAXLER. But we will talk again next year. We give them and take them away.

Mr. CHAPPELL. Look forward to it, sir.

Mr. TRAXLER. We note on page SE-62 that FEMA is currently reviewing the 1990 census data as part of a comprehensive review of the funding formula. When will you have that review completed?

Mr. STICKNEY. If I may—

Gregg, do you know when we will have that? The 1990 census data?

Mr. CHAPPELL. That will be available to us for the next funding cycle.

#### CHARACTERISTICS OF FOOD AND SHELTER PROGRAM

Mr. TRAXLER. Provide for the record a table on the characteristics of the Emergency Food and Shelter Program and each state's allocation. You will note there is a similar table in last year's hearings. If you would update that for us, we would appreciate it.

[The information follows:]

# Emergency Food and Shelter National Board Program

## Program Characteristics

|                            | Phase I    | Phase II               | Phase III  | Phase IV              | Phase V               | Phase VI                | Phase VII <sup>1</sup>  | Phase VIII <sup>2</sup> | Phase IX <sup>3</sup> | Phase X <sup>4</sup> |
|----------------------------|------------|------------------------|------------|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|-----------------------|----------------------|
| Public Law Number          | PL 98-8    | PL 99-151<br>PL 99-181 | PL 99-396  | PL 99-58<br>PL 99-160 | PL 99-500<br>PL 100-6 | PL 100-71<br>PL 100-120 | PL 100-104<br>PL 101-45 | PL 101-100              | PL 101-467            | PL 102-139           |
| Allocation                 | \$50 mil   | \$40 mil               | \$70 mil   | \$90 mil              | \$115 mil             | \$123.9 mil             | \$126 mil               | \$130.1 mil             | \$134 mil             | \$134 mil            |
| Civil Jurisdictions Funded | 961        | 639                    | 1341       | 1800                  | 2000                  | 2158                    | 2260                    | 2351                    | 2234                  | TBA                  |
| Total Agencies Funded      | 3460       | 3627                   | 6003       | 6968                  | 8200                  | 8963                    | 9499                    | 9770                    | 9906                  | TBA                  |
| Additional Meals Provided  | 51 million | 33.7 mil               | 60 million | 88 million            | 80.2 mil              | 121 mil                 | 117.5 mil               | 137.2 mil               | 92.1 mil              | TBA                  |
| Per Capita Meals           | \$ .70     | \$ .75                 | \$ .71     | \$ .52                | \$ .71                | \$ .75                  | \$ .46                  | \$ .54                  | \$ .61                | TBA                  |
| Additional Nights Lodging  | 6.9 mil    | 6.3 mil                | 18 mil     | 30.9 mil              | 39.3 mil              | 42.5 mil                | 6.7 mil                 | 6.2 mil                 | 6.1 mil               | TBA                  |
| Per Capita Shelter         | \$3.15     | \$2.17                 | \$2.24     | \$1.49                | \$2.24                | \$2.25                  | \$3.44                  | \$5.39                  | \$4.26                | TBA                  |

1. Phase VII and all subsequent phases per capita meals and night's lodging are reported in a different manner from previous phases.

2. Phase VIII figures are based on estimates and are changing as final reports are audited.

3. Phase IX figures are projections based on estimates and will change as final reports are submitted.

4. Phase X is Fiscal Year 1992 and statistics will not be reported by recipient organizations until the years end.

NOTE: Phase I-VI meals included all food/supplies and equipment related to meal preparation. Phase I-II night's lodging includes all shelter-related costs (e.g., hotel/motel costs, rent/mortgage assistance, mass shelter costs and supplies/equipment). Phase III-VI night's lodging includes all shelter-related costs (e.g., hotel/motel costs, rent/mortgage assistance, mass shelter costs, supplies/equipment, and utility assistance). Phase VII night's lodging no longer includes utility costs. Phase VII-VIII meals includes food costs only (supplies/equipment are reported separately). Phase VIII and IX night's lodging no longer includes utility costs or rent/mortgage assistance.

STATE ALLOCATIONS  
PHASES I - X

| State             | Phase I        | Phase II       | Phase III      | Phase IV       | Phase V        | Phase VI       | Phase VII      | Phase VIII     | Phase IX       | Phase X        |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Alabama           | \$1,708,418.16 | \$1,069,399.46 | \$1,957,661.00 | \$2,302,184.00 | \$2,315,084.00 | \$2,913,277.00 | \$2,478,246.00 | \$2,923,970.00 | \$2,613,092.00 | \$2,438,633.00 |
| Alaska            | 68,860.31      | 100,000.00     | 133,167.00     | 159,500.00     | 272,838.00     | 333,676.00     | 409,689.00     | 316,597.00     | 272,471.00     | 250,000.00     |
| Arizona           | 1,017,251.50   | 748,445.43     | 911,187.00     | 1,155,519.84   | 1,503,358.00   | 1,920,908.00   | 1,864,706.00   | 2,198,740.00   | 1,816,104.00   | 1,586,932.00   |
| Arkansas          | 137,060.72     | 106,593.92     | 616,548.00     | 797,178.42     | 1,175,002.00   | 1,331,689.00   | 1,791,455.00   | 1,596,657.00   | 1,388,202.00   | 1,377,419.00   |
| California        | 8,442,953.18   | 6,238,135.08   | 8,875,996.00   | 12,036,169.82  | 13,534,312.00  | 14,168,024.00  | 14,318,227.00  | 15,785,316.00  | 15,940,481.00  | 18,125,181.00  |
| Colorado          | 113,692.50     | 88,492.41      | 338,271.00     | 574,624.40     | 1,340,476.00   | 1,855,701.00   | 2,036,437.00   | 1,946,569.00   | 1,312,167.00   | 1,103,501.00   |
| Connecticut       | 192,316.20     | 100,000.00     | 589,453.00     | 883,598.76     | 995,024.00     | 929,537.00     | 905,367.00     | 1,078,813.00   | 1,712,660.00   | 1,624,040.00   |
| Delaware          | No funds       | 100,000.00     | 198,598.00     | 254,351.50     | 281,077.00     | 270,000.00     | 272,932.00     | 260,000.00     | 306,517.00     | 425,261.00     |
| Dist. of Columbia | 277,633.19     | 196,686.98     | 337,926.00     | 392,426.10     | 373,117.00     | 412,104.00     | 375,680.00     | 390,418.00     | 367,061.00     | 377,397.00     |
| Florida           | 1,145,429.26   | 1,133,423.35   | 2,943,178.00   | 4,229,329.50   | 4,536,008.00   | 5,211,604.00   | 5,723,930.00   | 7,095,921.00   | 7,634,376.00   | 7,491,997.00   |
| Georgia           | 354,950.59     | 240,126.82     | 1,010,625.00   | 1,373,891.00   | 2,074,664.00   | 2,347,840.00   | 2,740,944.00   | 3,139,543.00   | 3,047,869.00   | 2,982,079.00   |
| Hawaii            | No funds       | 100,000.00     | 125,000.00     | 160,000.00     | 249,998.00     | 270,000.00     | 256,454.00     | 262,412.00     | 250,000.00     | 250,000.00     |
| Idaho             | 113,476.80     | 104,953.59     | 149,137.00     | 201,291.58     | 390,908.00     | 528,655.00     | 456,576.00     | 376,210.00     | 395,391.00     | 397,675.00     |
| Illinois          | 4,312,001.36   | 3,361,394.16   | 4,575,732.00   | 5,712,610.87   | 7,257,150.00   | 6,951,297.00   | 7,133,460.00   | 7,336,689.00   | 7,476,904.00   | 6,486,756.00   |
| Indiana           | 1,627,191.40   | 844,328.13     | 1,368,113.00   | 1,820,830.90   | 2,321,271.00   | 2,378,785.00   | 2,370,024.00   | 2,136,730.00   | 2,805,449.00   | 2,564,752.00   |
| Iowa              | 224,315.96     | 125,409.96     | 166,017.00     | 322,075.33     | 1,002,264.00   | 869,003.00     | 740,924.00     | 835,898.00     | 811,168.00     | 684,134.00     |
| Kansas            | No funds       | 97,166.22      | 123,625.00     | 160,000.00     | 523,610.00     | 678,458.00     | 627,663.00     | 785,879.00     | 661,802.00     | 674,612.00     |

| State          | Phase I      | Phase II     | Phase III    | Phase IV     | Phase V      | Phase VI     | Phase VII    | Phase VIII   | Phase IX     | Phase X      |
|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Kentucky       | 661,013.80   | 415,510.41   | 1,225,017.00 | 1,329,707.61 | 2,145,358.00 | 2,205,914.00 | 2,243,814.00 | 2,101,779.00 | 1,679,551.00 | 1,837,571.00 |
| Louisiana      | 631,389.36   | 888,023.85   | 1,795,080.00 | 2,794,540.80 | 3,681,174.00 | 4,382,794.00 | 4,136,362.00 | 4,199,872.00 | 2,386,086.00 | 2,092,076.00 |
| Maine          | 16,747.22    | 99,999.51    | 348,553.00   | 353,410.40   | 406,535.00   | 421,933.00   | 424,615.00   | 408,495.00   | 533,616.00   | 771,128.00   |
| Mayoral        | 821,815.62   | 479,394.45   | 413,642.00   | 556,584.09   | 1,009,509.00 | 1,234,506.00 | 1,257,479.00 | 1,567,103.00 | 1,411,986.00 | 2,014,507.00 |
| Massachusetts  | 498,174.41   | 448,809.91   | 1,392,497.00 | 1,444,237.00 | 1,639,716.00 | 1,801,321.00 | 1,639,507.00 | 2,303,891.00 | 3,369,687.00 | 4,580,370.00 |
| Michigan       | 5,124,700.70 | 3,890,051.47 | 4,911,075.00 | 6,029,285.19 | 5,763,195.00 | 5,861,996.00 | 6,951,067.00 | 6,678,059.00 | 7,261,442.00 | 6,791,493.00 |
| Minnesota      | 219,144.23   | 160,485.50   | 643,184.00   | 788,065.26   | 1,452,839.00 | 1,366,275.00 | 1,450,950.00 | 1,563,068.00 | 1,616,081.00 | 1,632,660.00 |
| Mississippi    | 265,406.15   | 230,098.59   | 869,156.00   | 1,138,525.48 | 1,592,822.00 | 2,070,558.00 | 1,690,191.00 | 1,966,271.00 | 1,547,749.00 | 1,745,306.00 |
| Missouri       | 946,949.93   | 651,839.09   | 1,402,835.00 | 1,063,899.65 | 1,574,663.00 | 1,970,853.00 | 2,149,870.00 | 2,356,123.00 | 2,416,174.00 | 2,510,779.00 |
| Montana        | 64,003.84    | 96,532.30    | 125,000.00   | 156,417.36   | 264,956.00   | 346,782.00   | 347,222.00   | 370,718.00   | 299,241.00   | 368,470.00   |
| Nebraska       | 19,272.43    | 99,264.49    | 123,000.00   | 177,094.00   | 444,120.00   | 453,376.00   | 436,522.00   | 388,927.00   | 312,959.00   | 250,000.00   |
| Nevada         | 260,860.72   | 169,839.38   | 238,967.00   | 288,367.30   | 378,473.00   | 431,794.00   | 512,905.00   | 541,919.00   | 513,113.00   | 535,189.00   |
| New Hampshire  | No funds     | 100,000.00   | 125,000.00   | 160,000.00   | 249,993.00   | 270,000.00   | 250,000.00   | 262,800.00   | 375,975.00   | 396,840.00   |
| New Jersey     | 1,787,869.53 | 912,297.43   | 1,458,997.00 | 1,754,818.80 | 2,487,564.00 | 2,363,186.00 | 2,290,337.00 | 2,815,753.00 | 3,380,418.00 | 4,090,740.00 |
| New Mexico     | 86,556.83    | 229,231.62   | 477,870.00   | 651,903.40   | 841,878.00   | 1,001,780.00 | 1,058,347.00 | 988,122.00   | 878,432.00   | 854,256.00   |
| New York       | 3,035,623.50 | 2,443,896.73 | 5,196,871.00 | 6,611,048.06 | 8,464,945.00 | 7,564,457.00 | 6,967,330.00 | 8,115,415.00 | 9,211,611.00 | 9,483,225.00 |
| North Carolina | 283,426.86   | 180,203.13   | 1,427,879.00 | 1,692,751.90 | 2,171,615.00 | 2,148,206.00 | 2,206,407.00 | 2,197,014.00 | 2,209,501.00 | 2,917,302.00 |
| North Dakota   | No funds     | 100,000.00   | 125,000.00   | 160,000.00   | 263,276.00   | 270,000.00   | 252,994.00   | 261,587.00   | 250,000.00   | 250,000.00   |
| Ohio           | 4,576,995.98 | 3,485,590.27 | 4,273,716.00 | 5,112,422.64 | 6,087,952.00 | 6,343,647.00 | 5,995,305.00 | 5,842,157.00 | 5,922,012.00 | 5,393,712.00 |
| Oklahoma       | 5,633.07     | 159,180.72   | 935,125.00   | 1,056,086.11 | 1,639,146.00 | 2,029,448.00 | 1,995,763.00 | 1,655,861.00 | 1,400,135.00 | 1,461,737.00 |
| Oregon         | 907,061.50   | 422,957.57   | 1,054,091.00 | 1,661,449.86 | 1,700,884.00 | 1,615,934.00 | 1,649,721.00 | 1,622,798.00 | 1,584,251.00 | 1,489,720.00 |

| State               | Phase I      | Phase II     | Phase III    | Phase IV     | Phase V      | Phase VI      | Phase VII     | Phase VIII    | Phase IX      | Phase X      |
|---------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|--------------|
| Pennsylvania        | 3,478,121.09 | 3,276,157.31 | 4,442,008.58 | 4,820,308.45 | 5,381,150.00 | 4,608,011.00  | 5,098,270.00  | 4,895,817.00  | 5,637,684.00  | 6,290,717.00 |
| Puerto Rico         | 966,725.00   | 712,763.70   | 1,177,618.00 | 1,635,489.00 | 1,744,398.00 | 1,728,549.00  | 1,854,795.00  | 1,735,418.00  | 1,859,371.00  | 2,124,241.00 |
| Rhode Island        | 271,012.89   | 169,378.90   | 206,028.00   | 224,221.10   | 284,282.00   | 286,553.00    | 291,758.00    | 332,177.00    | 575,558.00    | 660,705.00   |
| South Carolina      | 290,631.74   | 123,975.35   | 987,269.00   | 1,152,380.50 | 1,502,642.00 | 1,556,012.00  | 1,550,095.00  | 1,451,701.00  | 1,626,463.00  | 1,696,344.00 |
| South Dakota        | 6,055.35     | 100,000.00   | 125,000.00   | 166,120.97   | 249,998.00   | 270,000.00    | 253,447.00    | 261,165.00    | 250,000.00    | 250,000.00   |
| Tennessee           | 1,180,152.61 | 675,882.39   | 1,696,146.00 | 2,175,877.70 | 2,430,806.00 | 2,684,300.00  | 2,394,726.00  | 2,491,991.00  | 2,235,530.00  | 2,514,893.00 |
| Texas               | 641,527.95   | 1,774,825.50 | 4,296,824.00 | 6,062,371.09 | 9,994,961.00 | 12,057,556.00 | 13,711,749.00 | 11,738,320.00 | 10,496,469.00 | 9,281,799.00 |
| Utah                | 154,301.42   | 151,199.78   | 374,856.00   | 448,566.45   | 579,460.00   | 686,643.00    | 709,147.00    | 649,812.00    | 657,735.00    | 545,645.00   |
| Vermont             | No funds     | 100,000.00   | 125,000.00   | 160,000.00   | 259,998.00   | 270,000.00    | 252,409.00    | 260,000.00    | 250,000.00    | 323,072.00   |
| Virginia            | 244,195.92   | 128,219.88   | 580,426.00   | 844,242.50   | 1,536,315.00 | 1,768,318.00  | 1,507,290.00  | 1,870,668.00  | 1,950,071.00  | 2,361,589.00 |
| Washington          | 1,752,447.57 | 1,015,089.72 | 1,746,775.00 | 2,222,539.09 | 2,243,048.00 | 2,832,807.00  | 3,025,415.00  | 3,004,847.00  | 2,967,328.00  | 2,439,686.00 |
| West Virginia       | 551,301.19   | 761,966.50   | 1,060,792.00 | 1,241,409.13 | 1,206,517.00 | 1,266,128.00  | 1,345,678.00  | 1,238,636.00  | 1,145,199.00  | 1,306,124.00 |
| Wisconsin           | 970,127.56   | 613,432.11   | 910,326.00   | 927,065.23   | 1,656,630.00 | 2,080,618.00  | 1,953,776.00  | 1,658,174.00  | 1,705,119.00  | 1,644,435.00 |
| Wyoming             | No funds     | 100,000.00   | 122,673.00   | 157,922.00   | 234,331.00   | 288,232.00    | 264,913.00    | 261,332.00    | 250,000.00    | 250,000.00   |
| Guam                | No funds     | 22,610.00    | 39,550.00    | 50,850.00    | 63,480.00    | 68,379.00     | 70,645.00     | 71,613.00     | 72,065.00     | 132,660.00   |
| American Samoa      | 10,860.79    | 23,890.00    | 41,650.00    | 53,550.00    | 66,640.00    | 72,009.00     | 74,395.00     | 75,415.00     | 75,800.00     | 139,293.00   |
| Virgin Islands      | No funds     | 31,232.00    | 54,600.00    | 70,200.00    | 87,360.00    | 94,399.00     | 97,526.00     | 98,863.00     | 99,488.00     | 185,724.00   |
| Trust Territories** | No funds     | No funds     | No funds     | No funds     | No funds     | No funds      | No funds      | No funds      | No funds      | 119,394.00   |
| N. Mariana Islands  | 149,542.70   | 14,164.00    | 14,164.00    | 31,950.00    | 39,260.00    | 42,963.00     | 44,387.00     | 41,995.00     | 45,277.00     | 86,229.00    |

\*\* Trust Territories has returned its allocation to the National Board in each phase.

## EROSION PROVISION

Mr. TRAXLER. Turn to the National Flood Insurance Program. FEMA proposes to transfer reimbursements of \$13,978,000 to the S&E account for administrative expenses and \$48,092,000 to the Emergency Management Planning and Assistance account for floodplain management activities.

On page FI-7 of the justifications, it states that with the extension of the erosion provisions in Public Law 100-242 until 1995, rate levels will be adjusted to account for the additional benefit unless this provision is removed by pending legislation.

Could you tell us briefly about this pending legislation? What will it do? Are you continuing to develop the rates while the legislation is pending?

Mr. STICKNEY. Sir, I would like to defer that to our flood expert.

Mr. SCHAUERTE. The legislation you are referring to is known as the Upton-Jones provision of the legislation. Under pending legislation, that particular provision will be repealed, provided that other aspects of the bill become law.

Part of those other aspects deal with studies relating to erosion control, which will be extensive erosion studies for the East and West coasts, the Gulf coast and the Great Lakes. So there is a great deal of work anticipated to be done on passage of the legislation.

Mr. TRAXLER. Any progress on the bill?

Mr. SCHAUERTE. We understand they may be marking it up about May 5.

Mr. TRAXLER. Are you continuing to develop the rates while the legislation is in the process? What is going on with the rate schedule?

Mr. SCHAUERTE. The rates—we have not changed our rates for a long time—are actuarial rates. The only rate change that has occurred was in June of 1991 when the \$25 surcharge mandated by Congress for administrative expenses on every new and renewed policy was implemented.

## EROSION DATA DEVELOPMENT

Mr. TRAXLER. I note on page EM-129 under flood studies and surveys, no funding is requested for erosion data development in fiscal year 1993. Did you request any money from OMB for that?

Mr. SCHAUERTE. I am not aware of any money we requested. A lot will depend upon passage of legislation.

Mr. STICKNEY. If I can refresh our memories, didn't we have a line item there in case that legislation required signature?

Mr. SCHAUERTE. We don't have any current plans for implementing Senate Bill 1650. We did, however, request 10 FTE from OMB last summer when we thought the bill might pass in time to impact the 1993 budget.

Mr. STICKNEY. Thank you for our one-minute huddle.

Mr. TRAXLER. Do you want to refer to the note in front of you?

Mr. ASHER. No.

Mr. TRAXLER. You want to continue?

Mr. STICKNEY. It says no on the note.

Mr. SCHAUERTE. We would normally be requesting additional salary and expenses, but other than that, we don't anticipate it. I

think it would be difficult for us to budget while anticipating passage of that piece of legislation.

#### DIGITIZATION OF FLOOD MAPS

Mr. TRAXLER. Also on page EM-129, I note \$5 million is requested for flood map digitization.

Mr. SCHAUERTE. Yes, sir.

Mr. TRAXLER. Do you use the newest maps available when digitizing flood insurance rate maps?

Mr. SCHAUERTE. We are still pursuing an ambitious 10-year program to digitize the maps. Along with that program goes a program of flood insurance directives.

We are attempting to work out two of the methodologies right now. We do not have digitized maps. We are still using paper maps and still putting a great deal of money into those paper maps.

We would hope that after digitization did occur, we could greatly reduce not only the maps themselves but the inventory we have. We have something like 40 million map panels in inventory. That would be greatly reduced, as well as the services and maintenance and postage and so forth related to distribution of the maps.

Mr. TRAXLER. Would you contract that out?

Mr. SCHAUERTE. We do contract that out.

Mr. TRAXLER. And where is that work being done?

Mr. SCHAUERTE. Baltimore, Maryland.

Mr. TRAXLER. What is the name of the company?

Mr. SCHAUERTE. Computer Data Systems, Inc.; in Baltimore, Maryland.

Mr. TRAXLER. Maryland. We have discussed how you were coming in the digitization in previous years.

Mr. SCHAUERTE. It is a slow process, but we do get help from some states. We are doing it as fast as we can with the funds available.

Mr. TRAXLER. Are you comfortable with the work product that is being turned out? Do you think they are good maps—reliable and accurate?

Mr. SCHAUERTE. Sir, I think they are as good as any map you can find. We have——

Mr. TRAXLER. That is quite a statement.

Mr. SCHAUERTE. It is. Well, of course, there are not many people that do flood plain maps, are there?

We try to increase map production, and we try to redo the maps at least every five years. We have about 2,000 map amendments per year and map revisions per year, all of which we incorporate into the new maps.

They are not perfect, but they are very good. They are as good, I think, as any you will find in any organization that keeps maps up to date.

Mr. TRAXLER. Including DOD?

Mr. SCHAUERTE. I am not familiar with theirs.

Mr. TRAXLER. I guess what I need to know is, how far along are you in the program? What year?

Mr. SCHAUERTE. Third year.

## MAP REVISIONS AND AMENDMENTS

Mr. TRAXLER. You are about the third year, okay.

According to page EM-130, the growth and demand for letters of map revisions or amendments have been exceeding your capacity to satisfy program needs and meet the congressional mandates, and an additional \$1 million is requested to meet those needs.

The question is, do you only need \$1 million? You will never hear that question asked in this committee again.

Mr. SCHAUERTE. Well, one of the big expenses which we are confronting now is changing our current maps to comply with the Coastal Barriers Resources System (CBRS) requirement. That is add the CBRS changes to the NFIPs. This is occurring on a regular basis.

There are so many changes occurring within the environment itself, within the geography, with rebuilding in particular areas, that many changes occur in the base flood elevation within a particular area. When these base flood elevations occur, we are more often than not requested to redo the maps to be sure they are completely accurate.

Many studies do prove that an area which had been above base flood elevation is now under base flood elevation, and that gets the communities rather upset.

Mr. TRAXLER. Mr. Green, did you have some additional questions?

## DEBT FORGIVENESS IN CRIME PROGRAM

Mr. GREEN. As you remember, last year we provided debt forgiveness for the Crime Insurance Program because it seemed to us most of the loss in that program was not from current operations but just from the interest on past debt, borrowing from the Treasury.

It was our hope that this would enable you to put the program in order and recognize that Congress wants to keep the program and continue to operate it on an ongoing basis rather than as a program that is going to be terminated every September 30th. Where do you stand now?

Mr. SCHAUERTE. First, let me say I do appreciate the work of this committee—particularly you, Mr. Green—for supporting the \$150 million of debt forgiveness.

We intend to raise the premium on crime insurance rates and we have authorization to do so—up to 15 percent annually over a period of five years. We expect by 1996 that the program will become actuarially sound. It still is not actuarially sound, and it is still costing us \$130,000 per month in taxpayer money for this program.

But a number of states have dropped out of the program recently because some had less than 200, and some had less than 100 policies with no claims the past year. So they have dropped out, and that has reduced the subsidy quite a bit.

We have discussed this in the past, and I am pleased to say that the program will become actuarially sound, and we are only too happy to keep it going. I think it is a good program.



STATES IN CRIME PROGRAM

Mr. GREEN. Could you for the record supply a list of the states that remain in the program?

Mr. SCHAUERTE. Yes, sir.

[The information follows:]

LIST OF STATES REMAINING IN CRIME PROGRAM

States and Jurisdictions Participating in the Federal Crime Insurance Program:

Alabama  
California  
Connecticut <sup>2</sup>  
Delaware <sup>1</sup>  
District of Columbia  
District of Columbia  
Florida  
Georgia  
Illinois  
Kansas  
Maryland  
New Jersey  
New York  
Pennsylvania  
Puerto Rico <sup>2</sup>  
Rhode Island <sup>1</sup>  
Tennessee <sup>1</sup>  
Virgin Islands <sup>1</sup>

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<sup>1</sup> Will not participate in the program after August 1, 1992.

<sup>2</sup> Will not participate in the program after October 1, 1992.

CLOSING

Mr. TRAXLER. Ladies and gentlemen, that concludes our hearing. [Questions for the Record and the budget justification follow:]

Chairman Traxler

#### UNIONS IN FEMA

QUESTION: What is the status of the unionization of FEMA employees? Please provide a chronology of events.

ANSWER: Prior to 1991, FEMA had 4 recognized bargaining units covering 534 employees. These units included the Special Facility bargaining unit at Winchester and Charlottesville, Virginia; the National Emergency Training Center bargaining unit at Emmitsburg, Maryland; the Region IV bargaining unit at Atlanta and Thomasville, Georgia; and the Region V bargaining unit at Battle Creek, Michigan and Chicago, Illinois.

During the past year, new units have been certified in Region II, at New York City and Puerto Rico; in Region VII at Kansas City, Missouri; and at Headquarters, covering a total of 484 employees. Specifically:

The Region II unit was certified on June 17, 1991, and full-term contract negotiations will begin on April 28, 1992.

The Headquarters unit was certified on February 21, 1992, following the February 11 election.

Employees at Region VII voted for union representation on March 30, 1992, and the certification will be issued following the 5-day challenge period. (FEMA does not intend to challenge the election results).

At present, FEMA has a total of 7 recognized units, including 1,018 employees. The following chart provides additional information for each unit.

Chairman Traxler

FEMA'S RECOGNIZED BARGAINING UNITS

| <u>National</u> | <u>Local</u> | <u>Location</u>                       | <u>Unit Size</u> | <u>Type</u>                             | <u>Organization</u>     | <u>Contract</u> | <u>Expiration Date</u> |
|-----------------|--------------|---------------------------------------|------------------|---|-------------------------|-----------------|------------------------|
| AFGE            | 1626         | Chicago, IL and<br>Battle Creek, MI   | 49               | Non-Profess-<br>ional                   | Region V                | Yes             | 09/06/92               |
| AFGE            | 1754         | Winchester, Char-<br>lottesville, VA. | 335              | Non-Profess-<br>ionals GS,<br>WG and WB | N.P.                    | Yes             | 10/15/93               |
| NFFE            | 1983         | Emmitsburg, MD                        | 93               | All                                     | USFA and SLPS<br>(NETC) | Yes             | 05/12/94               |
| AFGE            | 2203         | N.Y., Puerto Rico                     | 40               | All                                     | Region II               | Pending         |                        |
| AFGE            | 3836         | Atlanta and<br>Thomasville, GA        | 57               | All<br>(Exc. MERS)                      | Region IV               | Yes             | 05/30/92               |
| AFGE            | 4060         | Worldwide                             | 401              | All<br>(Except<br>E.O. 12681)           | Headquarters            | No              |                        |
| AFGE            | 4059         | Kansas City, MO                       | 43               | All                                     | Region VII              | No              |                        |

AFGE: American Federation of Government Employees, AFL-CIO  
NFFE: National Federation of Federal Employees, (Ind.)

Chairman Traxler

TURNOVER IS SES POSITIONS

QUESTION: For fiscal years 1991 and 1992, please provide a list of the SES positions in the various offices that have turned over.

ANSWER: The following FEMA SES members left their positions during FY 1991 and FY 1992 for the reason(s) indicated:

William Tidball

Previous Position: Chief of Staff  
Office of the Director

Reassigned to: Senior Policy Advisor  
Office of the Director

Date: December 1990

Reason: Position abolishment-Management reassignment  
due to reorganization

Paul Krueger

Previous Position: International Relations Officer  
External Affairs Directorate, Brussels, Belgium

Reassigned to: International Relations Officer  
External Affairs Directorate  
GM-15, Brussels, Belgium

Date: March 1991

Reason: Voluntary downgrade to GM-15 position due to  
U.S. Mission's inability to allocate position  
at SES level

Fred Newton

Previous Position: Executive Staff Officer  
NP

Date: June 1991

Reason: Transfer to different agency

Chairman Traxler

Richard Krimm

Previous Position: Chief, Public Assistance Division  
Office of Disaster Assistance Programs  
SLPS

Reassigned to: Deputy Associate Director  
State and Local Programs and Support

Date: October 1991

Reason: Management's belief that Mr. Krimm's prior experience and knowledge of SLPS/FEMA program areas would be best utilized in the Deputy position

George Orrell

Previous Position: Comptroller

Date: November 1991

Reason: Retired

Bernard Gallagher

Previous Position: Assistant Associate Director  
Office of Facilities Management  
NP

Date: March 1992

Reason: Retired

Note: As a result of SLPS reorganization of April 1991: titles of Dennis Kwiatkowski's and Craig Wingo's positions (Assistant Associate Director, Office of Technological Hazards Programs and Chief, Radiological Preparedness Division) were modified. Positions remain basically the same and were not organizationally changed.

The Office of Civil Defense became the Office of Emergency Management causing Mr. McKay's title as Associate Director to change correspondingly. Organizationally the Office did not move.

Position of Superintendent, Emergency Management Institute, moved under SLPS. Laura Buchbinder remained in the position and duties remained the same.

Chairman Traxler

#### ABOLISHMENT OF PROGRAM AND ANALYSIS OFFICE

QUESTION: I note that the Program Analysis and Evaluation Office was abolished.

Will these workyears still be devoted to evaluating program effectiveness?

ANSWER: As a result of the reorganization of the Office of the Executive Director, the program analysis and evaluation functions were moved to the Management Analysis Division within the Office of the Executive Director. The Management Analysis Division is staffed with program analysts and management analysts who assist others in conducting evaluations or conduct analyses themselves. The Management Analysis Division is also the focal point for OMB's major program evaluation initiative, most recently documented in OMB Circular 91-13. In accordance with this realignment, responsibility for designation of mission and functions within the Agency will be proposed for transfer to the Management Analysis Division.

#### CIVIL DEFENSE "PAUSE" AND REDUCTIONS

QUESTION: Mr. Stickney, in your testimony, you refer to a "pause" in the acquisition of equipment and facilities until an assessment of resource requirements is completed.

Do you have an idea of how long this "pause" may last?

ANSWER: The Administration's intent was that the "pause" last only one year. Since the requirements study will not be completed before the FY 1994 budget is prepared, definitive facility and equipment requirements may not be known until the FY 1995 budget submission.

QUESTION: There is a \$16,000,000 reduction in civil defense this year, will we see a larger "peace dividend" in next year's budget justification?

ANSWER: As discussed in the FY 1993 testimony, FEMA does not believe that there is any "peace dividend" to be found in the civil defense budget. The civil defense program never received the level of funding required to build the capabilities needed to meet the Cold War threat. Therefore, now that the threat is receding, there is no "peace dividend" since the investment in civil defense was never large and since civil defense did not share in the defense build-up of the 1980's. The civil defense program has concentrated on building a minimum base State and local emergency management infrastructure to respond to and recover from all types of emergencies. That infrastructure will still be required in the future, and funding to build the minimum base capability will be

Chairman Traxler

required at or near the levels for civil defense in recent years.

#### CIVIL DEFENSE REQUIREMENTS STUDY

**QUESTION:** According to page EM-24, \$1,000,000 will be added to support this comprehensive civil defense requirements study.

When do you anticipate this study will be completed? Will it be completed in time to affect the FY 1994 budget request?

**ANSWER:** We expect the study to be fully completed, with all comments and modifications fully coordinated with other Federal agencies and with States and local jurisdictions, during the first quarter of FY 1994. However, we will have the basic findings and conclusions in time to support preparation of the FY 1995 budget request.

**QUESTION:** What will FEMA look at in this study?

**ANSWER:** Based on the assessment of changes in the national security threat, threats posed by domestic disasters, and the resulting revision of U.S. civil defense policy completed in March 1992, the requirements study will:

- o **Define required capability:** The level of performance capabilities needed to carry out each civil defense function in addressing the hazards the nation faces. They will be defined by an interagency group with the involvement of the States and local jurisdictions.
- o **Determine current capabilities:** Current capabilities of the States and local jurisdictions, as well as the Federal Government, to carry out required functions. Current capabilities will then be compared with requirements to determine the shortfall in the program.
- o **Identify civil defense responsibilities:** The Federal, State, and local roles in maintaining civil defense capabilities and responding to emergencies. This will cover both the individual roles for discrete functions and how the various levels of government interact in each phase of emergency management operations: mitigation, preparedness, response, and recovery.
- o **Determine Federal costs:** Estimate the portion of civil defense that should be funded out of Federal civil defense appropriations and compare that with portions covered by other Federal funds and State and local contributions.
- o **Recommendations on authorities and funding:** The final

Chairman Traxler

step will involve the development of recommendations on matters arising from the study with respect to any modifications in legal authorities or funding arrangements needed to set the course for the civil defense program in the foreseeable future.

#### CIVIL DEFENSE POLICY REVIEW

QUESTION: Two years ago, the prepared statement of Mr. Morris for our appropriations hearing mentioned that the Administration would be undertaking a major policy review of civil defense to determine what changes might be needed in light of the rapidly changing world situation.

What was the outcome of that policy review?

ANSWER: The policy review of civil defense that Mr. Morris referred to two years ago has been completed by a senior interagency group and resulted in recommendations that:

- o the Administration seek no change at this time to the Federal Civil Defense Act of 1950, as amended;
- o the civil defense program remain in the defense authorization;
- o Presidential civil defense policy be amended to address the changes in the national security environment; and
- o FEMA conduct a comprehensive analysis of civil defense capability requirements.

QUESTION: How is the current policy review of civil defense different from the review that was supposed to be conducted two years ago?

ANSWER: The policy review began a process which resulted in a new civil defense policy. That policy was recently provided to the Congress. Prior to this, Director Stickney's prepared statement accompanying the FY 1992 budget submission included the preliminary results of the policy review.

The current policy review of civil defense, which has now been completed, is a continuation of the review begun two years ago. Gaining interagency approval for the recommendations of the policy review, developing a new Administration policy on civil defense and beginning a comprehensive requirements analysis have experienced some--although not unusual--delays.



Chairman Traxler

#### LESSONS LEARNED

**QUESTION:** At last year's hearing, we discussed "lessons learned" from Hurricane Hugo and the Loma Prieta earthquake. One issue discussed was the need to streamline the delivery of the individual and family grant programs. What has been accomplished in this area?

**ANSWER:** The following identifies projects completed and ongoing which will help streamline the delivery of IFG awards and improve FEMA and State management of the program.

New application form. The FY 1992 redesign of the FEMA application form includes changes to questions that indicate an application should be taken for the IFG program. The application questions for IFG have been refined to identify applicants most in need of IFG and to make a first cut on those who must be referred to SBA before consideration by IFG.

Automated inspection process. Work is well advanced on a system involving the use of a hand-held computer to document damage verification inspections. The results will be transmitted electronically from the field. Damage verification for IFG will be more precise and prompt which aids in a more effective delivery of assistance.

Processing. Plans for the redesign of the Individual Assistance Module, Automated Disaster Assistance Management System, include data elements which will expedite processing of application and damage verification information. Case information can then be more promptly transmitted to the State for award determinations.

Program management and administration. FEMA issued two major policy memoranda in FY 1992 to help States improve documentation of administrative costs and price selection for IFG eligible items.

#### EMERGENCY MANAGEMENT ASSISTANCE PROGRAM

**QUESTION:** At last year's hearing (p. 56) we discussed the fact that FEMA had fewer dollars and more communities receiving funds and that some communities could conceivably drop out because of reduced funding levels.

Did any communities drop out of the program?

**ANSWER:** We have just started to assess the impact of reducing the Emergency Management Assistance (EMA) appropriation for FY 1992, because we have just begun to receive the State annual submissions that contain information on local participation. The EMA appropriation was reduced from \$63,128,000 in FY 1991 to \$62,128,000 for FY 1992. This is a reduction of about 1.6 percent.

Chairman Traxler

The nine State annual submissions that have been received by FEMA Headquarters through March, 1992, indicate that five States are funding more, three States are funding the same number, and only one State is funding fewer local jurisdictions than it did in FY 1991. If this trend continues, it appears that the number of local jurisdictions participating in the EMA program in FY 1992 will increase, even though there is less money to be allocated among them.

QUESTION: Up to 50 percent of the salaries and administrative expenses for the civil defense program can be funded by FEMA. On average, what percent of these communities' administrative expenses are funded by FEMA?

ANSWER: FEMA estimates that we are currently providing funding under EMA for about 35 percent of the necessary and essential State and local civil defense personnel and administrative expenses. While there is a broad range of costs that are theoretically eligible for matching grants under EMA, most States apply almost all of the money to salaries and benefits of personnel. The latest available data indicates that somewhat more than 92 percent of the funds provided by FEMA were applied to salaries and benefits. The remaining funds were divided between travel expenses and other administrative expenses.

#### COMMUNITIES PARTICIPATING IN EMA PROGRAM

QUESTION: On page EM-16 of last year's justification, under the Emergency Management Assistance grants it states that in FY 1991 FEMA targeted an additional 18 communities with populations of 100,000 or more for participation in the program.

How many communities participated in FY 1991?

ANSWER: In FY 1991, FEMA set aside \$675,587 (approximately one-half of the 2-percent reserve fund) to bring new participants of population over 50,000 into the program. As a result, the 2,667 local jurisdictions participating in FY 1991 included 10 new participants that were funded with \$202,250 from the reserve fund. The remainder of the reserve fund was allocated among all the States on the basis of the EMA formula.

QUESTION: How many additional communities are targeted for participation in FY 1992 and for FY 1993?

ANSWER: The current regulations governing the management of the EMA program require that the 2-percent reserve fund be used first to provide for the needs of the insular areas of Virgin Islands, American Samoa, Guam, and Commonwealth of the Northern Marianas. Secondly, this money must be used to restore, to the extent possible, any State that loses funding in the formula

Chairman Traxler

calculation to the level of its formula share for the previous fiscal year. In FY 1992, since the total appropriation was reduced somewhat, all of the reserve fund had to be used for these two purposes, and no money remains to add targeted new participants to the program. If the appropriation for FY 1993 is the same as or less than the appropriation for FY 1992, there will again be little or no money available for adding new jurisdictions.

#### FEMA-OWNED UNDERGROUND STORAGE TANKS

QUESTION: According to your letter concerning the underground storage tanks in response to our Conference Report language, two of the FEMA-owned facilities are scheduled for replacement.

What is the condition of the other FEMA-owned facilities?

ANSWER: The two scheduled replacement actions referenced in FEMA's March 19, 1992, letter are at the Region I Federal Regional Center (FRC) and at the Special Facility. In the other FEMA-owned facilities, replacement actions were begun in 1990 and 1991 to provide state-of-the-art tanks to the FRC's in Regions VI and X. As far as can be ascertained at present, the remainder of actions necessary to meet the 1998 deadlines of RCRA will consist largely of retrofits to existing tanks, which will be accomplished in the outyears.

#### RADIOLOGICAL INSTRUMENTATION

QUESTION: On page EM-20, the justification states that FEMA will continue to operate and maintain pilot production capability for production of dosimeters in FY 1993.

How will production capabilities be maintained?

ANSWER: The pilot production capability is a cooperative effort with the Defense Logistics Agency at the William Langer Jewell Bearing Plant in Rolla, North Dakota. It allows FEMA to develop, test, and pilot produce new radiological instrument designs in preparation for bringing a new instrument into production in the private sector. In recent years, FEMA has pilot produced and initiated private sector procurements for a 200R dosimeter and a batteryless charger. A 20R dosimeter is the next intended pilot production project. Continuation of the pilot production capability will be funded in FY 1993 in order to keep this unique facility and its capability in place pending the outcome of the requirements study.

QUESTION: Will FEMA be initiating the procurement of additional dosimeters in FY 1992 or FY 1993?

ANSWER: The 200R dosimeter's primary purpose is for nuclear

Chairman Traxler

attack but it can also be used in the event of a major peacetime radiological emergency. It was pilot produced several years ago and the firm mass-producing it has recently passed First Article testing and acceptance, and will be mass-producing the dosimeter under a contract funded in previous years. No new funding for this dosimeter is planned in FY 1992 or FY 1993. The batteryless charger was pilot produced in the past two years and a contract was recently awarded for its mass production. The charger is used to charge (reset the scale to zero) all types of dosimeters. Chargers are needed for day-to-day and all-hazard emergency uses regardless of the attack threat. FY 1992 funds were used for the charger procurement but no FY 1993 funds will be added to the procurement due to the "pause" in funding pending the outcome of the requirements study. The 20R dosimeter is the dosimeter of choice for peacetime radiological emergency response. Pilot production will occur in FY 1993 at the Rolla pilot production facility and decisions regarding mass-production and the source of funding for mass-production will be made later.

QUESTION: According to pages EM-19 and EM-20, FEMA is developing a long-range strategy for maintenance and surveillance of the dosimeter inventory.

The justification states that FEMA will work on this strategy in FY 1993 also. How long are you anticipating it will take to develop a strategy for your dosimeter inventory?

ANSWER: The strategy developed in FY 1992 involves the use of one or more State Radiological Instrument Maintenance and Calibration (RIM&C) shops to develop procedures for an in-depth inventory and analysis of its radiological instrument inventory, the testing, and then use of those procedures as a model for other States. Negotiations have begun with one State to perform this effort starting in FY 1992 and continuing in FY 1993. Once the model is developed, other States may be asked to implement the model in full or in part until an adequate assessment of the quality and reliability of the national instrument stock can be accomplished. Since many of the instrument sets are used for peacetime radiological emergency response purposes and since an assessment of this type has not been performed in many years, the assessment will be an important element in ensuring the quality of the instrument stock for all types of radiological emergencies.

#### PROPERTY PROTECTION PROGRAM FOR HURRICANES

QUESTION: According to page EM-43, for FY 1992, you are initiating a pilot property protection project.

What is the status of this project?

ANSWER: We are searching for candidate communities. We

Chairman Traxler

expect to have the project under way by the end of FY 1992.

#### DISASTER ASSISTANCE FOR SCHOOLS

QUESTION: In FY 1992, FEMA assumed responsibility from the Department of Education for disaster assistance to elementary and secondary schools. In last year's hearing record (p. 97), you stated that the Department of Education estimated the cost of the program to be approximately \$11,000,000 per year.

What do you estimate the cost will be of providing funds for repairs to eligible school facilities damaged by disasters in FY 1992?

ANSWER: The \$11,000,000 estimate was based on an average year's disaster activity. The average of funds obligated for public assistance is \$200,000,000 per year. At the halfway point of FY 1992, our current estimate of public assistance requirements for disasters declared so far is running approximately 20 percent ahead of the average year. Therefore, we estimate the cost of assistance to elementary and secondary schools will be about \$13,000,000 for FY 1992.

#### STATUS OF FEMA AFFIRMATIVE EMPLOYMENT PROGRAM

QUESTION: In last year's justification, (p. SE-76), one of the program activities was to increase FEMA employment of women, minorities, and handicapped persons with FEMA's Affirmative Employment Pilot Program.

I didn't notice this pilot program mentioned in this year's justification. What is the status of this program?

ANSWER: The Affirmative Employment Pilot Program was a two-year program (FY 1989-91) to test policies and procedures aimed at increasing the Agency's representation of women, minority group members, and people with disabilities. It has already led to more focused and targeted recruiting efforts as well as to gains for under-represented groups in GM-13 and above positions.

In August 1991, the Pilot Program participants from throughout the agency met at the National Emergency Training Center (NETC), Emmitsburg, Md., to evaluate the results of the two-year program in the Pilot organizations. As a result, the group drafted recommendations on specific actions for approval by the Director for agencywide implementation. The Director and other senior agency officials were given preliminary briefings on the recommendations, which were then submitted to the senior-level Equal Opportunity (EO) Committee (composed of senior management representatives from all program/staff areas) for consideration and recommendation.

Chairman Traxler

The EO Committee is currently considering the Pilot group's proposals and is scheduled to forward their recommendations for agency-wide implementation to the Director for final decision in the Spring of 1992.

#### REVISIONS TO FEDERAL RESPONSE PLAN

QUESTION: Under Planning, Exercising, and Response, on page EM-24, FEMA is coordinating revisions to the Federal Response Plan -- including a strategy to further integrate private industry resources.

Could you briefly tell us about the revisions -- particularly the private sector involvement in this effort.

ANSWER: For over a year and a half, twenty-eight departments and agencies have been working together to refine the interagency mechanisms by which the Federal government will respond to the consequences of a significant major disaster or emergency. This effort is described in the Federal Response Plan (for Public Law 93-288, as amended), which serves as the Federal "all hazards" plan to address response requirements for a range of disaster and emergency incidents. The concept of operations of the Plan, utilizing Emergency Support Functions (ESFs) to carry out critical missions in support of State requirements for Federal response assistance, is unchanged from previous versions. The current version incorporates mainly editorial changes to the January, 1991 and December, 1991 drafts and includes modifications based on lessons learned in three major exercises conducted in 1990 and 1991.

Although the purpose of the Plan is to facilitate the coordination of Federal response resources in support of State and local government resources, some of the ESFs also work closely with private sector counterparts in carrying out their missions. Two earthquake response exercises held last year included representatives from a number of private sector areas. Examples include the involvement of AT&T and regional telephone companies in the communications function, and involvement of oil, gas, natural gas and nuclear power companies with the energy function.

#### POPULATION PROTECTION

QUESTION: According to page EM-14, the total request for "Other Assistance" is \$25,281,000.

How much of this request is for Population Protection and how much is for Family Protection?

ANSWER: Included in the total of \$25,281,000 are \$4,664,000 under Salaries and Expenses for program management, and \$20,617,000

## Chairman Traxler

under Emergency Management Planning and Assistance (EMPA). The following table shows the EMPA portion of the amount requested for "Other Assistance", broken down by program components (including Population Protection and Family Protection) and divided into the part to be passed through to the States and the part to be expended at the Federal level.

| Program Element  | Grants       | All Other   | Total        |
|--|--------------|-------------|--------------|
| Radiological Defense (RADEF) Officers                    | \$2,815,000  |             | \$2,815,000  |
| RADEF Printing   |              | \$35,000    | 35,000       |
| RADEF Technicians  | 5,150,000    |             | 5,150,000    |
| Population Protection Planning (PPP)                     | 8,325,000    |             | 8,325,000    |
| PPP Technical Support                                    |              | 60,000      | 60,000       |
| Facility Survey - Survivable Crisis Management Engineers | 2,700,000    |             | 2,700,000    |
| Individual Mobilization Augmentees (IMA's)               |              | 1,235,000   | 1,235,000    |
| Family Protection Program                                |              | 257,000     | 257,000      |
| SMARTLINK  |              | 40,000      | 40,000       |
| Totals   | \$18,990,000 | \$1,627,000 | \$20,617,000 |

QUESTION: On page EM-7 of last year's request, the justification stated that population protection is an area of the civil defense program FEMA would like to emphasize. Is this still true?

ANSWER: Population Protection remains an area of emphasis of the civil defense program. In fact, population protection is at the very root of the program. Survivable crisis management, another emphasis area in the FY 92 budget request, continues to be emphasized by FEMA due to its importance to each State's capability to protect the population. Population protection initiatives emphasize emergency planning and other preparations for dealing with threats from all hazards. All jurisdictions, both Emergency

Chairman Traxler

Management Assistance (EMA) and non-EMA, get help. Population protection planners assist in emergency response, exercises, family protection, SCM planning, and a full range of emergency management activities.

#### RADIOLOGICAL INSTRUMENTATION

QUESTION 18: I note on page EM-19 of the justification, that in FY 1992, FEMA will initiate the procurement for the FEMA batteryless charger.

Given the changes in the world events, why are you initiating a procurement for additional radiological detection instruments?

ANSWER: The batteryless charger is a FEMA patented instrument that is used to charge or activate radiological dosimeters for use. It is used with a wide variety of dosimeter types and ranges and is needed for day-to-day use by personnel who wear dosimeters while dealing with radiological sources and in all types of radiological emergencies, peacetime, and attack. Chargers are in short supply and there is an important need to procure additional chargers. The new charger is an improved instrument.

QUESTION: At last year's hearing (p. 59), Mr. Peterson stated that FEMA was slowly moving into the procurement of multimeters. Are you still procuring this instrument?

ANSWER: FEMA procured approximately 800 multi-range survey meter instruments from the U.S. Army in FY 1991. These instruments will be used to support the Radiological Emergency Preparedness (REP) program as well as for general civil defense and emergency management purposes. Funding for this procurement came from both the civil defense and the REP programs. This is a new rugged wide range multipurpose radiological instrument designed to meet the mission requirements for both wartime and peacetime radiological emergency response. We will continue to acquire them as our peacetime needs require.

#### URBAN SEARCH AND RESCUE ACTIVITIES

QUESTION: Please provide a breakdown showing the funds expended in fiscal year 1990, 1991, 1992, and the projected funding level for 1993 for urban search and rescue activities.

ANSWER: The Federal Emergency Management Agency was given \$800,000 in FY 1990 (no year funding) and \$1.925 million in FY 1991 earmarked for the Urban Search and Rescue (US&R) program. The funding was utilized in the following manner:

- \* In September 1991, FEMA awarded \$1,935,051 in equipment grants to 25 US&R Task Forces.



## Chairman Traxler

- \* In March 1992, \$250,000 was supplied to the 25 US&R Task Forces for training support grants.
- \* In April 1992, \$437,121 was channeled through a cooperative agreement with the National Association of Search and Rescue to support the direct costs of the participation of personnel from the 25 US&R Task Forces in the following training: Task Force Orientation Training; Canine Search Specialist; Crush Syndrome/ Confined Space Medicine; Logistics Specialist; Rescue Specialist; Structural Engineering; and Communications Specialist.
- \* In FYs 1990-1991, the balance of the earmarked funds were used for: development of the National US&R Database; to support travel requirements associated with program activities; and to develop equipment and personnel guidelines for the formation of integrated US&R Task Forces. Limited funds from policy and research sources were added to supplement the earmarked funds for these program developmental purposes.

No additional funding was requested in FY 1992 for Task Force support, since the Office of Management and Budget specified that the FY 1990 and FY 1991 funding was a one-time disbursement.

Congressman Stokes

#### CLASSIFICATION OF CIVIL DEFENSE

QUESTION I: It is my understanding that some of our Nation's civil defense programs are classified under defense and domestic spending categories. With the debate surrounding cutting the defense budget, I am interested whether FEMA is planning to shift more of its activities to the domestic arena.

Can you comment on this?

ANSWER: The Act charges governments at all levels with protecting the people and property of the United States from both attack and natural hazards. In law and Presidential policy, the civil defense program has been designed so that its resources can be used to meet all hazards faced by the Nation. Thus, in answer to your specific question:

Civil Defense Funding Source. Civil defense is currently funded entirely with defense discretionary funds. The program receives no domestic funding. While other FEMA programs do receive domestic funding, they do not provide to State and local governments the same capabilities provided by civil defense. As part of the civil defense requirements study, FEMA will examine the issue of funding sources and make recommendations on whether funding should continue to come exclusively from the defense authorization or whether it should be funded from both defense and domestic funding categories.

QUESTION: Does this split in budget classification cause problems? I would appreciate your giving some examples of problems that do exist.

ANSWER: The distinction made between the defense and domestic sides of the budget does not fit well when applied to a program such as civil defense which builds capabilities common to both national security and domestic emergencies. The fact that civil defense program funds come from the defense side of the budget does not hinder their use in meeting the response and recovery needs of peacetime disasters. Almost all of the capabilities built through civil defense are common to all catastrophic emergencies and are needed regardless of the cause of the emergency.

QUESTIONS: If we see decreases in defense civil defense activities, how will this impact the overall operation of this program?

ANSWER: Few, if any, of the capabilities provided by civil defense can be identified as exclusively attack-oriented. State and local emergency managers use the civil defense support they get to prepare for all the hazards that their communities face. While the threat of strategic attack has diminished, due to the threat of terrorism and the acquisition of high technology weapons by third

Congressman Stokes

world countries, the likelihood of other forms of attack may have actually increased. However, even if there was an actual reduction in the level of the attack threat posed to States and localities, it would be impossible to notice any dramatic shift in preparedness activities from "defense" to "domestic" priorities. If civil defense support were cut in an effort to reduce overall defense spending, the ability of States and localities to respond to natural and technological disasters would suffer as much or more than their ability to respond to attack emergencies. The current level of civil defense funding provides for a only a minimum base level State and local capability needed for all types of emergencies. The extensive, specialized capabilities needed to respond to a massive attack on the United States have never been funded. The civil defense requirements study will define future requirements. At this time, FEMA does not see a reduction in the need for a minimum base capability nor does FEMA believe that the base capability, has been completed.

#### DAM SAFETY

QUESTION: On Page 101 of last year's hearing record you responded to a question I asked about the Biennial Report on the National Dam Safety Program. You advised me that the Final Report would be ready in May of 1992.

Are you still on schedule to release this report in May?

ANSWER: We are on schedule in preparing the Biennial Report on the National Dam Safety Program. We anticipate dissemination of the report in late May or early June of 1992.

QUESTION: Do you have any preliminary findings that you can share with us?

ANSWER: Our assessment of the individual reports from the affected Federal agencies and from the Association of State Dam Safety Officials (representing the States) is not yet complete and only very general observations are appropriate.

On the Federal side, most agencies continue to make progress in implementing the "Federal Guidelines for Dam Safety." The trend is not without exception and we will be identifying specific areas which need attention of the agencies technical and management staff in the coming years.

Some of the States continue to make progress in strengthening their dam safety efforts. However, only 36 States now have adequate programs; two have no legislation. We will identify the problems that preclude States from progressing towards achieving adequate dam safety programs.

Congressman Stokes

QUESTION: A few weeks ago the Ohio Emergency Management Administration visited my office and was extremely concerned about the dam safety program being eliminated. Since Ohio's biggest losses result from floods, I share their concerns about the future of the dam safety program.

Can you tell me if indeed this program is eliminated?

ANSWER: The Dam Safety Program was eliminated because of the need to reallocate resources to the National Earthquake Program.

QUESTION: Do you know whether the upcoming report on dam safety recommends such action?

ANSWER: The Biennial Report on the National Dam Safety Program is a retrospective review of previous years' activities in support of dam safety. The report will not address the subject budgetary decision.

QUESTION: Are we being premature in this decision instead of waiting to receive the National dam safety report and allowing an opportunity for Congress and the States to deal with the reports recommendation?

ANSWER: The "Biennial Report" is, as noted above, a retrospective report and will not discuss issues surrounding the termination of FEMA's dam safety program. However, the report will provide insight as to the problems which still face the national effort to enhance the safety of dams. In addition, it will provide an opportunity for Congress and the States to evaluate the merit of FEMA's past accomplishments.

#### COMMUNICABLE DISEASES

QUESTION: In 1988, the U.S. Fire Administration, a part of FEMA, issued a report on communicable diseases. Are you familiar with this report?

ANSWER: Yes, we are familiar with that report. I would like to respond to your individual questions regarding specific recommendations contained in that report.

QUESTION: The report outlined twelve recommendations relating to communicable disease issues for all emergency rescue workers. Among the recommendations were:

- \* To immediately implement communicable disease control training within existing EMS curricula;
- \* That the American Heart Association and American Red Cross implement a communicable disease control segment within CPR

Congressman Stokes

curriculum;

- \* That a national uniform notification system be established to provide need to know information to all healthcare workers on cases involving persons with communicable diseases; and
- \* That the forum on communicable diseases be reconvened to monitor the progress on these recommendations within the next calendar year.

Does FEMA plan to reconvene this forum? If so, when?

ANSWER: FEMA's United States Fire Administration (USFA) convened a "Second Forum on Communicable Disease" in August 1989. Two recommendations from this forum -- development of a National Fire Academy (NFA) field course on infection control and development of a model infection control program -- led to the creation of a development committee of select Forum participants. This committee has continued to meet on a periodic basis and continues to provide information to and receive information from the other Forum participants, including representatives from the Centers for Disease Control (CDC) and the Occupational Safety and Health Administration (OSHA).

QUESTION: Have all of the twelve recommendations been implemented? If not, why?

ANSWER: The 1988 Forum on Communicable Diseases resulted in twelve recommendations on issues related to infection control for emergency response personnel. The 1989 Second Forum on Communicable Diseases had eleven recommendations. With one exception, all recommendations from both Forums have been met.

The one recommendation from the Second Forum that has not been completely met is that the USFA "develop a national database to keep statistics on infectious disease exposures" of emergency response personnel. USFA staff has been working with CDC and OSHA in an effort to identify the means to accomplish this recommendation. Currently, no such data is kept beyond the local level. The National Fire Information Council (NFIC), under contract with USFA, is updating the Firefighter Casualty Report of the National Fire Incident Reporting System (NFIRS) to include appropriate communicable disease exposure information. This report, used by over 13,000 fire departments across the nation, only reports on emergency responses to fires, so it will not include exposures that occur to non-fire department emergency medical service (EMS) personnel, or during non-fire medical emergencies.

The CDC continues to keep statistics on all health care workers, including emergency response personnel, who have contracted certain

Congressman Stokes

communicable diseases, including those who test positive for the Hepatitis B Virus (HBV) and the Human Immunodeficiency Virus (HIV). The USFA will continue to work with CDC in an effort to capture this important data on the national level.

QUESTION: With the changing complexity of AIDS, and the resurgence of other communicable diseases, such as tuberculosis, isn't there a need for FEMA to revisit this issue?

ANSWER: FEMA has remained in the forefront of the Federal efforts on communicable diseases through the USFA. Through the efforts of the development committee, and working with the CDC and the OSHA, USFA developed and released in March 1992 a "Guide to Developing and Managing an Emergency Service Infection Control Program." This Guide, mailed directly to all fire departments and EMS departments in the United States, will assist emergency response managers to develop, implement, manage, and evaluate an infection control program within their department. The Guide was reviewed by both the CDC and the OSHA, to ensure that departments that follow the guidelines therein will comply with the appropriate regulations. A total of 75,000 copies of the Guide were printed. It is anticipated that a second printing will be necessary before the end of FY 1992.

In addition to the Guide, the NFA began delivery on April 1 of a two-day field course entitled, "Infection Control for Emergency Response Personnel: The Supervisor's Role." Developed with the assistance of the CDC, this course is the most requested NFA field course for the third and fourth quarters of FY 1992, with 50 course offerings scheduled.

The USFA will continue to remain actively involved in this issue, and will continue to work with the CDC and the OSHA.

#### DISASTER RELIEF MANPOWER

QUESTION: Our nation experienced multiple disasters last year, resulting in the need for an emergency supplemental. The volume of disasters has concerned me, not only from the standpoint of funding to assist communities to rebuild, but from the position of whether we have adequate numbers of trained manpower to respond to these disasters.

Can you tell me what programs, if any, exist in FEMA relative to training and providing emergency or disaster relief personnel?

ANSWER: FEMA's disaster work force includes 292 permanent full-time staff dedicated to disaster work and a cadre of approximately 2,500 reservists. The reservists are intermittent employees who are activated when needed to assist in the administration of FEMA's disaster relief mission. These disaster

## Congressman Stokes

reservists are a crucial staff resource for Disaster Field Offices (DFOs). They perform key technical and administrative jobs in the DFO, and, on the average, account for 66 percent of the staffing (excluding locally hired staff).

FEMA has an extensive training program for its disaster relief workers, both the permanent staff and temporaries, and intermittent cadre. Formal courses are offered at FEMA's Emergency Management Institute (EMI) at Emmitsburg, Maryland, Regional Offices, Disaster Field Offices and at other locations. FEMA has taken a number of actions since Hurricane Hugo and Loma Prieta to enhance disaster assistance training provided to FEMA personnel such as the following:

(a) EMI conducted an analysis of selected critical disaster assistance jobs usually performed by disaster assistance reservists. Based on data collected, job aids were developed and deployed to the Regions for different job specialties performed by the reservists. FEMA trained Regional personnel on job-aid and on-the-job training material development in September 1991.

(b) Pending finalization of the Federal Response Plan and associated operating procedures, FEMA will conduct an analysis of the knowledge and skills required in response and recovery functions for Federal Coordinating Officers (FCOs) and Disaster Recovery Managers which would serve as a basis for developing an appropriate training curriculum. In the interim, a seminar was held at EMI to provide training to FEMA employees who will serve as FCOs and Deputy FCOs in a disaster.

(c) The State Public Assistance Officers Course is offered annually at EMI. That course trains Federal, State, and local emergency managers in disaster recovery operations in the public assistance area.

(d) The Disaster Recovery Operations field course has been designed for State and local emergency managers who would become part of disaster recovery staffs.

(e) FEMA is completing the development of a home study course in FY 1992. The self-directed course provides an orientation for the general public on disaster assistance and the resources available to help individuals and communities recover from disasters.

(f) In addition, training for public officials has been expanded. For example, EMI is developing a Disaster Response and Recovery Seminar for Public Officials to complement its Disaster Preparedness Seminars. Both seminars are targeted

Congressman Stokes

for the two-person team of local emergency manager and public official most responsible for community emergency preparedness.

QUESTION: Has any consideration been given to expanding programs in this area? If so, can you tell me what these plans are?

ANSWER: Several training initiatives have been initiated or expanded as a result of "lessons learned" from those disasters. Some of the initiatives have been referenced in the answer to the previous question. The number of persons trained to be Federal Coordinating Officers has been increased and now includes all 10 of FEMA's Regional Directors. Non-disaster personnel in FEMA are being cross-trained at all levels so that they are able to support the disaster program when needed.

QUESTION: Does FEMA work with any other federal or private agencies to provide disaster relief personnel for our nation?

ANSWER: FEMA helps to fund training for State and local government staffs through our annual Disaster Preparedness Improvement Grants and Emergency Management Training grants to the States and through other programs. Since Hugo, expanded training and orientation sessions for State and local emergency managers have enhanced their effectiveness during both the response and recovery phases of disasters. Through planning for and exercising of the Federal Response Plan, which involves 27 Federal agencies, FEMA provides training to emergency managers throughout the Federal government and to the American Red Cross.

QUESTION: What budget do you have for these programs?

ANSWER: Training programs for disaster assistance are funded in a number of ways. Funding comes from FEMA's Salaries and Expenses account as well as grant programs for State and local governments. The President's Disaster Relief Fund is also used for funding training initiatives such as home study courses, disaster field office operating guides, and informational videotapes.



Congresswoman Kaptur

DIRECTION, CONTROL, AND WARNING

QUESTION: FEMA is requesting \$15,977,000 less than last year for Facilities and Equipment. The agency has indicated that this represents a pause in the program pending completion of a program requirements study. How can FEMA justify a "pause" when so much needs to be done for the safety of the population?

ANSWER: The "pause" in civil defense for Facilities and Equipment is a direct result of the changes in the strategic threat on which civil defense requirements, at least in part, have been based. The intent of the "pause" is to minimize the funding of new facilities and equipment while the Administration examines the all-hazard threat for the future and defines the minimum requirements for civil defense base capability.

QUESTION: FEMA's direction, control, and warning system is not complete. Will you fall further behind with this reduction?

ANSWER: In this environment, to respond to all hazards it is true that direction, control, and warning capabilities will continue to be needed, and that these capabilities tend to be common to all catastrophic emergencies. However, there is a need to reassess these requirements against the present and likely future threat and to avoid funding facilities and equipment that are not needed for or suited to the emerging threat environment.

The following table provides the involved program elements and reflects program element reductions:

## Congresswoman Kaptur

|  | FY 91<br><u>Actual</u> | FY 92<br><u>Current</u><br><u>Estimate</u> | FY 93<br><u>President's</u><br><u>Request</u> | <u>Increase/</u><br><u>Decrease</u> |
|--|------------------------|--|---|-------------------------------------|
| Radiological Defense                                   |                        |  |   |                                     |
| Instruments  | \$3,799                | \$2,956                                    | \$1,232                                       | -\$1,724                            |
| Program Support  | 710                    | 675  | 675   | ...                                 |
| Direction Congrol &<br>Warning:                        |                        |  |   |                                     |
| Emergency Operating<br>Centers                         | 7,075                  | 6,180                                      | 742   | -5,438                              |
| State and Local<br>Warning &<br>Communication          | 3,150                  | 4,753                                      | 560   | -4,193                              |
| Emergency Broadcast<br>System                          | 3,770                  | 3,695                                      | 228   | -3,467                              |
| Other State & Local<br>Direction, Control<br>& Warning | 2,750                  | 2,740                                      | 2,200   | -540                                |
| Underground Storage<br>Tank Program                    | N/A                    | 2,000                                      | 2,000   | ...                                 |
| Facility Survey (Non-<br>Grant)                        | <u>615</u>             | <u>615</u>                                 | <u>...</u>                                    | <u>-615</u>                         |
| TOTAL (Facilities<br>and Equipment)                    | \$21,869               | \$23,614                                   | \$7,637                                       | \$-15,977                           |

Congresswoman Kaptur

#### OHIO RIVER EXERCISE

QUESTION: Last September, there was an Ohio River exercise to test local and State government capabilities to respond to hazardous materials incidents. Where did the funds come from for this exercise?

ANSWER: The Ohio River Exercise occurred September 8, 1991, and involved the States of Ohio, West Virginia, the Commonwealth of Kentucky, nineteen counties, and a variety of industry participants (from Ashland Oil and Shell Chemical to Martin Marietta). Agencies from the three Federal regions impacted by this exercise participated in and supported this major exercise, including the U.S. Coast Guard, the U.S. Army Corps of Engineers, and the U.S. Environmental Protection Agency. A total of approximately \$35,000 was made available from FEMA's Budget to the States and locals to support their enhanced play in the exercise. Beginning over a year prior to the exercise, FEMA provided staff support from three of its regional offices and contractor support in the design, scenario development, conduct, and evaluation of the exercise.

In addition to the Ohio River Exercise, FEMA also supported the Upper Mississippi River Pilot Exercise which took place on July 21-22, 1991, and involved the States of Minnesota and Wisconsin, six counties, and the Burlington Northern Railroad. Federal agencies, including the U.S. Coast Guard, the U.S. Army Corps of Engineers, and the U.S. Environmental Protection Agency, also participated in the exercise. A total of \$20,000 was made available to the States and locals to support their enhanced play in the exercise. Again, FEMA provided regional staff and contractor support in the design, scenario development, conduct, and evaluation of the exercise.

Videos detailing the Ohio River and Upper Mississippi River "pilot" exercises have been developed to encourage exercise activities in other areas of the country. Further, discussion of these exercises was a key component of a recent broadcast by FEMA's Emergency Education Network (EENET) entitled "Developing A Hazardous Materials Exercise Program." Both exercises were evaluated using FEMA's Hazardous Materials Exercise Evaluation Methodology (HMEEM). In addition, FEMA is developing a report detailing the support activities of the participating Federal, State, local, first responder, and industry organizations in these pilot exercises.

QUESTION: I have been told that a small amount of funding for exercises such as this would energize hazardous materials capabilities at the local level. How much would be required to establish such a program?

ANSWER: To the extent practicable, FEMA plans to further broaden the impact of this exciting preparedness initiative over

Congresswoman Kaptur

the next few years. The key to the success of a program of this nature, is not only to provide funding, but to provide real, face-to-face assistance for putting an exercise together.

#### COASTAL EROSION

QUESTION: Under Salaries and Expenses for Flood Insurance and Mitigation, FEMA indicates that it will initiate a program to reduce losses in coastal erosion areas. Please elaborate on this planned program.

ANSWER: FIA has been investigating the substantial damage and repetitive loss situation for buildings insured under the National Flood Insurance Program (NFIP). Two questions being addressed are: "what is the nature of the losses?" and "what can be done within the framework of the NFIP to address those losses?"

In coastal areas and along the Great Lakes shoreline, erosion has and will continue to threaten many existing buildings. Relocation or demolition are two mitigation alternatives for property owners. The cost-effectiveness and technical feasibility of these mitigation alternatives must be addressed in the context of a coastal erosion management program that will encourage communities to adopt and enforce risk management standards.

The NFIP coastal construction standards have provided a basis for the floodplain management programs in coastal communities and have resulted in a reduction in flood losses for buildings constructed to those standards. Knowledge and experience about the coastal and shoreline environments have and will continue to evolve. The effects of coastal erosion on both new and existing coastal buildings have been well documented in recent years. FIA will be initiating a multi-year effort to reexamine those standards in consideration of the knowledge and experience gained. Beginning in FY 1991, FIA initiated the following two multi-year efforts which will provide future direction in FIA's reexamination of our coastal standards:

- . FIA has contracted with the National Institute of Building Sciences (NIBS) to examine the compatibility of the NFIP design and construction standards with the national model building codes. This effort will provide FIA with insights into specific areas of the coastal construction code which may need to be reexamined.
- . FIA has entered a cooperative agreement with the University of Maryland Laboratory for Coastal Research to examine the feasibility of developing technical guidance for determining the depth of scour for designing coastal foundations. This study may result in a revision to the current NFIP standards for pile or column foundations in coastal high hazard areas.

Congresswoman Kaptur

#### EMERGENCY MANAGEMENT

QUESTION: There appears to be a need to establish baseline data in emergency management assistance (EMA) and direction, control and warning programs against which to make budget decisions.

How many counties across the U.S. do not participate in EMA programs?

ANSWER: The most recent data that FEMA has available indicates that there are 1,896 counties participating in EMA. This means that 1,145 counties do not participate in the program. This data, however, is of questionable significance. FEMA does not distinguish between counties and other types of jurisdictions in tabulating local participation. There are 2,667 local jurisdictions--counties, cities, towns, townships, municipios, etc.--participating in the EMA program. These local jurisdictions cover approximately 84% of the U.S. population.

QUESTION: How much money would be required to reimburse States and local communities 50% of authorized expenses under the EMA program?

ANSWER: FEMA estimates that it would require a total of \$88,754,000 to reimburse State and local governments for all such expenses.

QUESTION: How many counties across the U.S. have adequate direction and control systems. How many do not have adequate systems?

ANSWER: Direction and control consists of a variety of capabilities provided by several civil defense program elements. Information concerning a number of these capabilities is provided below. In addition, FEMA does not collect data specifically on counties. States provide direction and control data to FEMA on about 2,800 local jurisdictions which is the basis for our statistics. To answer this question we reviewed responses that we received to five questions concerning Emergency Operating Center two-way radio connectivity at the local level. The results are as follows:

1. Connectivity with commercial or public broadcast stations?  
Of the 2,764 responding jurisdictions, 884 responded yes, 1,670 responded no, and 210 reported partial capabilities.
2. Connectivity with primary operating forces (e.g., police, fire, etc.)?  
Of the 2,745 responding jurisdictions, 2,470 responded yes, 111 responded no, and 164 reported partial capabilities.

Congresswoman Kaptur

3. Connectivity with other operating forces (e.g. ambulances, hospitals, volunteer groups, etc.)?  
Of the 2,775 responding jurisdictions, 2,227 responded yes, 205 responded no, and 343 reported partial capabilities.
4. Connectivity with the State Emergency Management Agency?  
Of the 2,791 responding jurisdictions, 2,034 responded yes, 749 responded no, and 8 reported partial capabilities.
5. Connectivity with adjacent jurisdictions?  
Of the 2,795 responding jurisdictions, 2,380 responded yes, 175 responded no, and 240 reported partial capabilities.

The bulk of local direction & control resources are in local emergency response organizations which include civil defense and emergency management as well as police and fire organizations. All local jurisdictions have direction and control capabilities in the form of local emergency telecommunications and warning. The capabilities vary considerably according to the size of the communities and the hazards they face. Many of these jurisdictions do not participate in the civil defense program and do not report their capabilities to FEMA. In many cases, jurisdictions share capabilities, and in all cases, local jurisdictions are assisted by State level civil defense and other capabilities, such as police and National Guard. Given the multiplicity of capabilities from a variety of sources, overlapping arrangements between jurisdictions, and a lack of reporting by many communities who do not directly participate in the civil defense programs, FEMA can not precisely answer how many counties do or do not have adequate direction and control capabilities. Yet, each year, FEMA receives State and local requests for matching funds in the direction and control area at a level six to nine times the available Federal funding. In FY 1992, these requests totalled about \$18 million while available civil defense funding was only about \$1.8 million. From the history of requests, it is reasonable to conclude that a large number of local jurisdictions do not believe they have an adequate direction and control capability and are prepared to use scarce local matching funds to improve those capabilities.

QUESTION: How many counties do not have Emergency Operating Centers (EOCs)?

ANSWER: We do not collect data on counties alone. States provide EOC data to us on 3,023 local jurisdictions. Of the 3,023 jurisdictions reporting, some 2,733 reported that they had an EOC.

NOTE: This total includes any facility designated for this purpose regardless of whether or not it meets FEMA EOC criteria. Many lack one or more of the key capabilities, such as back-up power, electromagnetic pulse protection, and adequate emergency food & supplies.

Congresswoman Kaptur

QUESTION: What percentage of the population is covered by a warning system?

ANSWER: States provide warning data to FEMA on approximately 2,800 local jurisdictions. A review of our records shows that, of these, approximately 900 jurisdictions have adequate public alert and warning systems, and approximately 1,900 require some form of enhancement. Commercial radio and television stations in the Emergency Broadcast System also have the capability to provide emergency information. Additionally, the National Warning System (NAWAS), a dedicated land-line emergency alert and warning system, with approximately 2,400 alert and warning receipt points, is operated by FEMA and used extensively by State and local government officials for dissemination of all hazard-emergency information. In addition to the above, the National Weather Service (NWS) provides emergency weather alerts and warnings to Federal, State, and local government officials, and the public through special weather information receivers.

QUESTION: What percentage of the population is covered by Emergency Broadcast System (EBS) station broadcasts?

ANSWER: There are in excess of 12,000 stations participating in the EBS. These stations cover almost all of the population of the United States. However, only a small percentage of the stations has received protection features provided through the Broadcast Station Protection Program (BSPP), which is intended to keep stations on the air during times of emergency.

There are 30 stations in the Continental United States (CONUS) which are designated as Primary Entry Point (PEP) Stations where protection is currently nearing completion. There are 7 non-CONUS PEP stations also currently being protected. In addition to the PEP Stations, there are an additional 70 EBS Stations that have received complete protection. These, in combination with the PEP Stations, will provide a minimal capability for providing national level emergency information to almost all of the population. As described above, approximately 100 stations have received complete protection.

QUESTION: How many underground fuel storage tanks need to be replaced?

ANSWER: There are approximately 500 tanks at Emergency Broadcast System (EBS) Stations, and 1,800 at State and local Emergency Operating Centers. At present, the number that must be replaced is not known. However, based on industry experience, approximately 77% or 1,771 of the tanks will eventually require replacement.

QUESTION: How many states have an earthquake threat and

Congresswoman Kaptur

should be in the earthquake hazard reduction program?

ANSWER: In 1990 at FEMA's request, the U.S. Geological Survey categorized the States and territories by seismic hazard into five categories (very low, low, moderate, high, very high). Based on this categorization, FEMA determined moderate, high, and very high states and territories, totalling 41, would be eligible to receive financial assistance. This is consistent with Congressional intent as provided for in the National Earthquake Hazards Reduction Program reauthorization legislation, P.L. 101-614. States and territories in all categories are eligible to receive technical assistance from FEMA.

QUESTION: How many people are trained under the SARA Title III program? How many have been trained and what is the annual turnover requirements?

ANSWER: If all the training recipients were counted, the totals would likely exceed 500,000 from FY 1987 through FY 1991. This would include not only direct recipients of the training through the Emergency Management Institute's (EMI's) field training under the SARA Title III program, but also enrollments to date in the EMI home study course entitled "Hazardous Materials: A Citizen's Orientation (HS-5)" and a large number of second order audiences (i.e., those trained in EMI and National fire Academy courses who then deliver similar courses through other mechanisms). We have no exact information on the rate of turnover for the SARA Title III target audience of hazardous materials responders, but we know that it is a significant percentage, perhaps as much as 25% per year.

QUESTION: Mr. Lopez indicated that the FEMA National Preparedness communications system can respond to disaster response needs. Will the program interface with State and local communications systems? If so, how does this relationship work?

ANSWER: The National Preparedness disaster support communications system, officially referred to as the FEMA Emergency Response Capability or FERC, can and does interface with state and local communications systems. The FERC is designed to respond to the full range of potential catastrophic emergencies. FERC supports Federal, State and local response efforts providing communications and information on the scene of a disaster and provides a link to FEMA's National Emergency Management System (NEMS).

The NEMS consists of three integrated communications services:

- (1) The FEMA National Radio System (FNARS) is a network of High Frequency Radio Stations linking the State emergency operating centers (EOCs) with FEMA.



## Congresswoman Kaptur

(2) The FEMA Switched Network (FSN) is a landline telephone network which provides landline voice connectivity between Federal Departments and Agencies as well as to State EOCs without overloading the Public Switched Network system.

(3) The FEMA National Automated Message System (FNAMS) provides a record message capability from Federal Departments and Agencies to State EOCs.

The FERC incorporates four integrated ADP, communications and display systems...

(1) The Mobile Emergency Response Support (MERS) Detachments provide state-of-the art telecommunications capabilities including multi-channel microwave line-of-sight (LOS), circuit switch/technical control facility, telephone switch, Sidereal Message Switch, High Frequency (HF) radio system, Multi-Radio Van (MRV) which contains HF, Very High Frequency (VHF), and Ultra High Frequency (UHF) radios as well as a KU-Band Satellite System, and supporting power and refueling systems.

(2) The Mobile Air Transportable Telecommunications System (MATTS), which includes HF, VHF and UHF radios, KU-Band Satellite and telephone switch capability with supporting power systems ready for airlift.

(3) Private Automatic Branch Exchanges (PABX) consists of portable switchboards, which connect into existing commercial telephone systems to provide additional emergency telephone capability.

(4) The Information Display System (IDS) provides transportable emergency management display capability for use by decision-makers at command, control and coordination centers.

In an actual disaster, the various FERC capabilities allow for the rapid and efficient exchange of critical information into and from the affected area. The FERC is self-sustaining, so it can operate without reliance upon any surviving communications and/or utilities at the disaster site. The variety of FERC communication capability provides compatibility with virtually any existing communications at the site, i.e., state EOCs via HF or landline systems; police; fire officials; aircraft and even individual hand held communication units. With FERC it is possible to link a first line responder, on the ground, equipped with only a simple short range hand set, with key decision makers on the scene or elsewhere.

FEMA personnel are fully trained to operate these FERC systems, maintaining the critical flow of information and communications to and from the disaster site.

Congresswoman Kaptur

#### DAM SAFETY

QUESTION: How many States have dam safety programs? How many high hazard dams are there? How many unsafe dams? How do you justify terminating this program when our dams are aging and downstream development is increasing and putting more lives at risk?

ANSWER: Thirty six (36) states have acceptable dam safety programs. Two states, Alabama and Delaware, do not have any form of dam safety legislation. The 1981 Corps of Engineers inventory of 64,400 dams lists 8,201 as high hazard. (The inventory is being updated at this time by FEMA with a completion date of October, 1992.) A 1985 state survey of 80,536 dams lists 9,247 as high hazard. The 1981 Corps of Engineers inventory lists 2,884 dams unsafe. The 1985 State survey report lists 1,948 unsafe dams. The Dam Safety Program was eliminated because of the need to reallocate resources to the National Earthquake Program.

Congressman Joseph McDade

#### URBAN SEARCH AND RESCUE PROGRAM

QUESTION: What is the rationale for the elimination of the Urban Search and Rescue Program in the FY93 request?

ANSWER: FEMA requested funding in fiscal years 1990 and 1991 to provide a one-time infusion to support developmental efforts of existing local Urban Search and Rescue efforts and not to create teams where they did not exist before. Based upon this "one time" assumption, FEMA did not attempt to request funding in the FY 1992 or FY 1993 appropriations.

QUESTION: What impact will the elimination of this program have on the nation's ability to respond to a national or local disaster that may involve victims trapped in collapsed structures? What impact will the termination of funding have on the 25 search and rescue teams that have already been established?

ANSWER: Based upon the Congressional mandate (P.L. 101-130 Supplemental Appropriation and the Robert T. Stafford Act, P.L. 93-288, as amended), the Federal Emergency Management Agency created a National network of Urban Search and Rescue Task Forces. As a system, this Urban Search and Rescue network will need funding for equipment and training. Throughout the development phase, FEMA assumed that once the Federal government supplied initial seed money for the Urban Search and Rescue network, State and local governments would then accept the financial burden for continuing maintenance, upgrading equipment, and supporting training for their Task Forces.

QUESTION: What level of funding in FY93 is needed to support a viable Urban Search and Rescue program mission? What specific programs and rescue teams would such funding support?

ANSWER: The Advisory Committee for the National Urban Search and Rescue Response System recommended to FEMA that \$1.7 million will be needed each year to sustain a viable Urban Search and Rescue program. The funding would be used in the following manner:

- (1) \$950,000 will be provided to the 25 Task Forces to upgrade personnel training and to conduct exercises.
- (2) \$750,000 will be provided to the Task Forces for maintenance and administration, which includes replacing, maintaining and inventorying equipment; supporting the administrative costs associated with FEMA programmatic and database reporting requirements; and conducting Urban Search and Rescue Task Force personnel meetings.

Congressman Joseph McDade

#### FEMA DISASTER ASSISTANCE NEEDS

QUESTION: What is the FY 92 current use and balance of funds in the FEMA Disaster Relief Fund account?

ANSWER: As of February 29, 1992, \$478 million had been obligated from the Disaster Relief Fund during FY 92, leaving a balance of \$625 million unobligated.

QUESTION: How many disasters have been declared so far in FY 92, and how many open disasters from prior years remain outstanding in dollar amounts and by location?

ANSWER: On the day of the hearings (March 22) it was indicated that 21 disasters had been declared thus far during FY 92; one more was declared on March 27. These 22 disasters, plus the 132 from prior years on which additional obligations are projected, are listed below.

Question: Will the \$292,095,000 requested in the FEMA FY 93 budget meet all of the pending and estimated claims through FY 93?

ANSWER: Assuming that the remainder of FY 92 and all of FY 93 will be a period of normal disaster activity, the appropriation of \$292 million would leave us with a deficit of obligation authority at the end of FY 93 of \$251 million. If we are able to draw upon the additional \$143 million authorized in the FY 92 supplemental and the \$200 million requested in the FY 93 budget amendment recently forwarded to the Committee, in combination with the \$292 million, we will finish FY 93 with a surplus of \$92 million in obligation authority.

Under this scenario, the sum of all appropriations indicated above will be \$51 million more than the actual final costs of disasters declared through the end of FY 93.

These projections are based upon "normal" disaster years, which means years that conform to a 10-year moving average. Recent experience in the program (FY 91 and FY 92 to date) has resulted in costs well in excess of the previous 10 year average.

#### EMERGENCY FOOD AND SHELTER PROGRAM

QUESTION: The FEMA Emergency Food and Shelter Program has been and is evaluated as one of the federal government's more effective and efficient methods for delivering assistance to the homeless.

Since there is no real evidence to show a decrease in need for FEMA aid to the homeless on a national basis, what is the basis for requesting a reduction of \$34 million from FY 92 to FY 93?

Congressman Joseph McDade

ANSWER: The Administration is attempting to shift Federal resources to long term help for homeless families and individuals. The Emergency Food and Shelter Program has been successful in distributing funds rapidly into the hands of local provider organizations. Our request is not meant to undercut or diminish the accomplishments of the program. It does try to sustain the program at a reasonable level while supporting the Administration's goal of placing more emphasis on shelter and the necessary supportive services to help people become self-sufficient.

QUESTION: What are the reasons and justifications for disallowing payment or reimbursement of any reasonable and necessary administrative costs for local nonprofit organizations who assist FEMA in delivering emergency food and shelter to the homeless?

ANSWER: Administrative costs are authorized under the program. From 1983 to 1987 the total allowed for the entire program was 2%. In 1987, with the passage of the McKinney Act, that allowance was raised to an authorized level of 5%. However, appropriation language has subsequently set it at 3.5%. Since the program's inception, its purpose has been to supplement the work of local organizations. The point of working with established programs was to avoid administrative and start-up costs. The premise has been that such groups are already providing these services and that the help provided by FEMA can be added on to that efficient structure. For those reasons, the Congress has traditionally set a low administrative allowance for the program.

#### NATIONAL FLOOD INSURANCE PROGRAM COVERAGE

Question: What specific efforts are being made by the national flood insurance staff to assure that private home lenders, secondary market companies, and financial institution regulators are carrying out enforcement requirements to assure that all homeowners living in flood prone areas are purchasing flood insurance policies, including renewals of expiring policies?

Answer: The Flood Disaster Protection Act of 1973 places upon the federal financial regulatory agencies (instrumentalities) the responsibility of enforcing the mandatory flood insurance purchase requirements and notifying lenders subject to their jurisdiction of their obligations. FEMA has done the following to assist the instrumentalities with their responsibility:

FEMA has introduced a mortgage portfolio protection plan which enables lenders, whose borrowers have not or will not obtain flood insurance for themselves, to obtain flood insurance from

Congressman Joseph McDade

the NFIP on behalf of the borrower. The cost of the insurance is higher than for conventional National Flood Insurance Program policies because lenders do not have to provide detailed underwriting information.

FEMA has published guidelines on the mandatory flood insurance purchase requirements that provide a comprehensive explanation and analysis of the requirements. The Guidelines have proven to be helpful to lenders and to the staff of the instrumentalities

FEMA works closely with representatives of the Board of Governors of the Federal Reserve System, the Federal Home Loan Bank Board, Department of Housing and Urban Development, Comptroller of the Currency, Federal Deposit Insurance Corporation, and the Federal National Mortgage Association, to assist them in their enforcement responsibilities by holding workshops for their staff and by conducting lender seminars to train local lenders on the requirements to which they are subject.

FEMA has met with the Consumer Compliance Task Force of the Federal Financial Institutions Examinations Council which formed a subcommittee on flood insurance issues. The purpose of these meetings has been to explore ways in which the federal partnership can be more effective in reducing the taxpayers' burden for flood related damage.

FEMA has been encouraging Write-Your-Own companies that specialize in working with the lending industry to pursue a relationship with them in flood insurance similar to that which they have in other hazard insurance.

FEMA assisted the private lending industry with their efforts to educate their members by participating in their conferences and seminars around the country.

In FY 1991, FEMA conducted 227 agent and 230 lender workshops throughout the country to increase awareness of the NFIP. There were 4,683 agents and 5,998 lenders in attendance.

Congressman Green

#### ELECTROMAGNETIC PULSE PROTECTION

**QUESTION:** In the FEMA Communications Protection Guide (CPG 2-17/February 1991) entitled "Electromagnetic Pulse Protection Guide, Vol. II, EMP Protection Applications," FEMA makes surge protection product recommendations to their EMP analysts in the field. How were these selected devices chosen as listed in Appendix C of the guide, and what peer evaluation process was the guide subjected to by FEMA prior to its publication and recommendations?

**ANSWER:** Procurement of required EMP protective devices is managed through the General Services Administration (GSA). Everything FEMA purchases for the EMP protection program is purchased through GSA to meet GSA or FEMA performance specifications. When required products are not available on GSA schedule, GSA will send out FEMA specifications and a request for bids to multiple vendors.

The products as listed in Appendix C of the FEMA CPG 2-17, dated February 1991, listed only a few of the products that were in inventory at the time of publication of the document. A similar list was included in the original Appendix B of the same document dated January 1986. These are illustrative of the different types of specialized components used in the EMP protection program. Appendix C is not intended to be a comprehensive list of all of the various types of EMP protective devices available on the market, nor all types of EMP protective devices in the FEMA inventory. There are over 200 items in the present inventory and Appendix C only references 58 of the over 200 items. Appendix C does not contain recommendations to EMP Analysts in the field. It is merely a sample listing of parts FEMA uses. Through GSA, FEMA provides the parts to be used in EMP protection provided by FEMA to Emergency Broadcast System stations and State and local Emergency Operating Centers. Therefore, FEMA field staff do not procure any EMP parts.

The present FEMA guide CPG 2-17, February 1991, was subjected to thorough examination by several other government agencies and activities such as, the U.S. Army Corps of Engineers, the Department of Energy, the Defense Nuclear Agency, IIT Research Institute, and extensive FEMA review before publication.

**QUESTION:** The National Communications System's (NCS) technical information bulletin reported that NCS tests concluded that there were protective devices of equal or greater quality than the Fischer Custom Communications' 250B product, and at potentially less cost to the government to stock. Why haven't other manufacturers' products been tested and included in your Agency's inventory if their relevant devices have passed these NCS evaluations? Will FEMA also request multiple order quotes from these manufacturers?

Congressman Green

ANSWER: Although there are other protective devices of equal or greater quality than the Fischer Custom Communications' 250B product line as reported in the NCS technical information bulletin, FEMA's application of the parts and its performance requirements to EMP is not identical to that used by NCS and Department of Defense (DOD). Therefore, FEMA identified devices in Appendix C that meet FEMA performance specifications and applications requirements.

Where possible and economically feasible, FEMA has tried to use those types of products used by NCS and DOD in their EMP protection scheme. FEMA, through GSA, would, of course, be interested in acquiring the most cost-effective parts that meet our specific application and performance requirements.



Congressman Bill Lowery

#### EARTHQUAKE PREPAREDNESS

QUESTION: Your FY 1993 budget request proposes a reduction of slightly over \$2 million in the National Earthquake Program. Where will these reductions be made? Did you request a higher level for this account from OMB? What was your proposal to OMB?

ANSWER: FEMA's National Earthquake Program's FY 1993 budget request proposes a reduction of \$2.093 million in total Emergency Management Planning and Assistance and Salaries and Expenses from the FY 1992 current estimate. The FY 1993 request does not include a Congressional add-on (\$2.5 million) from FY 1992 to support an earthquake research laboratory at the University of Nevada. In addition, the FY 1993 request includes an FY 1992 Congressional general reduction of \$177,000 which reduced the FY 1993 base by \$177,000.

However, FEMA went forward with a request to OMB for an increase of \$407,000 to support 3 additional FTE for the FY 93 National Earthquake Program. The request to OMB for the National Earthquake Program was \$17,963,000, an increase of \$407,000 over the FY 92 Administration's request.

QUESTION: In your appearance before this committee last year, you stated that one of your top priorities in the earthquake program was mitigation. What progress have you made in this effort to strengthen the construction and reconstruction of buildings to withstand earthquakes?

ANSWER: The most significant steps in improving the seismic safety of new construction in the past year have been:

- ♦ Publication of the 1991 update of the NEHRP Recommended Provisions for the Development of Seismic Regulations for New Buildings. These nationally applicable provisions received consensus approval by the Building Seismic Safety Council (BSSC) with FEMA financial support.
- ♦ Adoption of seismic provisions in both the Building Officials and Code Administrators (BOCA) National Building Code and the Southern Building Code Congress International (SBCCI) Standard Building Code. This means that all three of the nation's model building codes (including the Uniform Building Code) are substantially equivalent to the NEHRP provisions.
- ♦ Preparation of new (or amended) rules or procedures to implement Executive Order 12699 to improve the seismic safety of new Federal construction activities. FEMA has also mounted a comprehensive level of effort to educate state and local governments about the requirements for

Congressman Bill Lowery

seismic provisions in Federally assisted new construction.

The most significant steps taken to improve the seismic safety of existing buildings during the past year are:

- ♦ Beginning of the multi-year process to develop a set of technical criteria (guidelines) for the seismic rehabilitation of existing buildings in the private sector.
- ♦ Completion of a model (with associated software) to determine the direct costs and benefits of seismic rehabilitation to owners and occupants of buildings in the private sector.
- ♦ Identification of an effort (managed for FEMA by the National Institute of Standards and Technology) to develop standards for the assessment and enhancing of the seismic safety of existing Federal buildings, in accordance with Section 8 of P.L. 101-614.
- ♦ Beginning of a structured effort to transfer existing technology and practices of seismic rehabilitation to practitioners and decision-makers at the State and local levels of government.

QUESTION: What level of funding will be allocated to the States in FY 1993 for Earthquake Hazards Reductions?

ANSWER: The total funding available for allocation to participating States in FY 1993 is \$3,900,000.

QUESTION: What lessons have been learned from the major earthquake in the San Francisco area? How have these lessons been integrated into your earthquake response planning and mitigation efforts in construction? Specifically, what improvements have been made in California?

ANSWER: Some lessons were relearned and some were newly learned from the Loma Prieta earthquake. Hardening the built environment with improved design and construction practices and building codes with seismic provisions clearly reduced the loss of lives, injuries, and property damages. FEMA re-examined its leadership role in coordinating the whole spectrum of the Federal government's response to natural disasters and other significant events. FEMA has expanded the scope of the plan that was designed to deal with Federal response to a catastrophic earthquake to include a variety of natural disasters and other events which may require Federal response assistance.

Congressman Bill Lowery

FEMA is continuing a gradual but steady emphasis encouraging States to be more aggressive in pursuing mitigation measures. The requirement that a percentage of the total program funding be spent on mitigation activities was revised to incorporate a continuing annual increase in the required percent amount. FEMA has also mounted a comprehensive level of effort to educate State and local governments about the requirements for seismic provisions in Federally assisted new construction mandated by Executive Order 12699.

At the State level, California has undertaken a number of activities concerning recovery and reconstruction targeted for both local governments and the private sector, particularly dealing with economic disruption and recovery.

#### CIVIL DEFENSE

QUESTION: Your budget request for FY 1993 reflects a "pause" in acquiring new equipment and facilities while you undertake a review of Civil Defense requirements in response to changes in the international situation. What are some of the changes you have made to shift civil defense away from nuclear attack scenarios and toward more planning for a variety of different threats?

Will these changes reduce the amount of funding required for civil defense planning?

ANSWER: The "pause" in Civil Defense for Facilities and Equipment is a direct result of the changes in the strategic threat on which Civil Defense requirements, at least in part, have been based. The intent of the "pause" is to minimize the funding of new facilities and equipment while the Administration examines the all-hazard threat for the future and defines the minimum required Civil Defense base capability. It is true that Direction, Control and Warning capabilities will continue to be needed, that these capabilities tend to be common to all catastrophic emergencies.

#### SAN DIEGO SEWAGE SPILL

QUESTION: As you may know, seven weeks ago, the ocean outfall pipe for the San Diego Sewage system was ruptured. The break in the pipe resulted in the uncontrolled spill of thousands of gallons of sewage into relatively shallow water near the coast. The beaches were closed down and the city took a number of emergency steps to deal with the disaster.

Under what conditions would FEMA become involved in this type of situation?

ANSWER: The local government has the initial responsibility to address the requirements of a situation such as the one

Congressman Bill Lowery

described. If the severity and magnitude of the situation were such that the response was beyond local capabilities, then the State emergency management office would be requested to provide assistance to deal with the incident. If the State identified requirements for which it did not have the resources to meet or the resources it did have would quickly become exhausted, then it could notify FEMA of the potential or actual need for Federal response resources to supplement those of the local and State governments to provide an adequate response to the situation. FEMA would join with the State in assessing the situation and determining how the Federal government could best respond to the situation.

QUESTION: Would the President make that determination?

ANSWER: If the Governor of the affected State made a request for a Presidential major disaster or emergency declaration, FEMA would assess the situation and make a recommendation to the President regarding the need for Federal assistance. The President would make the final determination on whether to declare a major disaster or emergency.

QUESTION: Are there any existing FEMA programs that deal with sewage related environmental accidents?

ANSWER: There are no specific FEMA programs that deal with a sewage spill. Technically, Federal assistance of this type would probably be provided for such incidents by the Environmental Protection Agency (EPA). However, under a Presidential major disaster or emergency declaration, FEMA may be able to provide financial assistance to the affected governmental jurisdiction to cover some of the costs associated with the adverse ancillary consequences of the spill and cleanup.



# **FEDERAL EMERGENCY MANAGEMENT AGENCY**

**BUDGET IN BRIEF  
FISCAL YEAR 1993**

FEDERAL EMERGENCY MANAGEMENT AGENCY  
FY 1993 Budget in Brief  
Table of Contents

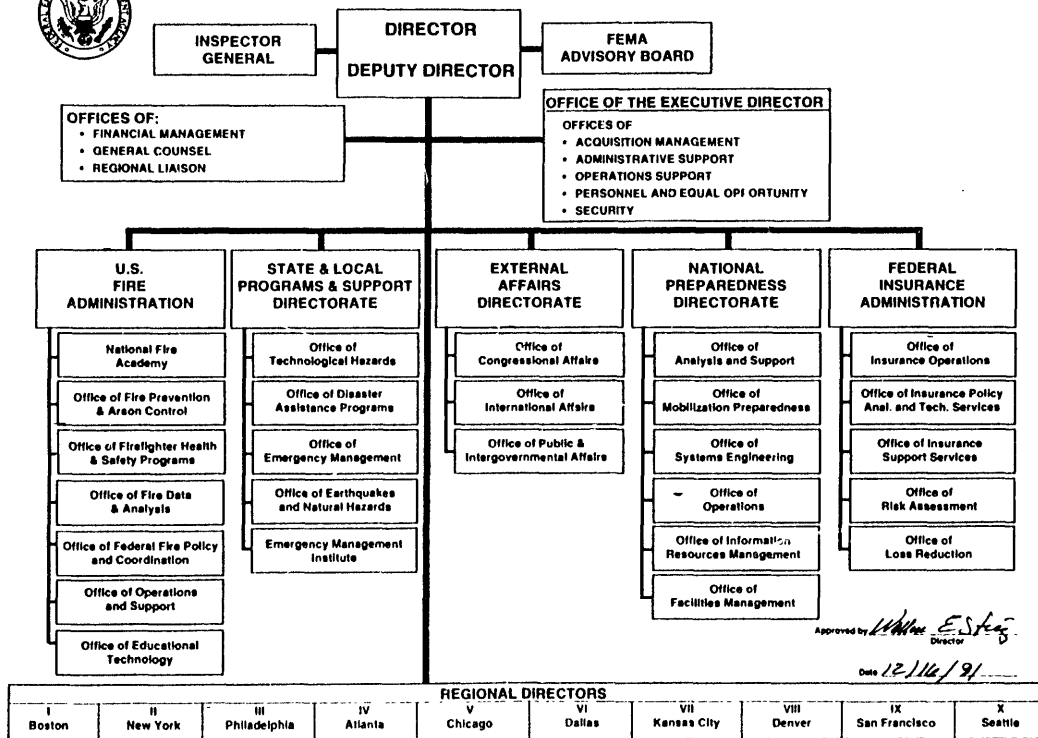
|  | Page |
|--|------|
| Organization Chart.....  | 1    |
| Features of 1993 Request.....  | 2    |
| Appropriations and Outlays:  |      |
| Funding Sources.....   | 5    |
| Appropriation Overviews.....   | 7    |
| Appropriation and Outlay Summary (Table).....                                | 8    |
| Comparison of Appropriation Levels: FY 1991 Through FY 1993 (Graph).....     | 9    |
| FY 1993 Request by Appropriation (Graph).....                                | 10   |
| Comparison of Outlay Levels: FY 1991 Through FY 1993 (Graph).....            | 11   |
| FY 1993 Outlays by Appropriation (Graph).....                                | 12   |
| Total Budget Authority and Workyears:  |      |
| Budget Authority Summary by Program Structure: 1993 versus 1992 (Table)..... | 13   |
| Explanation of 1993 Changes.....   | 14   |
| Comparison of Budget Authority Levels: FY 1991 Through FY 1993 (Graph).....  | 16   |
| FY 1993 Budget Authority by Activity for Total Budget Authority (Graph)..... | 17   |
| Comparison of Workyear Levels: FY 1991 Through FY 1993 (Graph).....          | 18   |
| FY 1993 Workyears by Activity (Graph).....                                   | 19   |
| Summary of Changes to 1992 Current Estimate by Activity (Table).....         | 20   |
| Budget Authority and Workyears by Program (Table).....                       | 27   |
| Obligations and Object Classes:  |      |
| Obligations Summary (Table).....   | 32   |
| Salaries and Expenses (Table).....   | 33   |
| S&E by Major Object Class (Graph).....                                       | 34   |
| Emergency Management Planning and Assistance (Table).....                    | 35   |
| EMPA by Major Object Class (Graph).....                                      | 36   |
| National Insurance Development Fund (Table).....                             | 37   |
| National Flood Insurance Fund (Table).....                                   | 38   |
| Disaster Relief Fund (Table).....  | 39   |
| Disaster Assistance Direct Loan Program Account (Table).....                 | 40   |
| Emergency Food and Shelter (Table).....                                      | 41   |
| Office of the Inspector General (Table).....                                 | 42   |

FEDERAL EMERGENCY MANAGEMENT AGENCY  
FY 1993 Budget in Brief  
Table of Contents

|  | Page |
|--|------|
| 1993 Budget Structure Changes:             |      |
| Civil Defense (Table).....                 | 43   |
| Federal Preparedness (Table).....          | 45   |
| Management and Administration (Table)..... | 46   |
| Authorities for FEMA Programs:             |      |
| Basic Authorities (Summary).....           | 47   |
| Appropriation Language.....                | 50   |



# Organization Federal Emergency Management Agency





Technological Hazards. This activity includes two programs: Radiological Emergency Preparedness (REP), which provides for the execution of FEMA's responsibilities in connection with off-site emergency planning around nuclear facilities, and Hazardous Materials, which provides for FEMA participation in interagency efforts toward improving response to hazardous materials incidents. The 1993 request of 121 workyears and \$12,262,000, will provide increases for the REP program, including staff to collect 100 percent of the cost of the program.

Federal Preparedness. These programs are designed to ensure that the Nation will be able to respond to, manage, and recover from domestic and national security emergencies. The 1993 request for this activity totals \$150,896,000 and 927 workyears.

Training and Fire Programs. Resources of this activity prepare Federal, State, and local officials, their supporting staffs, emergency first responders, volunteer groups, and the public to meet the responsibilities and challenges of domestic emergencies through planning, mitigation, preparedness, response, and recovery. The 1993 request for this activity is for \$28,764,000 and 124 workyears, reflecting the elimination of one-time, specific increases in the 1992 level.

Flood Insurance and Mitigation. This activity includes both the Insurance Activities program, which provides the administrative resources for the National Flood Insurance Fund, and the Flood Plain Management program, which supports the mitigation of known flood hazards through identification of flood hazards and assistance to communities in the flood plain management activities necessary to reduce flood losses. Funding for this activity will be derived from reimbursement from the National Flood Insurance Fund. The 1993 request totals \$62,070,000 and 208 workyears.

Disaster Relief Administration. This activity provides the resources necessary to manage the Disaster Relief Fund. The 1993 request includes 302 workyears and \$20,668,000 and will emphasize programmatic and financial improvements in the program.

Emergency Food and Shelter (S&E). This activity provides administrative costs for the Emergency Food and Shelter program. For 1993, 5 workyears and \$256,000 are requested.

Management and Administration. This activity provides administrative support for the Agency's programs and pays for such common costs as rent, supplies, and telephone service. The 1993 request of \$55,027,000 and 477 workyears includes funds for support for collection of user fees, enhancements to improve the Agency's financial management capabilities, and rent and space increases.

Office of the Inspector General. This appropriation provides advice, assistance, and oversight on matters relating to economy and efficiency and the prevention and detection of fraud, abuse, and mismanagement in Agency programs and operations. The 1993 request of 78 workyears and \$5,948,000 includes an increase of 8 workyears and \$804,000 to support the expansion of duties inherent in the creation of a statutory FEMA Inspector General.

#### FEATURES OF THE 1993 REQUEST FOR THE FEDERAL EMERGENCY MANAGEMENT AGENCY

The Federal Emergency Management Agency carries out a wide range of program responsibilities for emergency planning, preparedness, response, and recovery, as well as hazard mitigation.

Overview of the 1993 Request. In developing the FEMA 1993 budget request, the 1992 enacted budget was used as a base. This base was adjusted to reflect the three month cost in 1993 of the 1992 pay raise, the full cost of the 1993 pay raise, and resources to support uncontrollable cost increases and approved program initiatives and enhancements in 1993. This adjusted base was reduced to (1) eliminate one-time, specific increases to the 1992 budget request and (2) reflect a "pause" in specific Civil Defense programs pending a review of the programs. Overall FEMA's funding request for operating accounts will be \$19,870,000 or 4% lower than 1992 enacted levels.

FEMA's 1993 request proposes some significant changes from the 1992 enacted levels. Requests for the Civil Defense, National Earthquake, and Training and Fire programs have been reduced significantly, with slight increases for the Disaster Relief Administration, Flood Insurance and Mitigation, Technological Hazards and Federal Preparedness programs as well as the Office of the Inspector General. Most FEMA operating programs will continue to accomplish program goals at 1992 staffing levels, with the exception of the Civil Defense and Federal Preparedness programs which have reduced staffing considerably.

An appropriation of \$292,095,000 is being requested for the Disaster Relief Fund. The request assumes an average disaster year of \$320,000,000 with an offset of \$28,000,000 in savings as a result of regulatory and policy changes. The 1993 appropriation for the Emergency Food and Shelter program of \$100,000,000 represents a decrease of \$34,000,000 from the 1992 enacted level. Government-wide, however, the Administration proposes a 6 percent increase in funding for homeless programs. The decrease in the Emergency Food and Shelter program reflects a shift away from funding short term, emergency shelter activities to a policy of funding programs linking transitional and permanent housing with support services.

Civil Defense. FEMA's 1993 request for activities authorized under the Federal Civil Defense Act of 1950, as amended, totals 366 workyears and \$142,565,000. This request level prioritizes the development of capabilities which will yield the highest lifesaving return: survivable crisis management and population protection. In 1993, the funding request for the purchase of radiological instruments and control and warning equipment has been significantly reduced, reflecting a "pause" in acquiring new equipment and facilities until a requirements study is completed for the program.

National Earthquake Program and Other Hazards. This activity includes FEMA's lead-agency responsibilities under the National Earthquake Hazards Reduction Act, as well as other programs to support State and local development of capabilities to mitigate the hazards of, prepare for, and respond to hurricanes. The request for 1993 totals \$19,882,000 and 66 workyears. This request anticipates the termination of the Dam Safety program after fiscal year 1992.

National Insurance Development Fund. This fund is the vehicle for funding the Federal Crime Insurance Program, which is currently authorized through September 30, 1995. Six workyears and \$1,558,000 in borrowing authority are requested to support this program in 1993.

National Flood Insurance Fund. The National Flood Insurance Program enables property owners to purchase flood insurance otherwise unavailable in the commercial market. In return for the availability of insurance, communities agree to adopt and enforce flood plain management measures to reduce loss of life and property from future flooding. The program continues to be self-supporting for the average loss year.

Disaster Relief Fund. This fund provides the basis for the President to authorize Federal assistance, in accordance with the provisions of the Stafford Disaster Relief and Emergency Assistance Act, to individuals and to State and local jurisdictions where a major disaster or emergency has been declared. The 1993 estimate of \$292,095,000 assumes an average disaster year of \$320,000,000 offset by estimated savings of \$28,000,000 from regulatory changes to the program. Obligations against funds appropriated under the Dire Emergency Supplemental Appropriations Act of 1992 (P.L. 102-229) will continue in 1993 for disasters declared in 1992 and prior years, though the amount of obligations will drop significantly since the bulk of the obligations will occur in 1992.

Emergency Food and Shelter. This program channels emergency support to the homeless through a National Board of major private charities. The 1993 request totals \$100,000,000. While FEMA's emergency program is reduced below the 1992 level, government-wide funding for the homeless assistance programs will exceed one billion dollars in 1993.

Users Fees. In 1993, FEMA proposes to collect 100 percent of the costs associated with the Radiological Emergency Preparedness Program and will fund the costs of the Flood Insurance and Mitigation activity by charging a processing fee to flood insurance policyholders as authorized by Public Law 101-508.

Changes to Structure: Budget structure changes for the Civil Defense and the Federal Preparedness activities are proposed for 1993. The 1993 budget contains a restructuring and consolidation of the programs of the Civil Defense activity which will be accomplished through a structure that includes (1) State and Local Emergency Management (2) Facilities and Equipment (3) Planning, Exercising and Response (4) Training and (5) Telecommunications. The proposed restructuring of the Federal Preparedness activity combines the previously separate Emergency Information Coordination Center (EICC), Mobilization Preparedness and Federal Readiness and Coordination programs into a single program called Government Plans and Capabilities. The 1993 Budget also includes a proposal for the Management and Administration activity to consolidate the Offices of Personnel and Equal Opportunity, Management Services, Security, and Acquisition Management as well as the Administrative Support Staff and other Administrative Expenses elements into a single line item called the Office of Executive Director. In addition, the Office of Program Analysis and Evaluation (PA&E) will be abolished and the functions, resources and personnel of PA&E will be redistributed to the Office of Executive Director and the Office of Financial Management (formerly the Office of the Comptroller).

FEDERAL EMERGENCY MANAGEMENT AGENCY  
Funding Sources

The Federal Emergency Management Agency (FEMA) was established by the President in Reorganization Plan No. 3 of 1978. The agency operates under various statutory and executive authorities to carry out a wide range of program responsibilities for emergency planning, preparedness, response and recovery, and hazard mitigation. Sources and types of funding to carry out the various programs of FEMA include the following:

|   |   |                      |
|---|---|----------------------|
| o | Appropriated Funds:                                     | <u>Type of Funds</u> |
|   | -- Salaries and Expenses (S&E)*                         | 1 Year**             |
|   | -- Emergency Management Planning and Assistance (EMPA)* | 1 Year**             |
|   | -- Office of the Inspector General                      | 1 Year               |
|   | -- Disaster Relief                                      | No Year              |
|   | -- Emergency Food and Shelter                           | 1 Year               |

\*These appropriations also receive funds from reimbursements from the National Flood Insurance Fund for Flood Plain Management and administration of the National Flood Insurance Program. One of these programs in EMPA (Purchase of Property) includes two (2) year funds. S&E also receives funds from the Disaster Assistance Direct Loan Program Account.

\*\*There is also a no year fund within each of these accounts for funds appropriated in 1991 for the National Earthquake Hazards Reduction Program (NEHRP) and from a special transfer from the President's Unanticipated Needs for Natural Disasters Fund to the EMPA account in 1990.

- o Revolving Funds (may also receive appropriations to repay prior borrowing):
  - National Flood Insurance Fund
  - National Insurance Development Fund
- o Trust Funds:
  - Bequests and Gifts (Fire Administration)
  - Gifts and Bequests (Disaster Relief)

FEDERAL EMERGENCY MANAGEMENT AGENCY  
Funding Sources

- o Loan Accounts:
  - Disaster Assistance Direct Loan Program Account (records subsidy and administrative expenses for loans obligated in 1992 and beyond)
  - Disaster Assistance Direct Loan Financing Account (records cash flow to and from FEMA as a result of loans obligated in 1992 and beyond)
  - Disaster Assistance Direct Loan Liquidating Account (records all loan cash flows for direct loans obligated prior to 1992)
- o Reimbursable Funds (in S&E and EMPA) from other Federal sources:
  - Department of Defense
  - General Services Administration
  - Various other

FEDERAL EMERGENCY MANAGEMENT AGENCY  
Appropriation Overviews

Salaries and Expenses. This appropriation encompasses the salaries and expenses required to provide executive direction and administrative and staff support to FEMA's programs in both the Headquarters and field offices.

Emergency Management Planning and Assistance. This appropriation provides program resources for the following activities: Civil Defense; National Earthquake Program and Other Hazards; Technological Hazards; Federal Preparedness; and Training and Fire Programs.

Office of the Inspector General. This appropriation provides agencywide audit and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste and mismanagement.

National Insurance Development Fund. This fund is used as the vehicle for the funding of the Federal Crime Insurance Program. It receives deposits from crime insurance premiums and other receipts.

National Flood Insurance Fund. This fund is used as the funding mechanism for the National Flood Insurance Program, which enables property owners to purchase flood insurance otherwise unavailable in the commercial market. In return for the availability of insurance, communities agree to adopt and enforce flood plain management measures to reduce losses from future flooding.

Disaster Relief. From this appropriation, supplementary assistance is provided to individuals and State and local governments in the event of a Presidentially declared emergency or major disaster. The Fund also finances the subsidy of states share loans and associated administrative expenses.

Emergency Food and Shelter. This appropriation provides grants to voluntary organizations at the local level to supplement their programs for emergency food and shelter.

**FEDERAL EMERGENCY MANAGEMENT AGENCY**  
**Appropriation and Outlay Summary**  
(Dollars in Thousands)

**APPROPRIATIONS**

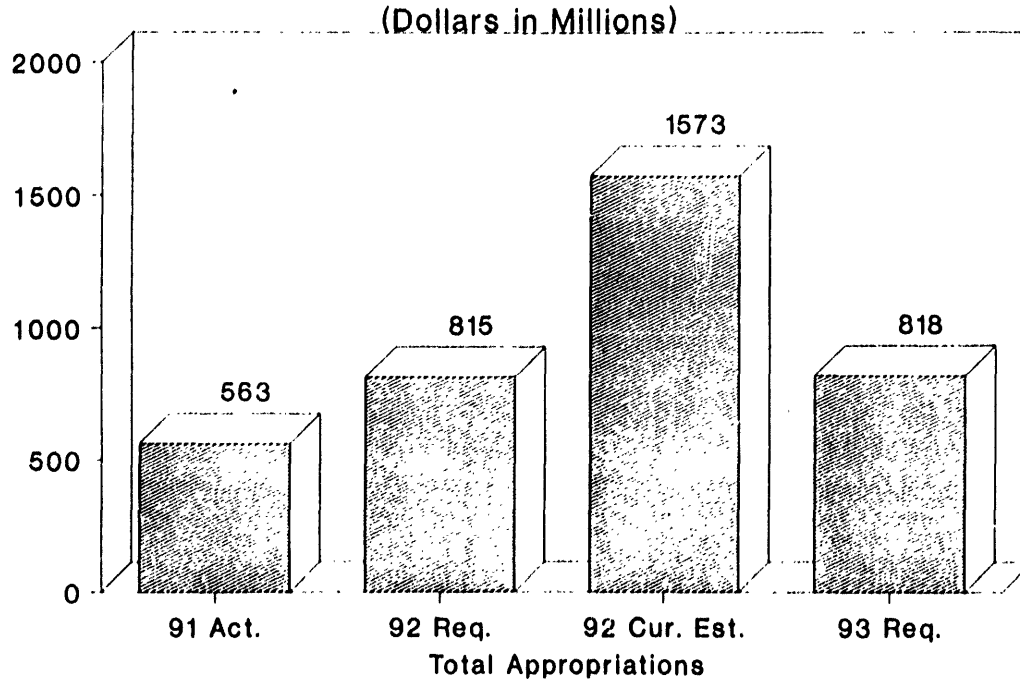
|   | 1991<br>Actual | 1992<br>Request | 1992<br>Current<br>Estimate | 1993<br>Request | Increase/<br>Decrease |
|---|----------------|-----------------|-----------------------------|-----------------|-----------------------|
| Salaries and Expenses.....                      | \$142,999      | \$166,363       | \$164,363                   | \$171,277       | \$6,914               |
| Emergency Management Planning and Assistance... | 282,623        | 277,827         | 285,827                     | 259,043         | (26,784)              |
| National Insurance Development Fund.....        | ...            | ...             | ...                         | ...             | ...                   |
| National Flood Insurance Fund.....              | ...            | ...             | ...                         | ...             | ...                   |
| Disaster Relief Fund.....                       | ...            | 274,459         | 983,209                     | 292,000         | (691,209)             |
| Disaster Assistance Loan Subsidy.....           | ...            | 541             | 541                         | 95              | (446)                 |
| Emergency Food and Shelter.....                 | 134,000        | 100,000         | 134,000                     | 100,000         | (34,000)              |
| Office of the Inspector General.....            | 3,351          | 5,144           | 5,144                       | 5,948           | 804                   |
| REP - Offsetting Receipts .....                 | ...            | (9,569)         | ...                         | (10,477)        | (10,477)              |
| <b>Total, Obligations.....</b>                  | <b>562,973</b> | <b>814,765</b>  | <b>1,573,084</b>            | <b>817,886</b>  | <b>(755,198)</b>      |

**OUTLAYS**

|   |                |                  |                  |                  |               |
|---|----------------|------------------|------------------|------------------|---------------|
| Salaries and Expenses.....                      | 132,451        | 162,902          | 162,325          | 170,613          | 8,288         |
| Emergency Management Planning and Assistance... | 236,498        | 286,460          | 289,892          | 271,940          | (17,952)      |
| National Insurance Development Fund.....        | 16,339         | 14,697           | 2,223            | 1,606            | (617)         |
| National Flood Insurance Fund.....              | (202,876)      | (61,024)         | (101,811)        | (81,903)         | 19,908        |
| Disaster Relief Fund.....                       | 551,795        | 600,697          | 659,911          | 734,873          | 74,962        |
| Disaster Assistance Loan Subsidy.....           | ...            | 541              | 541              | 95               | (446)         |
| Emergency Food and Shelter.....                 | 132,953        | 100,000          | 134,000          | 100,000          | (34,000)      |
| Office of the Inspector General.....            | 3,172          | 4,985            | 4,985            | 5,867            | 902           |
| Bequests and Gifts (Disaster Relief).....       | (15)           | 50               | 100              | 30               | (70)          |
| Gifts and Bequests, Fire Administration.....    | ...            | ...              | 1                | ...              | (1)           |
| Offsetting Receipts (Bequests and Gifts).....   | (38)           | (84)             | (65)             | (69)             | (4)           |
| REP - Offsetting Receipts .....                 | ...            | (9,569)          | ...              | (10,477)         | (10,477)      |
| <b>Total, Outlays.....</b>                      | <b>870,281</b> | <b>1,099,635</b> | <b>1,152,082</b> | <b>1,192,576</b> | <b>40,493</b> |

163

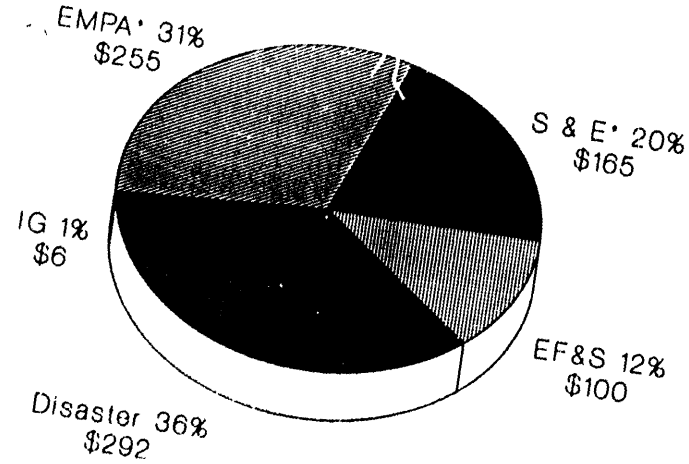
# Comparison of Appropriation Levels FY 1991 Through FY 1993



(1992 current estimate includes an  
\$800 supplemental)



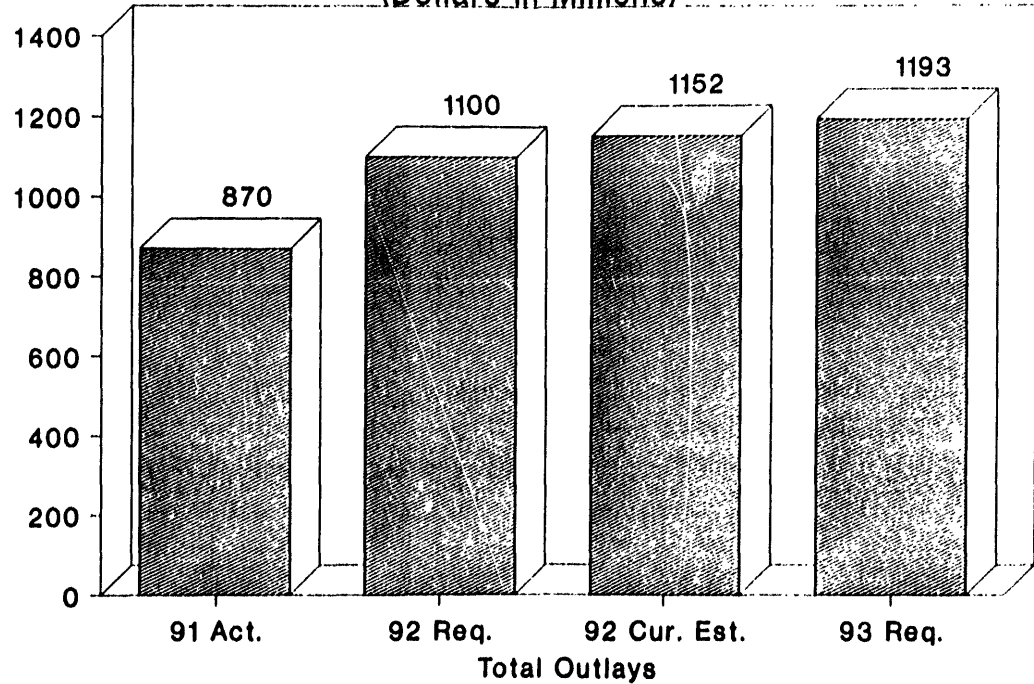
# **FY 1993 Request by Appropriation** (Dollars in Millions)



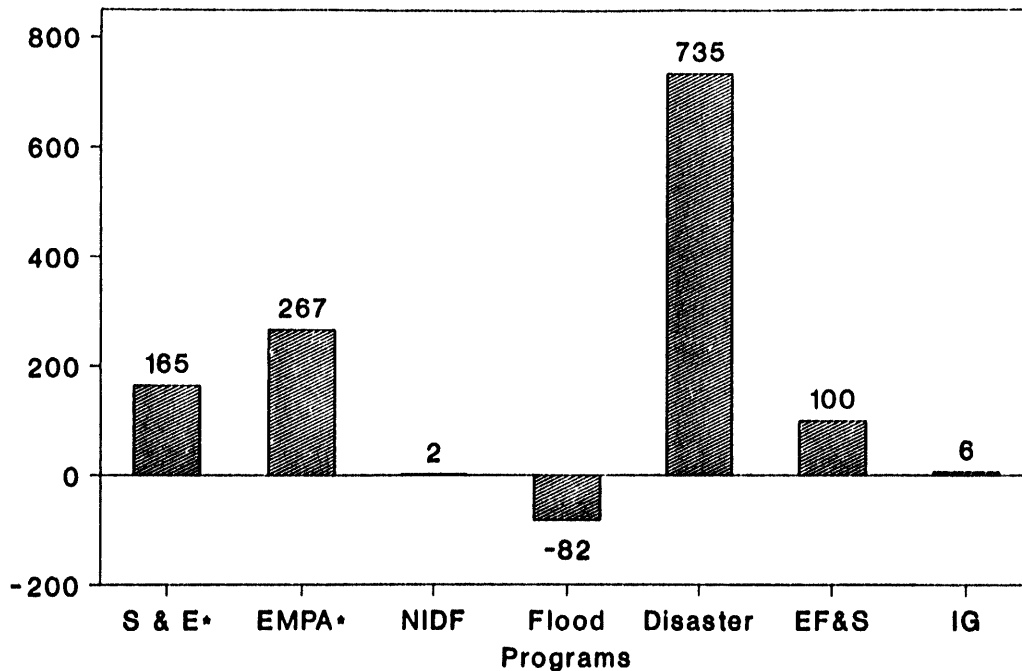
**Appropriations (\$818)**  
**\*Net of REP offsetting receipts**  
**totaling \$10 (S&E \$6 and EMPA \$4)**

# Comparison of Outlay Levels FY 1991 Through FY 1993

(Dollars in Millions)



# FY 1993 Outlays by Appropriation (Dollars in Millions)



Total Outlays • \$1,193  
•Net of REP Offsetting Receipts  
totaling \$10 (S&E \$6 and EMPA \$4)

FEDERAL EMERGENCY MANAGEMENT AGENCY  
Budget Authority Summary by Program Structure  
1993 versus 1992  
(Dollars in Thousands)

|  | 1992 Current Estimate |          |           |           | 1993 Request |          |           |           | Changes |       |            |            |
|--|-----------------------|----------|-----------|-----------|--------------|----------|-----------|-----------|---------|-------|------------|------------|
|  | WY                    | S&E      | EMPA      | TOTAL     | WY           | S&E      | EMPA      | TOTAL     | WY      | S&E   | EMPA       | TOTAL      |
| Civil Defense.....   | 380                   | \$20,374 | \$138,247 | \$158,621 | 366          | \$20,423 | \$122,142 | \$142,565 | (14)    | \$49  | (\$16,105) | (\$16,056) |
| National Earthquake Prog. & Other Haz...                     | 66                    | 4,662    | 17,834    | 22,496    | 66           | 4,980    | 14,902    | 19,882    | ...     | 318   | (2,932)    | (2,614)    |
| Technological Hazards.....                                   | 117                   | 6,068    | 5,190     | 11,258    | 121          | 7,072    | 5,190     | 12,262    | 4       | 1,004 | ...        | 1,004      |
| Federal Preparedness.....                                    | 942                   | 53,744   | 94,886    | 148,630   | 927          | 55,368   | 95,528    | 150,896   | (15)    | 1,624 | 642        | 2,266      |
| Training and Fire Programs.....                              | 124                   | 7,236    | 29,670    | 36,906    | 124          | 7,483    | 21,281    | 28,764    | ...     | 247   | (8,389)    | (8,142)    |
| Flood Insurance and Mitigation.....                          | 208                   | *        | *         | *         | 208          | *        | *         | *         | ...     | *     | *          | *          |
| Disaster Relief Administration (S&E)...                      | 292                   | 19,431   | ...       | 19,431    | 302          | 20,668   | ...       | 20,668    | 10      | 1,237 | ...        | 1,237      |
| Emergency Food and Shelter (S&E).....                        | 5                     | 245      | ...       | 245       | 5            | 256      | ...       | 256       | ...     | 11    | ...        | 11         |
| SUBTOTAL, EMERGENCY PLANNING,<br>ASSISTANCE AND SUPPORT..... | 2,134                 | 111,760  | 285,827   | 397,587   | 2,119        | 116,250  | 259,043   | 375,293   | (15)    | 4,490 | (26,784)   | (22,294)   |
| Management and Administration.....                           | 477                   | 52,603   | ...       | 52,603    | 477          | 55,027   | ...       | 55,027    | ...     | 2,424 | ...        | 2,424      |
| TOTAL, FEMA OPERATING ACCOUNTS.....                          | 2,611                 | 164,363  | 285,827   | 450,190   | 2,596        | 171,277  | 259,043   | 430,320   | (15)    | 6,914 | (26,784)   | (19,870)   |
| Office of the Inspector General.....                         | 70                    | ...      | ...       | 5,144     | 78           | ...      | ...       | 5,948     | 8       | ...   | ...        | 804        |
| National Insurance Development Fund....                      | 6                     | ...      | ...       | 1,800     | 6            | ...      | ...       | 1,558     | ...     | ...   | ...        | (242)      |
| National Flood Insurance Fund.....                           | ...                   | ...      | ...       | ...       | ...          | ...      | ...       | ...       | ...     | ...   | ...        | ...        |
| Disaster Relief Fund.....                                    | ...                   | ...      | ...       | 983,209   | ...          | ...      | ...       | 292,000   | ...     | ...   | ...        | (691,209)  |
| Disaster Loan Subsidy **.....                                | ...                   | ...      | ...       | 541       | ...          | ...      | ...       | 95        | ...     | ...   | ...        | (446)      |
| Emergency Food and Shelter.....                              | ...                   | ...      | ...       | 134,000   | ...          | ...      | ...       | 100,000   | ...     | ...   | ...        | (34,000)   |
| Bequests and Gifts (Disaster Relief)...                      | ...                   | ...      | ...       | 65        | ...          | ...      | ...       | 69        | ...     | ...   | ...        | 4          |
| Offsetting Receipts.....                                     | ...                   | ...      | ...       | (65)      | ...          | ...      | ...       | (69)      | ...     | ...   | ...        | (4)        |
| Reimbursable Workyears.....                                  | 75                    | ...      | ...       | ...       | 91           | ...      | ...       | ...       | 16      | ...   | ...        | ...        |
| REP - 100% Offsetting receipts.....                          | ...                   | ...      | ...       | ...       | ...          | ...      | ...       | (10,477)  | ...     | ...   | ...        | (10,477)   |
| TOTAL, FEMA APPROPRIATIONS.....                              | 2,762                 | ...      | ...       | 1,574,884 | 2,771        | ...      | ...       | 819,444   | 9       | ...   | ...        | (755,440)  |

\* Anticipated reimbursement from the National Flood Insurance Fund is distributed as follows:

|                                      | S&E    | EMPA   | TOTAL  | S&E    | EMPA   | TOTAL  | S&E   | EMPA  | TOTAL |
|--------------------------------------|--------|--------|--------|--------|--------|--------|-------|-------|-------|
| Flood Insurance and Mitigation ..... | 12,874 | 45,543 | 58,417 | 13,978 | 48,092 | 62,070 | 1,104 | 2,549 | 3,653 |

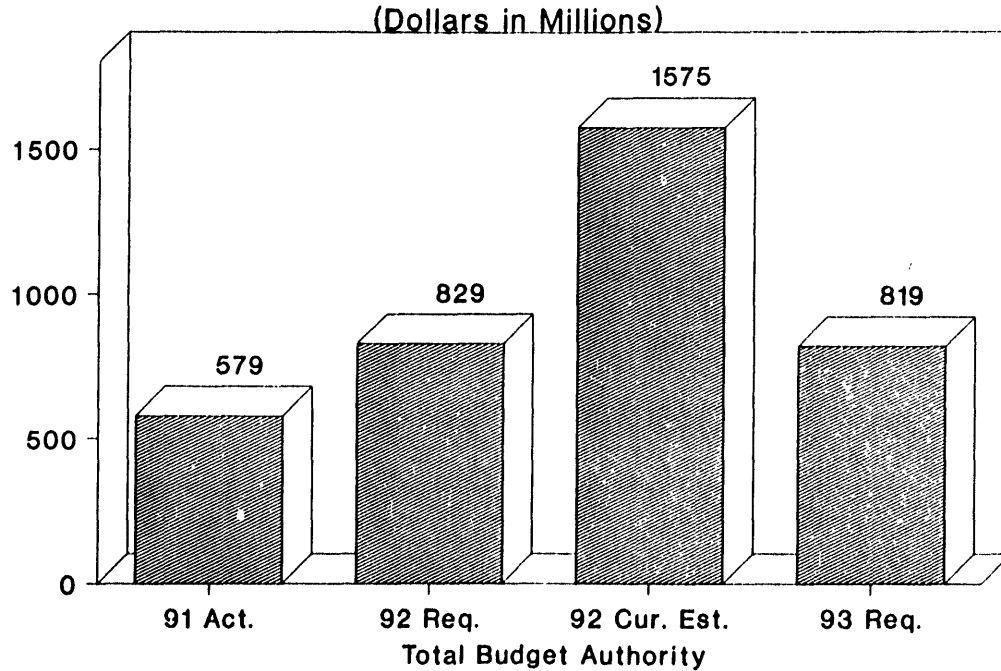
\*\* Disaster Loan Subsidy reflects \$95,000 for administrative expenses in 1993.

# EXPLANATION OF 1993 CHANGES

- o Civil Defense. The request includes a net decrease of \$16,056,000 and 14 workyears from the 1992 Current Estimate. The decrease is primarily a result of a "pause" in the purchase of radiological instrumentation and control and warning equipment.
- o National Earthquake Program and Other Hazards. The 1993 request includes a net reduction of \$2,614,000 from the 1992 level. This decrease is mainly attributable to the one-time increase in 1992 for construction of an earthquake lab at the University of Nevada. An increase of 3 workyears for the National Earthquake program is offset by a reduction of 3 workyears associated with the cessation of the Dam Safety program.
- o Technological Hazards. In 1993, the request includes a net increase of 4 workyears and \$1,004,000, reflecting salary base increases for the Radiological Emergency Preparedness (REP) program and staff to collect fees to cover 100 percent of the program in 1993.
- o Federal Preparedness. The request includes a net increase of \$2,266,000 and a decrease of 15 workyears.
- o Training and Fire Programs. This activity includes a net decrease of \$8,142,000. The reduction includes the elimination of SARA Title III training grants, funds for renovations at the National Emergency Training Center and other one-time adjustments to the 1992 request.
- o Flood Insurance and Mitigation. This activity is funded by reimbursements from the National Flood Insurance Fund. The 1993 request of 208 workyears and \$62,070,000 includes an increase of \$3,653,000. The increase includes funds for map revisions/amendments, mapping necessitated by the Coastal Barrier Improvement Act, and erosion and riverine studies.
- o Disaster Relief Administration (S&E). The 1993 request for this activity includes an increase of \$1,237,000 and 10 workyears to adequately support increased program monitoring, financial management, and revision of program regulations.
- o Emergency Food and Shelter (S&E). The 1993 request includes an increase of \$11,000 to fund pay costs.
- o Management and Administration. The 1993 requested increase of \$2,424,000 includes resources for the following: improving the Agency's financial management systems; supporting user fee initiatives; meeting the requirements of the Chief Financial Officer Act; and funding GSA rent and other uncontrollable increases.
- o Office of the Inspector General. The 1993 request includes an increase of 8 workyears and \$804,000 to improve the audit cycle with expanded coverage of FEMA programs and operations, improve post-disaster investigations, enhance field audit capability, and reduce the backlog of complex investigations.

- o National Insurance Development Fund. A reduction of \$242,000 in borrowing authority is estimated in the 1993 request. This request assumes that premiums will be annually increased by the maximum amount allowable (15%) under current law and reflects the effects of legislation (P.L.102-139) that canceled FEMA's requirement to repay Treasury for past borrowings and associated interest costs.
- o National Flood Insurance Program. No borrowing authority is requested for 1993. The request assumes full implementation of the FEMA administrative and program expense fees collection in 1993.
- o Disaster Relief Fund. An appropriation of \$292,095,000 is requested in 1993. The request assumes an average disaster year of \$320,000,000 with an offset of \$28,000,000 in savings as a result of regulatory changes to the program that will be in effect by 1993. The total request of \$292,095,000 also includes \$95,000 for the Disaster Assistance Direct Loan Program Account.

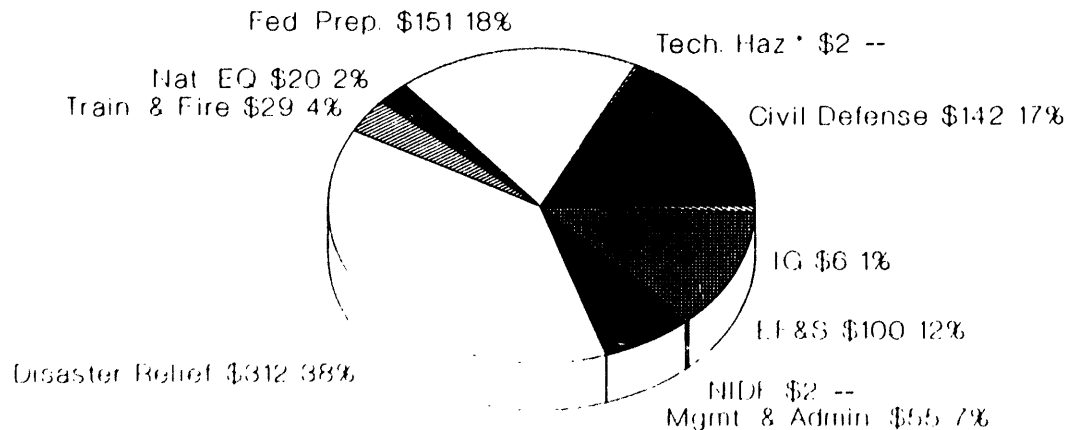
# Comparison of Budget Authority Levels FY 1991 Through FY 1993



(1992 current estimate includes an  
\$800 supplemental)

# FY 1993 Budget Authority by Activity

(Dollars in Millions)



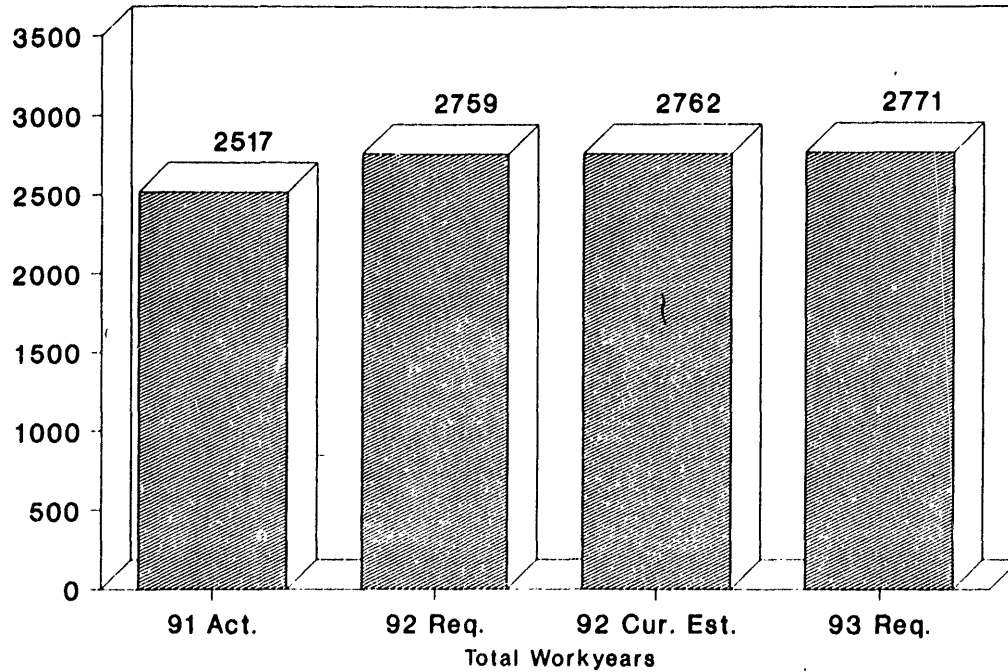
**Total Budget Authority (\$819)**

**\*Net of REP offsetting receipts (\$10)**

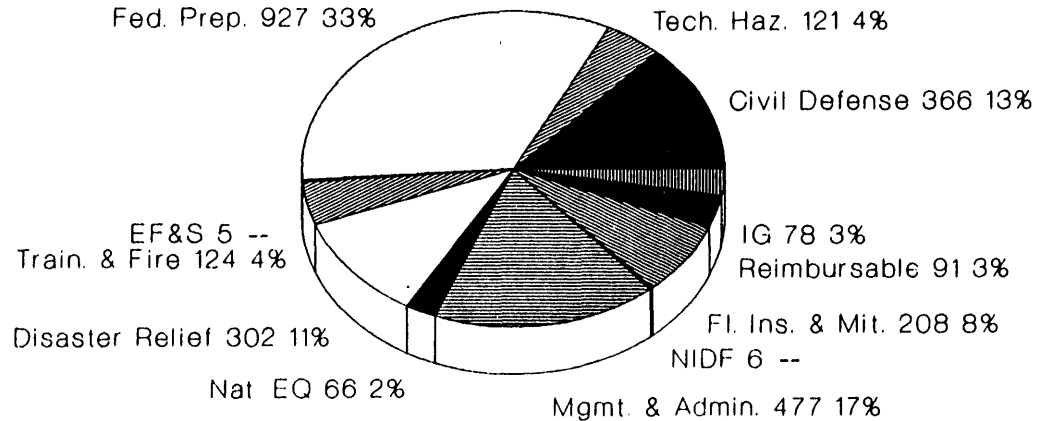
**-- Less than 1%**



# Comparison of Workyear Levels FY 1991 Through FY 1993



## FY 1993 Workyears by Activity



**Workyears (2,771)**  
**-- Less than 1%**

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress  
Summary of Changes to 1992 Current Estimate by Activity  
(Dollars in Thousands)

| <u>Activity/1993 Changes to 1992 Current Estimate</u>             | <u>WY</u> | <u>S&amp;E</u> | <u>EMPA</u> | <u>TOTAL</u> |
|---|-----------|----------------|-------------|--------------|
| Civil Defense:  |           |                |             |              |
| 1992 Current Estimate.....  | 380       | \$20,374       | \$138,247   | \$158,621    |
| 1993 Requested Changes:   |           |                |             |              |
| One Quarter of FY 1992 Pay Raise.....                             | ...       | 182            | ...         | 182          |
| 1993 Pay Costs.....   | ...       | 521            | ...         | 521          |
| Discontinuation of Specific Increases to 1992 Request:            |           |                |             |              |
| Emergency Operating Center (EOC) in Iowa.....                     | ...       | ...            | (1,500)     | (1,500)      |
| EOC Planning & Design in Vermont.....                             | ...       | ...            | (50)        | (50)         |
| Warning Sirens for Chicago.....                                   | ...       | ...            | (1,000)     | (1,000)      |
| Warning Sirens for Kansas.....                                    | ...       | ...            | (1,155)     | (1,155)      |
| Reversal of One-Time Only Reprogramming in 1992 Current Est...    | (14)      | (649)          | 1,200       | 551          |
| Elimination of Shelter Survey Program.....                        | (24)      | (1,330)        | (3,597)     | (4,927)      |
| Emphasis on Planning, Exercise, & Response.....                   | 24        | 1,325          | ...         | 1,325        |
| Pause in Facilities and Equip. Acquisition - Maintenance only.    | ...       | ...            | (10,053)    | (10,053)     |
| Requirements Study.....   | ...       | ...            | 1,000       | 1,000        |
| Rent Payment to SF for CD Test Facility.....                      | ...       | ...            | 250         | 250          |
| One-Time LAN/WAN Equipment Purchase in 1992.....                  | ...       | ...            | (1,200)     | (1,200)      |
| -----   | ---       | -----          | -----       | -----        |
| 1993 Request to Congress: Civil Defense.....                      | 366       | 20,423         | 122,142     | 142,565      |
| National Earthquake Program and Other Hazards:                    |           |                |             |              |
| 1992 Current Estimate.....  | 66        | 4,662          | 17,834      | 22,496       |
| 1993 Requested Changes:   |           |                |             |              |
| One Quarter of FY 1992 Pay Raise.....                             | ...       | 33             | ...         | 33           |
| 1993 Pay Costs.....   | ...       | 94             | ...         | 94           |
| Discontinuation of Specific Increases to 1992 Request:            |           |                |             |              |
| Construction of EQ Lab at University of Nevada - Reno.....        | ...       | ...            | (2,500)     | (2,500)      |
| Reversal of One-Time Only Reprogramming in 1992 Current Est...    | ...       | 37             | ...         | 37           |
| Earthquake Hazard Reduction Program Enhancement.....              | 3         | 289            | ...         | 289          |
| Elimination of Dam Safety Program.....                            | (3)       | (135)          | (432)       | (567)        |
| -----   | ---       | -----          | -----       | -----        |
| 1993 Request to Congress: National Earthquake Program & Other Haz | 66        | 4,980          | 14,902      | 19,882       |

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress  
Summary of Changes to 1992 Current Estimate by Activity  
(Dollars in Thousands)

| <u>Activity/1993 Changes to 1992 Current Estimate</u>          | <u>HY</u> | <u>S&amp;E</u> | <u>EMPA</u> | <u>TOTAL</u> |
|--|-----------|----------------|-------------|--------------|
| Technological Hazards:   |           |                |             |              |
| 1992 Current Estimate.....                                     | 117       | \$6,068        | \$5,190     | \$11,258     |
| 1993 Requested Changes:  |           |                |             |              |
| One Quarter of FY 1992 Pay Raise.....                          | ...       | 58             | ...         | 58           |
| 1993 Pay Costs.....  | ...       | 167            | ...         | 167          |
| Reversal of One-Time Only Reprogramming in 1992 Current Est... | ...       | 29             | ...         | 29           |
| Adequate S&E resources for Radiological Emergency Preparedness | ...       | 550            | ...         | 550          |
| Staff to Implement 100% User Fee Collection.....               | 4         | 200            | ...         | 200          |
|  | ---       | ---            | ---         | ---          |
| 1993 Request to Congress: Technological Hazards.....           | 121       | 7,072          | 5,190       | 12,262       |
| Federal Preparedness:  |           |                |             |              |
| 1992 Current Estimate.....                                     | 942       | 53,744         | 94,886      | 148,630      |
| 1993 Requested Changes:  |           |                |             |              |
| One Quarter of FY 1992 Pay Raise.....                          | ...       | 469            | ...         | 469          |
| 1993 Pay Costs.....  | ...       | 1,336          | ...         | 1,336        |
| Reversal of One-Time Only Reprogramming in 1992 Current Est... | ...       | 839            | (1,200)     | (361)        |
| 1993 Workyear Reduction.....                                   | (15)      | (750)          | ...         | (750)        |
| Items in Government Preparedness Submission.....               | ...       | (270)          | 1,842       | 1,572        |
|  | ---       | ---            | ---         | ---          |
| 1993 Request to Congress: Federal Preparedness.....            | 927       | 55,368         | 95,528      | 150,896      |

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress  
Summary of Changes to 1992 Current Estimate by Activity  
(Dollars in Thousands)

| Activity/1993 Changes to 1992 Current Estimate                    | MY    | S&E      | EMPA     | TOTAL    |
|---|-------|----------|----------|----------|
| Training and Fire Programs:                                       |       |          |          |          |
| 1992 Current Estimate.....  | 124   | \$7,236  | \$29,670 | \$36,906 |
| 1993 Requested Changes:   |       |          |          |          |
| One Quarter of FY 1992 Pay Raise.....                             | ...   | 62       | ...      | 62       |
| 1993 Pay Costs.....   | ...   | 177      | ...      | 177      |
| Discontinuation of Specific Increases to 1992 Request:            |       |          |          |          |
| SARA Title III grants.....  | ...   | ...      | (3,000)  | (3,000)  |
| Building Renovations at NETC.....                                 | ...   | ...      | (2,260)  | (2,260)  |
| Hazardous Materials Training Facility in Waterloo, Iowa....       | ...   | ...      | (1,000)  | (1,000)  |
| Hazardous Materials Training Facility in Vermont.....             | ...   | ...      | (115)    | (115)    |
| Reversal of One-Time Only Reprogramming in 1992 Current Est...    | ...   | 8        | ...      | 8        |
| NETC Site Renovations (Reduction to Base).....                    | ...   | ...      | (2,014)  | (2,014)  |
| -----   | ----- | -----    | -----    | -----    |
| 1993 Request to Congress: Training and Fire Programs.....         | 124   | 7,483    | 21,281   | 28,764   |
| Flood Insurance and Mitigation:                                   |       |          |          |          |
| 1992 Current Estimate.....  | 208   | 12,874   | 45,023   | 57,897   |
| 1993 Requested Changes:   |       |          |          |          |
| One Quarter of FY 1992 Pay Raise.....                             | ...   | 104      | ...      | 104      |
| 1993 Pay Costs.....   | ...   | 324      | ...      | 324      |
| 1993 Workyear Reduction.....                                      | (5)   | ...      | ...      | ...      |
| Map Revisions/Amendments.....                                     | ...   | ...      | 1,000    | 1,000    |
| Erosion/Riverine Studies.....                                     | ...   | 193      | ...      | 193      |
| Community Rating System.....                                      | 5     | 483      | ...      | 483      |
| Coastal Barriers Improvement Act Mapping.....                     | ...   | ...      | 1,319    | 1,319    |
| Flood Hazard Reduction Enhancement.....                           | ...   | ...      | 750      | 750      |
| -----   | ----- | -----    | -----    | -----    |
| 1993 Reimbursable Obligations for Flood Insurance and Mitigation. | 208   | 13,978   | 48,092   | 62,070   |
| Less Fees Collected from Policyholders.....                       | ...   | (13,978) | (48,092) | (62,070) |
| -----   | ----- | -----    | -----    | -----    |
| 1993 Request to Congress: Flood Insurance & Mitigation.....       | 208   | ...      | ...      | ...      |

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress  
Summary of Changes to 1992 Current Estimate by Activity  
(Dollars in Thousands)

| <u>Activity/1993 Changes to 1992 Current Estimate</u>          | <u>HY</u> | <u>S&amp;E</u> | <u>EMPA</u> | <u>TOTAL</u> |
|--|-----------|----------------|-------------|--------------|
| Disaster Relief Administration:                                |           |                |             |              |
| 1992 Current Estimate...                                       | 292       | \$19,431       | ...         | \$19,431     |
| 1993 Requested Changes:  |           |                |             |              |
| One Quarter of FY 1992 Pay Raise.....                          | ...       | 131            | ...         | 131          |
| 1993 Pay Costs.....  | ...       | 377            | ...         | 377          |
| Reversal of One-Time Only Reprogramming in 1992 Current Est... | ...       | 41             | ...         | 41           |
| Additional Program and Financial Management for Disasters..... | 10        | 688            | ...         | 688          |
|  | ---       | ----           | ---         | ----         |
| 1993 Request to Congress: Disaster Relief Administration.....  | 302       | 20,668         | ...         | 20,668       |
| Emergency Food and Shelter (S&E):                              |           |                |             |              |
| 1992 Current Estimate.....                                     | 5         | 245            | ...         | 245          |
| 1993 Requested Changes:  |           |                |             |              |
| One Quarter of FY 1992 Pay Raise.....                          | ...       | 3              | ...         | 3            |
| 1993 Pay Costs.....  | ...       | 7              | ...         | 7            |
| Reversal of One-Time Only Reprogramming in 1992 Current Est... | ...       | 1              | ...         | 1            |
|  | ---       | ---            | ---         | ---          |
| 1993 Request to Congress: Emergency Food & Shelter (S&E).....  | 5         | 256            | ...         | 256          |

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress  
Summary of Changes to 1992 Current Estimate by Activity  
(Dollars in Thousands)

| <u>Activity/1993 Changes to 1992 Current Estimate</u>                                     | <u>HY</u> | <u>SE</u> | <u>FMPA</u> | <u>TOTAL</u> |
|---|-----------|-----------|-------------|--------------|
| Management and Administration:  |           |           |             |              |
| 1992 Current Estimate.....  | 477       | \$52,603  | ...         | \$52,603     |
| 1993 Requested Changes:   |           |           |             |              |
| One Quarter of FY 1992 Pay Raise.....   | ...       | 237       | ...         | 237          |
| 1993 Pay Costs.....   | ...       | 679       | ...         | 679          |
| Reversal of One-Time Only Reprogramming in 1992 Current Est...                            | ...       | (308)     | ...         | (308)        |
| 1993 Workyear Reduction.....  | (8)       | (360)     | ...         | (360)        |
| Administrative Support for REP Fee Collections:   |           |           |             |              |
| General Counsel.....  | 1         | 50        | ...         | 50           |
| Financial Management.....   | 1         | 50        | ...         | 50           |
| CFO Act Related Improvements.....   | 5         | 334       | ...         | 334          |
| Offset to Program Analysis & Eval. to Fund CFO Improvements...                            | (5)       | (334)     | ...         | (334)        |
| Financial Systems Improvements.....   | 3         | 900       | ...         | 900          |
| Accounting Enhancement.....   | 3         | 126       | ...         | 126          |
| Rent Increase (6%).....   | ...       | 696       | ...         | 696          |
| Space Increase.....   | ...       | 1,694     | ...         | 1,694        |
| Reduction in Telephone Costs Because of FTS 2000.....                                     | ...       | (140)     | ...         | (140)        |
| One-Time LAN/WAN Equipment Purchase in 1992.....  | ...       | (1,200)   | ...         | (1,200)      |
| -----   | -----     | -----     | -----       | -----        |
| 1993 Request to Congress: Management & Administration.....                                | 477       | 55,027    | ...         | 55,027       |
| -----   | -----     | -----     | -----       | -----        |
| TOTAL, 1993 REQUEST FOR FEMA OPERATING PROGRAMS AND<br>MANAGEMENT AND ADMINISTRATION..... | 2,596     | 171,277   | 259,043     | 430,320      |

185

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress  
Summary of Changes to 1992 Current Estimate by Activity  
(Dollars in Thousands)

| Activity/1993 Changes to 1992 Current Estimate                       | FY  | S&E | EMPA | TOTAL     |
|--|-----|-----|------|-----------|
| Office of Inspector General:   |     |     |      |           |
| 1992 Current Estimate.....   | 70  |     |      | \$5,144   |
| 1993 Requested Changes:  |     |     |      |           |
| One Quarter of FY 1992 Pay Raise.....                                | ... |     |      | 23        |
| 1993 Pay Costs.....  | ... |     |      | 118       |
| 1993 Workyear Reduction.....   | (2) |     |      | (100)     |
| Enhancement of IG Resources to Meet Requirements of IG Act....       | 10  |     |      | 763       |
|  | --- |     |      | -----     |
| 1993 Request to Congress: Office of Inspector General.....           | 78  |     |      | 5,948     |
| Disaster Relief:   |     |     |      |           |
| 1992 Current Estimate.....   | ... |     |      | 984,459   |
| Loan Subsidy & Loan Admin. Expenses.....                             | ... |     |      | 541       |
| 1993 Requested Changes:  |     |     |      |           |
| Reduction to "Average Year" of Disaster Activity.....                | ... |     |      | (664,905) |
| Savings from Changes to Regulations.....                             | ... |     |      | (28,000)  |
|  | --- |     |      | -----     |
| 1993 Request to Congress: Disaster Relief*.....                      | ... |     |      | 292,095   |
| Emergency Food and Shelter:  |     |     |      |           |
| 1992 Current Estimate.....   | ... |     |      | 134,000   |
| 1993 Requested Changes:  |     |     |      |           |
| Change Emphasis to More Permanent Programs.....                      | ... |     |      | (34,000)  |
|  | --- |     |      | -----     |
| 1993 Request to Congress: Emergency Food & Shelter.....              | ... |     |      | 100,000   |
| National Flood Insurance Fund:                                       |     |     |      |           |
| 1992 Current Estimate, 1993 Request to Congress: Flood Insurance ... |     |     |      | ...       |

\* Includes Loan Admin. Expenses of \$95,000.



FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress  
Summary of Changes to 1992 Current Estimate by Activity  
(Dollars in Thousands)

| <u>Activity/1993 Changes to 1992 Current Estimate</u>              | <u>HY</u> | <u>S&amp;E</u> | <u>EMPA</u> | <u>TOTAL</u> |
|--|-----------|----------------|-------------|--------------|
| National Insurance Development Fund:                               |           |                |             |              |
| 1992 Current Estimate.....   | 6         |                |             | \$1,800      |
| 1993 Requested Changes:  |           |                |             |              |
| Adjustments.....   | ...       |                |             | (242)        |
|  |           |                |             | -----        |
| 1993 Request to Congress: National Insurance Development Fund...   | 6         |                |             | 1,558        |
| Offsetting Receipts - Radiological Emergency Preparedness Program: |           |                |             |              |
| 1992 Current Estimate.....   | ...       |                |             | 0            |
| 1993 Requested Changes:  |           |                |             |              |
| 100% Collection - Increase in REP Program Costs.....               | ...       |                |             | (10,477)     |
|  |           |                |             | -----        |
| 1993 Request to Congress: Offsetting Receipts (REP).....           | ...       |                |             | (10,477)     |
| Reimbursable Workyears:  |           |                |             |              |
| 1992 Current Estimate.....   | 75        |                |             | ...          |
| 1993 Requested Changes:  |           |                |             |              |
| HMTUSA Transfer from DOT.....                                      | 16        |                |             | ...          |
|  |           |                |             | ---          |
| 1993 Request to Congress: Reimbursable Workyears.....              | 91        |                |             | ...          |
|  |           |                |             | -----        |
| TOTAL, 1993 REQUEST FOR FEMA.....                                  | 2,771     |                |             | 819,444 ]    |

187

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress by Program  
(Dollars in Thousands)

|   | 1991 Actual |         |          |          | 1992 Request |         |          |          | 1992 Current Estimate |         |          |          | 1993 Request |         |          |          | Increase/Decrease |          |          |          |
|---|-------------|---------|----------|----------|--------------|---------|----------|----------|-----------------------|---------|----------|----------|--------------|---------|----------|----------|-------------------|----------|----------|----------|
|   | WY          | S&E     | EMPA     | TOTAL    | WY           | S&E     | EMPA     | TOTAL    | WY                    | S&E     | EMPA     | TOTAL    | WY           | S&E     | EMPA     | TOTAL    | WY                | S&E      | EMPA     | TOTAL    |
| <b>Civil Defense</b>                                |             |         |          |          |              |         |          |          |                       |         |          |          |              |         |          |          |                   |          |          |          |
| A. State and Local Emergency Management             |             |         |          |          |              |         |          |          |                       |         |          |          |              |         |          |          |                   |          |          |          |
| 1. Emergency Management Assistance...               | 25          | \$1,521 | \$63,128 | \$64,649 | 27           | \$1,513 | \$60,128 | \$61,641 | 27                    | \$1,393 | \$62,128 | \$63,521 | 27           | \$1,393 | \$62,128 | \$63,521 | ...               | ...      | ...      | ...      |
| 2. Other Assistance.....                            | 102         | 5,646   | 21,131   | 26,777   | 106          | 5,356   | 21,113   | 26,469   | 106                   | 5,799   | 20,899   | 26,698   | 80           | 4,664   | 20,617   | 25,281   | (26)              | (81,135) | (8282)   | (81,417) |
| Subtotal, S&L Emergency Mgt.....                    | 127         | 7,167   | 84,259   | 91,426   | 133          | 6,869   | 81,241   | 88,110   | 133                   | 7,192   | 83,027   | 90,219   | 107          | 6,057   | 82,745   | 88,802   | (26)              | (1,135)  | (282)    | (1,417)  |
| B. Facilities and Equipment.....                    | 72          | 4,417   | 21,869   | 26,286   | 77           | 4,334   | 19,724   | 24,058   | 77                    | 4,314   | 23,614   | 27,928   | 68           | 4,044   | 7,437    | 11,481   | (9)               | (270)    | (15,977) | (16,247) |
| C. Planning, Exercising and Response...             | 21          | 1,320   | 2,104    | 3,424    | 22           | 1,185   | 2,096    | 3,281    | 22                    | 1,232   | 1,742    | 2,974    | 46           | 2,667   | 3,096    | 5,763    | 24                | 1,435    | 1,354    | 2,789    |
| D. Training.....                                    | 59          | 3,161   | 9,648    | 12,809   | 61           | 3,215   | 9,567    | 12,782   | 61                    | 3,094   | 9,550    | 12,644   | 60           | 3,095   | 9,550    | 12,645   | (1)               | 1        | ...      | 1        |
| E. Telecommunications .....                         | 81          | 4,525   | 18,805   | 23,330   | 87           | 4,880   | 20,517   | 25,397   | 87                    | 4,542   | 20,314   | 24,856   | 85           | 4,560   | 19,114   | 23,674   | (2)               | 18       | (1,200)  | (1,182)  |
| Subtotal, Civil Defense.....                        | 360         | 20,590  | 136,685  | 157,275  | 380          | 20,483  | 133,145  | 153,628  | 380                   | 20,374  | 138,247  | 158,421  | 366          | 20,423  | 122,142  | 142,565  | (14)              | 69       | (16,105) | (16,056) |
| <b>Nat'l Earthquake Program &amp; Other Hazards</b> |             |         |          |          |              |         |          |          |                       |         |          |          |              |         |          |          |                   |          |          |          |
| A. National Earthquake Program *                    | 20          | 2,033   | 12,529   | 14,562   | 43           | 3,571   | 13,985   | 17,556   | 43                    | 3,537   | 16,308   | 19,845   | 46           | 3,944   | 13,808   | 17,752   | 3                 | 407      | (2,500)  | (2,093)  |
| B. Hurricane.....                                   | 5           | 363     | 895      | 1,258    | 5            | 258     | 896      | 1,154    | 5                     | 254     | 896      | 1,152    | 5            | 268     | 896      | 1,164    | ...               | 12       | ...      | 12       |
| C. Dam Safety.....                                  | 3           | 218     | 431      | 649      | 3            | 135     | 432      | 567      | 3                     | 135     | 432      | 567      | ...          | ...     | ...      | ...      | (3)               | (135)    | (432)    | (567)    |
| D. Hazard Mitigation Assistance.....                | 2           | 165     | 197      | 362      | 2            | 103     | 200      | 303      | 2                     | 103     | 198      | 301      | 2            | 107     | 198      | 305      | ...               | 4        | ...      | 4        |
| E. Policy and Planning.....                         | 12          | 871     | ...      | 871      | 13           | 637     | ...      | 637      | 13                    | 631     | ...      | 631      | 13           | 661     | ...      | 661      | ...               | 30       | ...      | 30       |
| Subtotal, EO & Other Hazards.....                   | 50          | 3,630   | 14,052   | 17,682   | 66           | 4,704   | 15,513   | 20,217   | 66                    | 4,662   | 17,834   | 22,496   | 66           | 4,980   | 14,902   | 19,882   | ...               | 318      | (2,932)  | (2,614)  |
| <b>Technological Hazards</b>                        |             |         |          |          |              |         |          |          |                       |         |          |          |              |         |          |          |                   |          |          |          |
| A. Radiological Emergency Preparedness...           | 87          | 4,882   | 4,624    | 9,506    | 95           | 4,918   | 4,651    | 9,569    | 95                    | 4,918   | 4,605    | 9,523    | 99           | 5,872   | 4,605    | 10,477   | 4                 | 954      | ...      | 954      |
| B. Hazardous Materials.....                         | 19          | 1,066   | 590      | 1,656    | 22           | 1,150   | 591      | 1,741    | 22                    | 1,150   | 585      | 1,735    | 22           | 1,200   | 585      | 1,785    | ...               | 50       | ...      | 50       |
| Subtotal, Tech Hazards.....                         | 106         | 5,948   | 5,214    | 11,162   | 117          | 6,068   | 5,242    | 11,310   | 117                   | 6,068   | 5,190    | 11,258   | 121          | 7,072   | 5,190    | 12,262   | 4                 | 1,004    | ...      | 1,004    |

\* Carryover amounts of \$276K for S&E and \$2,462K for EMPA not displayed in 1992 Current Estimate for National Earthquake Program.

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress by Program  
(Dollars in Thousands)

|   | 1991 Actual |         |         |           | 1992 Request |         |         |           | 1992 Current Estimate |         |         |           | 1993 Request |         |         |           | Increase/Decrease |        |         |         |
|---|-------------|---------|---------|-----------|--------------|---------|---------|-----------|-----------------------|---------|---------|-----------|--------------|---------|---------|-----------|-------------------|--------|---------|---------|
|   | WT          | SAE     | EMPA    | TOTAL     | WT           | SAE     | EMPA    | TOTAL     | WT                    | SAE     | EMPA    | TOTAL     | WT           | SAE     | EMPA    | TOTAL     | WT                | SAE    | EMPA    | TOTAL   |
| <b>Federal Preparedness</b>                   |             |         |         |           |              |         |         |           |                       |         |         |           |              |         |         |           |                   |        |         |         |
| <b>A. Government Preparedness</b>             |             |         |         |           |              |         |         |           |                       |         |         |           |              |         |         |           |                   |        |         |         |
| 1. Government Preparedness.....               | 845         | 845,243 | 895,337 | 1,140,580 | 868          | 851,677 | 896,053 | 1,147,730 | 868                   | 848,981 | 890,648 | 1,139,629 | 860          | 850,460 | 891,290 | 1,141,750 | (8)               | 81,479 | 8642    | 82,121  |
| Subtotal, Govt. Preparedness.....             | 845         | 845,243 | 895,337 | 1,140,580 | 868          | 851,677 | 896,053 | 1,147,730 | 868                   | 848,981 | 890,648 | 1,139,629 | 860          | 850,460 | 891,290 | 1,141,750 | (8)               | 1,479  | 642     | 2,121   |
| <b>B. Government Plans &amp; Capabilities</b> |             |         |         |           |              |         |         |           |                       |         |         |           |              |         |         |           |                   |        |         |         |
| 1. Mobilization Preparedness.....             | 27          | 1,781   | 1,304   | 3,085     | 28           | 1,784   | 1,317   | 3,101     | 28                    | 1,925   | 1,305   | 3,230     | 28           | 1,981   | 1,305   | 3,286     | ...               | 56     | ...     | 56      |
| 2. Mobilization Assessment.....               | 12          | 803     | 914     | 1,717     | 13           | 836     | 914     | 1,750     | 13                    | 903     | 934     | 1,807     | 12           | 922     | 904     | 1,826     | (1)               | 19     | ...     | 19      |
| 3. Federal Readiness.....                     | 20          | 1,109   | 1,018   | 2,127     | 22           | 1,131   | 1,549   | 2,680     | 22                    | 1,233   | 1,534   | 2,767     | 16           | 1,284   | 1,534   | 2,818     | (6)               | 51     | ...     | 51      |
| 4. Plans and Authorities.....                 | 10          | 585     | 495     | 1,080     | 11           | 613     | 500     | 1,113     | 11                    | 702     | 495     | 1,197     | 11           | 721     | 495     | 1,216     | ...               | 19     | ...     | 19      |
| Subtotal, Gov't Plans & Capabil...            | 69          | 4,278   | 3,731   | 8,009     | 74           | 4,364   | 4,280   | 8,644     | 74                    | 4,763   | 4,238   | 9,001     | 67           | 4,908   | 4,238   | 9,146     | (7)               | 145    | ...     | 145     |
| Subtotal, Federal Preparedness.....           | 914         | 69,521  | 99,068  | 148,589   | 942          | 86,041  | 100,333 | 156,374   | 942                   | 83,744  | 94,886  | 148,630   | 927          | 85,368  | 95,528  | 150,896   | (15)              | 1,624  | 642     | 2,266   |
| <b>Training and Fire Programs</b>             |             |         |         |           |              |         |         |           |                       |         |         |           |              |         |         |           |                   |        |         |         |
| <b>A. Emergency Management Institute</b>      |             |         |         |           |              |         |         |           |                       |         |         |           |              |         |         |           |                   |        |         |         |
| 1. Instructional Progs. & Materials.          | ...         | ...     | 1,093   | 1,093     | 3            | 165     | 2,068   | 2,233     | 3                     | 165     | 2,068   | 2,233     | 3            | 171     | 2,068   | 2,239     | ...               | 6      | ...     | 6       |
| 2. Training Field Deployment Systems          | 3           | 118     | 5,948   | 6,066     | ...          | ...     | 820     | 820       | ...                   | ...     | 3,782   | 3,782     | ...          | ...     | 782     | 782       | ...               | ...    | (3,000) | (3,000) |
| 3. Resident Programs.....                     | 9           | 352     | 1,172   | 1,524     | 9            | 419     | 1,042   | 1,461     | 9                     | 419     | 1,051   | 1,470     | 9            | 438     | 1,051   | 1,489     | ...               | 19     | ...     | 19      |
| 4. NERC Site Administration.....              | ...         | ...     | 273     | 273       | ...          | ...     | 758     | 758       | ...                   | ...     | 749     | 749       | ...          | ...     | 749     | 749       | ...               | ...    | ...     | ...     |
| Subtotal, EMI.....                            | 12          | 470     | 8,466   | 8,956     | 12           | 584     | 4,728   | 5,312     | 12                    | 584     | 7,650   | 8,234     | 12           | 609     | 4,650   | 5,259     | ...               | 25     | (3,000) | (2,975) |
| <b>B. National Fire Academy</b>               |             |         |         |           |              |         |         |           |                       |         |         |           |              |         |         |           |                   |        |         |         |
| 1. Instructional Progs. & Materials.          | 18          | 929     | 1,584   | 2,513     | 28           | 1,598   | 2,846   | 4,444     | 28                    | 1,590   | 2,789   | 4,379     | 28           | 1,645   | 2,539   | 4,184     | ...               | 55     | (250)   | (195)   |
| 2. Training Field Deployment Systems          | 9           | 464     | 848     | 1,312     | 9            | 464     | 770     | 1,234     | 9                     | 462     | 770     | 1,232     | 9            | 480     | 770     | 1,250     | ...               | 18     | ...     | 18      |
| 3. Resident Programs.....                     | 23          | 1,187   | 2,050   | 3,237     | 23           | 1,178   | 2,140   | 3,318     | 23                    | 1,172   | 2,140   | 3,312     | 23           | 1,217   | 2,390   | 3,607     | ...               | 45     | 250     | 295     |
| 4. NERC Site Administration.....              | 21          | 1,084   | 6,954   | 8,038     | 22           | 1,782   | 4,852   | 6,634     | 22                    | 1,776   | 7,041   | 8,815     | 22           | 1,818   | 2,747   | 4,585     | ...               | 44     | (4,274) | (4,230) |
| Subtotal, NFA.....                            | 71          | 3,664   | 11,436  | 15,100    | 82           | 5,022   | 10,608  | 15,630    | 82                    | 4,998   | 12,740  | 17,738    | 82           | 5,160   | 8,466   | 13,626    | ...               | 162    | (4,274) | (4,112) |

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress by Program  
(Dollars in Thousands)

|  | 1991 Actual |          |          |          | 1992 Request |          |          |          | 1992 Current Estimate |          |          |          | 1993 Request |          |          |          | Increase/Decrease |         |          |          |
|--|-------------|----------|----------|----------|--------------|----------|----------|----------|-----------------------|----------|----------|----------|--------------|----------|----------|----------|-------------------|---------|----------|----------|
|  | WY          | S&E      | EMPA     | TOTAL    | WY           | S&E      | EMPA     | TOTAL    | WY                    | S&E      | EMPA     | TOTAL    | WY           | S&E      | EMPA     | TOTAL    | WY                | S&E     | EMPA     | TOTAL    |
| <b>C. U.S. Fire Administration</b>                                     |             |          |          |          |              |          |          |          |                       |          |          |          |              |          |          |          |                   |         |          |          |
| 1. Fire Prevention and Arson Control                                   | 5           | 9320     | 93,054   | 93,374   | 8            | 9440     | 95,258   | 95,698   | 8                     | 9438     | 95,199   | 95,637   | 9            | 9454     | 95,199   | 95,653   | 1                 | 816     | ...      | 816      |
| 2. Fed. Fire Policy & Coordination...                                  | 6           | 382      | 261      | 643      | 12           | 675      | 817      | 1,492    | 12                    | 671      | 808      | 1,479    | 11           | 695      | 808      | 1,503    | (1)               | 24      | ...      | 24       |
| 3. Firefighter Health and Safety....                                   | 5           | 316      | 1,136    | 1,452    | 6            | 329      | 1,099    | 1,428    | 6                     | 328      | 2,201    | 2,529    | 6            | 340      | 1,086    | 1,426    | ...               | 12      | (81,113) | (1,103)  |
| 4. Fire Data and Analysis.....   | 4           | 254      | 884      | 1,138    | 4            | 218      | 887      | 1,105    | 4                     | 217      | 877      | 1,094    | 4            | 225      | 877      | 1,102    | ...               | 8       | ...      | 8        |
| 5. METC Site Administration.....                                       | ...         | ...      | 191      | 191      | ...          | ...      | 197      | 197      | ...                   | ...      | 195      | 195      | ...          | ...      | 195      | 195      | ...               | ...     | ...      | ...      |
| Subtotal, USFA.....  | 20          | 1,272    | 5,526    | 6,798    | 30           | 1,662    | 8,258    | 9,920    | 30                    | 1,654    | 9,280    | 10,934   | 30           | 1,714    | 8,165    | 9,879    | ...               | 60      | (1,113)  | (1,055)  |
| Subtotal, Training & Fire Programs...                                  | 103         | 5,406    | 25,448   | 30,854   | 124          | 7,268    | 23,594   | 30,862   | 124                   | 7,236    | 29,670   | 36,906   | 124          | 7,483    | 21,281   | 28,764   | ...               | 247     | (8,389)  | (8,142)  |
| <b>Flood Insurance and Mitigation *</b>                                |             |          |          |          |              |          |          |          |                       |          |          |          |              |          |          |          |                   |         |          |          |
| <b>A. Flood Plain Management</b>                                       |             |          |          |          |              |          |          |          |                       |          |          |          |              |          |          |          |                   |         |          |          |
| 1. Flood Studies and Surveys.....                                      | 53          | 3,054    | 36,277   | 39,331   | 53           | 3,234    | 34,783   | 38,019   | 53                    | 3,236    | 34,783   | 38,019   | 53           | 3,346    | 37,102   | 40,448   | ...               | 110     | 2,319    | 2,429    |
| 2. Flood Hazard Reduction.....   | 80          | 4,443    | 4,315    | 8,758    | 95           | 5,438    | 5,520    | 10,958   | 95                    | 5,438    | 5,520    | 10,958   | 95           | 6,309    | 4,270    | 12,579   | ...               | 871     | 750      | 1,621    |
| 3. Purchase of Property.....   | 6           | 333      | 4,200    | 4,533    | 6            | 340      | 4,720    | 5,060    | 6                     | 340      | 5,240    | 5,580    | 6            | 352      | 4,720    | 5,072    | ...               | 12      | (520)    | (508)    |
| Subtotal, Flood Plain Management...                                    | 141         | 7,830    | 44,792   | 52,622   | 154          | 9,014    | 45,023   | 54,037   | 154                   | 9,014    | 45,543   | 54,557   | 154          | 10,007   | 46,092   | 58,099   | ...               | 993     | 2,549    | 3,542    |
| <b>B. Insurance Activities (S&amp;E).....</b>                          |             |          |          |          |              |          |          |          |                       |          |          |          |              |          |          |          |                   |         |          |          |
| Subtotal, Flood Ins. & Mit. Oblig...                                   | 191         | 11,039   | 44,792   | 55,831   | 208          | 12,874   | 45,023   | 57,897   | 208                   | 12,874   | 45,543   | 58,417   | 208          | 13,978   | 48,092   | 62,070   | ...               | 1,104   | 2,549    | 3,653    |
| Less Fee from Policyholders.....                                       | ...         | (11,039) | (44,792) | (55,831) | ...          | (12,874) | (45,023) | (57,897) | ...                   | (12,874) | (45,543) | (58,417) | ...          | (13,978) | (48,092) | (62,070) | ...               | (1,104) | (2,549)  | (3,653)  |
| Subtotal, Flood Ins & Mit. (Direct)...                                 | 191         | ...      | ...      | ...      | 208          | ...      | ...      | ...      | 208                   | ...      | ...      | ...      | 208          | ...      | ...      | ...      | ...               | ...     | ...      | ...      |
| Disaster Relief Administration (S&E)...                                | 223         | 11,664   | ...      | 11,664   | 289          | 19,277   | ...      | 19,277   | 292                   | 19,431   | ...      | 19,431   | 302          | 20,668   | ...      | 20,668   | 10                | 1,237   | ...      | 1,237    |
| Emergency Food & Shelter (S&E).....                                    | 5           | 238      | ...      | 238      | 5            | 247      | ...      | 247      | 5                     | 245      | ...      | 245      | 5            | 256      | ...      | 256      | ...               | 11      | ...      | 11       |
| SUBTOTAL, EMERG. PLNG. ASSIST. & SUP....                               | 1,952       | 96,997   | 280,467  | 377,464  | 2,131        | 114,088  | 277,827  | 391,915  | 2,134                 | 111,760  | 285,827  | 397,587  | 2,119        | 116,250  | 259,043  | 375,293  | (15)              | 4,490   | (26,784) | (22,294) |
| Management and Administration.....                                     | 434         | 44,505   | ...      | 44,505   | 477          | 52,275   | ...      | 52,275   | 477                   | 52,603   | ...      | 52,603   | 477          | 55,027   | ...      | 55,027   | ...               | 2,424   | ...      | 2,424    |
| TOTAL, FEMA OPERATING PROGRAMS AND<br>MANAGEMENT & ADMINISTRATION..... | 2,386       | 161,502  | 280,467  | 621,969  | 2,608        | 166,363  | 277,827  | 444,190  | 2,611                 | 164,363  | 285,827  | 450,190  | 2,596        | 171,277  | 259,043  | 430,320  | (15)              | 6,914   | (26,784) | (19,870) |

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress by Program  
(Dollars in Thousands)

|                                      | 1991 Actual |        |      |        | 1992 Request |        |      |        | 1992 Current Estimate |        |      |        | 1993 Request |        |      |        | Increase/Decrease |         |      |         |
|--------------------------------------|-------------|--------|------|--------|--------------|--------|------|--------|-----------------------|--------|------|--------|--------------|--------|------|--------|-------------------|---------|------|---------|
|                                      | MY          | S&E    | EMPA | TOTAL  | MY           | S&E    | EMPA | TOTAL  | MY                    | S&E    | EMPA | TOTAL  | MY           | S&E    | EMPA | TOTAL  | MY                | S&E     | EMPA | TOTAL   |
| <b>Management and Administration</b> |             |        |      |        |              |        |      |        |                       |        |      |        |              |        |      |        |                   |         |      |         |
| A. Office of the Director.....       | 9           | 9707   | ...  | 9707   | 8            | 9716   | ...  | 9716   | 8                     | 9710   | ...  | 9710   | 8            | 9730   | ...  | 9730   | ...               | 920     | ...  | 920     |
| B. General Counsel.....              | 20          | 1,532  | ...  | 1,532  | 23           | 1,690  | ...  | 1,690  | 23                    | 1,672  | ...  | 1,672  | 24           | 1,779  | ...  | 1,779  | 1                 | 107     | ...  | 107     |
| C. Office of Executive Director..... | 192         | 23,507 | ...  | 23,507 | 210          | 26,561 | ...  | 26,561 | 210                   | 26,962 | ...  | 26,962 | 200          | 28,006 | ...  | 28,006 | (10)              | 1,864   | ...  | 1,864   |
| D. Financial Management.....         | 78          | 6,351  | ...  | 6,351  | 81           | 5,486  | ...  | 5,486  | 81                    | 5,433  | ...  | 5,433  | 90           | 6,903  | ...  | 6,903  | 9                 | 1,470   | ...  | 1,470   |
| <b>E. Information Services</b>       |             |        |      |        |              |        |      |        |                       |        |      |        |              |        |      |        |                   |         |      |         |
| 1. Information Systems.....          | 15          | 939    | ...  | 939    | 25           | 2,760  | ...  | 2,760  | 25                    | 2,745  | ...  | 2,745  | 25           | 1,598  | ...  | 1,598  | ...               | (1,147) | ...  | (1,147) |
| 2. Administrative Telephones.....    | ...         | 2,646  | ...  | 2,646  | ...          | 2,646  | ...  | 2,646  | ...                   | 2,646  | ...  | 2,646  | ...          | 2,506  | ...  | 2,506  | ...               | (140)   | ...  | (140)   |
| 3. Office Automation.....            | ...         | 173    | ...  | 173    | ...          | 175    | ...  | 175    | ...                   | 175    | ...  | 175    | ...          | 175    | ...  | 175    | ...               | ...     | ...  | ...     |
| F. Regional Liaison.....             | 3           | 194    | ...  | 194    | 5            | 276    | ...  | 276    | 5                     | 326    | ...  | 326    | 5            | 339    | ...  | 339    | ...               | 13      | ...  | 13      |
| G. Regional Executive Direction..... | 100         | 8,970  | ...  | 8,970  | 105          | 10,114 | ...  | 10,108 | 105                   | 10,025 | ...  | 10,025 | 105          | 10,229 | ...  | 10,229 | ...               | 204     | ...  | 204     |
| H. External Affairs.....             | 17          | 1,486  | ...  | 1,486  | 20           | 1,177  | ...  | 1,077  | 20                    | 1,909  | ...  | 1,909  | 20           | 1,962  | ...  | 1,962  | ...               | 53      | ...  | 53      |
| Subtotal, Management & Admin.....    | 434         | 44,505 | ...  | 44,505 | 477          | 52,275 | ...  | 52,275 | 477                   | 52,603 | ...  | 52,603 | 477          | 55,027 | ...  | 55,027 | ...               | 2,424   | ...  | 2,424   |

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress by Program  
(Dollars in Thousands)

|  | 1991 Actual |     |      |         | 1992 Request |     |      |           | 1992 Current Estimate |     |      |           | 1993 Request |     |      |           | Increase/Decrease |     |      |             |
|--|-------------|-----|------|---------|--------------|-----|------|-----------|-----------------------|-----|------|-----------|--------------|-----|------|-----------|-------------------|-----|------|-------------|
|  | MY          | S&E | EMPA | TOTAL   | MY           | S&E | EMPA | TOTAL     | MY                    | S&E | EMPA | TOTAL     | MY           | S&E | EMPA | TOTAL     | MY                | S&E | EMPA | TOTAL       |
| Disaster Relief Fund .....               | ...         | ... | ...  | ...     | ...          | ... | ...  | \$274,459 | ...                   | ... | ...  | \$983,209 | ...          | ... | ...  | \$292,000 | ...               | ... | ...  | (\$691,209) |
| Disaster Loan Subedy.....                | ...         | ... | ...  | ...     | ...          | ... | ...  | 541       | ...                   | ... | ...  | 541       | ...          | ... | ...  | 95        | ...               | ... | ...  | (446)       |
| Inspector General.....                   | 42          | ... | ...  | \$2,977 | 70           | ... | ...  | 5,144     | 70                    | ... | ...  | 5,144     | 78           | ... | ...  | 5,948     | 8                 | ... | ...  | 804         |
| Emergency Food and Shelter.....          | ...         | ... | ...  | 134,000 | ...          | ... | ...  | 100,000   | ...                   | ... | ...  | 134,000   | ...          | ... | ...  | 100,000   | ...               | ... | ...  | (34,000)    |
| National Insurance Development Fund....  | 6           | ... | ...  | 16,337  | 6            | ... | ...  | 14,414    | 6                     | ... | ...  | 1,800     | 6            | ... | ...  | 1,558     | ...               | ... | ...  | (242)       |
| National Flood Insurance Fund.....       | ...         | ... | ...  | ...     | ...          | ... | ...  | ...       | ...                   | ... | ...  | ...       | ...          | ... | ...  | ...       | ...               | ... | ...  | ...         |
| Disaster Relief - Requests and Gifts.... | ...         | ... | ...  | 36      | ...          | ... | ...  | 84        | ...                   | ... | ...  | 65        | ...          | ... | ...  | 69        | ...               | ... | ...  | 4           |
| Trust Fund - Offsetting Receipts.....    | ...         | ... | ...  | (36)    | ...          | ... | ...  | (84)      | ...                   | ... | ...  | (65)      | ...          | ... | ...  | (69)      | ...               | ... | ...  | (4)         |
| Offsetting Receipts - REP.....           | ...         | ... | ...  | ...     | ...          | ... | ...  | (9,569)   | ...                   | ... | ...  | ...       | ...          | ... | ...  | (10,477)  | ...               | ... | ...  | (10,477)    |
| Reimbursable Workyears.....              | 83          | ... | ...  | ...     | 75           | ... | ...  | ...       | 75                    | ... | ...  | ...       | 91           | ... | ...  | ...       | 16                | ... | ...  | ...         |
| TOTAL, BUDGET AUTHORITY.....             | 2,517       | ... | ...  | 575,283 | 2,759        | ... | ...  | 829,179   | 2,762                 | ... | ...  | 1,574,884 | 2,771        | ... | ...  | 819,444   | 9                 | ... | ...  | (755,440)   |

**FEDERAL EMERGENCY MANAGEMENT AGENCY**  
**Obligations Summary**  
(Dollars in Thousands)

**OBLIGATIONS**

|   | <u>1991</u><br>Actual | <u>1992</u><br>Request | <u>1992</u><br>Current<br>Estimate | <u>1993</u><br>Request | <u>Increase/<br/>Decrease</u> |
|---|-----------------------|------------------------|------------------------------------|------------------------|-------------------------------|
| Salaries and Expenses.....                      | \$141,502             | \$166,363              | \$164,639                          | \$171,277              | \$6,638                       |
| Emergency Management Planning and Assistance... | 280,467               | 277,827                | 288,289                            | 259,043                | (29,246)                      |
| National Insurance Development Fund.....        | 23,205                | 21,823                 | 8,969                              | 8,984                  | 15                            |
| National Flood Insurance Fund.....              | 490,109               | 761,192                | 691,424                            | 764,687                | 73,263                        |
| Disaster Relief Fund.....                       | 391,512               | 1,109,000              | 976,150                            | 391,880                | (584,270)                     |
| Disaster Assistance Loan Subsidy.....           | ...                   | 541                    | 541                                | 95                     | (446)                         |
| Emergency Food and Shelter.....                 | 134,000               | 100,000                | 134,000                            | 100,000                | (34,000)                      |
| Office of the Inspector General.....            | 2,977                 | 5,144                  | 5,144                              | 5,948                  | 804                           |
| <br>Total, Obligations.....                     | <br>1,463,772         | <br>2,441,890          | <br>2,269,156                      | <br>1,701,914          | <br>(567,242)                 |

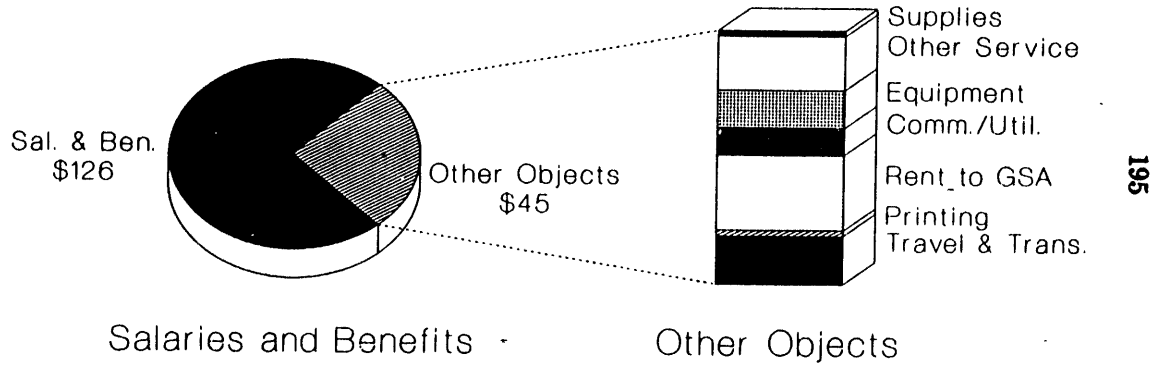
199

**SALARIES AND EXPENSES**  
(Dollars in Thousands)

| OBJECT CLASS   | 1991<br>Actual | 1992<br>Request | 1992<br>Current<br>Estimate | 1993<br>Request | Increase/<br>Decrease |
|--|----------------|-----------------|-----------------------------|-----------------|-----------------------|
| <b>Personnel compensation</b>                                |                |                 |                             |                 |                       |
| 11 1 Full-time permanent                                     | \$87,162       | \$101,372       | \$100,393                   | \$103,693       | \$3,300               |
| 11 3 Other than full-time permanent                          | 2,288          | 2               | ..                          | ..              | ..                    |
| 11 5 Other personnel compensation                            | 3,751          | 1,544           | 2,502                       | 2,638           | 136                   |
| 11 8 Special personnel services payments                     | ..             | 18              | ..                          | ..              | ..                    |
| 11 9 Total personnel compensation                            | 93,201         | 102,936         | 102,895                     | 106,331         | 3,436                 |
| <b>Personnel benefits</b>                                    |                |                 |                             |                 |                       |
| 12 1 Civilian personnel                                      | 16,588         | 19,323          | 19,361                      | 20,028          | 667                   |
| 12 2 Military personnel                                      | ..             | ..              | ..                          | ..              | ..                    |
| 13 0 Benefits for former personnel                           | ..             | ..              | 13                          | 13              | ..                    |
| <b>Non- Personnel Costs</b>                                  |                |                 |                             |                 |                       |
| 21 0 Travel and transportation of persons                    | 5,387          | 9,052           | 7,635                       | 8,949           | 1,314                 |
| 22 0 Transportation of things                                | 196            | 123             | 263                         | 227             | -(36)                 |
| 23 1 Rental payments to GSA                                  | 10,617         | 11,592          | 11,808                      | 13,982          | 2,174                 |
| 23 2 Rental payments to others                               | ..             | ..              | 469                         | 200             | (269)                 |
| 23 3 Communications, utilities, and<br>miscellaneous charges | 3,807          | 4,761           | 5,001                       | 4,979           | (22)                  |
| 24 0 Printing and reproduction                               | 307            | 535             | 481                         | 465             | (16)                  |
| 25 0 Other services  | 6,603          | 10,194          | 9,858                       | 10,146          | 288                   |
| 26 0 Supplies and materials                                  | 1,089          | 1,131           | 1,135                       | 1,211           | 76                    |
| 31 0 Equipment   | 3,384          | 6,716           | 5,720                       | 4,746           | (974)                 |
| 32 0 Land and structures                                     | 303            | ..              | ..                          | ..              | ..                    |
| 33 0 Investments and loans                                   | ..             | ..              | ..                          | ..              | ..                    |
| 41 0 Grants, subsidies and contributions                     | ..             | ..              | ..                          | ..              | ..                    |
| 42 0 Insurance claims and indemnities                        | ..             | ..              | ..                          | ..              | ..                    |
| 43 0 Interest and dividends                                  | ..             | ..              | ..                          | ..              | ..                    |
| <b>Total Obligations</b>                                     | <b>141,602</b> | <b>166,363</b>  | <b>164,639</b>              | <b>171,277</b>  | <b>6,638</b>          |



# FY 1993 S&E By Major Object Class (Dollars in Millions)



Total (\$171)

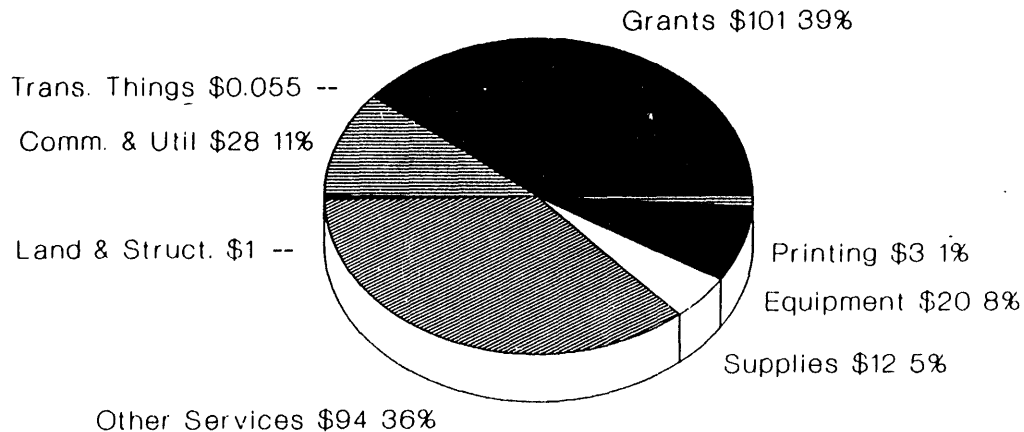
**EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE**  
(Dollars in Thousands)

|   | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br><u>Decrease</u> |
|---|-----------------------|------------------------|------------------------------------|------------------------|------------------------------|
| <b>OBJECT CLASS</b>   |                       |                        |                                    |                        |                              |
| <u>Personnel compensation</u>                                     |                       |                        |                                    |                        |                              |
| 11.1 Full-time permanent.....                                     | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.3 Other than full-time permanent.....                          | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.5 Other personnel compensation.....                            | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.8 Special personal services payments.....                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.9 Total personnel compensation.....                            | ...                   | ...                    | ...                                | ...                    | ...                          |
| <u>Personnel benefits</u>   |                       |                        |                                    |                        |                              |
| 12.1 Civilian personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 12.2 Military personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 13.0 Benefits for former personnel.....                           | ...                   | ...                    | ...                                | ...                    | ...                          |
| <u>Non-Personnel Costs</u>  |                       |                        |                                    |                        |                              |
| 21.0 Travel and transportation of persons.....                    | ...                   | ...                    | ...                                | ...                    | ...                          |
| 22.0 Transportation of things.....                                | \$107                 | \$47                   | \$46                               | \$55                   | \$9                          |
| 23.1 Rental payments to GSA.....                                  | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23.2 Rental payments to others.....                               | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | 21,308                | 29,757                 | 28,331                             | 28,387                 | 58                           |
| 24.0 Printing and reproduction.....                               | 1,785                 | 3,033                  | 2,663                              | 2,868                  | 203                          |
| 25.0 Other services.....  | 114,584               | 102,448                | 101,121                            | 93,599                 | (7,522)                      |
| 26.0 Supplies and materials.....                                  | 3,741                 | 6,693                  | 6,729                              | 11,561                 | 4,832                        |
| 31.0 Equipment.....   | 16,797                | 22,793                 | 21,302                             | 20,531                 | (771)                        |
| 32.0 Land and structures.....                                     | 5,101                 | 3,209                  | 4,510                              | 600                    | (3,910)                      |
| 33.0 Investments and loans.....                                   | ...                   | ...                    | ...                                | ...                    | ...                          |
| 41.0 Grants, subsidies and contributions.....                     | 117,048               | 109,849                | 123,587                            | 101,444                | (22,143)                     |
| 42.0 Insurance claims and indemnities.....                        | ...                   | ...                    | ...                                | ...                    | ...                          |
| 43.0 Interest and dividends.....                                  | ...                   | ...                    | ...                                | ...                    | ...                          |
| <b>Total Obligations.....</b>                                     | <b>280,467</b>        | <b>277,827</b>         | <b>288,289</b>                     | <b>259,043</b>         | <b>(29,246)</b>              |

196

# 1993 EMPA By Major Object Class

(Dollars in Millions)



**All Object Classes (\$259)**  
**-- Less Than 1%**

**NATIONAL INSURANCE DEVELOPMENT FUND**

(Dollars in Thousands)

| OBJECT CLASS  | 1991<br>Actual | 1992<br>Request | 1992<br>Current<br>Estimate | 1993<br>Request | Increase/<br>Decrease |
|---|----------------|-----------------|-----------------------------|-----------------|-----------------------|
| <u>Personnel compensation</u>                                     |                |                 |                             |                 |                       |
| 11.1 Full-time permanent.....                                     | \$461          | \$340           | \$344                       | \$360           | \$16                  |
| 11.3 Other than full-time permanent.....                          | ...            | ...             | ...                         | ...             | ...                   |
| 11.5 Other personnel compensation.....                            | ...            | ...             | ...                         | ...             | ...                   |
| 11.8 Special personal services payments.....                      | ...            | ...             | ...                         | ...             | ...                   |
| 11.9 Total personnel compensation.....                            | 461            | 340             | 344                         | 360             | 16                    |
| <u>Personnel benefits</u>   |                |                 |                             |                 |                       |
| 12.1 Civilian personnel.....                                      | 81             | 60              | 61                          | 63              | 2                     |
| 12.2 Military personnel.....                                      | ...            | ...             | ...                         | ...             | ...                   |
| 13.0 Benefits for former personnel.....                           | ...            | ...             | ...                         | ...             | ...                   |
| <u>Non-Personnel Costs</u>  |                |                 |                             |                 |                       |
| 21.0 Travel and transportation of persons.....                    | 11             | 20              | 15                          | 20              | 5                     |
| 22.0 Transportation of things.....                                | ...            | ...             | ...                         | ...             | ...                   |
| 23.1 Rental payments to GSA.....                                  | ...            | ...             | ...                         | ...             | ...                   |
| 23.2 Rental payments to others.....                               | ...            | ...             | ...                         | ...             | ...                   |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | ...            | ...             | ...                         | ...             | ...                   |
| 24.0 Printing and reproduction.....                               | ...            | ...             | ...                         | ...             | ...                   |
| 25.0 Other services.....  | 2,666          | 4,205           | 2,639                       | 2,613           | (26)                  |
| 26.0 Supplies and materials.....                                  | ...            | ...             | ...                         | ...             | ...                   |
| 31.0 Equipment.....   | ...            | ...             | ...                         | ...             | ...                   |
| 32.0 Land and structures.....                                     | ...            | ...             | ...                         | ...             | ...                   |
| 33.0 Investments and loans.....                                   | ...            | ...             | ...                         | ...             | ...                   |
| 41.0 Grants, subsidies and contributions.....                     | ...            | ...             | ...                         | ...             | ...                   |
| 42.0 Insurance claims and indemnities.....                        | 7,566          | 5,870           | 5,865                       | 5,791           | (74)                  |
| 43.0 Interest and dividends.....                                  | 12,420         | 11,328          | 45                          | 137             | 92                    |
| Total Obligations.....  | 23,205         | 21,823          | 8,969                       | 8,984           | 15                    |

**NATIONAL FLOOD INSURANCE FUND**  
(Dollars in Thousands)

| OBJECT CLASS  | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br><u>Decrease</u> |
|---|-----------------------|------------------------|------------------------------------|------------------------|------------------------------|
| <u>Personnel compensation</u>                                     |                       |                        |                                    |                        |                              |
| 11.1 Full-time permanent.....                                     | \$9,039               | \$9,775                | \$10,004                           | \$11,000               | \$996                        |
| 11.3 Other than full-time permanent.....                          | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.5 Other personnel compensation.....                            | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.8 Special personal services payments.....                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.9 Total personnel compensation.....                            | <u>9,039</u>          | <u>9,775</u>           | <u>10,004</u>                      | <u>11,000</u>          | <u>996</u>                   |
| <u>Personnel benefits</u>   |                       |                        |                                    |                        |                              |
| 12.1 Civilian personnel.....                                      | 1,459                 | 1,849                  | 1,573                              | 1,600                  | 27                           |
| 12.2 Military personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 13.0 Benefits for former personnel.....                           | ...                   | ...                    | ...                                | ...                    | ...                          |
| <u>Non-Personnel Costs</u>  |                       |                        |                                    |                        |                              |
| 21.0 Travel and transportation of persons.....                    | 513                   | 950                    | 733                                | 950                    | 217                          |
| 22.0 Transportation of things.....                                | 9                     | ...                    | ...                                | ...                    | ...                          |
| 23.1 Rental payments to GSA.....                                  | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23.2 Rental payments to others.....                               | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | ...                   | ...                    | ...                                | ...                    | ...                          |
| 24.0 Printing and reproduction.....                               | 1,757                 | 1,800                  | 1,930                              | 2,500                  | 570                          |
| 25.0 Other services.....  | 247,410               | 283,599                | 273,384                            | 295,609                | 22,225                       |
| 26.0 Supplies and materials.....                                  | 4                     | ...                    | ...                                | ...                    | ...                          |
| 31.0 Equipment.....   | 10                    | ...                    | ...                                | ...                    | ...                          |
| 32.0 Land and structures.....                                     | ...                   | ...                    | ...                                | ...                    | ...                          |
| 33.0 Investments and loans.....                                   | ...                   | ...                    | ...                                | ...                    | ...                          |
| 41.0 Grants, subsidies and contributions.....                     | 3,371                 | 4,200                  | 4,200                              | 4,200                  | ...                          |
| 42.0 Insurance claims and indemnities.....                        | 226,537               | 459,019                | 399,600                            | 448,828                | 49,228                       |
| 43.0 Interest and dividends.....                                  | ...                   | ...                    | ...                                | ...                    | ...                          |
| Total Obligations .....   | <u>490,109</u>        | <u>761,192</u>         | <u>691,424</u>                     | <u>784,687</u>         | <u>73,263</u>                |

199

**DISASTER RELIEF FUND**  
(Dollars in Thousands)

| OBJECT CLASS  | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br><u>Decrease</u> |
|---|-----------------------|------------------------|------------------------------------|------------------------|------------------------------|
| <u>Personnel compensation</u>                                     |                       |                        |                                    |                        |                              |
| 11.1 Full-time permanent .....                                    | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.3 Other than full-time permanent.....                          | \$10,134              | \$9,200                | \$19,596                           | \$12,236               | (\$7,360)                    |
| 11.5 Other personnel compensation.....                            | 3,308                 | ...                    | ...                                | ...                    | ...                          |
| 11.8 Special personal services payments.....                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.9 Total personnel compensation.....                            | 13,442                | 9,200                  | 19,596                             | 12,236                 | (7,360)                      |
| <u>Personnel benefits</u>   |                       |                        |                                    |                        |                              |
| 12.1 Civilian personnel .....                                     | 986                   | 700                    | 1,491                              | 931                    | (560)                        |
| 12.2 Military personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 13.0 Benefits for former personnel .....                          | 942                   | ...                    | ...                                | ...                    | ...                          |
| <u>Non-Personnel Costs</u>  |                       |                        |                                    |                        |                              |
| 21.0 Travel and transportation of persons.....                    | 14,000                | 7,200                  | 16,336                             | 9,676                  | (6,760)                      |
| 22.0 Transportation of things.....                                | 913                   | 200                    | 426                                | 266                    | (160)                        |
| 23.1 Rental payments to GSA.....                                  | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23.2 Rental payments to others.....                               | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | 4,087                 | 1,500                  | 3,195                              | 1,995                  | (1,200)                      |
| 24.0 Printing and reproduction.....                               | 214                   | 225                    | 479                                | 299                    | (180)                        |
| 25.0 Other services .....   | 29,181                | 10,400                 | 22,442                             | 13,785                 | (8,657)                      |
| 26.0 Supplies and materials.....                                  | 1,179                 | 420                    | 895                                | 559                    | (336)                        |
| 31.0 Equipment.....   | 1,090                 | 3,250                  | 6,923                              | 4,323                  | (2,600)                      |
| 32.0 Land and structures.....                                     | 22                    | ...                    | ..                                 | ...                    | ...                          |
| 33.0 Investments and loans.....                                   | 4,229                 | ...                    | ...                                | ...                    | ...                          |
| 41.0 Grants, subsidies and contributions .....                    | 321,227               | 1,075,905              | 905,367                            | 347,910                | (\$557,457)                  |
| 42.0 Insurance claims and indemnities .....                       | ...                   | ...                    | ...                                | ...                    | ...                          |
| 43.0 Interest and dividends .....                                 | ...                   | ...                    | ...                                | ...                    | ...                          |
| Total Obligations .....   | 391,512               | 1,109,000              | 976,150                            | 391,880                | (584,270)                    |

200

**DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT**  
(Dollars in Thousands)

|   | <u>1991</u><br><u>Actual</u> | <u>1992</u><br><u>Request</u> | <u>1992</u><br><u>Current</u><br><u>Estimate</u> | <u>1993</u><br><u>Request</u> | <u>Increase/</u><br><u>Decrease</u> |
|---|------------------------------|-------------------------------|--|-------------------------------|-------------------------------------|
| <b>OBJECT CLASS</b>   |                              |                               |  |                               |                                     |
| <u>Personnel compensation</u>                                     |                              |                               |  |                               |                                     |
| 11 1 Full-time permanent.....                                     | ...                          | ...                           | ...  | ...                           | ...                                 |
| 11 3 Other than full-time permanent.....                          | ...                          | ...                           | ...  | ...                           | ...                                 |
| 11.5 Other personnel compensation.....                            | ...                          | ...                           | ...  | ...                           | ...                                 |
| 11.8 Special personal services payments.....                      | ...                          | ...                           | ...  | ...                           | ...                                 |
| 11.9 Total personnel compensation.....                            | ...                          | ...                           | ...  | ...                           | ...                                 |
| <u>Personnel benefits</u>   |                              |                               |  |                               |                                     |
| 12 1 Civilian personnel.....                                      | ...                          | ...                           | ...  | ...                           | ...                                 |
| 12.2 Military personnel.....                                      | ...                          | ...                           | ...  | ...                           | ...                                 |
| 13.0 Benefits for former personnel.....                           | ...                          | ...                           | ...  | ...                           | ...                                 |
| <u>Non-Personnel Costs</u>  |                              |                               |  |                               |                                     |
| 21.0 Travel and transportation of persons .....                   | ...                          | ...                           | ...  | ...                           | ...                                 |
| 22 0 Transportation of things.....                                | ...                          | ...                           | ...  | ...                           | ...                                 |
| 23.1 Rental payments to GSA.....                                  | ...                          | ...                           | ...  | ...                           | ...                                 |
| 23 2 Rental payments to others.....                               | ...                          | ...                           | ...  | ...                           | ...                                 |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | ...                          | ...                           | ...  | ...                           | ...                                 |
| 24 0 Printing and reproduction.....                               | ...                          | ...                           | ...  | ...                           | ...                                 |
| 25 0 Other services.....  | ...                          | ...                           | ...  | ...                           | ...                                 |
| 26 0 Supplies and materials.....                                  | ...                          | ...                           | ...  | ...                           | ...                                 |
| 31.0 Equipment .....  | ...                          | ...                           | ...  | ...                           | ...                                 |
| 32.0 Land and structures.....                                     | ...                          | ...                           | ...  | ...                           | ...                                 |
| 33 0 Investments and loans.....                                   | ...                          | ...                           | ...  | ...                           | ...                                 |
| 41.0 Grants, subsidies and contributions.....                     | ...                          | \$451                         | \$451  | ...                           | (\$451)                             |
| 42.0 Insurance claims and indemnities.....                        | ...                          | ...                           | ...  | ...                           | ...                                 |
| 92.0 Administrative Expenses.....                                 | ...                          | 90                            | 90   | \$95                          | 5                                   |
| Total Obligations.....  | ...                          | 541                           | 541  | 95                            | (446)                               |

201

**EMERGENCY FOOD AND SHELTER FUND**

(Dollars in Thousands)

|   | 1991           | 1992           | 1992                        | 1993           | Increase/<br>Decrease |
|---|----------------|----------------|-----------------------------|----------------|-----------------------|
|   | <u>Actual</u>  | <u>Request</u> | <u>Current<br/>Estimate</u> | <u>Request</u> |                       |
| <b>OBJECT CLASS</b>   |                |                |                             |                |                       |
| <u><b>Personnel compensation</b></u>                              |                |                |                             |                |                       |
| 11.1 Full-time permanent .....                                    | ...            | ...            | ...                         | ...            | ...                   |
| 11.3 Other than full-time permanent.....                          | ...            | ...            | ...                         | ...            | ...                   |
| 11.5 Other personnel compensation.....                            | ...            | ...            | ...                         | ...            | ...                   |
| 11.8 Special personal services payments.....                      | ...            | ...            | ...                         | ...            | ...                   |
| 11.9 Total personnel compensation.....                            | ...            | ...            | ...                         | ...            | ...                   |
| <u><b>Personnel benefits</b></u>                                  |                |                |                             |                |                       |
| 12.1 Civilian personnel.....                                      | ...            | ...            | ...                         | ...            | ...                   |
| 12.2 Military personnel.....                                      | ...            | ...            | ...                         | ...            | ...                   |
| 13.0 Benefits for former personnel.....                           | ...            | ...            | ...                         | ...            | ...                   |
| <u><b>Non-Personnel Costs</b></u>                                 |                |                |                             |                |                       |
| 21.0 Travel and transportation of persons.....                    | ...            | ...            | ...                         | ...            | ...                   |
| 22.0 Transportation of things.....                                | ...            | ...            | ...                         | ...            | ...                   |
| 23.1 Rental payments to GSA.....                                  | ...            | ...            | ...                         | ...            | ...                   |
| 23.2 Rental payments to others.....                               | ...            | ...            | ...                         | ...            | ...                   |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | ...            | ...            | ...                         | ...            | ...                   |
| 24.0 Printing and reproduction.....                               | ...            | ...            | ...                         | ...            | ...                   |
| 25.0 Other services.....  | ...            | ...            | ...                         | ...            | ...                   |
| 26.0 Supplies and materials.....                                  | ...            | ...            | ...                         | ...            | ...                   |
| 31.0 Equipment.....   | ...            | ...            | ...                         | ...            | ...                   |
| 32.0 Land and structures.....                                     | ...            | ...            | ...                         | ...            | ...                   |
| 33.0 Investments and loans .....                                  | ...            | ...            | ...                         | ...            | ...                   |
| 41.0 Grants, subsidies and contributions.....                     | \$134,000      | \$100,000      | \$134,000                   | \$100,000      | (\$34,000)            |
| 42.0 Insurance claims and indemnities .....                       | ...            | ...            | ...                         | ...            | ...                   |
| 43.0 Interest and dividends.....                                  | ...            | ...            | ...                         | ...            | ...                   |
| <b>Total Obligations .....</b>                                    | <b>134,000</b> | <b>100,000</b> | <b>134,000</b>              | <b>100,000</b> | <b>(34,000)</b>       |

202



**INSPECTOR GENERAL**  
(Dollars in Thousands)

| OBJECT CLASS  | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br><u>Decrease</u> |
|---|-----------------------|------------------------|------------------------------------|------------------------|------------------------------|
| <u>Personnel compensation</u>                                     |                       |                        |                                    |                        |                              |
| 11.1 Full-time permanent.....                                     | \$1,929               | \$3,648                | \$3,934                            | \$4,430                | \$496                        |
| 11.3 Other than full-time permanent.....                          | 128                   | ...                    | ...                                | ...                    | ...                          |
| 11.5 Other personnel compensation.....                            | 57                    | ...                    | ...                                | 190                    | 190                          |
| 11.8 Special personal services payments.....                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.9 Total personnel compensation.....                            | <u>2,114</u>          | <u>3,648</u>           | <u>3,934</u>                       | <u>4,620</u>           | <u>686</u>                   |
| <u>Personnel benefits</u>   |                       |                        |                                    |                        |                              |
| 12.1 Civilian personnel.....                                      | 409                   | 576                    | 618                                | 708                    | 90                           |
| 12.2 Military personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 13.0 Benefits for former personnel.....                           | ...                   | ...                    | ...                                | ...                    | ...                          |
| <u>Non-Personnel Costs</u>  |                       |                        |                                    |                        |                              |
| 21.0 Travel and transportation of persons.....                    | 307                   | 345                    | 367                                | 360                    | (7)                          |
| 22.0 Transportation of things.....                                | 5                     | 50                     | 50                                 | 75                     | 25                           |
| 23.1 Rental payments to GSA.....                                  | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23.2 Rental payments to others.....                               | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | ...                   | ...                    | ...                                | ...                    | ...                          |
| 24.0 Printing and reproduction.....                               | 1                     | 5                      | 5                                  | 5                      | ...                          |
| 25.0 Other services.....  | 38                    | 500                    | 150                                | 150                    | ...                          |
| 26.0 Supplies and materials.....                                  | 7                     | 5                      | 5                                  | 5                      | ...                          |
| 31.0 Equipment.....   | 98                    | 15                     | 15                                 | 25                     | 10                           |
| 32.0 Land and structures.....                                     | ...                   | ...                    | ...                                | ...                    | ...                          |
| 33.0 Investments and loans.....                                   | ...                   | ...                    | ...                                | ...                    | ...                          |
| 41.0 Grants, subsidies and contributions.....                     | ...                   | ...                    | ...                                | ...                    | ...                          |
| 42.0 Insurance claims and indemnities.....                        | ...                   | ...                    | ...                                | ...                    | ...                          |
| 43.0 Interest and dividends.....                                  | ...                   | ...                    | ...                                | ...                    | ...                          |
| Total Obligations.....  | <u>2,977</u>          | <u>5,144</u>           | <u>5,144</u>                       | <u>5,948</u>           | <u>804</u>                   |

203

CIVIL DEFENSE BUDGET RESTRUCTURE PROPOSAL CROSSWALK  
(Dollars in Thousands)

| 1992 Current Estimate                   |     |         |          | Restructured<br>1992 Current Estimate                      |   |       |         |          |          |
|---|-----|---------|----------|--|---|-------|---------|----------|----------|
| WY                                      | S&E | EMPA    | TOTAL    | Proposed Crosswalk   | WY  | S&E   | EMPA    | TOTAL    |          |
| Civil Defense                           |     |         |          | Civil Defense  |   |       |         |          |          |
| A. State and Local Emergency Management |     |         |          | A. State and Local Emergency Management                    |   |       |         |          |          |
| 1. Emergency Management Assistance..    | 53  | \$2,849 | \$62,128 | \$64,977   | 1. Emergency Management Assistance.....               | 27    | \$1,393 | \$62,128 | \$63,521 |
| 2. Other S&L Emergency Mgmt.....        | 19  | 972     | 2,125    | 3,097  | 2. Other Assistance (from the following):             |       |         |          |          |
|   |     |         |          | B.1. Planning and Development grants                       | 5   | 277   | 2,905   | 3,182    |          |
|   |     |         |          | C.1. Population Protection Planning                        | 58  | 2,952 | 8,380   | 11,332   |          |
|   |     |         |          | C.2. Facility Survey grants                                | 20  | 1,316 | 2,907   | 4,243    |          |
|   |     |         |          | A.2. Other State and Local Emergency Management - IMA      | 11  | 563   | 1,250   | 1,813    |          |
|   |     |         |          | A.1. Emergency Management Assistance - CCA managers        | 12  | 672   | 0       | 672      |          |
|   |     |         |          | C.3. Family Protection                                     | 0   | 0     | 257     | 257      |          |
|   |     |         |          | B.2. Radiological Instrumentation grants                   | 0   | 0     | 5,200   | 5,200    |          |
| Subtotal, S&L Emerg. Mgmt.....          | 72  | 3,821   | 64,253   | 68,074   | Subtotal, Other Assistance.....                       | 106   | 5,799   | 20,899   | 26,698   |
|   |     |         |          | Subtotal, State and Local Emergency Management.....        | 133   | 7,192 | 83,027  | 90,219   |          |
| B. Radiological Defense                 |     |         |          | B. Facilities and Equipment (from the following):          |   |       |         |          |          |
| 1. Planning & Development.....          | 5   | 277     | 2,905    | 3,182  | B.2. Radiological Instrumentation                     | 17    | 1,098   | 2,956    | 4,054    |
| 2. Instrumentation.....                 | 17  | 1,098   | 8,156    | 9,254  | A.2. Other State and Local Emergency Management - EAS | 8     | 409     | 675      | 1,084    |
|   |     |         |          | D. State and Local Direction, Control and Warning          | 40  | 2,139 | 19,368  | 21,507   |          |
| Subtotal, Radiological Defense...       | 22  | 1,375   | 11,061   | 12,436   | C.2. Facility Survey non grants                       | 7     | 388     | 615      | 1,003    |
|   |     |         |          | A.1. Emergency Management Assistance - program support     | 5   | 280   | 0       | 280      |          |
|   |     |         |          | Subtotal, Facilities and Equipment.....                    | 77  | 4,314 | 23,614  | 27,928   |          |
| C. Population Protection                |     |         |          | C. Planning, Exercising and Response (from the following): |   |       |         |          |          |
| 1. Population Protection Planning...    | 60  | 3,044   | 8,380    | 11,424   | F.5. Emergency Public Information                     | 1     | 48      | 1,117    | 1,165    |
| 2. Facility Survey, Eng. & Dev.....     | 28  | 1,779   | 3,522    | 5,301  | E.3. Research Policy and Planning                     | 9     | 532     | 425      | 957      |
| 3. Family Protection.....               | 0   | 0       | 257      | 257  | A.1. State and Local Emergency Management             | 9     | 504     | 0        | 504      |
|   |     |         |          | C.2. Facility Survey non grants                            | 1   | 55    | 0       | 55       |          |
| Subtotal, Population Protection..       | 88  | 4,823   | 12,159   | 16,982   | C.1. Population Protection Planning                   | 2     | 92      | 0        | 92       |
|   |     |         |          | A.2. Other State and Local Emergency Management            | 0   | 0     | 200     | 200      |          |
|   |     |         |          | Subtotal, Planning, Exercising and Response.....           | 22  | 1,232 | 1,742   | 2,974    |          |

CIVIL DEFENSE BUDGET RESTRUCTURE PROPOSAL CROSSWALK  
(Dollars in Thousands)

|   | 1992 Current Estimate |        |         |         |   | Restructured<br>1992 Current Estimate |        |         |         |
|---|-----------------------|--------|---------|---------|---|---------------------------------------|--------|---------|---------|
|   | WT                    | S&E    | EMPA    | TOTAL   |   | WT                                    | S&E    | EMPA    | TOTAL   |
| D. S&I Direction, Control and Warning   |                       |        |         |         |   |                                       |        |         |         |
| 1. Emergency Operating Centers.....     | 15                    | \$812  | \$6,180 | \$6,992 |   |                                       |        |         |         |
| 2. State & Local Wrng. & Com. Sys....   | 10                    | 539    | 4,753   | 5,292   |   |                                       |        |         |         |
| 3. Emer. Broadcast Sys. Guid. & Asst    | 10                    | 557    | 3,695   | 4,252   |   |                                       |        |         |         |
| 4. Other S&I Direct., Control & Wrng    | 5                     | 231    | 4,740   | 4,971   |   |                                       |        |         |         |
| Subtotal, S&I Dir., Cntrl. & Wrng       | 40                    | 2,139  | 19,368  | 21,507  |   |                                       |        |         |         |
| E. Research                             |                       |        |         |         |   |                                       |        |         |         |
| 1. Research.....                        | 0                     | 0      | 0       | 0       |   |                                       |        |         |         |
| 2. Systems Development.....             | 0                     | 0      | 0       | 0       |   |                                       |        |         |         |
| 3. Policy and Planning.....             | 9                     | 532    | 425     | 957     |   |                                       |        |         |         |
| Subtotal, Research.....                 | 9                     | 532    | 425     | 957     |   |                                       |        |         |         |
| F. Training and Education               |                       |        |         |         | D. Training (from the following):             |                                       |        |         |         |
| 1. Instructional Progs. & Materials.    | 5                     | 497    | 700     | 1,197   | F.1. Instructional Progs. & Materials         | 5                                     | \$497  | \$700   | \$1,197 |
| 2. Training Field Deployment Systems    | 17                    | 986    | 5,464   | 6,450   | F.2.-training Field Deployment Systems        | 17                                    | 986    | 5,464   | 6,450   |
| 3. Resident Programs.....               | 23                    | 1,254  | 1,653   | 2,907   | F.3. Resident Programs                        | 23                                    | 1,254  | 1,653   | 2,907   |
| 4. NEIC Site Administration.....        | 16                    | 357    | 1,733   | 2,090   | F.4. NEIC Site Administration                 | 16                                    | 357    | 1,733   | 2,090   |
| 5. Emergency Public Information.....    | 1                     | 48     | 1,117   | 1,165   |   |                                       |        |         |         |
| Subtotal, Training & Education...       | 62                    | 3,142  | 10,667  | 13,809  | Subtotal, Training.....                       | 61                                    | 3,094  | 9,550   | 12,644  |
| G. Telecommunications and Warning       |                       |        |         |         | E. Telecommunications (from the following):   |                                       |        |         |         |
| 1. National Warning System.....         | 20                    | 969    | 7,425   | 8,394   | G.1. National Warning System                  | 20                                    | 969    | 7,425   | 8,394   |
| 2. Washington Area Warning System...    | 0                     | 0      | 0       | 0       | G.2. Washington Area Warning System           | 0                                     | 0      | 0       | 0       |
| 3. FEMA Switched Network.....           | 16                    | 798    | 3,023   | 3,821   | G.3. FEMA Switched Network                    | 16                                    | 798    | 3,023   | 3,821   |
| 4. FEMA National Radio System.....      | 25                    | 1,321  | 3,416   | 4,737   | G.4. FEMA National Radio System               | 25                                    | 1,321  | 3,416   | 4,737   |
| 5. Information Systems Support Serv.    | 14                    | 692    | 4,776   | 5,468   | G.5. Information Systems Support Services     | 14                                    | 692    | 4,776   | 5,468   |
| 6. U.S. Army Civil Prepchs. Detach...   | 3                     | 159    | 1,035   | 1,194   | G.6. U.S. Army Civil Preparedness Detachments | 3                                     | 159    | 1,035   | 1,194   |
| 7. DOD Reimbursable Support.....        | 0                     | 0      | 639     | 639     | G.7. DOD Reimbursable Support                 | 0                                     | 0      | 639     | 639     |
| Subtotal, Tele. & Warning.....          | 78                    | 3,939  | 20,314  | 24,253  | H. Automatic Data Processing                  | 9                                     | 603    | 0       | 603     |
| H. Automatic Data Processing (S&E)..... | 9                     | 603    | 0       | 603     | Subtotal, Telecommunications.....             | 87                                    | 4,542  | 20,314  | 24,856  |
| Total, Civil Defense.....               | 380                   | 20,374 | 138,247 | 158,621 | Total, Civil Defense .....                    | 380                                   | 20,374 | 138,247 | 158,621 |

FEDERAL PREPAREDNESS BUDGET RESTRUCTURE PROPOSAL CROSSWALK  
(Dollars in Thousands)

|  | 1992 Current Estimate |          |          |           |  | Restructured<br>1992 Current Estimate |          |          |           |
|--|-----------------------|----------|----------|-----------|--|---------------------------------------|----------|----------|-----------|
|  | WY                    | S&E      | EMPA     | TOTAL     |  | WY                                    | S&E      | EMPA     | TOTAL     |
| Federal Preparedness                       |                       |          |          |           | Federal Preparedness   |                                       |          |          |           |
| A. Government Preparedness.....            | 868                   | \$48,981 | \$90,648 | \$139,629 | A. Government Preparedness.....                              | 868                                   | \$48,981 | \$90,648 | \$139,629 |
| B. Emergency Info. & Coordination Center.. | 8                     | 357      | 495      | 852       | B. Government Plans and Capabilities                         |                                       |          |          |           |
| C. Mobilization Preparedness               |                       |          |          |           | 1. Mobilization Preparedness (from the following):           |                                       |          |          |           |
| 1. Mobilization Resources.....             | 13                    | 911      | 743      | 1,654     | C.1. Mobilization Resources                                  | 13                                    | 911      | 743      | 1,654     |
| 2. Mobilization Systems.....               | 12                    | 833      | 496      | 1,325     | C.2. Mobilization Systems                                    | 12                                    | 833      | 496      | 1,329     |
| 3. Mobilization Assessment.....            | 13                    | 903      | 970      | 1,873     | C.3. Mobilization Assessment                                 | 0                                     | 0        | 66       | 66        |
| Subtotal, Mobilization Preparedness.....   | 38                    | 2,647    | 2,209    | 4,856     | D.2. Plans and Authorities                                   | 2                                     | 122      | 0        | 122       |
| D. Federal Readiness and Coordination      |                       |          |          |           | D.4. National Defense Executive Reserve                      | 1                                     | 59       | 0        | 59        |
| 1. Nat'l Security Emerg. Preparedness..    | 6                     | 351      | 0        | 351       | Subtotal, Mobilization Preparedness.....                     | 28                                    | 1,925    | 1,305    | 3,230     |
| 2. Plans and Authorities.....              | 13                    | 824      | 495      | 1,319     | 2. Mobilization Assessment (from C.3. Mobilization Assess.)  | 13                                    | 903      | 904      | 1,807     |
| 3. Exercises.....                          | 8                     | 525      | 1,039    | 1,564     | 3. Federal Readiness (from the following):                   |                                       |          |          |           |
| 4. Nat'l Defense Executive Reserve.....    | 1                     | 59       | 0        | 59        | B. Emergency Information & Coordination Center               | 8                                     | 357      | 495      | 852       |
| Subtotal, Fed Readiness and Coord....      | 28                    | 1,759    | 1,534    | 3,293     | D.1. National Security Emergency Preparedness                | 6                                     | 351      | 0        | 351       |
|  |                       |          |          |           | D.3. Exercises   | 8                                     | 525      | 1,039    | 1,564     |
|  |                       |          |          |           | Subtotal, Federal Readiness.....                             | 22                                    | 1,233    | 1,534    | 2,767     |
|  |                       |          |          |           | 4. Plans and Authorities (from D.2. Plans & Authorities).... | 11                                    | 702      | 495      | 1,197     |
|  |                       |          |          |           | Subtotal, Government Plans and Capabilities.....             | 74                                    | 4,763    | 4,238    | 9,001     |
| Total, Federal Preparedness.....           | 942                   | 53,744   | 94,886   | 148,630   | Total, Federal Preparedness.....                             | 942                                   | 53,744   | 94,886   | 148,630   |

206

MANAGEMENT AND ADMINISTRATION BUDGET RESTRUCTURE PROPOSAL CROSSWALK  
(Dollars in Thousands)

| 1993 Request                            |     |        |       |                                | Restructured<br>1993 Request                              |     |        |       |        |
|---|-----|--------|-------|--------------------------------|---|-----|--------|-------|--------|
| WT                                      | S&E | EMPA   | TOTAL | Proposed Crosswalk             | WT  | S&E | EMPA   | TOTAL |        |
| Management and Administration:          |     |        |       | Management and Administration: |   |     |        |       |        |
| A. Office of the Director.....          | 8   | \$730  | \$0   | \$730                          | A. Office of the Director.....                            | 8   | \$730  | \$0   | \$730  |
| B. General Counsel.....                 | 24  | 1,779  | 0     | 1,779                          | B. General Counsel.....                                   | 24  | 1,779  | 0     | 1,779  |
| C. Office of Executive Director.....    | 8   | 541    | 0     | 541                            | C. Office of the Executive Director (from the following): |     |        |       |        |
| 1. Security.....                        | 16  | 1,752  | 0     | 1,752                          | C. Office of Executive Director                           | 8   | 541    | 0     | 541    |
| 2. Acquisition Management .....         | 36  | 2,238  | 0     | 2,238                          | C.1. Security   | 16  | 1,752  | 0     | 1,752  |
| 3. Program Analysis and Evaluation..    | 8   | 509    | 0     | 509                            | C.2. Acquisition Management                               | 36  | 2,238  | 0     | 2,238  |
| 4. Administrative Support Staff.....    | 59  | 2,648  | 0     | 2,648                          | C.3. Program Analysis and Evaluation                      | 3   | 175    | 0     | 175    |
| 5. Other Administrative Expenses        |     |        |       |                                | C.4. Administrative Support Staff                         | 59  | 2,648  | 0     | 2,648  |
| a. Rent.....                            | 0   | 12,782 | 0     | 12,782                         | C.5. Other Administrative Expenses                        |     |        |       |        |
| b. Other.....                           | 0   | 3,612  | 0     | 3,612                          | C.5.a. Rent   | 0   | 12,782 | 0     | 12,782 |
| 6. Personnel and Equal Opportunity..    | 78  | 5,058  | 0     | 5,058                          | C.5.b. Other  | 0   | 3,612  | 0     | 3,612  |
|   |     |        |       |                                | C.6. Personnel and Equal Opportunity                      | 78  | 5,058  | 0     | 5,058  |
|   |     |        |       |                                | Subtotal, Office of the Executive Director.....           | 200 | 28,806 | 0     | 28,806 |
| D. Financial Management.....            | 85  | 6,569  | 0     | 6,569                          | D. Financial Management (from the following):             |     |        |       |        |
|   |     |        |       |                                | D. Financial Management                                   | 85  | 6,569  | 0     | 6,569  |
|   |     |        |       |                                | C.3. Program Analysis and Evaluation                      | 5   | 334    | 0     | 334    |
|   |     |        |       |                                | Subtotal, Financial Management.....                       | 90  | 6,903  | 0     | 6,903  |
| E. Information Services                 |     |        |       | E. Information Services        |   |     |        |       |        |
| 1. Information Systems.....             | 25  | 1,598  | 0     | 1,598                          | 1. Information Systems.....                               | 25  | 1,598  | 0     | 1,598  |
| 2. Administrative Telephones.....       |     | 2,506  | 0     | 2,506                          | 2. Administrative Telephones.....                         | 0   | 2,506  | 0     | 2,506  |
| 3. Office Automation.....               |     | 175    | 0     | 175                            | 3. Office Automation.....                                 | 0   | 175    | 0     | 175    |
| F. Regional Liaison.....                | 5   | 339    | 0     | 339                            | F. Regional Liaison.....                                  | 5   | 339    | 0     | 339    |
| G. Regional Executive Direction.....    | 105 | 10,229 | 0     | 10,229                         | G. Regional Executive Direction.....                      | 105 | 10,229 | 0     | 10,229 |
| H. External Affairs.....                | 20  | 1,962  | 0     | 1,962                          | H. External Affairs.....                                  | 20  | 1,962  | 0     | 1,962  |
| Total, Management and Administration... | 477 | 55,027 | 0     | 55,027                         | Total, Management and Administration.....                 | 477 | 55,027 | 0     | 55,027 |

**BASIC AUTHORITIES**  
**FEDERAL EMERGENCY MANAGEMENT AGENCY**  
**BUDGET ESTIMATES FOR 1993**

The Federal Emergency Management Agency (FEMA) was established by the President in Reorganization Plan No. 3 of 1978. The Agency operates under various statutory and executive authorities to carry out a wide range of program responsibilities for emergency planning, preparedness, response and recovery, and hazard mitigation. These include the following:

- o **Federal Civil Defense Act, of 1950, as amended, 50 U.S.C. App. §2251, et seq.**  
State and Local Emergency Management  
Facilities and Equipment  
Planning, Exercise and Response  
Training  
Telecommunications  
Radiological Emergency Preparedness  
Government Plans and Capabilities  
Emergency Management Institute
- o **Earthquake Hazards Reduction Act of 1977, as amended by the National Earthquake Hazards Reduction Program Reauthorization Act, Public Law 101-614, both codified at 42 U.S.C. §7401, et seq.**  
National Earthquake Program  
Emergency Management Institute
- o **Executive Order 12148 of July 20, 1979, as amended, "Federal emergency management", 3 CFR, 1979 Comp., pl 412.**  
Dam Safety  
Radiological Emergency Preparedness  
Hazardous Materials  
Disaster Relief Fund  
Government Plans and Capabilities
- o **Atomic Energy Act of 1954, as amended, 42 U.S.C. §2011, et seq. and Public Law 96-295, Nuclear Regulatory Commission Appropriation Authorization, June 30, 1980.**  
Radiological Emergency Preparedness

208

- o Executive Order 12657 of November 18, 1988, "Federal Emergency Management Agency Assistance in Emergency Preparedness Planning at Commercial Nuclear Power Plants", 3 CFR, 1988 Comp., p. 611.  
Radiological Emergency Preparedness
- o National Security Act of 1947, as amended, Sections 103 and 303, 50 U.S.C. §404-405.  
Government Plans and Capabilities  
Emergency Management Institute
- o Defense Production Act of 1950, as amended, 50 U.S.C. §2061, et seq.  
Government Plans and Capabilities  
Emergency Management Institute
- o Federal Fire Prevention and Control Act of 1974, 15 U.S.C. §2201, et seq., as further amended by the Hotel and Motel Fire and Safety Act of 1990, Public Law 101-391 (Sept. 25, 1990).  
National Fire Academy  
United States Fire Administration
- o National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended, codified together at 42 U.S.C. §4001, et seq.  
Flood Insurance and Mitigation  
National Flood Insurance Fund
- o Urban Property Protection and Reinsurance Act of 1968, as amended, 12 U.S.C. §1749 bbb, et seq.  
National Insurance Development Fund
- o Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended by Public Law 100-707, 42 U.S.C. §5121, et seq.  
Government Plans and Capabilities  
Disaster Relief Fund  
Hurricane  
Emergency Management Institute  
Hazard Mitigation Assistance
- o Inspector General Act of 1978, as amended, 5 U.S.C. App. §52, 11.  
Inspector General
- o Stewart B. McKinney Homeless Assistance Act of 1987, as amended, Public Law 100-77, 42 U.S.C. §11331 et seq., as amended by Public Law 101-645.  
Emergency Food and Shelter

- o Executive Order 10480 of August 14, 1953, "Further providing for the administration of the defense mobilization program", 3 CFR, 1949-1953 Comp., p. 962, as amended, 50 U.S.C. App. §2153, note.  
Government Plans and Capabilities
- o Executive Order 12656 of November 18, 1988, "Assignment of Emergency Preparedness Responsibilities", 3 CFR, 1988 Comp., p. 585.  
Government Plans and Capabilities
- o Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §9615 et seq., as further amended by the Superfund Amendments and Reauthorization Act of 1986, Public Law 99-499. of 1986, P.L. 99-499  
Emergency Management Institute  
Hazardous Materials
- o Hazardous Materials Transportation Act, as amended by the Hazardous Materials Transportation Uniform Safety Act of 1990, 49 U.S.C. §1801 et seq.  
Emergency Management Institute  
Hazardous Materials
- o Executive Order 12699 of January 5, 1990, "Seismic Safety of Federal and Federally Assisted or Regulated New Building Construction", 3 CFR, 1990 Comp., p. 269.  
National Earthquake Program
- o Reorganization Plan No. 3 of 1978, 3 CFR, 1978 Comp., p. 329 (43 Fed. Reg. 41943), 5 U.S.C. App. §1, note.  
Management and Administration
- o Chief Financial Officer Act of 1990, 31 U.S.C. §501 note, Public Law 101-576, Nov. 15, 1990.  
Management and Administration
- o Executive Order 12427 of April 3, 1984, "Assignment of National Security and Emergency Preparedness Telecommunications Functions", 3 CFR, 1984 Comp., p. 193.  
Facilities and Equipment  
Telecommunications  
Government Plans and Capabilities



DISASTER RELIEF  
Appropriation Language

For necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), [\$185,000,000] \$292,095,000, of which not to exceed [\$541,000] \$20,000,000 are available for hazard mitigation grants under section 404 of the Act in FY 1993, and of which not to exceed \$95,000 may be transferred to the Disaster Assistance Direct Loan Program account for administrative expenses and subsidies for direct loans provided under Section 319 of such Act, to remain available until expended.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992.)

[For emergency disaster assistance payments necessary to provide for expenses in presidentially-declared disasters under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, an additional amount for "Disaster relief", \$943,000,000, to remain available until expended, of which \$143,000,000 shall be available only after submission to the Congress of a formal budget request by the President designating the \$143,000,000 as an emergency: Provided, That up to \$1,250,000 of the funds made available under this heading may be transferred to, and merged with, amounts made available to the Federal Emergency Management Agency under the heading "Salaries and expenses" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992 (Public Law 102-139): Provided further, That hereafter, beginning in fiscal year 1993, and in each year thereafter, notwithstanding any other provision of law, all amounts appropriated for disaster assistance payments under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) that are in excess of either the historical annual average obligation of \$320,000,000, or the amount submitted in the President's initial budget request, whichever is lower, shall be considered as "emergency requirements" pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985, and such amounts shall hereafter be so designated.] (Dire Emergency Supplemental Appropriations Act, 1992.)

211

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT  
Appropriation Language

Funds provided to this account are available to subsidize gross obligations for the principal amount of direct loans not to exceed [\$6,000,000] \$8,000,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992.)

SALARIES AND EXPENSES  
Appropriation Language

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles (31 U.S.C. 1343); uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government programs to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed \$2,500 for official reception and representation expenses, [\$163,113,000] \$171,277,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992; additional authorizing legislation to be proposed for \$27,297,000.)

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
Appropriation Language

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), section 103 of the National Security Act (50 U.S.C. 404), and Reorganization Plan No. 3 of 1978, [\$285,827,000, notwithstanding section 201 of Public Law 100-707, including \$1,155,000 to install new sirens in Kansas with a 25 percent local match in towns under 5,000 and a 50 percent local match in towns over 5,000] \$259,043,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992; additional authorizing legislation to be proposed for \$138,773,000.)

OFFICE OF INSPECTOR GENERAL  
Appropriation Language

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, [\$5,144,000] \$5,948,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992.)

EMERGENCY FOOD AND SHELTER PROGRAM  
Appropriation Language

There is hereby appropriated [\$134,000,000] \$100,000,000 to the Federal Emergency Management Agency to carry out an emergency food and shelter program pursuant to title III of Public Law 100-77, as amended: Provided, That total administrative costs shall not exceed three and one-half per centum of the total appropriation.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992.)

NATIONAL FLOOD INSURANCE FUND  
Appropriation Language

(TRANSFERS OF FUNDS)

Of the funds available from the National Flood Insurance Fund for activities under the National Flood Insurance Act of 1968, and the Flood Disaster Protection Act of 1973, [\$12,874,000] \$13,978,000 shall, upon enactment of this Act, be transferred to the "Salaries and expenses" appropriation for administrative costs of the insurance and flood plain management programs and [\$45,023,000] \$48,092,000 shall, upon enactment of the Act, be transferred to the "Emergency management planning and assistance" appropriation for flood plain management activities, including \$4,720,000 for expenses under section 1362 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4103,4127), which amount shall be available until September 30, [1993] 1994. In fiscal year [1992] 1993, no funds in excess of (1) \$32,000,000 for operating expenses, (2) [\$208,276,000] \$221,000,000 for agents' commissions and taxes, and (3) \$3,500,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992.)

NATIONAL INSURANCE DEVELOPMENT FUND  
Appropriation Language

(Notwithstanding section 520(b) of the National Housing Act (12 U.S.C. 1735d(b)), effective October 1, 1991, any indebtedness of the Director of the Federal Emergency Management Agency resulting from the Director or the Secretary of Housing and Urban Development borrowing sums under such section before the date of the enactment of this Act to carry out title XII of the National Housing Act shall be canceled, the Director shall not be obligated to repay such sums or any interest thereon, and no further interest shall accrue on such sums.)

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992.)

#### ADMINISTRATIVE PROVISION

The Director of the Federal Emergency Management Agency shall promulgate through rulemaking a schedule of fees applicable to persons subject to the Federal Emergency Management Agency's Radiological Emergency Preparedness regulations. The aggregate charges assessed pursuant to this section in any fiscal year shall approximate, but not be less than, 100 percent of the amounts anticipated by the Federal Emergency Management Agency to be obligated for its Radiological Emergency Preparedness program for such fiscal year. The schedule of fees shall be fair and equitable, and shall reflect the full amount of direct and indirect costs incurred through the provision of regulatory services. Such fees will be assessed in a manner that reflects the use of agency resources for classes of regulated persons and the administrative costs of collecting such fees. Fees received pursuant to this section shall be deposited in the general fund of the Treasury as offsetting receipts.

TABLE OF CONTENTS  
Justification of Estimates  
Fiscal Year 1993

|   | <u>Page</u> |
|---|-------------|
| <br><u>SUMMARIES BY APPROPRIATION</u>                         |             |
| Features of FEMA 1993 Request.....                            | S- 1        |
| Budget Structure Crosswalks.....                              | S- 4        |
| Basic Authorities.....  | S- 8        |
| Summary of Changes to 1992 Current Estimates by Activity..... | S-11        |
| Appropriation Overviews.....                                  | S-18        |
| Appropriation and Outlay Summary.....                         | S-19        |
| Budget Authority and Workyears by Program.....                | S-20        |
| Implementation Plans to Convert to Metric System.....         | S-25        |
| Statement on Advisory and Assistance Services.....            | S-26        |
| <br><u>SALARIES AND EXPENSES</u>                              |             |
| Appropriation Language.....                                   | SE- 1       |
| Appropriation Overview.....                                   | SE- 2       |
| Summary of Estimates by Activity.....                         | SE- 3       |
| Object Class.....   | SE- 4       |
| <br><u>Request by Activity</u>                                |             |
| Civil Defense:  |             |
| Estimates by Program.....                                     | SE- 5       |
| Object Class.....   | SE- 6       |
| National Earthquake Program and Other Hazards:                |             |
| Estimates by Program.....                                     | SE-12       |
| Object Class.....   | SE-13       |
| Technological Hazards:  |             |
| Estimates by Program.....                                     | SE-18       |
| Object Class.....   | SE-19       |
| Federal Preparedness:   |             |
| Estimates by Program.....                                     | SE-23       |
| Object Class.....   | SE-24       |

TABLE OF CONTENTS  
Justification of Estimates  
Fiscal Year 1993

|   | <u>Page</u> |
|---|-------------|
| Training and Fire Programs:                             |             |
| Estimates by Program.....                               | SE-28       |
| Object Class.....                                       | SE-29       |
| Flood Insurance and Mitigation:                         |             |
| Estimates by Program.....                               | SE-34       |
| Object Class.....                                       | SE-35       |
| Disaster Relief Administration:                         |             |
| Estimates by Program.....                               | SE-45       |
| Object Class.....                                       | SE-46       |
| Emergency Food and Shelter:                             |             |
| Estimates by Program.....                               | SE-59       |
| Object Class.....                                       | SE-60       |
| Management and Administration                           |             |
| Activity Overview.....                                  | SE-64       |
| Estimates by Office.....                                | SE-65       |
| Object Class.....                                       | SE-66       |
| <br><u>EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE</u> |             |
| Appropriation Language.....                             | EM- 1       |
| Appropriation Overview.....                             | EM- 2       |
| Summary of Estimates by Activity.....                   | EM- 3       |
| Object Class.....                                       | EM- 4       |
| <br><u>Request by Activity</u>                          |             |
| Civil Defense:  |             |
| Activity Overview.....                                  | EM- 5       |
| Estimates by Program.....                               | EM- 8       |
| Object Class.....                                       | EM- 9       |

TABLE OF CONTENTS  
Justification of Estimates  
Fiscal Year 1993

|   | <u>Page</u> |
|---|-------------|
| National Earthquake Program and Other Hazards:                                |             |
| Activity Overview.....  | EM- 34      |
| Estimates by Program.....   | EM- 35      |
| Object Class.....   | EM- 36      |
| Technological Hazards:  |             |
| Activity Overview.....  | EM- 48      |
| Estimates by Program.....   | EM- 50      |
| Object Class.....   | EM- 51      |
| Federal Preparedness:   |             |
| Activity Overview.....  | EM- 63      |
| Estimates by Program.....   | EM- 64      |
| Object Class.....   | EM- 65      |
| Training and Fire Programs:   |             |
| Activity Overview.....  | EM- 78      |
| Estimates by Program.....   | EM- 80      |
| Object Class.....   | EM- 81      |
| Flood Insurance and Mitigation:   |             |
| Activity Overview.....  | EM-121      |
| Estimates by Program.....   | EM-123      |
| Object Class.....   | EM-124      |
| <br><u>DISASTER RELIEF FUND</u>   |             |
| Appropriation Language (Disaster Relief Fund).....                            | DR- 1       |
| Appropriation Language (Disaster Assistance Direct Loan Program Account)..... | DR- 2       |
| Appropriation Overview.....   | DR- 3       |
| Estimates by Element.....   | DR- 5       |
| Object Class.....   | DR- 6       |
| Special Exhibit - Cora Brown Fund.....  | DR-27       |



TABLE OF CONTENTS  
Justification of Estimates  
Fiscal Year 1993

|  | <u>Page</u> |
|--|-------------|
| <br><u>OFFICE OF INSPECTOR GENERAL</u>         |             |
| Appropriation Language.....                    | IG-1        |
| Appropriation Overview.....                    | IG-2        |
| Summary of Estimates by Program.....           | IG-3        |
| Object Class.....                              | IG-4        |
| <br><u>EMERGENCY FOOD AND SHELTER</u>          |             |
| Appropriation Language.....                    | EFS-1       |
| Appropriation Overview.....                    | EFS-2       |
| Summary of Estimates by Program.....           | EFS-3       |
| Object Class.....                              | EFS-4       |
| <br><u>NATIONAL INSURANCE DEVELOPMENT FUND</u> |             |
| Appropriation Language.....                    | ID-1        |
| Appropriation Overview.....                    | ID-2        |
| Summary of Estimates by Program.....           | ID-3        |
| Object Class.....                              | ID-4        |
| <br><u>NATIONAL FLOOD INSURANCE FUND</u>       |             |
| Appropriation Language.....                    | FI-1        |
| Appropriation Overview.....                    | FI-2        |
| Summary of Estimates by Program.....           | FI-3        |
| Object Class.....                              | FI-4        |

## FEATURES OF THE 1993 REQUEST FOR THE FEDERAL EMERGENCY MANAGEMENT AGENCY

The Federal Emergency Management Agency carries out a wide range of program responsibilities for emergency planning, preparedness, response, and recovery, as well as hazard mitigation.

Overview of the 1993 Request. In developing the FEMA 1993 budget request, the 1992 enacted budget was used as a base. This base was adjusted to reflect the three month cost in 1993 of the 1992 pay raise, the full cost of the 1993 pay raise, and resources to support uncontrollable cost increases and approved program initiatives and enhancements in 1993. This adjusted base was reduced to (1) eliminate one-time, specific increases to the 1992 budget request and (2) reflect a "pause" in specific Civil Defense programs pending a review of the programs. Overall FEMA's funding request for operating accounts will be \$19,870,000 or 4% lower than 1992 enacted levels.

FEMA's 1993 request proposes some significant changes from the 1992 enacted levels. Requests for the Civil Defense, National Earthquake, and Training and Fire programs have been reduced significantly, with slight increases for the Disaster Relief Administration, Flood Insurance and Mitigation, Technological Hazards and Federal Preparedness programs as well as the Office of the Inspector General. Most FEMA operating programs will continue to accomplish program goals at 1992 staffing levels, with the exception of the Civil Defense and Federal Preparedness programs which have reduced staffing considerably.

An appropriation of \$292,095,000 is being requested for the Disaster Relief Fund. The request assumes an average disaster year of \$320,000,000 with an offset of \$28,000,000 in savings as a result of regulatory and policy changes. The 1993 appropriation for the Emergency Food and Shelter program of \$100,000,000 represents a decrease of \$34,000,000 from the 1992 enacted level. Government-wide, however, the Administration proposes a 6 percent increase in funding for homeless programs. The decrease in the Emergency Food and Shelter program reflects a shift away from funding short term, emergency shelter activities to a policy of funding programs linking transitional and permanent housing with support services.

Civil Defense. FEMA's 1993 request for activities authorized under the Federal Civil Defense Act of 1950, as amended, totals 366 workyears and \$142,565,000. This request level prioritizes the development of capabilities which will yield the highest lifesaving return: survivable crisis management and population protection. In 1993, the funding request for the purchase of radiological instruments and control and warning equipment has been significantly reduced, reflecting a "pause" in acquiring new equipment and facilities until a requirements study is completed for the program.

National Earthquake Program and Other Hazards. This activity includes FEMA's lead-agency responsibilities under the National Earthquake Hazards Reduction Act, as well as other programs to support State and local development of capabilities to mitigate the hazards of, prepare for, and respond to hurricanes. The request for 1993 totals \$19,882,000 and 66 workyears. This request anticipates the termination of the Dam Safety program after fiscal year 1992.

Technological Hazards. This activity includes two programs: Radiological Emergency Preparedness (REP), which provides for the execution of FEMA's responsibilities in connection with off-site emergency planning around nuclear facilities, and Hazardous Materials, which provides for FEMA participation in interagency efforts toward improving response to hazardous materials incidents. The 1993 request of 121 workyears and \$12,262,000, will provide increases for the REP program, including staff to collect 100 percent of the cost of the program.

Federal Preparedness. These programs are designed to ensure that the Nation will be able to respond to, manage, and recover from domestic and national security emergencies. The 1993 request for this activity totals \$150,896,000 and 927 workyears.

Training and Fire Programs. Resources of this activity prepare Federal, State, and local officials, their supporting staffs, emergency first responders, volunteer groups, and the public to meet the responsibilities and challenges of domestic emergencies through planning, mitigation, preparedness, response, and recovery. The 1993 request for this activity is for \$28,764,000 and 124 workyears, reflecting the elimination of one-time, specific increases in the 1992 level.

Flood Insurance and Mitigation. This activity includes both the Insurance Activities program, which provides the administrative resources for the National Flood Insurance Fund, and the Flood Plain Management program, which supports the mitigation of known flood hazards through identification of flood hazards and assistance to communities in the flood plain management activities necessary to reduce flood losses. Funding for this activity will be derived from reimbursement from the National Flood Insurance Fund. The 1993 request totals \$62,070,000 and 208 workyears.

Disaster Relief Administration. This activity provides the resources necessary to manage the Disaster Relief Fund. The 1993 request includes 102 workyears and \$20,668,000 and will emphasize programmatic and financial improvements in the program.

Emergency Food and Shelter (S&F). This activity provides administrative costs for the Emergency Food and Shelter program. For 1993, 3 workyears and \$256,000 are requested.

Management and Administration. This activity provides administrative support for the Agency's programs and pays for such common costs as rent, supplies, and telephone service. The 1993 request of \$55,027,000 and 477 workyears includes funds for support for collection of user fees, enhancements to improve the Agency's financial management capabilities, and rent and space increases.

Office of the Inspector General. This appropriation provides advice, assistance, and oversight on matters relating to economy and efficiency and the prevention and detection of fraud, abuse, and mismanagement in Agency programs and operations. The 1993 request of 78 workyears and \$5,948,000 includes an increase of 8 workyears and \$804,000 to support the expansion of duties inherent in the creation of a statutory FEMA Inspector General.

National Insurance Development Fund. This fund is the vehicle for funding the Federal Crime Insurance Program, which is currently authorized through September 30, 1995. Six workyears and \$1,558,000 in borrowing authority are requested to support this program in 1993.

National Flood Insurance Fund. The National Flood Insurance Program enables property owners to purchase flood insurance otherwise unavailable in the commercial market. In return for the availability of insurance, communities agree to adopt and enforce flood plain management measures to reduce loss of life and property from future flooding. The program continues to be self-supporting for the average loss year.

Disaster Relief Fund. This fund provides the basis for the President to authorize Federal assistance, in accordance with the provisions of the Stafford Disaster Relief and Emergency Assistance Act, to individuals and to State and local jurisdictions where a major disaster or emergency has been declared. The 1993 estimate of \$292,095,000 assumes an average disaster year of \$320,000,000 offset by estimated savings of \$28,000,000 from regulatory changes to the program. Obligations against funds appropriated under the Dire Emergency Supplemental Appropriations Act of 1992 (P.L. 102-229) will continue in 1993 for disasters declared in 1992 and prior years, though the amount of obligations will drop significantly since the bulk of the obligations will occur in 1992.

Emergency Food and Shelter. This program channels emergency support to the homeless through a National Board of major private charities. The 1993 request totals \$100,000,000. While FEMA's emergency program is reduced below the 1992 level, government-wide funding for the homeless assistance programs will exceed one billion dollars in 1993.

Users Fees. In 1993, FEMA proposes to collect 100 percent of the costs associated with the Radiological Emergency Preparedness Program and will fund the costs of the Flood Insurance and Mitigation activity by charging a processing fee to flood insurance policyholders as authorized by Public Law 101-508.

Changes to Structure. Budget structure changes for the Civil Defense and the Federal Preparedness activities are proposed for 1993. The 1993 budget contains a restructuring and consolidation of the programs of the Civil Defense activity which will be accomplished through a structure that includes (1) State and Local Emergency Management (2) Facilities and Equipment (3) Planning, Exercising and Response (4) Training and (5) Telecommunications. The proposed restructuring of the Federal Preparedness activity combines the previously separate Emergency Information Coordination Center (EICC), Mobilization Preparedness and Federal Readiness and Coordination programs into a single program called Government Plans and Capabilities. The 1993 Budget also includes a proposal for the Management and Administration activity to consolidate the Offices of Personnel and Equal Opportunity, Management Services, Security, and Acquisition Management as well as the Administrative Support Staff and other Administrative Expenses elements into a single line item called the Office of Executive Director. In addition, the Office of Program Analysis and Evaluation (PA&E) will be abolished and the functions, resources and personnel of PA&E will be redistributed to the Office of Executive Director and the Office of Financial Management (formerly the Office of the Comptroller).

**CIVIL DEFENSE BUDGET RESTRUCTURE PROPOSAL CROSSWALK**  
(Dollars in Thousands)

| 1992 Current Estimate                   |    |        |         |         | Restructured<br>1992 Current Estimate                      |     |        |         |         |
|---|----|--------|---------|---------|--|-----|--------|---------|---------|
|   | MY | S&E    | EMPA    | TOTAL   | Proposed Crosswalk   | MY  | S&E    | EMPA    | TOTAL   |
| Civil Defense                           |    |        |         |         | Civil Defense  |     |        |         |         |
| A. State and Local Emergency Management |    |        |         |         | A. State and Local Emergency Management                    |     |        |         |         |
| 1. Emergency Management Assistance...   | 53 | 92,849 | 862,128 | 954,977 | 1. Emergency Management Assistance.....                    | 27  | 91,393 | 862,128 | 953,521 |
| 2. Other S&L Emergency Mgmt.....        | 19 | 972    | 2,125   | 3,097   | 2. Other Assistance (from the following):                  |     |        |         |         |
|   |    |        |         |         | B.1. Planning and Development grants                       | 5   | 277    | 2,905   | 3,182   |
| Subtotal, S&L Emerg. Mgmt.....          | 72 | 3,821  | 864,253 | 868,074 | C.1. Population Protection Planning                        | 58  | 2,952  | 8,380   | 11,332  |
|   |    |        |         |         | C.2. Facility Survey grants                                | 20  | 1,336  | 2,907   | 4,243   |
|   |    |        |         |         | A.2. Other State and Local Emergency Management - JMA      | 11  | 563    | 1,250   | 1,813   |
|   |    |        |         |         | A.1. Emergency Management Assistance - CCA managers        | 12  | 672    | 0       | 672     |
|   |    |        |         |         | C.3. Family Protection                                     | 0   | 0      | 257     | 257     |
|   |    |        |         |         | B.2. Radiological Instrumentation grants                   | 0   | 0      | 5,200   | 5,200   |
|   |    |        |         |         |  |     |        |         |         |
|   |    |        |         |         | Subtotal, Other Assistance.....                            | 106 | 5,799  | 20,099  | 26,098  |
|   |    |        |         |         |  |     |        |         |         |
|   |    |        |         |         | Subtotal, State and Local Emergency Management.....        | 133 | 7,192  | 83,827  | 90,219  |
|   |    |        |         |         |  |     |        |         |         |
| B. Radiological Defense                 |    |        |         |         | B. Facilities and Equipment (from the following):          |     |        |         |         |
| 1. Planning & Development.....          | 5  | 277    | 2,905   | 3,182   | B.2. Radiological Instrumentation                          | 17  | 1,098  | 2,956   | 4,054   |
| 2. Instrumentation.....                 | 17 | 1,098  | 8,156   | 9,254   | A.2. Other State and Local Emergency Management - SAS      | 8   | 409    | 675     | 1,084   |
|   |    |        |         |         | D. State and Local Direction, Control and Warning          | 40  | 2,139  | 19,348  | 21,587  |
| Subtotal, Radiological Defense...       | 22 | 1,375  | 11,061  | 12,436  | C.2. Facility Survey non grants                            | 7   | 388    | 615     | 1,003   |
|   |    |        |         |         | A.1. Emergency Management Assistance - program support     | 5   | 280    | 0       | 280     |
|   |    |        |         |         |  |     |        |         |         |
|   |    |        |         |         | Subtotal, Facilities and Equipment.....                    | 77  | 4,314  | 23,614  | 27,928  |
|   |    |        |         |         |  |     |        |         |         |
| C. Population Protection                |    |        |         |         | C. Planning, Exercising and Response (from the following): |     |        |         |         |
| 1. Population Protection Planning...    | 60 | 3,044  | 8,380   | 11,424  | P.5. Emergency Public Information                          | 1   | 48     | 1,117   | 1,165   |
| 2. Facility Survey, Eng. & Dev.....     | 28 | 1,779  | 3,522   | 5,301   | C.3. Research Policy and Planning                          | 9   | 532    | 425     | 957     |
| 3. Family Protection.....               | 0  | 0      | 257     | 257     | A.1. State and Local Emergency Management                  | 9   | 504    | 0       | 504     |
|   |    |        |         |         | C.2. Facility Survey non grants                            | 1   | 55     | 0       | 55      |
| Subtotal, Population Protection..       | 88 | 4,823  | 12,159  | 16,982  | C.1. Population Protection Planning                        | 2   | 92     | 0       | 92      |
|   |    |        |         |         | A.2. Other State and Local Emergency Management            | 0   | 0      | 200     | 200     |
|   |    |        |         |         |  |     |        |         |         |
|   |    |        |         |         | Subtotal, Planning, Exercising and Response.....           | 22  | 1,232  | 1,742   | 2,974   |

223

CIVIL DEFENSE BUDGET RESTRUCTURE PROPOSAL CROSSWALK  
(Dollars in thousands)

|   | 1992 Current Estimate |        |         |         | Proposed Crosswalk                            | Restructured<br>1992 Current Estimate |        |         |         |
|---|-----------------------|--------|---------|---------|---|---------------------------------------|--------|---------|---------|
|   | MY                    | S&E    | EMPA    | TOTAL   |   | MY                                    | S&E    | EMPA    | TOTAL   |
| D. S&E Direction, Control and Warning     |                       |        |         |         |   |                                       |        |         |         |
| 1. Emergency Operating Centers.....       | 15                    | \$412  | \$6,180 | \$6,992 |   |                                       |        |         |         |
| 2. State & Local Wrg. & Com. Sys...       | 10                    | 539    | 4,753   | 5,292   |   |                                       |        |         |         |
| 3. Imp. Broadcast Sys. Guid. & Asst       | 10                    | 557    | 3,695   | 4,252   |   |                                       |        |         |         |
| 4. Other S&E Direct., Control & Wrg       | 5                     | 231    | 4,740   | 4,971   |   |                                       |        |         |         |
| Subtotal, S&E Dir., Cntrl. & Wrg          | 40                    | 2,159  | 19,368  | 21,507  |   |                                       |        |         |         |
| E. Research                               |                       |        |         |         |   |                                       |        |         |         |
| 1. Research.....                          | 0                     | 0      | 0       | 0       |   |                                       |        |         |         |
| 2. Systems Development.....               | 0                     | 0      | 0       | 0       |   |                                       |        |         |         |
| 3. Policy and Planning.....               | 9                     | 532    | 425     | 957     |   |                                       |        |         |         |
| Subtotal, Research.....                   | 9                     | 532    | 425     | 957     |   |                                       |        |         |         |
| F. Training and Education                 |                       |        |         |         | D. Training (from the following):             |                                       |        |         |         |
| 1. Instructional Progs. & Materials.      | 5                     | 497    | 700     | 1,197   | F.1. Instructional Progs. & Materials         | 5                                     | \$497  | \$700   | \$1,197 |
| 2. Training Field Deployment Systems      | 17                    | 986    | 5,464   | 6,450   | F.2. Training Field Deployment Systems        | 17                                    | 986    | 5,464   | 6,450   |
| 3. Resident Programs.....                 | 23                    | 1,254  | 1,653   | 2,907   | F.3. Resident Programs                        | 23                                    | 1,254  | 1,653   | 2,907   |
| 4. WTC Site Administration.....           | 16                    | 357    | 1,733   | 2,090   | F.4. WTC Site Administration                  | 16                                    | 357    | 1,733   | 2,090   |
| 5. Emergency Public Information.....      | 1                     | 48     | 1,117   | 1,165   |   |                                       |        |         |         |
| Subtotal, Training & Education...         | 62                    | 3,142  | 10,667  | 13,809  | Subtotal, Training.....                       | 61                                    | 3,094  | 9,550   | 12,644  |
| G. Telecommunications and Warning         |                       |        |         |         | E. Telecommunications (from the following):   |                                       |        |         |         |
| 1. National Warning System.....           | 20                    | 969    | 7,425   | 8,394   | G.1. National Warning System                  | 20                                    | 969    | 7,425   | 8,394   |
| 2. Washington Area Warning System...      | 0                     | 0      | 0       | 0       | G.2. Washington Area Warning System           | 0                                     | 0      | 0       | 0       |
| 3. FEMA Switched Network.....             | 16                    | 798    | 3,023   | 3,821   | G.3. FEMA Switched Network                    | 16                                    | 798    | 3,023   | 3,821   |
| 4. FEMA National Radio System.....        | 25                    | 1,321  | 3,416   | 4,737   | G.4. FEMA National Radio System               | 25                                    | 1,321  | 3,416   | 4,737   |
| 5. Information Systems Support Serv.      | 14                    | 692    | 4,776   | 5,468   | G.5. Information Systems Support Services     | 14                                    | 692    | 4,776   | 5,468   |
| 6. U.S. Army Civil Preparedness Detach... | 3                     | 159    | 1,035   | 1,194   | G.6. U.S. Army Civil Preparedness Detachments | 3                                     | 159    | 1,035   | 1,194   |
| 7. DOD Reimbursable Support.....          | 0                     | 0      | 639     | 639     | G.7. DOD Reimbursable Support                 | 0                                     | 0      | 639     | 639     |
| Subtotal, Tele. & Warning                 | 78                    | 5,939  | 20,314  | 24,253  | H. Automatic Data Processing                  | 9                                     | 603    | 0       | 603     |
| H. Automatic Data Processing (S&E).....   | 9                     | 603    | 0       | 603     | Subtotal, Telecommunications.....             | 87                                    | 4,542  | 20,314  | 24,856  |
| Total, Civil Defense.....                 | 380                   | 20,374 | 138,247 | 158,621 | Total, Civil Defense.....                     | 380                                   | 20,374 | 138,247 | 158,621 |

FEDERAL PREPAREDNESS BUDGET RESTRUCTURE PROPOSAL CROSSWALK  
(Dollars in Thousands)

|   | 1992 Current Estimate |         |         |          |   | Restructured<br>1992 Current Estimate |         |         |          |
|---|-----------------------|---------|---------|----------|---|---------------------------------------|---------|---------|----------|
|   | WT                    | S&E     | EMPA    | TOTAL    |   | WT                                    | S&E     | EMPA    | TOTAL    |
| Federal Preparedness                        |                       |         |         |          | Federal Preparedness  |                                       |         |         |          |
| A. Government Preparedness.....             | 868                   | 948,981 | 890,648 | 8139,629 | A. Government Preparedness.....                             | 868                                   | 948,981 | 890,648 | 8139,629 |
| B. Emergency Info. & Coordination Center... | 8                     | 357     | 495     | 852      | B. Government Plans and Capabilities                        |                                       |         |         |          |
| C. Mobilization Preparedness                |                       |         |         |          | 1. Mobilization Preparedness (from the following):          |                                       |         |         |          |
| 1. Mobilization Resources.....              | 13                    | 911     | 743     | 1,654    | C.1. Mobilization Resources                                 | 13                                    | 911     | 743     | 1,654    |
| 2. Mobilization Systems.....                | 12                    | 833     | 496     | 1,329    | C.2. Mobilization Systems                                   | 12                                    | 833     | 496     | 1,329    |
| 3. Mobilization Assessment.....             | 13                    | 903     | 970     | 1,873    | C.3. Mobilization Assessment                                | 0                                     | 0       | 66      | 66       |
|   |                       |         |         |          | D.2. Plans and Authorities                                  | 2                                     | 122     | 0       | 122      |
|   |                       |         |         |          | D.4. National Defense Executive Reserve                     | 1                                     | 59      | 0       | 59       |
| Subtotal, Mobilization Preparedness...      | 38                    | 2,647   | 2,209   | 4,856    | Subtotal, Mobilization Preparedness.....                    | 28                                    | 1,925   | 1,305   | 3,230    |
| D. Federal Readiness and Coordination       |                       |         |         |          | 2. Mobilization Assessment (from C.3. Mobilization Assess.) | 13                                    | 903     | 904     | 1,807    |
| 1. Nat'l Security Emerg. Preparedness...    | 6                     | 351     | 0       | 351      | 3. Federal Readiness (from the following):                  |                                       |         |         |          |
| 2. Plans and Authorities.....               | 13                    | 824     | 495     | 1,319    | B. Emergency Information & Coordination Center              | 8                                     | 357     | 495     | 852      |
| 3. Exercises.....                           | 8                     | 525     | 1,039   | 1,564    | D.1. National Security Emergency Preparedness               | 6                                     | 351     | 0       | 351      |
| 4. Nat'l Defense Executive Reserve.....     | 1                     | 59      | 0       | 59       | D.3. Exercises  | 8                                     | 525     | 1,039   | 1,564    |
|   |                       |         |         |          | Subtotal, Federal Readiness.....                            | 22                                    | 1,233   | 1,534   | 2,767    |
| Subtotal, Fed Readiness and Coord...        | 28                    | 1,759   | 1,534   | 3,293    | 4. Plans and Authorities (from D.2. Plans & Authorities)... | 11                                    | 702     | 495     | 1,197    |
|   |                       |         |         |          | Subtotal, Government Plans and Capabilities.....            | 74                                    | 4,763   | 4,238   | 9,001    |
|   |                       |         |         |          | Total, Federal Preparedness.....                            | 942                                   | 53,744  | 94,886  | 148,630  |
| Total, Federal Preparedness.....            | 942                   | 53,744  | 94,886  | 148,630  |   |                                       |         |         |          |

MANAGEMENT AND ADMINISTRATION BUDGET RESTRUCTURE PROPOSAL CROSSWALK  
(Dollars in thousands)

|   | 1993 Request |        |      |        |   | Restructured<br>1993 Request |        |      |        |
|---|--------------|--------|------|--------|---|------------------------------|--------|------|--------|
|   | MY           | SEE    | EMPA | TOTAL  |   | MY                           | SEE    | EMPA | TOTAL  |
| <b>Management and Administration:</b>   |              |        |      |        | <b>Management and Administration:</b>                     |                              |        |      |        |
| A. Office of the Director.....          | 8            | 8730   | 80   | 8730   | A. Office of the Director.....                            | 8                            | 8730   | 80   | 8730   |
| B. General Counsel.....                 | 24           | 1,779  | 0    | 1,779  | B. General Counsel.....                                   | 24                           | 1,779  | 0    | 1,779  |
| C. Office of Executive Director.....    | 8            | 541    | 0    | 541    | C. Office of the Executive Director (from the following): |                              |        |      |        |
| 1. Security.....                        | 16           | 1,752  | 0    | 1,752  | C. Office of Executive Director                           | 8                            | 541    | 0    | 541    |
| 2. Acquisition Management.....          | 36           | 2,238  | 0    | 2,238  | C.1. Security   | 16                           | 1,752  | 0    | 1,752  |
| 3. Program Analysis and Evaluation..    | 9            | 509    | 0    | 509    | C.2. Acquisition Management                               | 36                           | 2,238  | 0    | 2,238  |
| 4. Administrative Support Staff.....    | 59           | 2,648  | 0    | 2,648  | C.3. Program Analysis and Evaluation                      | 3                            | 175    | 0    | 175    |
| 5. Other Administrative Expenses        |              |        |      |        | C.4. Administrative Support Staff                         | 59                           | 2,648  | 0    | 2,648  |
| a. Rent.....                            | 0            | 12,782 | 0    | 12,782 | C.5. Other Administrative Expenses                        |                              |        |      |        |
| b. Other.....                           | 0            | 3,612  | 0    | 3,612  | C.5.a. Rent   | 0                            | 12,782 | 0    | 12,782 |
| 6. Personnel and Equal Opportunity..    | 78           | 5,058  | 0    | 5,058  | C.5.b. Other  | 0                            | 3,612  | 0    | 3,612  |
|   |              |        |      |        | C.6. Personnel and Equal Opportunity                      | 78                           | 5,058  | 0    | 5,058  |
|   |              |        |      |        | Subtotal, Office of the Executive Director.....           | 200                          | 28,806 | 0    | 28,806 |
| D. Financial Management.....            | 85           | 6,569  | 0    | 6,569  | D. Financial Management (from the following):             |                              |        |      |        |
|   |              |        |      |        | D. Financial Management                                   | 85                           | 6,569  | 0    | 6,569  |
|   |              |        |      |        | C.3. Program Analysis and Evaluation                      | 5                            | 334    | 0    | 334    |
|   |              |        |      |        | Subtotal, Financial Management.....                       | 90                           | 6,903  | 0    | 6,903  |
| <b>E. Information Services</b>          |              |        |      |        | <b>E. Information Services</b>                            |                              |        |      |        |
| 1. Information Systems.....             | 25           | 1,598  | 0    | 1,598  | 1. Information Systems.....                               | 25                           | 1,598  | 0    | 1,598  |
| 2. Administrative Telephones.....       |              | 2,506  | 0    | 2,506  | 2. Administrative Telephones.....                         | 0                            | 2,506  | 0    | 2,506  |
| 3. Office Automation.....               |              | 175    | 0    | 175    | 3. Office Automation.....                                 | 0                            | 175    | 0    | 175    |
| F. Regional Liaison.....                | 5            | 339    | 0    | 339    | F. Regional Liaison.....                                  | 5                            | 339    | 0    | 339    |
| G. Regional Executive Direction.....    | 105          | 10,229 | 0    | 10,229 | G. Regional Executive Direction.....                      | 105                          | 10,229 | 0    | 10,229 |
| H. External Affairs.....                | 20           | 1,962  | 0    | 1,962  | H. External Affairs.....                                  | 20                           | 1,962  | 0    | 1,962  |
| Total, Management and Administration... | 477          | 55,027 | 0    | 55,027 | Total, Management and Administration.....                 | 477                          | 55,027 | 0    | 55,027 |



**BASIC AUTHORITIES  
FEDERAL EMERGENCY MANAGEMENT AGENCY  
BUDGET ESTIMATES FOR 1993**

The Federal Emergency Management Agency (FEMA) was established by the President in Reorganization Plan No. 3 of 1978. The Agency operates under various statutory and executive authorities to carry out a wide range of program responsibilities for emergency planning, preparedness, response and recovery, and hazard mitigation. These include the following:

- o Federal Civil Defense Act, of 1950, as amended, 50 U.S.C. App. §2251, et seq.  
State and Local Emergency Management  
Facilities and Equipment  
Planning, Exercise and Response  
Training  
Telecommunications  
Radiological Emergency Preparedness  
Government Plans and Capabilities  
Emergency Management Institute
- o Earthquake Hazards Reduction Act of 1977, as amended by the National Earthquake Hazards Reduction Program Reauthorization Act, Public Law 101-614, both codified at 42 U.S.C. §7701, et. seq.  
National Earthquake Program  
Emergency Management Institute
- o Executive Order 12148 of July 20, 1979, as amended, "Federal emergency management", 3 CFR, 1979 Comp., pl 412.  
Dam Safety  
Radiological Emergency Preparedness  
Hazardous Materials  
Disaster Relief Fund  
Government Plans and Capabilities
- o Atomic Energy Act of 1954, as amended, 42 U.S.C. §2011, et seq. and Public Law 96-295, Nuclear Regulatory Commission Appropriation Authorization, June 30, 1980.  
Radiological Emergency Preparedness

227

- o Executive Order 12657 of November 18, 1988, "Federal Emergency Management Agency Assistance in Emergency Preparedness Planning at Commercial Nuclear Power Plants", 3 CFR, 1988 Comp., p. 611.  
Radiological Emergency Preparedness
- o National Security Act of 1947, as amended, Sections 103 and 303, 50 U.S.C. §404-405.  
Government Plans and Capabilities  
Emergency Management Institute
- o Defense Production Act of 1950, as amended, 50 U.S.C. §2061, et seq.  
Government Plans and Capabilities  
Emergency Management Institute
- o Federal Fire Prevention and Control Act of 1974, 15 U.S.C. §2201, et seq., as further amended by the Hotel and Motel Fire and Safety Act of 1990, Public Law 101-391 (Sept. 25, 1990).  
National Fire Academy  
United States Fire Administration
- o National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended, codified together at 42 U.S.C. §4001, et seq.  
Flood Insurance and Mitigation  
National Flood Insurance Fund
- o Urban Property Protection and Reinsurance Act of 1968, as amended, 12 U.S.C. §1749 bbb, et seq.  
National Insurance Development Fund
- o Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended by Public Law 100-707, 42 U.S.C. §5121, et seq.  
Government Plans and Capabilities  
Disaster Relief Fund  
Hurricane  
Emergency Management Institute  
Hazard Mitigation Assistance
- o Inspector General Act of 1978, as amended, 5 U.S.C. App. §52, 11.  
Inspector General
- o Stewart B. McKinney Homeless Assistance Act of 1987, as amended, Public Law 100-77, 42 U.S.C. §11331 et seq., as amended by Public Law 101-645.  
Emergency Food and Shelter

- o Executive Order 10480 of August 14, 1953, "Further providing for the administration of the defense mobilization program", 3 CFR, 1949-1953 Comp., p. 962, as amended, 50 U.S.C. App. §2153, note.  
Government Plans and Capabilities
- o Executive Order 12656 of November 18, 1988, "Assignment of Emergency Preparedness Responsibilities", 3 CFR, 1988 Comp., p. 583.  
Government Plans and Capabilities
- o Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §9615 et seq., as further amended by the Superfund Amendments and Reauthorization Act of 1986, Public Law 99-499. of 1986, P.L. 99-499  
Emergency Management Institute  
Hazardous Materials
- o Hazardous Materials Transportation Act, as amended by the Hazardous Materials Transportation Uniform Safety Act of 1990, 49 U.S.C. §1801 et seq.  
Emergency Management Institute  
Hazardous Materials
- o Executive Order 12699 of January 5, 1990, "Seismic Safety of Federal and Federally Assisted or Regulated New Building Construction", 3 CFR, 1990 Comp., p. 269.  
National Earthquake Program
- o Reorganization Plan No. 3 of 1978, 3 CFR, 1978 Comp., p. 329 (43 Fed. Reg. 41943), 5 U.S.C. App. §1, note.  
Management and Administration
- o Chief Financial Officer Act of 1990, 31 U.S.C. §501 note, Public Law 101-576, Nov. 15, 1990.  
Management and Administration
- o Executive Order 12427 of April 3, 1984, "Assignment of National Security and Emergency Preparedness Telecommunications Functions", 3 CFR, 1984 Comp., p. 193.  
Facilities and Equipment  
Telecommunications  
Government Plans and Capabilities

229

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress  
Summary of Changes to 1992 Current Estimate by Activity  
(Dollars in Thousands)

| <u>Activity/1993 Changes to 1992 Current Estimate</u>             | <u>HY</u> | <u>S&amp;E</u> | <u>EMPA</u> | <u>TOTAL</u> |
|---|-----------|----------------|-------------|--------------|
| <b>Civil Defense:</b>   |           |                |             |              |
| 1992 Current Estimate.....  | 380       | \$20,374       | \$138,247   | \$158,621    |
| 1993 Requested Changes:   |           |                |             |              |
| One Quarter of FY 1992 Pay Raise.....                             | ...       | 182            | ...         | 182          |
| 1993 Pay Costs.....   | ...       | 521            | ...         | 521          |
| Discontinuation of Specific Increases to 1992 Request:            |           |                |             |              |
| Emergency Operating Center (EOC) in Iowa.....                     | ...       | ...            | (1,500)     | (1,500)      |
| EOC Planning & Design in Vermont.....                             | ...       | ...            | (50)        | (50)         |
| Warning Sirens for Chicago.....                                   | ...       | ...            | (1,000)     | (1,000)      |
| Warning Sirens for Kansas.....                                    | ...       | ...            | (1,155)     | (1,155)      |
| Reversal of One-Time Only Reprogramming in 1992 Current Est...    | (14)      | (649)          | 1,200       | 551          |
| Elimination of Shelter Survey Program.....                        | (24)      | (1,330)        | (3,597)     | (4,927)      |
| Emphasis on Planning, Exercise, & Response.....                   | 24        | 1,325          | ...         | 1,325        |
| Pause in Facilities and Equip. Acquisition - Maintenance only.    | ...       | ...            | (10,053)    | (10,053)     |
| Requirements Study.....   | ...       | ...            | 1,000       | 1,000        |
| Rent Payment to SF for CD Test Facility.....                      | ...       | ...            | 250         | 250          |
| One-Time LAN/WAN Equipment Purchase in 1992.....                  | ...       | ...            | (1,200)     | (1,200)      |
| -----   |           | -----          | -----       | -----        |
| 1993 Request to Congress: Civil Defense.....                      | 366       | 20,423         | 122,142     | 142,565      |
| <b>National Earthquake Program and Other Hazards:</b>             |           |                |             |              |
| 1992 Current Estimate.....  | 66        | 4,662          | 17,834      | 22,496       |
| 1993 Requested Changes:   |           |                |             |              |
| One Quarter of FY 1992 Pay Raise.....                             | ...       | 33             | ...         | 33           |
| 1993 Pay Costs.....   | ...       | 94             | ...         | 94           |
| Discontinuation of Specific Increases to 1992 Request:            |           |                |             |              |
| Construction of EQ Lab at University of Nevada - Reno.....        | ...       | ...            | (2,500)     | (2,500)      |
| Reversal of One-Time Only Reprogramming in 1992 Current Est...    | ...       | 37             | ...         | 37           |
| Earthquake Hazard Reduction Program Enhancement.....              | 3         | 289            | ...         | 289          |
| Elimination of Dam Safety Program.....                            | (3)       | (135)          | (432)       | (567)        |
| -----   |           | -----          | -----       | -----        |
| 1993 Request to Congress: National Earthquake Program & Other Haz | 66        | 4,980          | 14,902      | 19,882       |

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress  
Summary of Changes to 1992 Current Estimate by Activity  
(Dollars in Thousands)

| <u>Activity/1993 Changes to 1992 Current Estimate</u>           | <u>NY</u> | <u>S&amp;E</u> | <u>EMPA</u> | <u>TOTAL</u> |
|---|-----------|----------------|-------------|--------------|
| <b>Technological Hazards:</b>                                   |           |                |             |              |
| 1992 Current Estimate.....                                      | 117       | \$6,068        | \$5,190     | \$11,258     |
| 1993 Requested Changes:   |           |                |             |              |
| One Quarter of FY 1992 Pay Raise.....                           | ...       | 58             | ...         | 58           |
| 1993 Pay Costs.....   | ...       | 167            | ...         | 167          |
| Reversal of One-Time Only Reprogramming in 1992 Current Est.... | ...       | 29             | ...         | 29           |
| Adequate S&E resources for Radiological Emergency Preparedness  | ...       | 550            | ...         | 550          |
| Staff to Implement 100% User Fee Collection.....                | 4         | 200            | ...         | 200          |
|   | ---       | ---            | ---         | ---          |
| 1993 Request to Congress: Technological Hazards.....            | 121       | 7,072          | 5,190       | 12,262       |
| <br><b>Federal Preparedness:</b>                                |           |                |             |              |
| 1992 Current Estimate.....                                      | 942       | 53,744         | 94,886      | 148,630      |
| 1993 Requested Changes:   |           |                |             |              |
| One Quarter of FY 1992 Pay Raise.....                           | ...       | 469            | ...         | 469          |
| 1993 Pay Costs.....   | ...       | 1,336          | ...         | 1,336        |
| Reversal of One-Time Only Reprogramming in 1992 Current Est.... | ...       | 839            | (1,200)     | (361)        |
| 1993 Workyear Reduction.....                                    | (15)      | (750)          | ...         | (750)        |
| Items in Government Preparedness Submission.....                | ...       | (270)          | 1,842       | 1,572        |
|   | ---       | ---            | ---         | ---          |
| 1993 Request to Congress: Federal Preparedness.....             | 927       | 55,368         | 95,528      | 150,896      |

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress  
Summary of Changes to 1992 Current Estimate by Activity  
(Dollars in Thousands)

| <u>Activity/1993 Changes to 1992 Current Estimate</u>             | <u>MY</u> | <u>S&amp;E</u> | <u>EMPA</u> | <u>TOTAL</u> |
|---|-----------|----------------|-------------|--------------|
| <b>Training and Fire Programs:</b>                                |           |                |             |              |
| 1992 Current Estimate.....  | 124       | \$7,236        | \$29,670    | \$36,906     |
| 1993 Requested Changes:   |           |                |             |              |
| One Quarter of FY 1992 Pay Raise.....                             | ...       | 62             | ...         | 62           |
| 1993 Pay Costs.....   | ...       | 177            | ...         | 177          |
| Discontinuation of Specific Increases to 1992 Request:            |           |                |             |              |
| SARA Title III grants.....  | ...       | ...            | (3,000)     | (3,000)      |
| Building Renovations at NETC.....                                 | ...       | ...            | (2,260)     | (2,260)      |
| Hazardous Materials Training Facility in Waterloo, Iowa....       | ...       | ...            | (1,000)     | (1,000)      |
| Hazardous Materials Training Facility in Vermont.....             | ...       | ...            | (115)       | (115)        |
| Reversal of One-Time Only Reprogramming in 1992 Current Est...    | ...       | 8              | ...         | 8            |
| NETC Site Renovations (Reduction to Base).....                    | ...       | ...            | (2,014)     | (2,014)      |
| -----   | -----     | -----          | -----       | -----        |
| 1993 Request to Congress: Training and Fire Programs.....         | 124       | 7,483          | 21,281      | 28,764       |
| <b>Flood Insurance and Mitigation:</b>                            |           |                |             |              |
| 1992 Current Estimate.....  | 208       | 12,874         | 45,023      | 57,897       |
| 1993 Requested Changes:   |           |                |             |              |
| One Quarter of FY 1992 Pay Raise.....                             | ...       | 104            | ...         | 104          |
| 1993 Pay Costs.....   | ...       | 324            | ...         | 324          |
| 1993 Workyear Reduction..... (5)                                  | ...       | ...            | ...         | ...          |
| Map Revisions/Amendments.....                                     | ...       | ...            | 1,000       | 1,000        |
| Erosion/Riverine Studies.....                                     | ...       | 193            | ...         | 193          |
| Community Rating System..... 5                                    | ...       | 483            | ...         | 483          |
| Coastal Barriers Improvement Act Mapping.....                     | ...       | ...            | 1,319       | 1,319        |
| Flood Hazard Reduction Enhancement.....                           | ...       | ...            | 750         | 750          |
| -----   | -----     | -----          | -----       | -----        |
| 1993 Reimbursable Obligations for Flood Insurance and Mitigation. | 208       | 13,978         | 48,092      | 62,070       |
| Less Fees Collected from Policyholders.....                       | ...       | (13,978)       | (48,092)    | (62,070)     |
| -----   | -----     | -----          | -----       | -----        |
| 1993 Request to Congress: Flood Insurance & Mitigation.....       | 208       | ...            | ...         | ...          |

232

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress  
Summary of Changes to 1992 Current Estimate by Activity  
(Dollars in Thousands)

| <u>Activity/1993 Changes to 1992 Current Estimate</u>          | <u>NY</u> | <u>S&amp;E</u> | <u>EMPA</u> | <u>TOTAL</u> |
|--|-----------|----------------|-------------|--------------|
| Disaster Relief Administration:                                |           |                |             |              |
| 1992 Current Estimate.....                                     | 292       | \$19,431       | ...         | \$19,431     |
| 1993 Requested Changes:  |           |                |             |              |
| One Quarter of FY 1992 Pay Raise.....                          | ...       | 131            | ...         | 131          |
| 1993 Pay Costs.....  | ...       | 377            | ...         | 377          |
| Reversal of One-Time Only Reprogramming in 1992 Current Est... | ...       | 41             | ...         | 41           |
| Additional Program and Financial Management for Disasters..... | 10        | 688            | ...         | 688          |
|  | ---       | -----          | ---         | -----        |
| 1993 Request to Congress: Disaster Relief Administration.....  | 302       | 20,668         | ...         | 20,668       |
| Emergency Food and Shelter (S&E):                              |           |                |             |              |
| 1992 Current Estimate.....                                     | 5         | 245            | ...         | 245          |
| 1993 Requested Changes:  |           |                |             |              |
| One Quarter of FY 1992 Pay Raise.....                          | ...       | 3              | ...         | 3            |
| 1993 Pay Costs.....  | ...       | 7              | ...         | 7            |
| Reversal of One-Time Only Reprogramming in 1992 Current Est... | ...       | 1              | ...         | 1            |
|  | ---       | ---            | ---         | ---          |
| 1993 Request to Congress: Emergency Food & Shelter (S&E).....  | 5         | 256            | ...         | 256          |

233

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress  
Summary of Changes to 1992 Current Estimate by Activity  
(Dollars in Thousands)

| Activity/1993 Changes to 1992 Current Estimate  | MY    | S&E      | EMPA    | TOTAL    |
|---|-------|----------|---------|----------|
| Management and Administration:  |       |          |         |          |
| 1992 Current Estimate.....  | 477   | \$52,603 | ...     | \$52,603 |
| 1993 Requested Changes:   |       |          |         |          |
| One Quarter of FY 1992 Pay Raise.....   | ...   | 237      | ...     | 237      |
| 1993 Pay Costs.....   | ...   | 679      | ...     | 679      |
| Reversal of One-Time Only Reprogramming in 1992 Current Est...                            | ...   | (308)    | ...     | (308)    |
| 1993 Workyear Reduction.....  | (8)   | (360)    | ...     | (360)    |
| Administrative Support for REP Fee Collections:   |       |          |         |          |
| General Counsel.....  | 1     | 50       | ...     | 50       |
| Financial Management.....   | 1     | 50       | ...     | 50       |
| CFO Act Related Improvements.....   | 5     | 334      | ...     | 334      |
| Offset to Program Analysis & Eval. to Fund CFO Improvements...                            | (5)   | (334)    | ...     | (334)    |
| Financial Systems Improvements.....   | 3     | 900      | ...     | 900      |
| Accounting Enhancement.....   | 3     | 126      | ...     | 126      |
| Rent Increase (6%).....   | ...   | 696      | ...     | 696      |
| Space Increase.....   | ...   | 1,694    | ...     | 1,694    |
| Reduction in Telephone Costs Because of FTS 2000.....                                     | ...   | (140)    | ...     | (140)    |
| One-Time LAN/WAN Equipment Purchase in 1992.....  | ...   | (1,200)  | ...     | (1,200)  |
| -----   |       | -----    | -----   | -----    |
| 1993 Request to Congress: Management & Administration.....                                | 477   | 55,027   | ...     | 55,027   |
| -----   |       | -----    | -----   | -----    |
| TOTAL, 1993 REQUEST FOR FEMA OPERATING PROGRAMS AND<br>MANAGEMENT AND ADMINISTRATION..... | 2,596 | 171,277  | 259,043 | 430,320  |



FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress  
Summary of Changes to 1992 Current Estimate by Activity  
(Dollars in Thousands)

| <u>Activity/1993 Changes to 1992 Current Estimate</u>                | <u>MY</u> | <u>S&amp;E</u> | <u>EMPA</u> | <u>TOTAL</u> |
|--|-----------|----------------|-------------|--------------|
| Office of Inspector General:   |           |                |             |              |
| 1992 Current Estimate.....   | 70        |                |             | \$5,144      |
| 1993 Requested Changes:  |           |                |             |              |
| One Quarter of FY 1992 Pay Raise.....                                | ...       |                |             | 23           |
| 1993 Pay Costs.....  | ...       |                |             | 118          |
| 1993 Workyear Reduction.....   | (2)       |                |             | (100)        |
| Enhancement of IG Resources to Meet Requirements of IG Act....       | 10        |                |             | 763          |
|  | ---       |                |             | ----         |
| 1993 Request to Congress: Office of Inspector General.....           | 78        |                |             | 5,948        |
| Disaster Relief:   |           |                |             |              |
| 1992 Current Estimate.....   | ...       |                |             | 984,459      |
| Loan Subsidy & Loan Admin. Expenses.....                             | ...       |                |             | 541          |
| 1993 Requested Changes:  |           |                |             |              |
| Reduction to "Average Year" of Disaster Activity.....                | ...       |                |             | (664,905)    |
| Savings from Changes to Regulations.....                             | ...       |                |             | (28,000)     |
|  | ---       |                |             | ----         |
| 1993 Request to Congress: Disaster Relief*.....                      | ...       |                |             | 292,095      |
| Emergency Food and Shelter:  |           |                |             |              |
| 1992 Current Estimate.....   | ...       |                |             | 134,000      |
| 1993 Requested Changes:  |           |                |             |              |
| Change Emphasis to More Permanent Programs.....                      | ...       |                |             | (34,000)     |
|  | ---       |                |             | ----         |
| 1993 Request to Congress: Emergency Food & Shelter.....              | ...       |                |             | 100,000      |
| National Flood Insurance Fund:                                       |           |                |             |              |
| 1992 Current Estimate, 1993 Request to Congress: Flood Insurance ... |           |                |             | ...          |

\* Includes Loan Admin. Expenses of \$95,000.

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress  
Summary of Changes to 1992 Current Estimate by Activity  
(Dollars in Thousands)

| Activity/1993 Changes to 1992 Current Estimate                     | HY  | S&E | EMPA | TOTAL    |
|--|-----|-----|------|----------|
| National Insurance Development Fund:                               |     |     |      |          |
| 1992 Current Estimate.....   | 6   |     |      | \$1,800  |
| 1993 Requested Changes:  |     |     |      |          |
| Adjustments.....   | ... |     |      | (242)    |
|  |     |     |      | -----    |
| 1993 Request to Congress: National Insurance Development Fund...   | 6   |     |      | 1,558    |
| Offsetting Receipts - Radiological Emergency Preparedness Program: |     |     |      |          |
| 1992 Current Estimate.....   | ... |     |      | 0        |
| 1993 Requested Changes:  |     |     |      |          |
| 100% Collection - Increase in REP Program Costs.....               | ... |     |      | (10,477) |
|  |     |     |      | -----    |
| 1993 Request to Congress: Offsetting Receipts (REP).....           | ... |     |      | (10,477) |
| Reimbursable Workyears:  |     |     |      |          |
| 1992 Current Estimate.....   | 75  |     |      | ...      |
| 1993 Requested Changes:  |     |     |      |          |
| HMTUSA Transfer from DOT.....                                      | 16  |     |      | ...      |
|  |     |     |      | ---      |
| 1993 Request to Congress: Reimbursable Workyears.....              | 91  |     |      | ...      |
|  |     |     |      | -----    |
| TOTAL, 1993 REQUEST FOR FEMA.....                                  | 171 |     |      | 819,484  |

236

FEDERAL EMERGENCY MANAGEMENT AGENCY  
Appropriation Overview

Salaries and Expenses. This appropriation encompasses the salaries and expenses required to provide executive direction and administrative and staff support to FEMA's programs in both the Headquarters and field offices.

Emergency Management Planning and Assistance. This appropriation provides program resources for the following activities: Civil Defense; National Earthquake Program and Other Hazards; Technological Hazards; Federal Preparedness; and Training and Fire Programs.

Office of the Inspector General. This appropriation provides agencywide audit and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste and mismanagement.

National Insurance Development Fund. This fund is used as the vehicle for the funding of the Federal Crime Insurance Program. It receives deposits from crime insurance premiums and other receipts.

National Flood Insurance Fund. This fund is used as the funding mechanism for the National Flood Insurance Program, which enables property owners to purchase flood insurance otherwise unavailable in the commercial market. In return for the availability of insurance, communities agree to adopt and enforce flood plain management measures to reduce losses from future flooding.

Disaster Relief. From this appropriation, supplementary assistance is provided to individuals and State and local governments in the event of a Presidentially declared emergency or major disaster. The Fund also finances the subsidy of states share loans and associated administrative expenses.

Emergency Food and Shelter. This appropriation provides grants to voluntary organizations at the local level to supplement their programs for emergency food and shelter.

**FEDERAL EMERGENCY MANAGEMENT AGENCY**  
**Appropriation and Outlay Summary**  
(Dollars in Thousands)

**APPROPRIATIONS**

|   | 1991<br>Actual | 1992<br>Request | 1992<br>Current<br>Estimate | 1993<br>Request | Increase/<br>Decrease |
|---|----------------|-----------------|-----------------------------|-----------------|-----------------------|
| Salaries and Expenses.....                      | \$142,999      | \$166,363       | \$164,363                   | \$171,277       | \$8,914               |
| Emergency Management Planning and Assistance... | 282,623        | 277,827         | 285,827                     | 259,043         | (26,784)              |
| National Insurance Development Fund.....        | ...            | ...             | ...                         | ...             | ...                   |
| National Flood Insurance Fund.....              | ...            | ...             | ...                         | ...             | ...                   |
| Disaster Relief Fund.....                       | ...            | 274,459         | 983,209                     | 292,000         | (691,209)             |
| Disaster Assistance Loan Subsidy.....           | ...            | 541             | 541                         | 95              | (446)                 |
| Emergency Food and Shelter.....                 | 134,000        | 100,000         | 134,000                     | 100,000         | (34,000)              |
| Office of the Inspector General.....            | 3,351          | 5,144           | 5,144                       | 5,948           | 804                   |
| REP - Offsetting Receipts .....                 | ...            | (9,569)         | ...                         | (10,477)        | (10,477)              |
| <b>Total, Obligations.....</b>                  | <b>582,973</b> | <b>814,765</b>  | <b>1,573,084</b>            | <b>817,886</b>  | <b>(755,198)</b>      |

23  
86

**OUTLAYS**

|   |                |                  |                  |                  |               |
|---|----------------|------------------|------------------|------------------|---------------|
| Salaries and Expenses.....                      | 132,451        | 162,902          | 162,325          | 170,613          | 8,288         |
| Emergency Management Planning and Assistance... | 236,498        | 286,460          | 289,892          | 271,940          | (17,952)      |
| National Insurance Development Fund.....        | 16,339         | 14,697           | 2,223            | 1,606            | (617)         |
| National Flood Insurance Fund.....              | (202,876)      | (61,024)         | (101,811)        | (81,903)         | 19,908        |
| Disaster Relief Fund.....                       | 551,795        | 600,697          | 659,911          | 734,873          | 74,962        |
| Disaster Assistance Loan Subsidy.....           | ...            | 541              | 541              | 95               | (446)         |
| Emergency Food and Shelter.....                 | 132,953        | 100,000          | 134,000          | 100,000          | (34,000)      |
| Office of the Inspector General.....            | 3,172          | 4,965            | 4,965            | 5,867            | 902           |
| Bequests and Gifts (Disaster Relief).....       | (15)           | 50               | 100              | 30               | (70)          |
| Gifts and Bequests, Fire Administration.....    | ...            | ...              | 1                | ...              | (1)           |
| Offsetting Receipts (Bequests and Gifts).....   | (36)           | (84)             | (65)             | (69)             | (4)           |
| REP - Offsetting Receipts .....                 | ...            | (9,569)          | ...              | (10,477)         | (10,477)      |
| <b>Total, Outlays.....</b>                      | <b>870,281</b> | <b>1,099,635</b> | <b>1,152,082</b> | <b>1,192,575</b> | <b>40,493</b> |

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress by Program  
(Dollars in Thousands)

|   | 1991 Actual |        |         |         | 1992 Request |        |         |         | 1992 Current Estimate |        |         |         | 1993 Request |        |         |         | Increase/Decrease |          |          |          |
|---|-------------|--------|---------|---------|--------------|--------|---------|---------|-----------------------|--------|---------|---------|--------------|--------|---------|---------|-------------------|----------|----------|----------|
|   | VT          | S&E    | EMPA    | TOTAL   | VT           | S&E    | EMPA    | TOTAL   | VT                    | S&E    | EMPA    | TOTAL   | VT           | S&E    | EMPA    | TOTAL   | VT                | S&E      | EMPA     | TOTAL    |
| <b>Civil Defense</b>                                |             |        |         |         |              |        |         |         |                       |        |         |         |              |        |         |         |                   |          |          |          |
| A. State and Local Emergency Management             |             |        |         |         |              |        |         |         |                       |        |         |         |              |        |         |         |                   |          |          |          |
| 1. Emergency Management Assistance...               | 25          | 81,521 | 863,128 | 944,649 | 27           | 81,513 | 860,128 | 941,641 | 27                    | 81,393 | 862,128 | 943,521 | 27           | 81,393 | 862,128 | 943,521 | ...               | ...      | ...      | ...      |
| 2. Other Assistance.....                            | 102         | 5,646  | 21,131  | 26,777  | 106          | 5,356  | 21,113  | 26,469  | 106                   | 5,799  | 20,899  | 26,698  | 80           | 4,664  | 20,617  | 25,281  | (26)              | (81,135) | (9282)   | (81,417) |
| Subtotal, S&L Emergency Mgt.....                    | 127         | 7,167  | 84,259  | 91,426  | 133          | 6,869  | 81,241  | 88,110  | 133                   | 7,192  | 83,027  | 90,219  | 107          | 6,057  | 82,745  | 88,802  | (26)              | (1,135)  | (282)    | (1,417)  |
| B. Facilities and Equipment.....                    | 72          | 4,417  | 21,869  | 26,286  | 77           | 4,334  | 19,724  | 24,058  | 77                    | 4,314  | 23,614  | 27,928  | 68           | 4,044  | 7,637   | 11,681  | (9)               | (270)    | (15,977) | (16,247) |
| C. Planning, Exercising and Response...             | 21          | 1,320  | 2,104   | 3,424   | 22           | 1,185  | 2,096   | 3,281   | 22                    | 1,232  | 1,742   | 2,974   | 46           | 2,667  | 3,096   | 5,763   | 24                | 1,435    | 1,354    | 2,789    |
| D. Training.....                                    | 59          | 3,161  | 9,648   | 12,809  | 61           | 3,215  | 9,567   | 12,782  | 61                    | 3,094  | 9,350   | 12,444  | 60           | 3,095  | 9,350   | 12,445  | (1)               | 1        | ...      | 1        |
| E. Telecommunications .....                         | 81          | 4,525  | 18,805  | 23,330  | 87           | 4,880  | 20,517  | 25,397  | 87                    | 4,542  | 20,314  | 24,856  | 85           | 4,560  | 19,114  | 23,674  | (2)               | 18       | (1,200)  | (1,182)  |
| Subtotal, Civil Defense.....                        | 360         | 20,590 | 136,685 | 157,275 | 380          | 20,483 | 133,145 | 153,628 | 380                   | 20,374 | 138,247 | 158,621 | 366          | 20,423 | 122,142 | 142,565 | (14)              | 49       | (16,105) | (16,056) |
| <b>Nat'l Earthquake Program &amp; Other Hazards</b> |             |        |         |         |              |        |         |         |                       |        |         |         |              |        |         |         |                   |          |          |          |
| A. National Earthquake Program *                    | 28          | 2,033  | 12,529  | 14,562  | 43           | 3,571  | 13,985  | 17,556  | 43                    | 3,537  | 16,308  | 19,845  | 46           | 3,944  | 13,808  | 17,752  | 3                 | 407      | (2,500)  | (2,093)  |
| B. Hurricane.....                                   | 5           | 363    | 895     | 1,258   | 5            | 258    | 896     | 1,154   | 5                     | 256    | 896     | 1,152   | 5            | 268    | 896     | 1,164   | ...               | 12       | ...      | 12       |
| C. Dam Safety.....                                  | 3           | 218    | 431     | 649     | 3            | 135    | 432     | 567     | 3                     | 135    | 432     | 567     | ...          | ...    | ...     | ...     | (3)               | (135)    | (432)    | (567)    |
| D. Hazard Mitigation Assistance.....                | 2           | 145    | 197     | 342     | 2            | 103    | 200     | 303     | 2                     | 103    | 198     | 301     | 2            | 107    | 198     | 305     | ...               | 4        | ...      | 4        |
| E. Policy and Planning.....                         | 12          | 871    | ...     | 871     | 13           | 637    | ...     | 637     | 13                    | 631    | ...     | 631     | 13           | 661    | ...     | 661     | ...               | 30       | ...      | 30       |
| Subtotal, EQ & Other Hazards.....                   | 50          | 3,630  | 14,052  | 17,682  | 66           | 4,704  | 15,513  | 20,217  | 66                    | 4,662  | 17,834  | 22,496  | 66           | 4,980  | 14,902  | 19,882  | ...               | 318      | (2,932)  | (2,614)  |
| <b>Technological Hazards</b>                        |             |        |         |         |              |        |         |         |                       |        |         |         |              |        |         |         |                   |          |          |          |
| A. Radiological Emergency Preparedness...           | 87          | 4,882  | 4,624   | 9,506   | 95           | 4,918  | 4,651   | 9,569   | 95                    | 4,918  | 4,605   | 9,523   | 99           | 5,872  | 4,605   | 10,477  | 4                 | 954      | ...      | 954      |
| B. Hazardous Materials.....                         | 19          | 1,066  | 590     | 1,656   | 22           | 1,150  | 591     | 1,741   | 22                    | 1,150  | 585     | 1,735   | 22           | 1,200  | 585     | 1,785   | ...               | 50       | ...      | 50       |
| Subtotal, Tech Hazards.....                         | 106         | 5,948  | 5,214   | 11,162  | 117          | 6,068  | 5,242   | 11,310  | 117                   | 6,068  | 5,190   | 11,258  | 121          | 7,072  | 5,190   | 12,262  | 4                 | 1,004    | ...      | 1,004    |

\* Carryover amounts of \$276K for S&E and \$2,462K for EMPA not displayed in 1992 Current Estimate for National Earthquake Program.

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress by Program  
(Dollars in Thousands)

|  | 1991 Actual |         |         |           | 1992 Request |         |         |           | 1992 Current Estimate |         |         |           | 1993 Request |         |         |           | Increase/Decrease |         |         |         |
|--|-------------|---------|---------|-----------|--------------|---------|---------|-----------|-----------------------|---------|---------|-----------|--------------|---------|---------|-----------|-------------------|---------|---------|---------|
|  | WT          | S&E     | EMPA    | TOTAL     | WT           | S&E     | EMPA    | TOTAL     | WT                    | S&E     | EMPA    | TOTAL     | WT           | S&E     | EMPA    | TOTAL     | WT                | S&E     | EMPA    | TOTAL   |
| <b>Federal Preparedness</b>                        |             |         |         |           |              |         |         |           |                       |         |         |           |              |         |         |           |                   |         |         |         |
| <b>A. Government Preparedness</b>                  |             |         |         |           |              |         |         |           |                       |         |         |           |              |         |         |           |                   |         |         |         |
| 1. Government Preparedness.....                    | 845         | 845,243 | 895,337 | \$140,580 | 868          | 851,677 | 896,053 | \$147,730 | 868                   | 848,981 | 890,648 | \$139,629 | 860          | 850,460 | 891,290 | \$141,750 | (8)               | \$1,479 | \$642   | \$2,121 |
| Subtotal, Govt. Preparedness.....                  | 845         | 45,243  | 95,337  | 140,580   | 868          | 51,677  | 96,053  | 147,730   | 868                   | 48,981  | 90,648  | 139,629   | 860          | 50,460  | 91,290  | 141,750   | (8)               | 1,479   | 642     | 2,121   |
| <b>B. Government Plans &amp; Capabilities.....</b> |             |         |         |           |              |         |         |           |                       |         |         |           |              |         |         |           |                   |         |         |         |
| 1. Mobilization Preparedness.....                  | 27          | 1,781   | 1,304   | 3,085     | 28           | 1,784   | 1,317   | 3,101     | 28                    | 1,925   | 1,305   | 3,230     | 28           | 1,981   | 1,305   | 3,286     | ...               | 56      | ...     | 56      |
| 2. Mobilization Assessment.....                    | 12          | 803     | 914     | 1,717     | 13           | 836     | 914     | 1,750     | 13                    | 903     | 904     | 1,807     | 12           | 922     | 904     | 1,826     | (1)               | 19      | ...     | 19      |
| 3. Federal Readiness.....                          | 20          | 1,109   | 1,018   | 2,127     | 22           | 1,131   | 1,549   | 2,680     | 22                    | 1,233   | 1,534   | 2,767     | 16           | 1,284   | 1,534   | 2,818     | (6)               | 51      | ...     | 51      |
| 4. Plans and Authorities.....                      | 10          | 585     | 495     | 1,080     | 11           | 613     | 500     | 1,113     | 11                    | 702     | 495     | 1,197     | 11           | 721     | 495     | 1,216     | ...               | 19      | ...     | 19      |
| Subtotal, Gov't Plans & Capabil..                  | 69          | 4,278   | 3,731   | 8,009     | 74           | 4,364   | 4,280   | 8,644     | 74                    | 4,763   | 4,238   | 9,001     | 67           | 4,908   | 4,238   | 9,146     | (7)               | 145     | ...     | 145     |
| Subtotal, Federal Preparedness.....                | 914         | 49,521  | 99,068  | 148,589   | 942          | 56,041  | 100,333 | 156,374   | 942                   | 53,744  | 94,886  | 148,630   | 927          | 55,368  | 95,528  | 150,896   | (15)              | 1,624   | 642     | 2,266   |
| <b>Training and Fire Programs</b>                  |             |         |         |           |              |         |         |           |                       |         |         |           |              |         |         |           |                   |         |         |         |
| <b>A. Emergency Management Institute</b>           |             |         |         |           |              |         |         |           |                       |         |         |           |              |         |         |           |                   |         |         |         |
| 1. Instructional Progs. & Materials.               | ...         | ...     | 1,093   | 1,093     | 3            | 165     | 2,088   | 2,253     | 3                     | 165     | 2,068   | 2,233     | 3            | 171     | 2,068   | 2,239     | ...               | 6       | ...     | 6       |
| 2. Training Field Deployment Systems               | 3           | 118     | 5,948   | 6,066     | ...          | ...     | 820     | 820       | ...                   | ...     | 3,782   | 3,782     | ...          | ...     | 782     | 782       | ...               | ...     | (3,000) | (3,000) |
| 3. Resident Programs.....                          | 9           | 352     | 1,172   | 1,524     | 9            | 419     | 1,062   | 1,481     | 9                     | 419     | 1,051   | 1,470     | 9            | 438     | 1,051   | 1,489     | ...               | 19      | ...     | 19      |
| 4. WETC Site Administration.....                   | ...         | ...     | 273     | 273       | ...          | ...     | 758     | 758       | ...                   | ...     | 749     | 749       | ...          | ...     | 749     | 749       | ...               | ...     | ...     | ...     |
| Subtotal, EMI.....                                 | 12          | 470     | 8,486   | 8,956     | 12           | 584     | 4,728   | 5,312     | 12                    | 584     | 7,650   | 8,234     | 12           | 609     | 4,650   | 5,259     | ...               | 25      | (3,000) | (2,975) |
| <b>B. National Fire Academy</b>                    |             |         |         |           |              |         |         |           |                       |         |         |           |              |         |         |           |                   |         |         |         |
| 1. Instructional Progs. & Materials.               | 18          | 929     | 1,584   | 2,513     | 28           | 1,590   | 2,846   | 4,444     | 28                    | 1,590   | 2,789   | 4,379     | 28           | 1,645   | 2,539   | 4,184     | ...               | 55      | (250)   | (195)   |
| 2. Training Field Deployment Systems               | 9           | 464     | 848     | 1,312     | 9            | 464     | 770     | 1,234     | 9                     | 462     | 770     | 1,232     | 9            | 480     | 770     | 1,250     | ...               | 18      | ...     | 18      |
| 3. Resident Programs.....                          | 23          | 1,187   | 2,050   | 3,237     | 23           | 1,178   | 2,140   | 3,318     | 23                    | 1,172   | 2,140   | 3,312     | 23           | 1,217   | 2,390   | 3,607     | ...               | 45      | 250     | 295     |
| 4. WETC Site Administration.....                   | 21          | 1,084   | 6,954   | 8,038     | 22           | 1,782   | 4,852   | 6,634     | 22                    | 1,774   | 7,041   | 8,815     | 22           | 1,818   | 2,767   | 4,585     | ...               | 44      | (4,274) | (4,230) |
| Subtotal, NFA.....                                 | 71          | 3,664   | 11,436  | 15,100    | 82           | 5,022   | 10,608  | 15,630    | 82                    | 4,998   | 12,740  | 17,738    | 82           | 5,160   | 8,466   | 13,626    | ...               | 162     | (4,274) | (4,112) |

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress by Program  
(Dollars in Thousands)

|  | 1991 Actual |          |          |          | 1992 Request |          |          |          | 1992 Current Estimate |          |          |          | 1993 Request |          |          |          | Increase/Decrease |         |          |          |
|--|-------------|----------|----------|----------|--------------|----------|----------|----------|-----------------------|----------|----------|----------|--------------|----------|----------|----------|-------------------|---------|----------|----------|
|  | WT          | S&E      | EMPA     | TOTAL    | WT           | S&E      | EMPA     | TOTAL    | WT                    | S&E      | EMPA     | TOTAL    | WT           | S&E      | EMPA     | TOTAL    | WT                | S&E     | EMPA     | TOTAL    |
| C. U.S. Fire Administration                                    |             |          |          |          |              |          |          |          |                       |          |          |          |              |          |          |          |                   |         |          |          |
| 1. Fire Prevention and Arson Control                           | 5           | 8320     | 83,054   | 93,374   | 8            | 8440     | 83,258   | 93,698   | 8                     | 8438     | 83,199   | 93,637   | 9            | 8454     | 83,199   | 93,653   | 1                 | 816     | ...      | 816      |
| 2. Fed. Fire Policy & Coordination                             | 6           | 382      | 261      | 643      | 12           | 675      | 817      | 1,492    | 12                    | 671      | 808      | 1,479    | 11           | 695      | 808      | 1,503    | (1)               | 24      | ...      | 24       |
| 3. Firefighter Health and Safety                               | 9           | 316      | 1,136    | 1,452    | 6            | 329      | 1,099    | 1,428    | 6                     | 328      | 2,201    | 2,529    | 6            | 340      | 1,086    | 1,426    | ...               | 12      | (81,113) | (1,103)  |
| 4. Fire Data and Analysis                                      | 4           | 254      | 884      | 1,138    | 7            | 218      | 887      | 1,105    | 4                     | 217      | 877      | 1,094    | 4            | 225      | 877      | 1,102    | ...               | 8       | ...      | 8        |
| 5. WETC Site Administration                                    | ...         | ...      | 191      | 191      | ...          | ...      | 197      | 197      | ...                   | ...      | 195      | 195      | ...          | ...      | 195      | 195      | ...               | ...     | ...      | ...      |
| Subtotal, USFA   | 20          | 1,272    | 5,526    | 6,798    | 30           | 1,662    | 8,258    | 9,920    | 30                    | 1,654    | 9,280    | 10,934   | 30           | 1,714    | 8,165    | 9,879    | ...               | 60      | (1,115)  | (1,055)  |
| Subtotal, Training & Fire Programs                             | 103         | 5,406    | 25,448   | 30,854   | 124          | 7,268    | 23,594   | 30,862   | 124                   | 7,236    | 29,670   | 36,906   | 124          | 7,483    | 21,281   | 28,764   | ...               | 247     | (8,389)  | (8,142)  |
| Flood Insurance and Mitigation *                               |             |          |          |          |              |          |          |          |                       |          |          |          |              |          |          |          |                   |         |          |          |
| A. Flood Plain Management                                      |             |          |          |          |              |          |          |          |                       |          |          |          |              |          |          |          |                   |         |          |          |
| 1. Flood Studies and Surveys                                   | 55          | 3,054    | 36,277   | 39,331   | 53           | 3,236    | 34,783   | 38,019   | 53                    | 3,236    | 34,783   | 38,019   | 53           | 3,346    | 37,102   | 40,448   | ...               | 110     | 2,319    | 2,429    |
| 2. Flood Hazard Reduction                                      | 80          | 4,443    | 4,315    | 8,758    | 95           | 5,438    | 5,520    | 10,958   | 95                    | 5,438    | 5,520    | 10,958   | 95           | 6,309    | 6,270    | 12,579   | ...               | 871     | 750      | 1,621    |
| 3. Purchase of Property  | 6           | 333      | 4,200    | 4,533    | 6            | 340      | 4,720    | 5,060    | 6                     | 340      | 5,240    | 5,580    | 6            | 352      | 4,720    | 5,072    | ...               | 12      | (520)    | (508)    |
| Subtotal, Flood Plain Management                               | 141         | 7,830    | 44,792   | 52,622   | 154          | 9,014    | 45,023   | 54,037   | 154                   | 9,014    | 45,543   | 54,557   | 154          | 10,007   | 48,092   | 58,099   | ...               | 993     | 2,549    | 3,542    |
| B. Insurance Activities (S&E)                                  | 50          | 3,209    | ...      | 3,209    | 54           | 3,860    | ...      | 3,860    | 54                    | 3,860    | ...      | 3,860    | 54           | 3,971    | ...      | 3,971    | ...               | 111     | ...      | 111      |
| Subtotal, Flood Ins. & Mit. Oblig.                             | 191         | 11,039   | 44,792   | 55,831   | 208          | 12,874   | 45,023   | 57,897   | 208                   | 12,874   | 45,543   | 58,417   | 208          | 13,978   | 48,092   | 62,070   | ...               | 1,104   | 2,549    | 3,653    |
| Less Fees from Policyholders                                   | ...         | (11,039) | (44,792) | (55,831) | ...          | (12,874) | (45,023) | (57,897) | ...                   | (12,874) | (45,543) | (58,417) | ...          | (13,978) | (48,092) | (62,070) | ...               | (1,104) | (2,549)  | (3,653)  |
| Subtotal, Flood Ins. & Mit. (Direct)                           | 191         | ...      | ...      | ...      | 208          | ...      | ...      | ...      | 208                   | ...      | ...      | ...      | 208          | ...      | ...      | ...      | ...               | ...     | ...      | ...      |
| Disaster Relief Administration (S&E)                           | 223         | 11,664   | ...      | 11,664   | 289          | 19,277   | ...      | 19,277   | 292                   | 19,431   | ...      | 19,431   | 302          | 20,668   | ...      | 20,668   | 10                | 1,237   | ...      | 1,237    |
| Emergency Food & Shelter (S&E)                                 | 5           | 238      | ...      | 238      | 5            | 247      | ...      | 247      | 5                     | 245      | ...      | 245      | 5            | 256      | ...      | 256      | ...               | 11      | ...      | 11       |
| SUBTOTAL, EMERG. PLNG. ASSIST. & SUP.                          | 1,952       | 96,907   | 280,467  | 377,464  | 2,131        | 114,088  | 277,827  | 391,915  | 2,134                 | 111,760  | 285,827  | 397,587  | 2,119        | 116,250  | 259,043  | 375,293  | (15)              | 4,490   | (26,784) | (22,294) |
| Management and Administration                                  | 434         | 44,505   | ...      | 44,505   | 477          | 52,275   | ...      | 52,275   | 477                   | 52,603   | ...      | 52,603   | 477          | 55,027   | ...      | 55,027   | ...               | 2,424   | ...      | 2,424    |
| TOTAL, FEMA OPERATING PROGRAMS AND MANAGEMENT & ADMINISTRATION | 2,386       | 161,502  | 280,467  | 421,969  | 2,608        | 166,363  | 277,827  | 444,190  | 2,611                 | 164,363  | 285,827  | 450,190  | 2,596        | 171,277  | 259,043  | 430,320  | (15)              | 6,914   | (26,784) | (19,870) |

FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress by Program  
(Dollars in thousands)

|                                      | 1991 Actual |        |      |        | 1992 Request |        |      |        | 1992 Current Estimate |        |      |        | 1993 Request |        |      |        | Increase/Decrease |         |      |         |
|--------------------------------------|-------------|--------|------|--------|--------------|--------|------|--------|-----------------------|--------|------|--------|--------------|--------|------|--------|-------------------|---------|------|---------|
|                                      | WT          | S&E    | EMPA | TOTAL  | WT           | S&E    | EMPA | TOTAL  | WT                    | S&E    | EMPA | TOTAL  | WT           | S&E    | EMPA | TOTAL  | WT                | S&E     | EMPA | TOTAL   |
| Management and Administration        |             |        |      |        |              |        |      |        |                       |        |      |        |              |        |      |        |                   |         |      |         |
| A. Office of the Director.....       | 9           | 9707   | ...  | 9707   | 8            | 9716   | ...  | 9716   | 8                     | 9710   | ...  | 9710   | 8            | 9730   | ...  | 9730   | ...               | 820     | ...  | 820     |
| B. General Counsel.....              | 20          | 1,532  | ...  | 1,532  | 25           | 1,690  | ...  | 1,690  | 25                    | 1,672  | ...  | 1,672  | 24           | 1,779  | ...  | 1,779  | 1                 | 107     | ...  | 107     |
| C. Office of Executive Director..... | 192         | 23,507 | ...  | 23,507 | 210          | 26,541 | ...  | 26,541 | 210                   | 26,962 | ...  | 26,962 | 200          | 28,806 | ...  | 28,806 | (10)              | 1,844   | ...  | 1,844   |
| D. Financial Management.....         | 78          | 4,351  | ...  | 4,351  | 81           | 5,486  | ...  | 5,486  | 81                    | 5,433  | ...  | 5,433  | 90           | 6,903  | ...  | 6,903  | 9                 | 1,470   | ...  | 1,470   |
| E. Information Services              |             |        |      |        |              |        |      |        |                       |        |      |        |              |        |      |        |                   |         |      |         |
| 1. Information Systems.....          | 15          | 939    | ...  | 939    | 25           | 2,760  | ...  | 2,760  | 25                    | 2,745  | ...  | 2,745  | 25           | 1,598  | ...  | 1,598  | ...               | (1,147) | ...  | (1,147) |
| 2. Administrative Telephones.....    | ...         | 2,646  | ...  | 2,646  | ...          | 2,646  | ...  | 2,646  | ...                   | 2,646  | ...  | 2,646  | ...          | 2,506  | ...  | 2,506  | ...               | (140)   | ...  | (140)   |
| 3. Office Automation.....            | ...         | 173    | ...  | 173    | ...          | 175    | ...  | 175    | ...                   | 175    | ...  | 175    | ...          | 175    | ...  | 175    | ...               | ...     | ...  | ...     |
| F. Regional Liaison.....             | 3           | 194    | ...  | 194    | 5            | 276    | ...  | 276    | 5                     | 326    | ...  | 326    | 5            | 339    | ...  | 339    | ...               | 13      | ...  | 13      |
| G. Regional Executive Direction..... | 100         | 8,970  | ...  | 8,970  | 105          | 10,108 | ...  | 10,108 | 105                   | 10,025 | ...  | 10,025 | 105          | 10,229 | ...  | 10,229 | ...               | 204     | ...  | 204     |
| H. External Affairs.....             | 17          | 1,486  | ...  | 1,486  | 20           | 1,877  | ...  | 1,877  | 20                    | 1,909  | ...  | 1,909  | 20           | 1,962  | ...  | 1,962  | ...               | 53      | ...  | 53      |
| Subtotal, Management & Admin.....    | 434         | 44,505 | ...  | 44,505 | 477          | 52,275 | ...  | 52,275 | 477                   | 52,603 | ...  | 52,603 | 477          | 55,027 | ...  | 55,027 | ...               | 2,424   | ...  | 2,424   |

242



FEDERAL EMERGENCY MANAGEMENT AGENCY  
1993 Request to Congress by Program  
(Dollars in Thousands)

|  | 1991 Actual |     |      |         | 1992 Request |     |      |           | 1992 Current Estimate |     |      |           | 1993 Request |     |      |           | Increase/Decrease |     |      |           |
|--|-------------|-----|------|---------|--------------|-----|------|-----------|-----------------------|-----|------|-----------|--------------|-----|------|-----------|-------------------|-----|------|-----------|
|  | MY          | SEE | EMPA | TOTAL   | MY           | SEE | EMPA | TOTAL     | MY                    | SEE | EMPA | TOTAL     | MY           | SEE | EMPA | TOTAL     | MY                | SEE | EMPA | TOTAL     |
| Disaster Relief Fund .....               | ...         |     |      | ...     | ...          |     |      | \$274,459 | ...                   |     |      | \$983,209 | ...          |     |      | \$292,000 | ...               |     |      | (691,309) |
| Disaster Loan Subelody.....              | ...         |     |      | ...     | ...          |     |      | 541       | ...                   |     |      | 541       | ...          |     |      | 95        | ...               |     |      | (446)     |
| Inspector General.....                   | 42          |     |      | 82,977  | 70           |     |      | 9,144     | 70                    |     |      | 9,144     | 78           |     |      | 9,948     | 8                 |     |      | 804       |
| Emergency Food and Shelter.....          | ...         |     |      | 134,000 | ...          |     |      | 100,000   | ...                   |     |      | 134,000   | ...          |     |      | 100,000   | ...               |     |      | (34,000)  |
| National Insurance Development Fund....  | 6           |     |      | 16,337  | 6            |     |      | 16,414    | 6                     |     |      | 1,800     | 6            |     |      | 1,558     | ...               |     |      | (242)     |
| National Flood Insurance Fund.....       | ...         |     |      | ...     | ...          |     |      | ...       | ...                   |     |      | ...       | ...          |     |      | ...       | ...               |     |      | ...       |
| Disaster Relief - Bequests and Gifts.... | ...         |     |      | 36      | ...          |     |      | 84        | ...                   |     |      | 65        | ...          |     |      | 69        | ...               |     |      | 4         |
| Trust Fund - Offsetting Receipts.....    | ...         |     |      | (56)    | ...          |     |      | (84)      | ...                   |     |      | (65)      | ...          |     |      | (69)      | ...               |     |      | (4)       |
| Offsetting Receipts - REP.....           | ...         |     |      | ...     | ...          |     |      | (9,569)   | ...                   |     |      | ...       | ...          |     |      | (10,477)  | ...               |     |      | (10,477)  |
| Reimbursable Workyears.....              | 83          |     |      | ...     | 75           |     |      | ...       | 75                    |     |      | ...       | 91           |     |      | ...       | 16                |     |      | ...       |
| TOTAL, BUDGET AUTHORITY.....             | 2,517       |     |      | 575,283 | 2,759        |     |      | 639,179   | 2,762                 |     |      | 1,574,884 | 2,771        |     |      | 819,444   | 9                 |     |      | (759,440) |

IMPLEMENTATION PLANS TO CONVERT TO METRIC SYSTEM

FY 1991 Actions Taken:

- o Metric Executive appointed by Director in accordance with requirements of Executive Order 12770.
- o Metric Policy Achievement Plan to achieve objects of P.L. 94-168 (as amended) and Executive Order 12770 reviewed and approved by Director.
- o Agency plan transmitted to Secretary of Commerce in accordance with Executive Order 12770.
- o Agency's appointed officials briefed on background and requirements of the new policy on metric usage in the Federal government.
- o Agency representative attended Interagency Council on Metric Policy Meetings for coordination purposes.

FY 1992 Actions Planned:

- o Establish authority and guidelines for policy waivers.
- o Publish metric policy document for agency.
- o Survey agency business operations for measurement-sensitive issues or barriers to metric usage. Resolve and correct in accordance with agency policy.

#### STATEMENT ON ADVISORY AND ASSISTANCE SERVICES

Title 31 U.S.C. Section 1114(b) requires the Inspector General to evaluate the accuracy of, and the controls over the advisory and assistance services contract data FEMA reports to the Federal Procurement Data System (FPDS). A statement on the results of the evaluation is to be included with the FEMA's annual budget submission.

During fiscal year 1991 we evaluated the accuracy of the advisory and assistance services contract data FEMA submitted to the FPDS during fiscal year 1990. Our work disclosed that FEMA reported \$7.4 million in advisory and assistance services contracts, but the amount was understated by \$1.1 million. The under-reporting was primarily caused by a lack of controls over the preparation of data for submission to the FPDS.

We recommended that the Director, Office of Acquisition Management require (1) additional supervisory review of the data preparation process and (2) a comparison of the FPDS data with the forms. Implementation of the recommendations will provide the controls needed to ensure more accurate submissions to the FPDS. The Director, Office of Acquisition Management agreed to implement our recommendations.

During fiscal year 1992 we will follow-up to determine if our recommendations were implemented. We also plan to again evaluate the accuracy of the advisory and assistance services contract data submitted to the FPDS.

SALARIES AND EXPENSES  
Appropriation Language

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles (31 U.S.C. 1343); uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government program to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed \$2,500 for official reception and representation expenses, [\$163,113,000] \$171,277,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992; additional authorizing legislation to be proposed for \$27,297,000.)

**SALARIES AND EXPENSES**  
**Appropriation Overview**

This appropriation encompasses the salaries and expenses required to provide executive direction, administrative and staff support, and direct program effort, to FEMA's programs in both the Headquarters and field offices. Program support activities provide the necessary resources to administer the Agency's various programs. The Management and Administration activity provides for the general management and administration of the Agency in legal affairs, congressional relations, public affairs, personnel, financial management, and other central support functions, such as rent, utilities, supplies, telephone services, ADP support, training, and maintenance.

APPROPRIATION SUMMARY  
SALARIES AND EXPENSES  
(Dollars in Thousands)

|   | Page<br>No. | 1991<br>Actual | 1992<br>Request | 1992<br>Current<br>Estimate | 1993<br>Request | Increase/<br>Decrease |
|---|-------------|----------------|-----------------|-----------------------------|-----------------|-----------------------|
| <u>Summary of Estimates by Activity</u>                   |             |                |                 |                             |                 |                       |
| I. Civil Defense.....                                     | SE- 5       | \$20,590       | \$20,483        | \$20,374                    | \$20,423        | \$49                  |
| II. National Earthquake Program<br>and Other Hazards..... | SE-12       | 3,630          | 4,704           | 4,662                       | 4,980           | 318                   |
| III. Technological Hazards.....                           | SE-18       | 5,948          | 6,068           | 6,068                       | 7,072           | 1,004                 |
| IV. Federal Preparedness.....                             | SE-23       | 49,521         | 56,041          | 53,744                      | 55,368          | 1,624                 |
| V. Training and Fire Programs.....                        | SE-28       | 5,406          | 7,268           | 7,236                       | 7,483           | 247                   |
| VI. Flood Insurance and Mitigation * ..                   | SE-34       | ...            | ...             | ...                         | ...             | ...                   |
| VII. Disaster Relief Administration.....                  | SE-45       | 11,664         | 19,277          | 19,431                      | 20,668          | 1,237                 |
| VIII. Emergency Food and Shelter (S&E)...                 | SE-59       | 238            | 247             | 245                         | 256             | 11                    |
| IX. Management and Administration.....                    | SE-64       | 44,505         | 52,275          | 52,603                      | 55,027          | 2,424                 |
| Total .....   |             | 141,502        | 166,363         | 164,363                     | 171,277         | 6,914                 |
| Total, Salaries and Expenses:                             |             |                |                 |                             |                 |                       |
| Budget Authority.....                                     |             | 142,999        | 166,363         | 164,363                     | 171,277         | 6,914                 |
| Obligations.....  |             | 141,502        | 166,363         | 164,639**                   | 171,277         | 6,638                 |
| Budget Outlays.....                                       |             | 132,451        | 162,902         | 162,325                     | 170,613         | 8,288                 |
| Transfer reimbursements from other FEMA accounts:         |             |                |                 |                             |                 |                       |
| *Flood Insurance and Mitigation.....                      |             | 11,039         | 12,874          | 12,874                      | 13,978          | 1,104                 |
| Administrative Expenses (Disaster Loans)                  |             | ...            | 90              | 90                          | 95              | 5                     |

\*\*Includes \$276,000 in unobligated balance in the Earthquake program.

Changes from Original 1992 Estimates.

Reflects a net decrease of \$2,000,000 from a general reduction as a result of Congressional action.

SE-3

**SALARIES AND EXPENSES**  
(Dollars in Thousands)

| OBJECT CLASS  | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br>Decrease |
|---|-----------------------|------------------------|------------------------------------|------------------------|-----------------------|
| <u>Personnel compensation</u>                                     |                       |                        |                                    |                        |                       |
| 11.1 Full-time permanent.....                                     | \$87,162              | \$101,372              | \$100,393                          | \$103,693              | \$3,300               |
| 11.3 Other than full-time permanent.....                          | 2,288                 | 2                      | ...                                | ...                    | ...                   |
| 11.5 Other personnel compensation.....                            | 3,751                 | 1,544                  | 2,502                              | 2,638                  | 136                   |
| 11.8 Special personal services payments.....                      | ...                   | 18                     | ...                                | ...                    | ...                   |
| 11.9 Total personnel compensation.....                            | 93,201                | 102,936                | 102,895                            | 106,331                | 3,436                 |
| <u>Personnel benefits</u>   |                       |                        |                                    |                        |                       |
| 12.1 Civilian personnel.....                                      | 16,588                | 19,323                 | 19,361                             | 20,028                 | 667                   |
| 12.2 Military personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 13.0 Benefits for former personnel.....                           | ...                   | ...                    | 13                                 | 13                     | ...                   |
| <u>Non-Personnel Costs</u>  |                       |                        |                                    |                        |                       |
| 21.0 Travel and transportation of persons .....                   | 5,387                 | 9,052                  | 7,635                              | 8,949                  | 1,314                 |
| 22.0 Transportation of things .....                               | 196                   | 123                    | 263                                | 227                    | (36)                  |
| 23.1 Rental payments to GSA .....                                 | 10,617                | 11,592                 | 11,808                             | 13,982                 | 2,174                 |
| 23.2 Rental payments to others .....                              | ...                   | ...                    | 469                                | 200                    | (269)                 |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | 3,867                 | 4,761                  | 5,001                              | 4,979                  | (22)                  |
| 24.0 Printing and reproduction .....                              | 367                   | 535                    | 481                                | 465                    | (16)                  |
| 25.0 Other services.....  | 6,503                 | 10,194                 | 9,858                              | 10,146                 | 288                   |
| 26.0 Supplies and materials.....                                  | 1,089                 | 1,131                  | 1,135                              | 1,211                  | 76                    |
| 31.0 Equipment.....   | 3,384                 | 6,716                  | 5,720                              | 4,746                  | (974)                 |
| 32.0 Land and structures .....                                    | 303                   | ...                    | ...                                | ...                    | ...                   |
| 33.0 Investments and loans.....                                   | ...                   | ...                    | ...                                | ...                    | ...                   |
| 41.0 Grants, subsidies and contributions.....                     | ...                   | ...                    | ...                                | ...                    | ...                   |
| 42.0 Insurance claims and indemnities.....                        | ...                   | ...                    | ...                                | ...                    | ...                   |
| 43.0 Interest and dividends.....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| Total Obligations.....  | 141,502               | 166,363                | 164,639                            | 171,277                | 6,638                 |

SALARIES AND EXPENSES  
Civil Defense  
(Dollars in Thousands)

| Estimates by Program                              | Page No. | 1991    |      | 1992    |         | 1992             |         | 1993    |         | Increase/ |          |
|---|----------|---------|------|---------|---------|------------------|---------|---------|---------|-----------|----------|
|   |          | Actual  | Amt. | Request | Amt.    | Current Estimate | Amt.    | Request | Amt.    | Decrease  | Amt.     |
| A. State and Local Emergency Management.....      | 127      | \$7,167 |      | 133     | \$6,869 | 133              | \$7,192 | 107     | \$6,057 | -26       | -\$1,135 |
| B. Facilities and Equipment..                     | 72       | 4,417   |      | 77      | 4,314   | 77               | 4,314   | 68      | 4,044   | -9        | -270     |
| C. Planning, Exercising and Response.....         | 21       | 1,320   |      | 22      | 1,185   | 22               | 1,232   | 46      | 2,667   | 24        | 1,435    |
| D. Training.....                                  | 59       | 3,161   |      | 61      | 3,215   | 61               | 3,094   | 60      | 3,095   | -1        | 1        |
| E. Telecommunications.....                        | 81       | 4,525   |      | 87      | 4,880   | 87               | 4,542   | 85      | 4,560   | -2        | 18       |
| Total, Civil Defense (Budget Authority)..... SE-7 | 360      | 20,590  |      | 380     | 20,483  | 380              | 20,374  | 366     | 20,423  | -14       | 49       |
| Permanent Workyears                               |          |         |      |         |         |                  |         |         |         |           |          |
| Headquarters.....                                 | 165      |         |      | 160     |         | 160              |         | 155     |         | -5        |          |
| Regions.....                                      | 125      |         |      | 220     |         | 220              |         | 211     |         | -9        |          |
| Total, Permanent.....                             | 360      |         |      | 380     |         | 380              |         | 366     |         | -14       |          |
| Total Workyears.....                              | 360      |         |      | 380     |         | 380              |         | 366     |         | -14       |          |

Changes from Original 1992 Estimates. Reflects a net decrease of \$109,000 resulting from absorbing a portion of the cost of establishing a disaster field office in Hawaii and paying for additional required space and related costs, with a specific Congressional reduction of \$700,000 offset by a reprogramming of \$700,000 from Federal Preparedness.



**SALARIES AND EXPENSES  
CIVIL DEFENSE  
(Dollars in Thousands)**

|  | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br>Decrease |
|--|-----------------------|------------------------|------------------------------------|------------------------|-----------------------|
| <b>OBJECT CLASS</b>  |                       |                        |                                    |                        |                       |
| <u>Personnel compensation</u>                                      |                       |                        |                                    |                        |                       |
| 11.1 Full-time permanent .....                                     | \$14,870              | \$15,666               | \$16,137                           | \$16,186               | \$49 -                |
| 11.3 Other than full-time permanent .....                          | 244                   | 2                      | ...                                | ...                    | ...                   |
| 11.5 Other personnel compensation .....                            | 482                   | 146                    | 100                                | 100                    | ...                   |
| 11.8 Special personnel services payments .....                     | ...                   | 11                     | ...                                | ...                    | ...                   |
| 11.9 Total personnel compensation .....                            | 15,596                | 15,825                 | 16,237                             | 16,286                 | 49                    |
| <u>Personnel benefits</u>  |                       |                        |                                    |                        |                       |
| 12.1 Civilian personnel .....                                      | 2,667                 | 2,655                  | 3,020                              | 3,020                  | ...                   |
| 12.2 Military personnel .....                                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 13.0 Benefits for former personnel .....                           | ...                   | ...                    | ...                                | ...                    | ...                   |
| <u>Non-Personnel Costs</u>   |                       |                        |                                    |                        |                       |
| 21.0 Travel and transportation of persons .....                    | 1,158                 | 1,545                  | 968                                | 968                    | ...                   |
| 22.0 Transportation of things .....                                | 5                     | 11                     | 37                                 | 37                     | ...                   |
| 23.1 Rental payments to GSA .....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.2 Rental payments to others .....                               | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.3 Communications, utilities, and<br>miscellaneous charges ..... | 55                    | 7                      | 2                                  | 2                      | ...                   |
| 24.0 Printing and reproduction .....                               | 16                    | ...                    | ...                                | ...                    | ...                   |
| 25.0 Other services .....  | 584                   | 310                    | 84                                 | 84                     | ...                   |
| 26.0 Supplies and materials .....                                  | 28                    | 2                      | 12                                 | 12                     | ...                   |
| 31.0 Equipment .....   | 481                   | 128                    | 14                                 | 14                     | ...                   |
| 32.0 Land and structures .....                                     | ...                   | ...                    | ...                                | ...                    | ...                   |
| 33.0 Investments and loans .....                                   | ...                   | ...                    | ...                                | ...                    | ...                   |
| 41.0 Grants, subsidies and contributions .....                     | ...                   | ...                    | ...                                | ...                    | ...                   |
| 42.0 Insurance claims and indemnities .....                        | ...                   | ...                    | ...                                | ...                    | ...                   |
| 43.0 Interest and dividends .....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| Total Obligations .....  | 20,590                | 20,483                 | 20,374                             | 20,423                 | 49                    |

### Civil Defense

- a. Objective/Element Description. The Civil Defense activity under Salaries and Expenses provides salaries, benefits, and support costs for the workyears required to implement the program activities. Approximately 42 percent of the workyears are located at headquarters and provide for:

- o Development, management, and oversight of emergency management programs which provide funds to State and local governments to establish and maintain a survivable government infrastructure capable of informing, protecting, and assisting the population before, during, and after natural, technological, and attack emergencies;
- o Research, design, development, manufacture, and procurement of instruments and equipment for radiological defense and electromagnetic pulse protection;
- o Assessment, exercise, and testing of the emergency preparedness, response, and recovery needs and capabilities of the Nation and development and implementation of strategies and guidance which assure a nationwide foundation of compatible, interoperable plans, systems, communications, and direction and control capabilities; and
- o Meeting the civil defense share of operating expenses at the National Emergency Training Center (NETC) and development and delivery of training at NETC and through State programs.

Approximately 58 percent of the workyears provided by Salaries and Expenses are for regional level implementation of programs, policies, procedures, and guidance developed at headquarters including:

- o Development, negotiation, execution, and evaluation of an annual Comprehensive Cooperative Agreement (CCA) with each State and territory, ensuring compliance with headquarters guidance;
- o Manning the National Warning Centers and operating the Regional Communications Centers;
- o Working with the States in evaluating the training that is done for FEMA by the States; and
- o Providing advice and assistance to State and local governments in the design, conduct, evaluation and reporting of exercises.

- b. 1991 Accomplishments. In 1991, FEMA used a total of \$20,590,000 and 360 workyears for this activity under Salaries and Expenses. The Civil Defense program provided personnel and support costs for accomplishments cited under Emergency Management Planning and Assistance. In addition, accomplishments under Salaries and Expenses included the following:

- o Managed the unified CCA process that provides resources to State and local emergency management agencies;
- o Conducted conferences and workshops at the national and regional levels;
- o Reviewed 380 State and local emergency operation plans (EOP's) updated by State Population Protection planners

and evaluated 7 State Survivable Crisis Management (SCM) proposals.

- o Updated the Autocheck Survey Information System (ASIS) which transfers National Facility Survey data;
- o Developed and/or distributed the following: CPG 1-15, Guidance for Radio Amateur Civil Emergency Service; CPG 2-17, Electromagnetic Pulse Protection Guidance; CPG 2-23, Electromagnetic Pulse Protection Inspection and Maintenance Procedures; guidance for an integrated test and exercise activity; and CPG 2-2, Use of Civil Defense Radiological Instruments for Peacetime Radiological Emergencies;
- o Provided technical assistance within FEMA on Chemical Stockpile Emergency Preparedness Planning project proposals;
- o Provided technical assistance within FEMA on the dual use application of the RADEF system and instrumentation in support of offsite nuclear power plant radiological emergency response planning (REP);
- o Developed a 600R range dosimeter which was type classified by DOD (Radiacmeter IM-93B/UD NSN 6665-01-330-7520) for procurement by the Army;
- o Designed the EBS Management Information System (EBS/MIS), deployed it to all regions, and assisted the Federal Communications Commission (FCC) in the design of an interoperable FCC EBS/MIS database;
- o Developed an improved field repairable signal line Electromagnetic Pulse (EMP) device and an improved field repairable EMP protection coaxial device;
- o Conducted applied research, a limited test of dosimeter response capabilities, and repaired 40,000 dosimeters;
- o Provided radiological instrumentation support to the White House;
- o Supported the General Services Administration in promoting a program to minimize the effects of attack and establish shelter management for Federal buildings and installations;
- o Completed installation of the Civil Defense Local Area Network (LAN) and developed and installed a Local/Wide Area Network (LAN/WAN) Information Support System;
- o Initiated implementation of the new civil defense concept of operations and development of an all-hazard threat assessment process on risks, their effects, and resource implications;
- o Conducted an analysis of how to reach the public effectively with emergency public information in today's media environment;
- o Initiated efforts to identify Federal emergency response and recovery planning and operating requirements to meet immediate threats to life and property and restore minimum-essential service of vital life support systems and

- developed improvement to the Federal Response Plan (FRP) and related guidance;
- o Coordinated implementation of, conducted and monitored Civil Defense training, including support to FEMA classified programs, and correspondence courses for the certification of 28 Shelter Survey Technician summer program students and recertification of 150 Fallout Shelter Analysts;
- o Exchanged training materials and approaches with other nations. Additionally, supported NATO efforts to assist emerging democracies in Central Europe by providing emergency management training to Central European government officials;
- o Supported the operation of the NETC facility and the civil defense education program conducted by the Emergency Management Institute (EMI);
- o Developed and/or revised training material in support of resident and field delivery activities; supported a number of development/revision efforts requested and funded by other FEMA program offices and other Federal agencies. In addition, updated courses and provided assistance to the National Coordinating Council on Emergency Management in the development of professional standards for emergency managers;
- o Managed the operation and maintenance of the National Warning System (NAWAS), the FEMA Switched Network (FSN), and the FEMA National Radio System (FNARS);
- o Performed site surveys, installation, repairs, and maintenance of antennae, and support services for system upgrades;
- o Provided technical and engineering support to the National Level Program to determine the most survivable network configuration to support National Security Emergency Preparedness (NSEP) interagency telecommunications requirements and civil defense information services;
- o Coordinated with the Department of Defense (DoD) on ongoing services and projects at the FEMA Regional Communications Centers, and on Civil Preparedness Support Detachments (CPSD's), including their monthly drills, 2-week annual training, participation in national and FEMA-sponsored communications exercises, and support to FEMA in emergency communications activities.
- c. Changes from the 1992 Estimate. a net decrease of \$109,000 resulted from absorbing a portion of the cost of establishing a disaster field office in Hawaii and paying for additional required space and related costs, with a specific Congressional reduction of \$700,000 offset by a reprogramming of \$700,000 from Federal Preparedness.
- d. 1992 Program. In 1992, FEMA is allocating \$20,374,000 and 380 workyears to this activity under Salaries and Expenses. The civil defense program will provide personnel and support costs for accomplishments cited under Emergency Management Planning and Assistance. In addition to providing management and oversight for all Civil Defense programs and continuation of initiatives as described above, Salaries and Expenses will support:

- o Coordinating development of communications systems for use by the White House Communications Agency for interoperability with Primary Entry Point (PEP) stations;
  - o Working with the FCC to modernize and involve the cable industry in the EBS;
  - o Establishing a testing and evaluation program for commercially available EMP products;
  - o Interfacing with the National Institute of Standards and Technology (NIST) to increase the role of the Civil Defense Test Center in NIST activities, obtain NIST certification for the Civil Defense Testing Center, and extend a certification program to State Radiological Instrument Maintenance and Calibration Facilities (RIM&C);
  - o Developing an interface program with industry to determine instrumentation performance requirements and encourage industry to develop and qualify such equipment;
  - o Updating the Shelter Analysis and Nuclear Design personal computer (PC) program and presenting training on its use;
  - o Initiating installation of the Civil Defense Executive Information and the Evaluation and Assessment Systems; and increasing the effectiveness of the Comprehensive Cooperative Agreement Management System financial module;
  - o Continuing the design, development, and refinement of basic civil defense program and policy to identify needs, improvements, requirements, and options;
  - o Implementing the civil defense concept of operations and continuing development of an all-hazard threat assessment process on risks, their effects, and resource implications;
  - o Continuing efforts to provide a Federal emergency response and recovery planning and operating capability to meet immediate threats to life and property and restore minimum-essential service of vital life support systems; issuing guidance to the regions on establishing operating facilities to support response operations and continuing efforts to revise and improve the FRP; and
  - o Ongoing efforts to provide a LAN/WAN.
- e. 1993 Program. In 1993, FEMA requests \$20,423,000 and 366 workyears for this activity under Salaries and Expenses. This will provide funding and workyears for the ongoing activities described above and, in addition:
- o Improve automation in support of civil defense programs, including upgrading of the PC based integrated LAN/WAN;
  - o Expand and improve the all-hazard threat assessment system;
  - o Modify exercise policy and disseminate guidance based on lessons learned during response exercises and the management of CIVEX 93;

- o Continue efforts to provide a Federal emergency response and recovery capability, including revision of policy and publications to include lessons learned from operations field testing during exercises, development and delivery of operational training for support teams, and development of strategies for integrating the resources of private industry into the response process.
- o Provide technical expertise relative to information and warning requirements and the day-to-day use of all national systems;
- o Continue management and oversight of previously funded procurement initiatives for dosimeters, wide-range ratemeters and batteryless chargers; and
- o Coordinate the systematic replacement of obsolete telecommunications equipment.

1993 Increases/Decreases. The net increase of \$49,000 and decrease of 14 workyears reflects the following: (1) an increase of \$182,000 for the three month cost in 1993 of the 1992 GS/GM pay raise; (2) an increase of \$521,000 for the 1993 pay costs; (3) an increase of \$46,000 for the reversal of a one-time only reprogramming in the 1992 Current Estimate; (4) offset by the reversal of the 1992 reprogramming from Federal Preparedness and the reduction of 14 workyears necessitated by this loss of \$700,000.

- f. Outyear Implications. No outyear implications over the 1993 budget.
- g. Advisory and Assistance Services. None.

SALARIES AND EXPENSES  
NATIONAL EARTHQUAKE PROGRAM AND OTHER HAZARDS  
(Dollars in Thousands)

| <u>Estimates by Program</u>  | <u>Page No.</u> | <u>1991 Actual</u> |             | <u>1992 Request</u> |             | <u>1992 Current Estimate</u> |             | <u>1993 Request</u> |             | <u>Increase/Decrease</u> |             |
|--|-----------------|--------------------|-------------|---------------------|-------------|------------------------------|-------------|---------------------|-------------|--------------------------|-------------|
|  |                 | <u>MY</u>          | <u>Amt.</u> | <u>MY</u>           | <u>Amt.</u> | <u>MY</u>                    | <u>Amt.</u> | <u>MY</u>           | <u>Amt.</u> | <u>MY</u>                | <u>Amt.</u> |
| A. National Earthquake Program..   | 28              |                    | \$2,033     | 43                  | \$3,571     | 43                           | \$3,537     | 46                  | \$3,944     | 3                        | \$407       |
| B. Hurricane.....  | 5               |                    | 363         | 5                   | 258         | 5                            | 256         | 5                   | 268         | ...                      | 12          |
| C. Dam Safety.....   | 3               |                    | 218         | 3                   | 135         | 3                            | 135         | ...                 | ...         | -3                       | -135        |
| D. Hazard Mitigation Assistance.   | 2               |                    | 145         | 2                   | 103         | 2                            | 103         | 2                   | 107         | ...                      | 4           |
| E. Policy and Planning.....  | 12              |                    | 871         | 13                  | 637         | 13                           | 631         | 13                  | 661         | ...                      | 30          |
| <br>Total, National Earthquake<br>Program and Other Hazards<br>(Budget Authority)..... | SE-14 50        |                    | 3,630       | 66                  | 4,704       | 66                           | 4,662*      | 69                  | 4,980       | 3                        | 318         |
| Unobligated Balance * .....  |                 |                    | ...         |                     | ...         |                              | 276         |                     | ...         |                          | -276        |
| Obligations.....   |                 |                    | 3,630       |                     | 4,704       |                              | 4,938       |                     | 4,980       |                          | 42          |
| <br><u>Permanent Workyears</u>   |                 |                    |             |                     |             |                              |             |                     |             |                          |             |
| Headquarters.....  | 40              |                    |             | 48                  |             | 48                           |             | 46                  |             | -2                       |             |
| Regions.....   | 10              |                    |             | 18                  |             | 18                           |             | 20                  |             | 2                        |             |
| Total Permanent.....   | 50              |                    |             | 66                  |             | 66                           |             | 66                  |             | ...                      |             |
| <br><u>Total Workyears</u> .....   | 50              |                    |             | 66                  |             | 66                           |             | 66                  |             | ...                      |             |

Changes from Original 1992 Estimates. Reflects a decrease of \$42,000 resulting from absorbing a portion of the cost of establishing a disaster field office in Hawaii and paying for additional required space and related costs.

\* National Earthquake Program

**SALARIES AND EXPENSES**  
**NATIONAL EARTHQUAKE PROGRAM AND OTHER HAZARDS**  
(Dollars in Thousands)

| OBJECT CLASS   | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br><u>Decrease</u> |
|--|-----------------------|------------------------|------------------------------------|------------------------|------------------------------|
| <u>Personnel compensation</u>                                |                       |                        |                                    |                        |                              |
| 11 1 Full-time permanent                                     | \$2,117               | \$3,326                | \$3,258                            | \$3,509                | \$251                        |
| 11 3 Other than full-time permanent                          | 196                   | ...                    | ...                                | ...                    | ...                          |
| 11 5 Other personnel compensation                            | 47                    | ...                    | ...                                | ...                    | ...                          |
| 11 8 Special personal services payments                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11 9 Total personnel compensation                            | 2,360                 | 3,326                  | 3,258                              | 3,509                  | 251                          |
| <u>Personnel benefits</u>                                    |                       |                        |                                    |                        |                              |
| 12 1 Civilian personnel                                      | 374                   | 634                    | 618                                | 670                    | 52                           |
| 12 2 Military personnel                                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 13 0 Benefits for former personnel                           | ...                   | ...                    | ...                                | ...                    | ...                          |
| <u>Non-Personnel Costs</u>                                   |                       |                        |                                    |                        |                              |
| 21 0 Travel and transportation of persons                    | 465                   | 724                    | 985                                | 776                    | (209)                        |
| 22 0 Transportation of things                                | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23 1 Rental payments to GSA                                  | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23 2 Rental payments to others                               | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23 3 Communications, utilities, and<br>miscellaneous charges | ...                   | ...                    | ...                                | ...                    | ...                          |
| 24 0 Printing and reproduction                               | 2                     | ...                    | ...                                | ...                    | ...                          |
| 25 0 Other services  | 29                    | 8                      | 54                                 | ...                    | (54)                         |
| 26 0 Supplies and materials                                  | 47                    | 4                      | 14                                 | 5                      | (9)                          |
| 31 0 Equipment   | 333                   | 8                      | 9                                  | 20                     | 11                           |
| 32 0 Land and structures                                     | ...                   | ...                    | ...                                | ...                    | ...                          |
| 33 0 Investments and loans                                   | ...                   | ...                    | ...                                | ...                    | ...                          |
| 41 0 Grants, subsidies and contributions                     | ...                   | ...                    | ...                                | ...                    | ...                          |
| 42 0 Insurance claims and indemnities                        | ...                   | ...                    | ...                                | ...                    | ...                          |
| 43 0 Interest and dividends                                  | ...                   | ...                    | ...                                | ...                    | ...                          |
| Total Obligations  | 3,630                 | 4,704                  | 4,938                              | 4,980                  | 42                           |



#### National Earthquake Program and Other Hazards

- a. Objective/Description. This activity under Salaries and Expenses provides for the following major programs: (1) the National Earthquake Program for mitigation and preparedness planning at the Federal, State and local levels to reduce the loss of life and property from the earthquake hazard; (2) the Hurricane preparedness program for delivery of technical and financial assistance for the development of population preparedness and property protection plans in areas where hurricanes are of high risk; (3) the National Dam Safety program for coordination of activities to enhance the safety of dams and technical assistance on design, construction, maintenance and operation of dams; (4) the Hazard Mitigation Assistance program for funding of planning efforts to reduce potential hazards; and (5) the Policy and Planning element for management support and oversight for administrative matters.
- b. 1991 Accomplishments. In 1991, FEMA used \$3,630,000 and 50 workyears under Salaries and Expenses for this activity. These resources were used to accomplish the following: performed the National Earthquake Hazards Reduction Program's (NEHRP's) statutory lead-agency requirements including continuing support of the NEHRP Advisory Committee and submittal to Congress of the NEHRP fiscal year 1990 Annual Report and the NEHRP revised Five-Year Plan for 1992-1996; continued implementation of Executive Order 12699, which governs seismic safety of Federal buildings; initiated development and implementation of a systematic approach to earthquake loss estimation; managed a cost-shared financial assistance program for States and provided technical assistance to State and local governments in implementing earthquake hazards reduction strategies; continued administering "no-year" supplemental appropriation provided by Public Law 101-130; developed and conducted workshops, training courses and conferences on earthquake hazards mitigation; continued to disseminate Earthquake Hazards Reduction series publications including national seismic design provisions, manuals, and handbooks, preparedness planning guidelines, workshop proceedings, information on cost for rehabilitation, screening damaged buildings, safety checklists, and teacher's packages for earthquake education; continued management of hurricane population protection projects in 14 areas, including a restudy of the Southeast Florida area and one new study; completed hurricane population preparedness in Southeast Florida; initiated two new studies; continued development of a property protection manual; coordinated Federal agency efforts in hurricane preparedness through the chairmanship of the Interagency Coordinating Committee on Hurricanes (ICCOH); assisted in the development of a hurricane preparedness and mitigation planning curriculum to be offered by FEMA's Emergency Management Institute to State and local officials; assisted the American Red Cross in the development of hurricane-related public shelter selection criteria; coordinated Federal dam safety activities; co-sponsored 20 State dam safety workshops; developed methodologies for updating the National Dam Inventory; and administered 16 hazard mitigation projects.
- c. Changes from the 1992 Estimates. Reflects a decrease of \$42,000 resulting from absorbing a portion of the cost of establishing a disaster field office in Hawaii and paying for additional required space and related costs.
- d. 1992 Program. In 1992, FEMA is allocating \$4,662,000 and 66 workyears to this activity under Salaries and Expenses. In addition, \$276,000 in unobligated balance is available for obligation in 1992. These resources will allow FEMA to do the following:

- o Provide executive and management support for execution of the programs funded under this activity.
- o Manage the planning, coordination and administration of the overall NEHRP.
- o Continue activities to address the seismic risks posed by buildings, with emphasis on strengthening existing hazardous buildings, and lifeline systems.
- o Continue to develop guidance for and management of financial assistance to support State, multi-State and local earthquake hazards reduction programs.
- o Provide technical assistance to State and local governments, the private sector, and individuals in implementing earthquake hazards reduction activities.
- o Begin evaluation of State and Multi-State financial and technical assistance earthquake programs.
- o Continue development and implementation of a systematic approach to earthquake loss estimation.
- o Support and conduct workshops, training courses, and information transfer activities.
- o Address policy issues related to the Urban Search and Rescue program, continue management of Urban Search and Rescue database development, and support selected training of new Urban Search and Rescue task forces.
- o Accept applications from task forces and duplicate the technical review process which evaluates the degree to which the FEMA Urban Search and Rescue task forces comply with the criteria established by the National Urban Search and Rescue System Advisory Committee and its sub-committees.
- o Continue or complete 14 hurricane population preparedness and property protection projects and continue support for hurricane mitigation and public awareness activities.
- o Coordinate the National Dam Safety Program to complete the biennial State report to the President, continue the update of the National Inventory of Dams, and co-sponsor 10 State dam safety public awareness workshops and 8 training sessions.
- o Provide funding to all Regions to support hazard mitigation projects at the State and local level.

e. 1993 Program. In 1993, FEMA requests \$4,980,000 and 66 workyears for this activity under Salaries and Expenses. This request will allow FEMA to do the following:

- o Continue to provide executive and management support for execution of the programs funded under this activity.
- o Manage, plan and coordinate the overall NEHRP.
- o Continue to manage seismic design initiatives to develop and publish materials addressing seismic design for new buildings, existing hazardous buildings, single-family dwellings and lifeline systems. Continue efforts to implement E.O. 12699.
- o Manage State financial assistance activities and provide technical assistance to all levels of government and the private sector in implementing earthquake hazards reduction activities. Evaluate financial and technical assistance to State and Multi-State earthquake programs.
- o Continue to develop, support and conduct workshops, training courses, and information transfer activities.
- o Continue implementation of a systematic approach to earthquake loss estimation.
- o Continue addressing policy issues related to the Urban Search and Rescue program, begin evaluation process for Urban Search and Rescue task forces, and support selected training of the new FEMA Urban Search and Rescue task forces.
- o Continue hurricane evacuation studies, initiate one new study, continue and initiate property protection projects.
- o Continue to coordinate the National Dam Safety program through leadership, technical assistance and public awareness.
- o Continue to provide funding to all Regions to support hazard mitigation projects.

1993 Increases/Decreases. The 1993 request includes an increase of \$318,000: (1) \$33,000 for the final quarter costs of the 1992 GS/GM pay raise; (2) \$94,000 for three quarters of the 1993 GS/GM pay raise; (3) \$204,000 and 3 workyears to complement current Regional earthquake program staff, specifically to administer the financial and technical assistance earthquake hazard reduction programs with the States; (4) \$85,000 for travel costs associated with exercising the Federal Response Plan and travel costs associated with three additional workyears; (5) \$37,000 for a reversal of the one-year only reprogramming in the 1992 current estimate; and (6) a decrease of \$135,000 and 3 workyears as a result of abolishing the Dam Safety Program.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

SALARIES AND EXPENSES  
TECHNOLOGICAL HAZARDS  
(Dollars in Thousands)

| <u>Estimates by Program</u>                             | <u>Page No.</u> | <u>1991 Actual</u> |             | <u>1992 Request</u> |             | <u>1992 Current Estimate</u> |             | <u>1993 Request</u> |             | <u>Increase/Decrease</u> |             |
|---|-----------------|--------------------|-------------|---------------------|-------------|------------------------------|-------------|---------------------|-------------|--------------------------|-------------|
|   |                 | <u>WY</u>          | <u>Amt.</u> | <u>WY</u>           | <u>Amt.</u> | <u>WY</u>                    | <u>Amt.</u> | <u>WY</u>           | <u>Amt.</u> | <u>WY</u>                | <u>Amt.</u> |
| A. Radiological Emergency Preparedness                  |                 | 87                 | \$4,882     | 95                  | \$4,918     | 95                           | \$4,918     | 99                  | \$5,872     | 4                        | \$954       |
| B. Hazardous Materials.....                             |                 | 19                 | 1,066       | 22                  | 1,150       | 22                           | 1,150       | 22                  | 1,200       | ...                      | 50          |
| Total, Technological Hazards<br>(Budget Authority)..... | SE-20           | 106                | 5,948       | 117                 | 6,068       | 117                          | 6,068       | 127                 | 7,072       | 4                        | \$1,004     |
| <u>Permanent Workyears</u>                              |                 |                    |             |                     |             |                              |             |                     |             |                          |             |
| Headquarters.....                                       |                 | 34                 |             | 41                  |             | 41                           |             | 43                  |             | 2                        |             |
| Regions.....  |                 | 72                 |             | 76                  |             | 76                           |             | 78                  |             | 2                        |             |
| Total Permanent.....                                    |                 | 106                |             | 117                 |             | 117                          |             | 121                 |             | 4                        |             |
| <u>Total Workyears</u> .....                            |                 | 106                |             | 117                 |             | 117                          |             | 121                 |             | 4                        |             |

Changes from Original 1992 Estimate. None.

**SALARIES AND EXPENSES  
TECHNOLOGICAL HAZARDS  
(Dollars in Thousands)**

| OBJECT CLASS   | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br>Decrease |
|--|-----------------------|------------------------|------------------------------------|------------------------|-----------------------|
| <u>Personnel compensation</u>                                      |                       |                        |                                    |                        |                       |
| 11.1 Full-time permanent.....                                      | \$4,250               | \$4,573                | \$4,530                            | \$4,847                | \$317                 |
| 11.3 Other than full-time permanent.....                           | 63                    | ...                    | ..                                 | ...                    | ...                   |
| 11.5 Other personnel compensation.....                             | 145                   | ...                    | ..                                 | ...                    | ...                   |
| 11.8 Special personal services payments.....                       | ...                   | ...                    | ..                                 | ...                    | ...                   |
| 11.9 Total personnel compensation .....                            | <u>4,458</u>          | <u>4,573</u>           | <u>4,530</u>                       | <u>4,847</u>           | <u>317</u>            |
| <u>Personnel benefits</u>  |                       |                        |                                    |                        |                       |
| 12.1 Civilian personnel.....                                       | 754                   | 685                    | 862                                | 1,050                  | 188                   |
| 12.2 Military personnel .....                                      | ..                    | ...                    | ..                                 | ...                    | ...                   |
| 13.0 Benefits for former personnel.....                            | ...                   | ...                    | ...                                | ...                    | ...                   |
| <u>Non-Personnel Costs</u>   |                       |                        |                                    |                        |                       |
| 21.0 Travel and transportation of persons.....                     | 585                   | 770                    | 600                                | 1,135                  | 535                   |
| 22.0 Transportation of things.....                                 | ...                   | ...                    | ..                                 | ...                    | ...                   |
| 23.1 Rental payments to GSA.....                                   | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.2 Rental payments to others .....                               | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.3 Communications, utilities, and<br>miscellaneous charges ..... | 1                     | ...                    | ...                                | ..                     | ...                   |
| 24.0 Printing and reproduction .....                               | ...                   | ...                    | ...                                | ...                    | ...                   |
| 25.0 Other services .....  | 43                    | 20                     | 76                                 | 20                     | (56)                  |
| 26.0 Supplies and materials .....                                  | 8                     | ...                    | ...                                | ...                    | ...                   |
| 31.0 Equipment .....   | 99                    | 20                     | ...                                | 20                     | 20                    |
| 32.0 Land and structures .....                                     | ...                   | ...                    | ...                                | ...                    | ...                   |
| 33.0 Investments and loans .....                                   | ...                   | ...                    | ...                                | ...                    | ...                   |
| 41.0 Grants, subsidies and contributions .....                     | ...                   | ...                    | ...                                | ...                    | ...                   |
| 42.0 Insurance claims and indemnities.....                         | ...                   | ...                    | ...                                | ...                    | ...                   |
| 43.0 Interest and dividends .....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| Total Obligations .....  | <u>5,948</u>          | <u>6,068</u>           | <u>6,068</u>                       | <u>7,072</u>           | <u>1,004</u>          |

### Technological Hazards

- a. Objective/Description. This supports the request for Salaries and Expenses and workyears at Headquarters and in the field associated with the Radiological Emergency Preparedness (REP) and Hazardous Materials (HAZMAT) programs. The workyears funded under this activity provide staff who implement FEMA programs which, through technical and financial assistance and coordination, develop/foster Federal, State and local capabilities to variously prepare for, respond to, or mitigate the consequences of technological emergencies.
- b. 1991 Accomplishments. In 1991, FEMA used \$5,948,000 and 106 workyears for this activity under Salaries and Expenses. Noteworthy staff accomplishments included the following: achieved the cumulative completion of approximately 80% of initial findings and determinations under FEMA Rule 44 CFR 350; conducted reviews or issued findings involving a cumulative total of approximately 225 actions; participated in one Atomic Safety and Licensing Board (ASLB) hearing; evaluated 44 exercises and 3 Alert and Notification System (ANS) findings; conducted 4 REP Exercise Evaluator Courses for Federal and State personnel; provided technical and financial assistance to Federal, State, and local governments in the design conduct, and evaluation of several multi-jurisdictional HAZMAT exercises--including initiatives with the States of South Dakota, Utah, Oklahoma, New Jersey, Wisconsin, Minnesota, Ohio, West Virginia, Kentucky, Washington, and the U.S. Coast Guard; managed, maintained, and increased by 45% the user-base and information of the joint FEMA/DOT Hazardous Materials Information Exchange (HMIx); developed and conducted workshops on HAZMAT emergency planning for Native Americans and U.S./Mexican border communities; finalized and published HAZMAT emergency preparedness guidance for railroad yards and adjacent communities, the HAZMAT exercise evaluation methodology and guidance, and the comprehensive National Response Team guidance for developing a hazardous materials exercise program; initiated development of the FEMA 5-year HAZMAT work plan; and finalized the technical guidance to State and local governments on emergency warning systems for chemical emergencies.
- c. Changes from the 1992 Estimates. None.
- d. 1992 Program. In 1992, FEMA is allocating \$6,068,000 and 117 workyears to this activity under Salaries and Expenses. REP staff activities will continue to focus on commercial fixed nuclear power plant facilities stressing preparedness improvements through exercises. It is anticipated that 85% of these sites will have received initial formal approval under 44 CFR 350 by the close of 1992. FEMA staff will conduct reviews or issue findings involving about 25 actions; participate in 1 ASLB hearing; evaluate approximately 50 exercises; complete the revision and publication of the Federal Radiological Emergency Response Plan (FRERP); and provide technical assistance in the form of guidance documents. A significant amount of staff effort at FEMA Headquarters will be devoted to preparing or revising regulations, memoranda of understanding, and guidance documents. Significant staff effort at FEMA Headquarters will also be devoted to developing interagency agreements to meet the requirements of E.O. 12657.

In the HAZMAT area, staff will continue to provide technical and financial assistance to State and local governments in the design, conduct, and evaluation of exercises to validate the effectiveness and utility of planning and training; continue to provide assistance in the development, review, and revision of HAZMAT plans developed as a result of SARA

Title III; develop and deliver training workshops on developing a hazardous materials exercise program and hazards analysis; enhance the utility and accessibility of the HMIX by further expansion of system information base; and continue to support the interagency development of strategies for the implementation of the Hazardous Materials Transportation Uniform Safety Act (HMTUSA), particularly FEMA's role in monitoring HAZMAT planning and training.

- e. 1993 Program. In 1993, FEMA requests \$7,072,000 and 121 workyears under Salaries and Expenses for this activity. The resources will be used to conduct the following activities by each of the program areas:

#### REP

- o Findings and Determinations for Offsite Plans and Preparedness - FEMA staff will conduct reviews or issue findings involving about 25 actions.
- o Plan Reviews and Exercises - There are approximately 44 projected exercises and 1 ANS demonstration which will require very significant staff support. Also, the National Exercise Evaluation Team (NEET) will continue evaluating exercise uniformity across the FEMA Regions.
- o Federal Response Plans - FEMA staff will continue to review, update, and exercise emergency preparedness based on the response to and lessons learned from the River Bend Table-Top Exercise and the Chernobyl accident response. Implementation of the FRERP will be demonstrated and tested in Federal Field Exercise (FFE-3) in conjunction with the Susquehanna Nuclear Power Plant exercise.
- o User Fee Development/Implementation - Staff will continue to develop/implement a schedule of fees to recover 100% of the annual amounts anticipated by FEMA to be obligated for the REP Program.
- o Public Education - Staff will conduct periodic reviews of public information materials.
- o Technical Assistance and Agreements - A very significant effort by Headquarters staff would be required in this area to meet any request made under Executive Order 12657 for FEMA to put in place appropriate site-specific emergency preparedness plans. This effort would extend to plan preparation, and exercising the plan for response to an actual offsite emergency. In addition, the effort could extend to an initial Federal response to an actual emergency.

#### HAZMAT

- o Planning - FEMA will continue to provide assistance to State and local governments in the development, improvement, and implementation of plans developed under SARA Title III, with a focus on the review of plans to determine a baseline of existing capability and a review of hazards analyses contained within the plans.



- o Training - Staff will continue to identify training needs, support the development of training course materials, and facilitate providing training to the multiple constituencies involved in HAZMAT emergency preparedness.
- o Exercises - FEMA will concentrate staff efforts on supporting a comprehensive HAZMAT exercise program for States, locals, first responders, and industry, through both financial and technical assistance, that focuses on enhancing their planning and response capabilities.
- o Information Sharing - In coordination with other Federal agencies, States, locals, first responders, and industry, FEMA will support the expansion of the HMIX System to include user-unique topic areas identified through ongoing needs assessments.
- o Monitoring and Technical Assistance - FEMA will assess State and local Hazardous Materials capabilities and, based on the assessment, provide technical assistance in areas identified as deficient.

1993 Increases/Decreases. The 1993 request includes an increase of \$1,004,000 and 4 workyears: (1) \$55,000 to fund the final quarter costs of the 1992 pay raise; (2) \$167,000 to fund three quarters of 1993 GS/DM pay raise; (3) \$550,000 to adequately fund the existing 95 workyears in the REP program; (4) \$200,000 and 4 additional workyears to support implementation of the 100 REP user fee; and (5) \$29,000 for reversal of one-time only reprogramming in the 1992 current estimate.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

**SALARIES AND EXPENSES  
Federal Preparedness  
(Dollars in Thousands)**

| <u>Estimates by Program</u>                         | <u>Page No.</u> | <u>1991 Actual</u> |             | <u>1992 Request</u> |             | <u>1992 Current Estimate</u> |             | <u>1993 Request</u> |             | <u>Increase/Decrease</u> |             |
|---|-----------------|--------------------|-------------|---------------------|-------------|------------------------------|-------------|---------------------|-------------|--------------------------|-------------|
|   |                 | <u>MY</u>          | <u>Amt.</u> | <u>MY</u>           | <u>Amt.</u> | <u>MY</u>                    | <u>Amt.</u> | <u>MY</u>           | <u>Amt.</u> | <u>MY</u>                | <u>Amt.</u> |
| A. Government Preparedness...                       |                 | 845                | \$45,243    | 868                 | \$51,677    | 868                          | \$48,981    | 860                 | \$50,460    | -8                       | \$1,479     |
| B. Government Plans and Capabilities.....           |                 | 62                 | 4,278       | 74                  | 4,364       | 74                           | 4,762       | 67                  | 4,908       | -7                       | 145         |
| Total, Federal Preparedness (Budget Authority)..... | SE-25           | 914                | 49,521      | 942                 | 56,041      | 942                          | 53,744      | 927                 | 55,368      | -15                      | 1,624       |
| <u>Permanent Workyears</u>                          |                 |                    |             |                     |             |                              |             |                     |             |                          |             |
| Headquarters.....                                   |                 | 600                |             | 621                 |             | 621                          |             | 612                 |             | -9                       |             |
| Regions.....  |                 | 214                |             | 221                 |             | 221                          |             | 215                 |             | -6                       |             |
| Total, Permanent.....                               |                 | 914                |             | 942                 |             | 942                          |             | 927                 |             | -15                      |             |
| Total Workyears.....                                |                 | 914                |             | 942                 |             | 942                          |             | 927                 |             | -15                      |             |

Changes from Original 1992 Estimates. A decrease of \$2,297,000 from the request level reflects the following:

- \$1,300,000 specific Congressional reduction;
- \$700,000 reprogrammed into the Civil Defense activity for adequate funding of workyears;
- \$297,000 resulting from absorbing the cost of establishing a disaster field office in Hawaii and paying for additional required space and related costs.

208

**SALARIES AND EXPENSES  
FEDERAL PREPAREDNESS  
(Dollars in thousands)**

| OBJECT CLASS   | 1991<br>Actual | 1992<br>Request | 1992<br>Current<br>Estimate | 1993<br>Request | Increase/<br>Decrease |
|--|----------------|-----------------|-----------------------------|-----------------|-----------------------|
| <b>Personnel compensation</b>                                |                |                 |                             |                 |                       |
| 11.1 Full-time permanent                                     | 835,754        | 839,671         | 838,487                     | 838,566         | 879                   |
| 11.3 Other than full-time permanent                          | 374            |                 |                             |                 |                       |
| 11.5 Other personnel compensation                            | 2,272          | 1,039           | 1,771                       | 2,069           | 298                   |
| 11.6 Special personal services payments                      |                | 7               |                             |                 |                       |
| 11.9 Total personnel compensation                            | 38,400         | 40,717          | 40,258                      | 40,635          | 377                   |
| <b>Personnel benefits</b>                                    |                |                 |                             |                 |                       |
| 12.1 Civilian personnel                                      | 7,271          | 8,810           | 8,560                       | 8,722           | 162                   |
| 12.2 Military personnel                                      |                |                 |                             |                 |                       |
| 13.0 Benefits for former personnel                           |                |                 |                             |                 |                       |
| <b>Non-Personnel Costs</b>                                   |                |                 |                             |                 |                       |
| 21.0 Travel and transportation of persons                    | 1,997          | 3,717           | 2,555                       | 3,432           | 877                   |
| 22.0 Transportation of things                                | 49             |                 |                             |                 |                       |
| 23.1 Rental payments to GSA                                  | 1,203          | 1,200           | 1,200                       | 1,200           |                       |
| 23.2 Rental payments to others                               |                |                 |                             |                 |                       |
| 23.3 Communications, utilities, and<br>miscellaneous charges |                | 330             | 341                         | 341             |                       |
| 24.0 Printing and reproduction                               |                |                 |                             |                 |                       |
| 25.0 Other services  | 148            |                 | 830                         | 1,000           | 170                   |
| 26.0 Supplies and materials                                  | 69             | 59              |                             | 38              | 38                    |
| 31.0 Equipment   | 384            | 1,208           |                             |                 |                       |
| 32.0 Land and structures                                     |                |                 |                             |                 |                       |
| 33.0 Investments and loans                                   |                |                 |                             |                 |                       |
| 41.0 Grants, subsidies and contributions                     |                |                 |                             |                 |                       |
| 42.0 Insurance claims and indemnities                        |                |                 |                             |                 |                       |
| 43.0 Interest and dividends                                  |                |                 |                             |                 |                       |
| <b>Total Obligations</b>                                     | <b>49,521</b>  | <b>56,041</b>   | <b>53,744</b>               | <b>55,368</b>   | <b>1,624</b>          |

269

### Federal Preparedness

- a. Objective/Element Description. The Federal Preparedness activity under Salaries and Expenses provides salaries, benefits, travel and limited other program support. The Government Preparedness program of this activity is described in a separate submission. The Government Plans and Capabilities program represents a consolidation of the Emergency Information and Coordination Center (EICC), Mobilization Preparedness, and the Federal Readiness and Coordination programs justified in 1992. The restructured Government Plans and Capabilities program involves a variety of activities, including the staffing and operation of the Emergency Information Coordination Center (EICC), support to the national emergency operation and coordination centers, and the coordination by FEMA, as the lead agency, of Federal interagency efforts by subject-matter experts of Government-wide preparedness activities. These activities ensure that the necessary support capabilities exist for a coordinated Federal response in the event of a national emergency.
- b. 1991 Accomplishments. In 1991, FEMA used \$49,521,000 and 914 workyears under Salaries and Expenses for this activity. Resources provided for planning, coordination, interagency liaison, exercise management, and analysis activities to support the program activities described under Emergency Management Planning and Assistance. In addition, accomplishments included the following:
- o Continued to manage and operate FEMA's national emergency operations and coordination centers as well as various communications and information systems that provide support to emergency management teams in the event of a crisis, e.g., natural disasters, nuclear reactor incidents, etc.
  - o Continued to coordinate policy guidance and implement resources and mobilization assessment information management systems; supported the establishment of industrial emergency councils; and coordinated FEMA's participation in interagency forums to develop methods of sharing common-use emergency management information across the Federal Government, with the goal of eliminating duplication of efforts.
  - o Continued to test and revise emergency action option papers which are used for executive-level crisis decision-making; maintained the portfolio of Presidential Emergency Action Documents; educated the emergency planning community on the legal background of emergency actions and authorities; issued basic emergency preparedness and response guidance, and supported the National Security Council (NSC) policy process; continued to assess and update Federal, national, and regional-level emergency plans and guidance with the goal of ensuring consistency and compatibility with State, local and private sector planning and preparedness activities to ensure a consistent Federal response and facilitate resolution of national policy issues.
- c. Changes from the 1992 Estimates. Reflects a decrease of \$2,297,000 resulting from the following: a specific Congressional reduction of \$1,300,000; \$700,000 reprogrammed to the Civil Defense activity; \$297,000 reprogrammed to cover the cost of a disaster field office and increased space and related costs.
- d. 1992 Program. In 1992, FEMA is allocating \$53,744,000 and 942 workyears under Salaries and Expenses for this activity.

This funding level will support ongoing activities and responsibilities described above and under Emergency Management Planning and Assistance, and in addition, these resources enable FEMA to:

- o Continue to coordinate with various government agencies, Department of Defense and the private sector on programs which provide for the management of critical and essential resources during periods of crisis and mobilization; continue to develop and implement a comprehensive situation assessment structure by improving and integrating existing software, data bases and applications systems; examine and update the concepts relating to implementation of graduated mobilization response capabilities; continue to develop internal FEMA guidance for the use of priorities and allocations authorities; and coordinate interagency use of existing data bases and models to provide options to support the crisis management decision-making process.
- o Develop National Defense Executive Reserve (NDER) training courses and workshops for the National Emergency Training Center (NETC), and develop and issue revised NDER policy guidance for Federal departments and agencies.
- o Revise the Federal Preparedness Guidance (FPG) system and issue revised FPG documents as required; publish, provide follow on training, and test the updated Major Emergency Action Guidelist; continue to develop national security emergency preparedness guidance based on National Security Council (NSC) policy and directives; assess the results of pilot civil readiness evaluations and begin the next evaluation cycle; design, develop and participate in FEMA-sponsored and DOD exercises, simulations and war games.
- o Provide limited analytical and administrative support to the Policy Coordinating Committee on Emergency Preparedness/Mobilization Planning, which is chaired by the Director, FEMA.
- o. 1993 Program. In 1993, FEMA requests \$55,368,000 and 927 workyears under Salaries and Expenses for this activity. This will provide funding and workyears for the ongoing activities described above and, in addition, will allow FEMA to:
  - o Identify mobilization capabilities and shortfalls enabling selected Federal departments and agencies to emphasize areas requiring attention; address a limited number of policy issues including U.S. dependence on foreign markets and the effects of laws and trade policy on industry's ability to mobilize resources, and coordinate policy options to improve U.S. industrial mobilization capability; and continue to develop and implement a comprehensive situation assessment structure by improving and integrating existing software application systems.
  - o Write, coordinate, and publish emergency action and authority documentation; coordinate and develop national security emergency preparedness policy and plans; provide specific planning requirements and guidance on preparedness to the Federal departments and agencies; and provide for qualitative and quantitative analysis to support policy and planning.

- o Develop and present National Defense Executive Reserve (NDER) training courses and workshops, and provide program direction for unit development.

1993 Increases/Decreases. The 1993 request includes a net increase of \$1,624,000 and a decrease of 15 workyears: (1) an increase of \$469,000 for the final quarter costs of the 1992 pay raise and \$91,336,000 for three quarters of the 1993 pay raise; (2) an increase of \$839,000 to reverse a one time reprogramming in the 1992 current estimate (3) offset by a decrease of 15 workyears and \$790,000 to reflect the Federal Preparedness portion of an Agency-wide workyear reduction; and (4) a decrease of \$270,000 in the Government Preparedness program.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. Approximately \$120,000 is included to provide expert and consultant services.

**SALARIES AND EXPENSES  
TRAINING AND FIRE PROGRAMS  
(Dollars in Thousands)**

| <u>Estimates by Program</u>                                  | <u>Page No.</u> | <u>1991 Actual</u> |             | <u>1992 Request</u> |             | <u>1992 Current Estimate</u> |             | <u>1993 Request</u> |             | <u>Increase/Decrease</u> |             |
|--|-----------------|--------------------|-------------|---------------------|-------------|------------------------------|-------------|---------------------|-------------|--------------------------|-------------|
|  |                 | <u>MY</u>          | <u>Amt.</u> | <u>MY</u>           | <u>Amt.</u> | <u>MY</u>                    | <u>Amt.</u> | <u>MY</u>           | <u>Amt.</u> | <u>MY</u>                | <u>Amt.</u> |
| A. Emergency Management Institute.....                       |                 | 12                 | \$470       | 12                  | \$584       | 12                           | \$584       | 12                  | \$609       | ...                      | \$25        |
| B. National Fire Academy....                                 |                 | 71                 | 3,664       | 82                  | 5,022       | 82                           | 4,998       | 82                  | 5,160       | ...                      | 162         |
| C. U.S. Fire Administration.                                 |                 | 20                 | 1,272       | 10                  | 1,662       | 10                           | 1,654       | 10                  | 1,714       | ...                      | 60          |
| Total, Training and Fire Programs<br>(Budget Authority)..... | SE-10           | 103                | 5,408       | 124                 | 7,268       | 124                          | 7,236       | 124                 | 7,483       | ...                      | 247         |
| <u>Permanent Workyears</u>                                   |                 |                    |             |                     |             |                              |             |                     |             |                          |             |
| Headquarters.....  |                 | 103                |             | 124                 |             | 124                          |             | 124                 |             | ...                      |             |
| Regions.....   |                 | ...                |             | ...                 |             | ...                          |             | ...                 |             | ...                      |             |
| Total Permanent.....   |                 | 103                |             | 124                 |             | 124                          |             | 124                 |             | ...                      |             |

Changes from Original 1992 Estimates. Reflects a decrease of \$12,000 resulting from absorbing the cost of establishing a disaster field office in Hawaii and paying for additional required space and related costs.

**SALARIES AND EXPENSES  
TRAINING AND FIRE PROGRAMS**  
(Dollars in Thousands)

|   | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br>Decrease |
|---|-----------------------|------------------------|------------------------------------|------------------------|-----------------------|
| <b>OBJECT CLASS</b>   |                       |                        |                                    |                        |                       |
| <u>Personnel compensation</u>                                     |                       |                        |                                    |                        |                       |
| 11.1 Full-time permanent.....                                     | \$3,960               | \$5,052                | \$5,090                            | \$5,330                | \$240                 |
| 11.3 Other than full-time permanent.....                          | 66                    | ...                    | ...                                | ...                    | ...                   |
| 11.5 Other personnel compensation.....                            | 78                    | 16                     | ...                                | 14                     | 14                    |
| 11.6 Special personal services payments.....                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.9 Total personnel compensation.....                            | <u>4,104</u>          | <u>5,068</u>           | <u>5,090</u>                       | <u>5,344</u>           | <u>254</u>            |
| <u>Personnel benefits</u>   |                       |                        |                                    |                        |                       |
| 12.1 Civilian personnel.....                                      | 690                   | 1,095                  | 958                                | 1,009                  | 51                    |
| 12.2 Military personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 13.0 Benefits for former personnel.....                           | ...                   | ...                    | ...                                | ...                    | ...                   |
| <u>Non-Personnel Costs</u>  |                       |                        |                                    |                        |                       |
| 21.0 Travel and transportation of persons.....                    | 239                   | 459                    | 427                                | 401                    | (28)                  |
| 22.0 Transportation of things.....                                | 7                     | 5                      | 5                                  | 5                      |                       |
| 23.1 Rental payments to GSA.....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.2 Rental payments to others.....                               | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | 78                    | 409                    | 376                                | 457                    | 81                    |
| 24.0 Printing and reproduction.....                               | 2                     | 4                      | 5                                  | 5                      |                       |
| 25.0 Other services.....  | 110                   | 85                     | 99                                 | 100                    | 1                     |
| 26.0 Supplies and materials.....                                  | 53                    | 61                     | 119                                | 62                     | (57)                  |
| 31.0 Equipment.....   | 123                   | 82                     | 157                                | 100                    | (57)                  |
| 32.0 Land and structures.....                                     | ...                   | ...                    | ...                                | ...                    | ...                   |
| 33.0 Investments and loans.....                                   | ...                   | ...                    | ...                                | ...                    | ...                   |
| 41.0 Grants, subsidies and contributions.....                     | ...                   | ...                    | ...                                | ...                    | ...                   |
| 42.0 Insurance claims and indemnities.....                        | ...                   | ...                    | ...                                | ...                    | ...                   |
| 43.0 Interest and dividends.....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| <b>Total Obligations</b> .....                                    | <u>5,406</u>          | <u>7,268</u>           | <u>7,236</u>                       | <u>7,483</u>           | <u>247</u>            |

274



### Training and Fire Programs

- a. Objective/Element Description. This activity provides the funds for the workyears and the related expenses necessary to develop and deliver the programs that prepare Federal, State, and local officials, their supporting staffs, emergency first responders, volunteer groups, and the public to meet the responsibilities and challenges of domestic emergencies through planning, mitigation, preparedness, response, and long-term recovery. Fire Prevention and Control activities are developed and delivered through the United States Fire Administration (USFA). Educational programs are provided through the Emergency Management Institute (EMI) and the National Fire Academy (NFA).

Emergency Management Institute. These workyears are responsible for providing guidance and direction in the development and delivery of EMI's non-civil defense training and education program. They are also used for the development of guidelines for delivery of the nationwide EMI non-civil defense field training program, providing technical expertise in the development of courses, and supporting and assisting with the delivery of the educational program.

National Fire Academy. The NFA, an integral part of the USFA, utilizes these workyears in the development and revision of courses and educational program materials; managing a nationwide field training program delivered in cooperation with State and local sponsors; managing and assisting in the delivery of a resident training program; and operating and maintaining the facility and supporting the educational programs of the National Fire Academy.

U.S. Fire Administration. The USFA is the Federal fire focus and, as such within the Federal Emergency Management Agency, has ultimate responsibility for all fire programs as well as fire training activities. These workyears are used for administering the various programs of the USFA; providing policy and technical program direction, review, and evaluation; carrying out research, development, and technical field activities with State and local governments, and the private sector; providing policy, program, and technical review and updating of materials, technical analysis, and information resources; and carrying out targeted research and demonstration projects to expand state-of-the-art solutions for State and local fire problems.

- b. 1991 Accomplishments. In 1991, FEMA used \$5,406,000 and 103 workyears for this activity under Salaries and Expenses.

Emergency Management Institute. The resources supported the EMI non-Civil Defense training program. These workyears were required to manage and support FEMA training activities reflected under Emergency Management Planning and Assistance, and to ensure that the training was technically accurate, educationally sound, and delivered in the most cost effective manner. Functions included curricula, course, and materials development, revision and evaluation; research, testing and application of educational methodologies and technological media advances; and management of contracts, grants and adjunct faculty. These workyears were essential to the continuation of the resident training program, particularly for the train-the-trainer courses conducted in residence to support the field deployment system.

In addition to the above initiatives, as well as those identified under Emergency Management Planning and Assistance, EMI staff resources supported management of the SARA Title III training grants including production of a report documenting the history and impact of the training grants.

National Fire Academy. These resources were devoted to the course development and revision process; the off-campus course delivery program; support for State and local fire training efforts; providing technical and professional expertise in the development of courses; and to the on-campus course delivery program. Other resources were devoted to the operation and maintenance of the facility and providing admissions, procurement, media, learning resource center, and management services in support of the NFA educational programs and the USFA program.

U.S. Fire Administration. This funding provided staff effort for enhancing the arson program effort through the use of computer technology; expanding the private/public interaction in fire prevention; concluding the Project Fires program; investigating hazardous materials protective clothing, and improving the data flow; data and information management; and providing critical information to fire and emergency personnel on communicable diseases.

- c. Changes from the 1992 Estimates. Reflects a decrease of \$32,000 resulting from absorbing the cost of establishing a disaster field office in Hawaii and paying for additional required space and related costs.
- d. 1992 Program. In 1992, FEMA is allocating \$7,236,000 and 124 workyears to this activity under Salaries and Expenses. This level of funding provides for the following:

Emergency Management Institute. These resources support the EMI non-Civil Defense training program. These workyears are required to manage and support FEMA training activities reflected under Emergency Management Planning and Assistance, and to ensure that the training is technically accurate, educationally sound, and delivered in the most cost effective manner. Functions include curricula, course, and materials development, revision and evaluation; research, testing and application of educational methodologies and technological media advances; and management of contracts, grants, and adjunct faculty. These workyears are essential to the continuation of the resident training program, particularly for the train-the-trainer courses conducted in residence to support the field deployment system.

In 1992, EMI initiated an effort to improve training efficiency through the use of alternate delivery strategies. In addition to building their own skills in distance education, staff are managing several grants/contracts to develop training packages for delivery in other than a classroom environment.

National Fire Academy. These resources are devoted to the course development and revision process; off-campus course delivery program; support for State and local fire training efforts; providing technical and professional expertise in the development of courses; and the on-campus course delivery program. The funding also provides

a portion of the resources necessary to manage the operation and maintenance of the facility; admissions and registration services; and procurement, budget and fiscal support, and media services.

U.S. Fire Administration: This program provides personnel resources to manage the fire prevention and arson control activities; monitor the residential sprinklers research; provide technical assistance in the development and delivery of national videoconferences to the fire service and emergency management community; work with the private sector to enhance Federal/private sector relations and private sector participation; monitor efforts to improve firefighter protective clothing and equipment; provide guidance in the collection and dissemination of fire data; review and authorize reimbursement to local fire services for fighting fires on Federal property; and expand needed research on emergency medical services management, hazardous materials, and urban search and rescue response planning and operations.

- e. 1993 Program. In 1993, FEMA requests \$7,483,000 and 124 workyears for this activity under Salaries and Expenses.

Emergency Management Institute. These resources will be used to support the EMI training program. These workyears are required to manage and support FEMA training activities reflected under Emergency Management Planning and Assistance, and to ensure that the training is technically accurate, educationally sound, and delivered in the most cost effective manner. Functions include curricula, course, and material development, revision, and evaluation; research testing and application of educational methodologies and technological media advances; and management of contracts, grants, and adjunct faculty (12 workyears). These workyears are essential to the continuation of the resident training program, particularly for the train-the-trainer courses conducted in residence to support the field deployment system.

In 1993 EMI's distance education initiative will continue. Training materials developed in 1992 will be field tested to evaluate their effectiveness in achieving educational objectives and improving training efficiency. Additional delivery strategies will be explored as resources allow.

In addition to the above initiatives, as well as those identified under Emergency Management Planning and Assistance, EMI staff resources will support a number of development/revision efforts which will be requested and funded by other FEMA program offices and, in some cases, other Federal agencies.

National Fire Academy. This funding will provide resources for managing and participating in the course development and revision process (28 workyears); managing the delivery of NFA developed courses through a network of State and local fire training programs, supplementing but not duplicating training programs available to fire service personnel offered at local training centers. These personnel will also be responsible for training State and local personnel to become trainers of NFA developed courses (9 workyears); overall management and planning functions; and on-campus instruction, student counselling, and course management requirements in order to assure the quality offerings expected of NFA (23 workyears). The funding also provides a portion of the resources necessary to manage the operation and maintenance of the facility; admissions and registration services;

277

procurement, budget and fiscal support, and media services; Learning Resource Center operations; and overall FEMA training program management and coordination (22 workyears).

U.S. Fire Administration. This level of resources (30 workyears) will support activities to provide management and oversight to the many and varied programs carried out by the Fire Administration in collecting, analyzing, and disseminating fire data, research, and application of materials to provide a safer environment for the Nation's fire service. Expanded fire prevention and arson control activities and coordination of fire policy and management will also be provided.

The U.S. Fire Administration will continue to be challenged by the fragmented nature of the nation's career and volunteer fire service. To ensure effective communication between the USFA and the working fire service, which will be the ultimate beneficiary of USFA's programs, it will be necessary to devote a significant portion of staff time to field activities. These activities involve substantive participation in regional fire service technical meetings as well as visits to individual representative fire departments to provide technical and program assistance.

Another major in-house program activity will continue to be the development and dissemination of public fire education materials, technical information related to such topics as sprinklers and smoke detectors, and statistics related to the nation's fire problem and special analyses of those statistics focusing on specific aspects of the fire problem. This will be one of the USFA's principal delivery mechanisms for its program products and requires a significant amount of staff time for responding to requests for publications, reviewing and updating publications on a regular basis, and performing special analyses of fire data in response to public and private sector requests. Requests for reimbursement for fighting fires on Federal property will be reviewed and authorized. In addition, the USFA will develop and disseminate better hazardous materials response information for first responders as a result of administration and Congressional directives.

1993 Increases/Decreases. A net increase of \$247,000 for this activity reflects the following: (1) an increase of \$8,000 for reversal of one-time only reprogramming in the 1992 current estimates; and (2) an increase of \$62,000 for the final quarter of the 1992 pay raise and \$177,000 for three quarters of the 1993 pay raise.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. One of the workyears under the U.S. Fire Administration budget program is a consultant on hazardous materials information systems with an estimated cost of \$70,000.

SALARIES AND EXPENSES  
FLOOD INSURANCE AND MITIGATION  
(Dollars in Thousands)

| <u>Estimates by Program Element 1/</u>                   | <u>Page No.</u> | <u>1991 Actual</u> |              | <u>1992 Request</u> |              | <u>1992 Current Estimate</u> |              | <u>1993 Request</u> |              | <u>Increase/Decrease</u> |             |
|--|-----------------|--------------------|--------------|---------------------|--------------|------------------------------|--------------|---------------------|--------------|--------------------------|-------------|
|  |                 | <u>MY</u>          | <u>Amt.</u>  | <u>MY</u>           | <u>Amt.</u>  | <u>MY</u>                    | <u>Amt.</u>  | <u>MY</u>           | <u>Amt.</u>  | <u>MY</u>                | <u>Amt.</u> |
| A. Flood Plain Management.....                           |                 | 141                | \$7,830      | 154                 | \$9,014      | 154                          | \$9,014      | 154                 | \$10,007     | ...                      | \$993       |
| B. Insurance Activities.....                             |                 | <u>50</u>          | <u>1,202</u> | <u>54</u>           | <u>1,860</u> | <u>54</u>                    | <u>1,860</u> | <u>54</u>           | <u>1,971</u> | ...                      | <u>111</u>  |
| Total, Flood Insurance and Mitigation (Budget Authority) | SE-36           | 191                | 11,039       | 208                 | 12,874       | 208                          | 12,874       | 208                 | 13,978       | ...                      | 1,104       |
| <u>Permanent Workyears</u>                               |                 |                    |              |                     |              |                              |              |                     |              |                          |             |
| Headquarters.....  |                 | 105                |              | 107                 |              | 107                          |              | 107                 |              | ...                      |             |
| Regions.....   |                 | <u>86</u>          |              | <u>101</u>          |              | <u>101</u>                   |              | <u>101</u>          |              | ...                      |             |
| Total, Permanent.....                                    |                 | 191                |              | 208                 |              | 208                          |              | 208                 |              | ...                      |             |
| <u>Total Workyears</u> .....                             |                 | 191                |              | 208                 |              | 208                          |              | 208                 |              | ...                      |             |
| <u>Changes from Original 1992 Estimates.</u> None.       |                 |                    |              |                     |              |                              |              |                     |              |                          |             |

1/ As authorized by P.L. 101-508, anticipates reimbursement from the National Flood Insurance Fund. Outlays and budget authority are scored against the National Flood Insurance Fund.

**SALARIES AND EXPENSES  
FLOOD INSURANCE AND MITIGATION  
(Dollars in Thousands)**

| OBJECT CLASS  | 1991<br>Actual | 1992<br>Request | 1992<br>Current<br>Estimate | 1993<br>Request | Increase/<br>Decrease |
|---|----------------|-----------------|-----------------------------|-----------------|-----------------------|
| <b><u>Personnel compensation</u></b>                              |                |                 |                             |                 |                       |
| 11.1 Full-time permanent.....                                     | \$9,039        | \$9,775         | \$10,004                    | \$11,000        | \$996                 |
| 11.3 Other than full-time permanent.....                          | ...            | ...             | ...                         | ...             | ...                   |
| 11.5 Other personnel compensation.....                            | ...            | ...             | ...                         | ...             | ...                   |
| 11.8 Special personal services payments.....                      | ...            | ...             | ...                         | ...             | ...                   |
| 11.9 Total personnel compensation.....                            | <u>9,039</u>   | <u>9,775</u>    | <u>10,004</u>               | <u>11,000</u>   | <u>996</u>            |
| <b><u>Personnel benefits</u></b>                                  |                |                 |                             |                 |                       |
| 12.1 Civilian personnel.....                                      | 1,459          | 1,649           | 1,573                       | 1,600           | 27                    |
| 12.2 Military personnel.....                                      | ...            | ...             | ...                         | ...             | ...                   |
| 13.0 Benefits for former personnel.....                           | ...            | ...             | ...                         | ...             | ...                   |
| <b><u>Non-Personnel Costs</u></b>                                 |                |                 |                             |                 |                       |
| 21.0 Travel and transportation of persons.....                    | 513            | 950             | 733                         | 950             | 217                   |
| 22.0 Transportation of things.....                                | 9              | ...             | ...                         | ...             | ...                   |
| 23.1 Rental payments to GSA.....                                  | ...            | ...             | ...                         | ...             | ...                   |
| 23.2 Rental payments to others.....                               | ...            | ...             | ...                         | ...             | ...                   |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | ...            | ...             | ...                         | ...             | ...                   |
| 24.0 Printing and reproduction.....                               | ...            | ...             | ...                         | ...             | ...                   |
| 25.0 Other services.....  | 17             | 300             | 564                         | 428             | (136)                 |
| 26.0 Supplies and materials.....                                  | 2              | ...             | ...                         | ...             | ...                   |
| 31.0 Equipment.....   | ...            | ...             | ...                         | ...             | ...                   |
| 32.0 Land and structures.....                                     | ...            | ...             | ...                         | ...             | ...                   |
| 33.0 Investments and loans.....                                   | ...            | ...             | ...                         | ...             | ...                   |
| 41.0 Grants, subsidies and contributions.....                     | ...            | ...             | ...                         | ...             | ...                   |
| 42.0 Insurance claims and indemnities.....                        | ...            | ...             | ...                         | ...             | ...                   |
| 43.0 Interest and dividends.....                                  | ...            | ...             | ...                         | ...             | ...                   |
| <b>Total Obligations.....</b>                                     | <u>11,039</u>  | <u>12,874</u>   | <u>12,874</u>               | <u>13,978</u>   | <u>1,104</u>          |

### Flood Insurance and Mitigation

- a. Objective/Element Description. This section supports the requested workyears at headquarters and in the regions associated with the oversight and administration of flood plain management in support of the National Flood Insurance Program (NFIP) and with oversight of operations of the NFIP. Flood Plain Management activities are designed to provide an integrated and comprehensive approach at the Federal, State, and local level to reducing the loss of life and damage to property associated with floods.

The Salaries and Expenses appropriation will be reimbursed from the National Flood Insurance Fund with outlays and budget authority scored against that fund. All costs of this activity are paid for by policyholders, as authorized by, P.L.-101-508, the Omnibus Budget Reconciliation Act of 1990.

- b. 1991 Accomplishments. In 1991, FEMA used a total of \$11,039,000 and 191 workyears for this activity under Salaries and Expenses. These staff resources were used to accomplish the following:

#### Flood Plain Management

- o Conducted 104 initial time and cost meetings with communities to set the scope of study for flood insurance studies or restudies.
- o Conducted 328 final community consultation meetings to explain the result of completed flood insurance studies or restudies.
- o Managed 973 studies and restudies currently underway by monitoring the progress of technical evaluation and study contractors.
- o Evaluated 3,729 official appeals or map revision and amendment requests.
- o Effected 432 community conversions to the regular phase of the NFIP and 173 flood insurance restudies.
- o Expanded a fee charge system for flood study reports and maps, operated a fee charge system for the review of proposed flood control projects, and designed a new fee charge system for certain map revisions and amendments to reduce escalating costs for these services. Operated fee charge systems for archived flood insurance study data and map subscription service.
- o Managed distribution operations for 8.5 million flood map panels and archived map microfilming operations.
- o Planned procurement for 104 flood insurance restudies and 99 Limited Map Maintenance Projects.

- o Initiated and managed special studies (pilot erosion studies) and planning for erosion rate studies.
- o Completed a study on the effects of sea level rise on the NFIP as mandated by P.L. 101-137.
- o Managed various engineering and research studies for program development and improvement.
- o Produced digital Flood Insurance Risk Maps (FIRMs) for an estimated 200 NFIP communities (2,158 digital FIRM panels) and 5 Flood Risk Information Directories (FRIDs).
- o Provided leadership in the completion of a National Assessment of Floodplain Management under the aegis of the Unified National Program of Floodplain Management.
- o Provided leadership through the Federal Interagency Floodplain Management Task Force for conducting a multi-agency floodplain management/natural resources workshop, and a national floodproofing conference.
- o Managed the work plan for the Community Assistance Program and the Community Compliance Program which serve 18,100 communities utilizing FEMA staff plus Support Service Program staff from the States and Federal agencies.
- o Conducted visits or contacts to evaluate the flood plain management programs of over 3,600 communities and to provide technical assistance to local officials, States, and the private sector.
- o Assisted 350 communities in updating their flood plain management ordinances.
- o Determined community eligibility and took suspension and reinstatement actions for nearly 200 communities, legal actions only FEMA staff can carry out.
- o Resolved compliance problems originally caused by State agricultural exemptions in all of the eight States where they occurred.
- o Ensured that communities carried out program requirements and initiated probation actions for 15 noncompliant communities, legal actions that only FEMA staff can carry out.
- o Verified that 293 communities were in full compliance with minimum NFIP requirements prior to receiving rate credits under the Community Rating System (CRS). This is a new activity associated with the first year of operation for the new CRS and can only be carried out by FEMA staff.
- o Continued development of a standard operating procedure for assessing damages and providing technical assistance after catastrophic flood events.



- o Conducted assessments and evaluations of the effectiveness of NFIP flood loss reduction program in reducing flood losses.
- o Compiled a report documenting the five years' damage assessment effort to evaluate the effectiveness of the NFIP building standards following a flood.
- o Completed a project which evaluated historical wind and hurricane code compliance of a coastal community.
- o Completed a survey and report on local officials' attitudes toward post flood hazard reduction practices.
- o Designed building certificates for V-Zone construction and residential floodproofed basements.
- o Drafted and are presently field testing a revised residential flood repair handbook.
- o Developed technical floodplain management bulletins on: floodproofing certificates, manufactured home installation, lower area obstructions, and below-grade parking.
- o Reviewed and selected flood damaged property for purchase.
- o Provided the leadership for the development and publication of the FEMA brochure, "Disaster Mitigation: Reducing Losses of Life and Property through Model Codes."
- o Duplicated and distributed "Best Build Three" Video on protecting a floodprone home.
- o Printed and distributed "Big Bird Gets Ready For Floods" kits to second and third grade school children.
- o Coordinated the development of, and conducted the initial pilot course "Community Floodplain Management Course for Local Officials."
- o Executed a contract with the National Institute for Building Sciences to evaluate the compatibility of NFIP flood loss reduction standards with the national model code standards for earthquake, wind, and fire.
- o Executed an engineering support service contract to provide on call engineering support services relative to NFIP construction standards.

Insurance Activities

- o Completed the annual review of flood insurance rates for the NFIP covering the experience period 1978-1990.

- o Implemented a system of penalty fees modeled after insurance industry practices to help control data quality in the submissions from Write-Your-Own (WYO) companies.
  - o Processed 84 claims for erosion damage as provided for by P.L. 100-242.
  - o Implemented the Community Rating System (CRS) with the review of 293 initial community applications.
  - o Revised basic limits insurance amounts and implemented the Congressionally-mandated Federal Policy Fee.
  - o Conducted underwriting/policy administration operation reviews and claims operation reviews pursuant to the WYO financial control plan to ensure company compliance with NFIP rules.
- c. Changes from the 1992 Estimates. None.
- d. 1992 Program. In 1992, FEMA is allocating \$12,874,000 and 208 workyears to this activity under Salaries and Expenses. Resources will be used to accomplish the following:

Flood Plain Management

- o Conduct 177 initial time and cost meetings with communities to set the scope of study for flood insurance studies and restudies and plan procurement for these studies and 105 limited map updates.
- o Conduct 281 final community consultation meetings to explain the results of completed flood insurance studies or restudies.
- o Manage 658 studies and restudies underway by monitoring the progress of technical evaluation and study contractors.
- o Effect 32 community conversions to the regular phase of the NFIP and effect 280 flood insurance restudies.
- o Evaluate 3,758 official appeals or map revision and amendment requests.
- o Revise and implement fee charge systems for flood maps, reviews of proposed flood control projects, archive flood risk study data requests, and map subscription service, and implement a new fee charge system for certain map revisions.
- o Manage distribution operations for 6 million flood map panels.
- o Produce digital FIRMs covering 20 county-wide areas (2,150 digital FIRM panels) and 15 Flood Risk

#### Information Directories.

- o Transfer the boundaries of coastal barrier units and otherwise protected areas identified by the Coastal Barrier Improvement Act of 1990 to NFIP maps in 340 communities and republish NFIP maps for those communities.
- o Manage various engineering and research studies for program development and improvement.
- o Through the Federal Interagency Floodplain Management Task Force, provide leadership in the revisions to the Unified National Program of Floodplain Management, and conduct specific conferences, seminars, and workshops on flood loss reduction topics.
- o Manage the work plan for the Community Assistance Program and the Community Compliance Program which serve 18,000 communities utilizing FEMA staff plus Support Service Program staff from the States and Federal agencies.
- o Conduct visits or contacts to evaluate the flood plain management programs of over 3,800 communities and to provide technical assistance to local officials, States, and the private sector.
- o Determine and assure continuing eligibility of the 50 states participating in the NFIP on behalf of their state-owned properties.
- o Assist 400 communities in updating their flood plain management ordinances.
- o Determine community eligibility and take suspension and reinstatement actions for nearly 250 communities, legal actions only FEMA staff can carry out.
- o Ensure that communities carry out program requirements and initiate probation actions for 25 noncompliant communities, legal actions that only FEMA staff can carry out.
- o Verify that 350 communities remain in full compliance with minimum NFIP requirements prior to receiving rate credits under the Community Rating System (CRS), an activity that can only be carried out by FEMA staff.
- o Review and select flood damaged properties for purchase.
- o Conduct assessments and evaluations of the effectiveness of NFIP flood loss reduction program in reducing flood losses.
- o Institute standard operating procedures for providing damage assessments and technical assistance after catastrophic flood events.

- o Undertake a study to provide guidance for subdivision and infrastructure development in flood hazard areas.
- o Initiate code compatibility standards for earthquake, wind, fire, and floods by means of a design analysis.
- o Oversee a contract which provides ongoing engineering support services relative to NFIP construction standards.
- o Institutionalize the course "Community Floodplain Management Course for Local Officials."
- o Initiate development of a mitigation program for reducing losses to existing structures.
- o Initiate an evaluation of alternatives for reducing losses in coastal erosion areas.

#### Insurance Activities

- o Manage the servicing contract which provides day-to-day operational support for the NFIP.
- o Continue to work with WYO companies, agents, and lenders to develop sound approaches to effectively market the flood insurance program.
- o Perform claims and underwriting administration reviews of WYO companies and claims reinspections of WYO claims, pursuant to the WYO financial control plan.
- o Perform claims reinspections processed by the NFIP servicing contractor.
- o Conduct the annual actuarial review of insurance experience and analyze catastrophic reserve requirements.
- o Implement the CRS.
- o Continue to administer the erosion benefits program established by P.L. 100-242.
- o Develop new policy forms for insuring residential condominium buildings.
- o Continue using integrated flood insurance claims offices in areas of flooding where in excess of 500 claims are expected.
- o Implement all necessary rate and rule changes.
- o Conduct risk inspection program to identify misrated policies.

- o Implement the forced placement program for lenders.
  - o Modify the requirements for the residential condominium master policy to assure insurance to value.
  - o Work with lending regulators to standardize reporting and recordkeeping for flood insurance purchase requirements to make compliance and examination easier.
- e. 1993 Program. In 1993, FEMA requests \$13,978,000 and 208 workyears for this activity under Salaries and Expenses. These funds will be used to accomplish the following:

Flood Plain Management

- o Conduct 133 initial time and cost meetings with communities to set the scope of study for flood insurance studies and restudies and plan procurement for these studies and 111 limited map updates.
- o Conduct 271 final community consultation meetings to explain the results of completed flood insurance studies or restudies.
- o Manage 499 studies and restudies underway by monitoring the progress of technical evaluation and study contractors.
- o Evaluate 4,469 official appeals or map revision and amendment requests.
- o Operate fee charge systems for flood maps, reviews of proposed flood control projects, certain map revisions and amendments and requests for archived risk study data.
- o Manage distribution operations for 5 million flood map panels.
- o Produce digital FIRMs for 40 county-wide areas (4,000 digital FIRM panels).
- o Manage map digitizing operations for approximately 40 counties and independent cities.
- o Manage various engineering and research studies for program development and improvement.
- o Provide leadership through the Federal Interagency Floodplain Management Task Force, in implementing recommendations set forth in the revised Unified National Program for Floodplain Management.
- o Provide leadership through the Federal Interagency Floodplain Management Task Force, for conducting specific conferences, seminars, and workshops on flood loss reduction topics.

- o Manage the work plan for the Community Assistance Program and the Community Compliance Program which serve 18,000 communities utilizing FEMA staff plus Support Service Program staff from the States and Federal agencies.
- o Conduct visits or contacts to evaluate the flood plain management programs of 4,000 communities and to provide technical assistance to local officials, States, and the private sector in their implementation of floodplain management programs.
- o Assist 500 communities in updating their flood plain management ordinances.
- o Resolve any continuing compliance problems with States participating in the NFIP.
- o Determine community eligibility and take suspension and reinstatement actions for nearly 200 communities, legal actions only FEMA staff can carry out.
- o Ensure that communities carry out program requirements and initiate probation actions against 25 noncompliant communities, legal actions that only FEMA staff can carry out.
- o Verify that 350 communities remain in full compliance with minimum NFIP requirements prior to receiving rate credits under the Community Rating System (CRS), an activity that can only be carried out by FEMA staff.
- o Review and select flood damaged properties for purchase.
- o Conduct assessments and evaluations of the effectiveness of NFIP flood loss reduction program in reducing flood losses.
- o Institutionalize standard operating procedures for providing damage assessments and technical assistance after catastrophic flood events.
- o Complete code compatibility standards for earthquake, wind, fire, and floods by means of a design analysis.
- o Oversee a contract which provides ongoing engineering support services relative to NFIP construction standards.
- o Complete development of a mitigation program for reducing losses to existing structures.
- o Initiate the development of a methodology and field manual for determining technical feasibility and cost-effectiveness of repetitive loss properties as part of a comprehensive mitigation program.
- o Initiate development of a program for reducing losses in coastal erosion areas.

### Insurance Activities

- o Manage the servicing contract which provides day-to-day operation support for the NFIP.
- o Utilize results of WYO program evaluations to reduce WYO program costs and improve the NFIP's effectiveness in achieving its goals.
- o Continue to work with WYO companies, agents, and lenders to develop sound approaches to effectively market the flood insurance program.
- o Produce additional video tapes which address various aspects of the NFIP to improve program awareness and understanding.
- o Develop new ways to assist insurance companies, agents, and lenders in increasing market penetration.
- o Conduct the annual actuarial review of insurance experience.
- o Continue to assist communities participating in the CRS.
- o Perform claims and underwriting administration reviews of WYO companies and claims reinspections, pursuant to the WYO financial control plan.
- o Perform claims reinspections of Federal Direct Program claims.
- o Continue using integrated flood insurance claims offices in areas of flooding where in excess of 500 claims are expected.
- o Assist lenders in meeting their responsibilities under the Flood Disaster Protection Act of 1973.

1993 Increases/Decreases: A net increase of \$1,104,000 reflects the following: (1) \$193,000 for erosion/riverine studies; (2) \$483,000 and 5 workyears for the Community Rating System; (3) \$104,000 for the final quarter of the 1992 pay raise and \$324,000 for three quarters of the 1993 pay raise; and (4) a loss of 5 workyears associated with an agency-wide workyear reduction.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

SALARIES AND EXPENSES  
DISASTER RELIEF ADMINISTRATION  
(Dollars in Thousands)

| <u>Estimates by Program Element</u>                       | <u>Page No.</u> | <u>1991 Actual</u> |             | <u>1992 Request</u> |             | <u>1992 Current Estimate</u> |             | <u>1993 Request</u> |             | <u>Increase/Decrease</u> |             |
|---|-----------------|--------------------|-------------|---------------------|-------------|------------------------------|-------------|---------------------|-------------|--------------------------|-------------|
|   |                 | <u>HY</u>          | <u>Amt.</u> | <u>HY</u>           | <u>Amt.</u> | <u>HY</u>                    | <u>Amt.</u> | <u>HY</u>           | <u>Amt.</u> | <u>HY</u>                | <u>Amt.</u> |
| Disaster Relief Administration.....<br>(Budget Authority) | SE-47           | 223                | \$11,664    | 289                 | \$19,277    | 292                          | \$19,431    | 302                 | \$20,688    | 10                       | \$1,237     |
| <u>Permanent Workyears</u>                                |                 |                    |             |                     |             |                              |             |                     |             |                          |             |
| Headquarters.....   |                 | 61                 |             | 80                  |             | 83                           |             | 87                  |             | 4                        |             |
| Regions.....  |                 | 162                |             | 202                 |             | 202                          |             | 215                 |             | 6                        |             |
| Total Permanent.....                                      |                 | 223                |             | 289                 |             | 292                          |             | 302                 |             | 10                       |             |
| <u>Total Workyears</u> .....                              |                 | 223                |             | 289                 |             | 292                          |             | 302                 |             | 10                       |             |

Changes From Original 1992 Estimates: The current estimate reflects a net increase of \$154,000 and 3 workyears as a result of reprogramming 1992 funds for the establishment of a disaster field office in Hawaii, offset by absorbing a portion of the cost of additional required space and related costs. Also, the 1992 request and current estimate numbers reflect an increase of 25 workyears and a transfer of \$1,250,000 from the Disaster Relief Fund in accordance with the Dire Emergency Supplemental Appropriation Act of 1992, P.L. 102-229.



**SALARIES AND EXPENSES  
DISASTER RELIEF ADMINISTRATION  
(Dollars in Thousands)**

| OBJECT CLASS   | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br>Decrease |
|--|-----------------------|------------------------|------------------------------------|------------------------|-----------------------|
| <b>Personnel compensation</b>                                |                       |                        |                                    |                        |                       |
| 11 1 Full-time permanent                                     | \$9,042               | \$11,869               | \$11,883                           | \$13,163               | \$1,280               |
| 11 3 Other than full-time permanent                          | 197                   | ..                     | ..                                 | ..                     | ..                    |
| 11 5 Other personnel compensation                            | 301                   | ..                     | ..                                 | ..                     | ..                    |
| 11 8 Special personal services payments                      | ..                    | ..                     | ..                                 | ..                     | ..                    |
| 11 9 Total personnel compensation                            | 9,540                 | 11,869                 | 11,883                             | 13,163                 | 1,280                 |
| <b>Personnel benefits</b>                                    |                       |                        |                                    |                        |                       |
| 12 1 Civilian personnel                                      | 1,635                 | 1,543                  | 1,556                              | 1,610                  | 54                    |
| 12 2 Military personnel                                      | ..                    | ..                     | ..                                 | ..                     | ..                    |
| 13 0 Benefits for former personnel                           | ..                    | ..                     | ..                                 | ..                     | ..                    |
| <b>Non-Personnel Costs</b>                                   |                       |                        |                                    |                        |                       |
| 21 0 Travel and transportation of persons                    | 255                   | 969                    | 966                                | 1,110                  | 144                   |
| 22 0 Transportation of things                                | 35                    | 45                     | 144                                | 100                    | (44)                  |
| 23 1 Rental payments to GSA                                  | ..                    | ..                     | ..                                 | ..                     | ..                    |
| 23 2 Rental payments to others                               | ..                    | ..                     | 200                                | 200                    | ..                    |
| 23 3 Communications, utilities, and<br>miscellaneous charges | ..                    | 750                    | 739                                | 111                    | (628)                 |
| 24 0 Printing and reproduction                               | 6                     | 22                     | 22                                 | 60                     | 38                    |
| 25 0 Other services  | 48                    | 1,288                  | 1,085                              | 1,308                  | 223                   |
| 26 0 Supplies and materials                                  | 7                     | 50                     | 90                                 | 105                    | 15                    |
| 31 0 Equipment   | 138                   | 2,743                  | 2,746                              | 2,901                  | 155                   |
| 32 0 Land and structures                                     | ..                    | ..                     | ..                                 | ..                     | ..                    |
| 33 0 Investments and loans                                   | ..                    | ..                     | ..                                 | ..                     | ..                    |
| 41 0 Grants, subsidies and contributions                     | ..                    | ..                     | ..                                 | ..                     | ..                    |
| 42 0 Insurance claims and indemnities                        | ..                    | ..                     | ..                                 | ..                     | ..                    |
| 43 0 Interest and dividends                                  | ..                    | ..                     | ..                                 | ..                     | ..                    |
| <b>Total Obligations</b>                                     | <b>11,664</b>         | <b>19,277</b>          | <b>19,431</b>                      | <b>20,668</b>          | <b>1,237</b>          |

### Disaster Relief Administration

a. Objective/Activity Description. Program administration includes the following principal areas:

- Management and Coordination. The majority of Management and Coordination resources for disaster relief are allocated to providing program support and staffing Federal Coordinating Officer/Disaster Recovery Manager (FCO/DRM) positions in Disaster Field Offices (DFO's) for the delivery of assistance in declared major disasters and emergencies. Other functions include: administration of assistance; management of the Disaster Assistance Employee (DAE) program; processing of all requests for declarations; supporting Federal Coordinating Officer (FCO) functions; managing the Disaster Relief Appropriation; conducting critiques and program evaluations; coordinating automated support systems; and developing and conducting training programs.
- Individual Assistance for Disaster Relief. The majority of Individual Assistance resources are allocated to managing the delivery of Individual Assistance programs (Individual and Family Grants (IFG), Temporary Housing, Crisis Counseling, Disaster Unemployment Assistance and Legal Services for low-income victims) in declared major disasters and emergencies. Other functions include: the development of policy and procedures to provide prompt and effective delivery of assistance authorized by the Stafford Act; program oversight and evaluation; coordination with other non-FEMA entities providing related assistance to disaster victims; and management of the National Teleregistration Center.
- Public Assistance for Disaster Relief. The majority of Public Assistance resources are allocated to managing the delivery of Public Assistance to and funding emergency services and facility restoration for State and local applicants in declared major disasters and emergencies. Public Assistance projects constitute approximately two thirds of obligations annually from the Disaster Relief Fund. Other functions include: development of policy and procedures; oversight and evaluation of program activities; and coordination of program management improvements to ensure that assistance is provided in an efficient and timely manner.
- Hazard Mitigation and Preparedness. Hazard mitigation resources are allocated to provide technical assistance, guidance and funding to affected entities in declared major disasters and emergencies, in order to identify mitigation opportunities and develop plans for mitigation activities. In addition, FEMA implements the hazard mitigation grant program authorized in the Robert T. Stafford Disaster Relief and Emergency Assistance Act, which provides up to 50% Federal funding for cost-effective mitigation measures.
- Disaster Preparedness Improvement Grants. Disaster Relief Administration staff resources manage the Disaster Preparedness Improvement Grants (DPIG) program by coordinating program reviews and the delivery of planning grant assistance.

b. 1991 Accomplishments. In 1991, FEMA used 223 workyears and \$11,664,000 for this activity under Salaries and

Expenses. The majority of the Regional Office and a significant portion of the National Office staff resources were dedicated to supporting delivery of assistance in declared major disasters and emergencies. Recovery efforts stemming from Hurricane Hugo and the Loma Prieta earthquake continued to place demands on staff resources. Other accomplishments are noted according to the five principal areas of program activity.

- Management and Coordination.

- Processed requests for 53 major disasters which resulted in 39 declared disasters in 520 counties (an average year has 38 requests which result in 27 declared disasters in 308 counties).
- Managed Stafford Act disaster response and recovery assistance in the amount of \$392 million for 1991 and prior year disasters.
- Provided support guidance in 39 disasters. This included guidance in management of personnel, property, vehicles, finances, and computer operation.
- Conducted 4 regional office and 4 DFO reviews in various program areas.
- Conducted a critique of the disaster recovery operation in the Virgin Islands following Hurricane Hugo.
- Closed out 44 major disasters, 1 emergency and 1 fire suppression agreement.
- Issued revised Agency instruction containing policies and procedures governing management of disaster reservists.
- Reprinted Volume I and published Volume II of the Disaster Operations Manual. These manuals cover policies and procedures on the disaster declaration and recovery processes.
- Conducted thorough review of the Stafford Act and developed new legislative proposals for review within the Administration.
- Developed and conducted an orientation course for Regional Directors on the Federal Coordinating Officer's responsibilities.
- Developed draft orientation videotape for DFO workers. The videotape will provide basic administrative and organizational information for disaster reservists, local hires and Permanent Full-Time employees new to the DFO environment.
- Developed draft proposal to simplify the disaster reservist job titles and redesigned the pay levels to

ensure consistency and promote the concept of equal pay for equal work.

- Initiated the assessment phase of a comprehensive stress reduction program for the DFO staffs.
- Participated in a joint OMB-FEMA Task Force to identify program areas needing improvement.
- Established a disaster area office in Puerto Rico for the Caribbean.
- Automation enhancements: Developed substantive enhancements to the Automated Disaster Assistance Management Systems (ADAMS); completed the automated teleregistration portion of the new Individual Assistance Module; connected Headquarters, the ten regions and open DFOs to an electronic mail system; organized storage facilities for ADP equipment in Regions IV, VI and IX; and developed a stand-by contract for support to DAP ADP network managers.

- Individual Assistance for Disaster Relief (IA).

- Delivered individual assistance in 25 major disasters and provided continuing assistance to 1989 and 1990 disaster operations.
- Developed and implemented augmentation of Disaster Application Centers (DAC) utilizing Headquarters employees.
- Revised, computerized, and field tested the Disaster Assistance Application/Registration form.
- Developed a comprehensive disaster assistance program information booklet for disaster victims.
- Completed a study to determine the cost effectiveness of imposing flood-insurance requirements on IFG recipients.
- Issued policy and procedural guidance for State documentation of costs associated with administering the IFG program.
- In coordination with the Department of Labor (DOL), published a final rule for the Disaster Unemployment Assistance (DUA) program.
- Convened a work group, including State offices of Emergency Services and Mental Health, to address issues related to post-disaster, Crisis Counseling (CC) recovery efforts.
- Provided funding to the American Bar Association (ABA) to develop a Disaster Legal Services (DLS)

training program.

- Initiated an enhanced public information and outreach approach in the delivery of individual assistance.
- Initiated plastic sheeting stockpile project for use as emergency shelter in remote areas.
- Developed new policy and guidance and implemented the mortgage and rental assistance program in California.
- Initiated development of automated housing inspections.
- Managed three mobile home operations, and conducted operational planning for two additional mobile home operations.

- Public Assistance for Disaster Relief (PA).

- Delivered public assistance in 37 major disasters declared in 1991 and provided continuing assistance to prior year disasters.
- Issued new regulations to reflect the Public Assistance program changes necessary to improve efficiency of the program and reduce costs.
- Provided administration and oversight for large individual projects including required changes, interim and final inspections, and claims for reimbursement.
- Continued on-going actions to close-out older disasters and claims collection efforts.
- Conducted meetings with other Federal agencies to coordinate areas of program interface and mutual support.
- Conducted training for State Public Assistance Officers.
- Prepared revised interim insurance regulations implementing the Stafford Act.
- Prepared draft eligibility guidelines for the Public Assistance Program.

- Hazard Mitigation and Preparedness.
    - Provided technical assistance and coordinated preparation of Hazard Mitigation Reports in 39 major disasters.
    - Provided technical assistance to States in the identification and development of post-disaster mitigation projects funded under the Hazard Mitigation Grant Program.
    - Provided assistance to expand State level multi-hazard mitigation plans, thereby increasing overall preparedness and limiting subsequent post-disaster planning requirements.
    - Identified, selected, and funded hazard mitigation projects supported by the Hazard Mitigation Assistance program funded under Earthquakes and Other Natural Hazards.
    - Conducted four meetings of the Interagency Hazard Mitigation Team Task Force to discuss issues relating to activation of Regional teams, identification of recommendations, implementation of actions, and follow-up activities.
    - Revised draft Applicant Handbook for the Hazard Mitigation Grant Program for users at the State and local level.
  - Disaster Preparedness Improvement Grants.
    - Coordinated delivery of planning grants to 53 applicants.
- c. Changes from the 1992 Estimates. The current estimate reflects a net increase of \$154,000 and 3 workyears as a result of reprogramming of 1992 funds for the establishment of a disaster field office in Hawaii offset by absorbing a portion of the cost of additional required space and related costs.
- d. 1992 Program. In 1992, FEMA is allocating \$19,431,000 and 292 workyears to this activity under Salaries and Expenses. This 1992 program level includes 25 workyears and \$1,250,000 which may be transferred from the Disaster Relief Fund to Salaries and Expenses in accordance with the Dire Emergency Supplemental Appropriations Act of 1992, P.L. 102-229. Close-out activities related to Hurricane Hugo and the Loma Prieta earthquake will place on-going demands on staff resources, and needed improvements to program management, financial management and administration identified during comprehensive reviews of the Disaster Assistance Program will be made. Proposed accomplishments are noted in the following sections.

- Management and Coordination.

- Process an estimated 47 requests for disaster and emergency declarations, with an estimated 33 potential declarations.
- Provide program support guidance in approximately 33 major disasters.
- Issue the third annual comprehensive monitoring and evaluation report on disaster program management and delivery.
- Continue processing activities associated with Hurricane Hugo and the Loma Prieta earthquake as well as other open disasters.
- Complete and publish Volume III of the Disaster Operations Manual. This manual covers policies and procedures on the disaster close-out process.
- Provide program training and related materials to State and local governments.
- Provide for improvements to program management and delivery systems to the Regions, State and local jurisdictions.
- Provide oversight and direction for regulations, policy and legislation.
- Conduct five regional and three field office reviews for each program area.
- Develop methodology for better integration of response and recovery activities.
- Produce and distribute final version of the videotape for DFO workers.
- Publish final regulations on disaster declaration criteria on waiver of the non-federal share, and on processing loan requests for the non-federal share of the PA, HM and IFG program.
- Initiate implementation of further additions or enhancements (hardware and/or software) to ADAMS and related systems based on the results of the analysis of system architectures carried out during 1991.
- Establish a disaster area office in Hawaii.

- Individual Assistance for Disaster Relief.

- Continue technical study on created housing resources in remote areas.
- Complete plastic stocking project and develop appropriate guidance and instructional material.
- Develop remote area housing policy.
- Continue development of automated housing inspections.
- Implement steps to maintain viable mobile home operations.
- Deliver assistance in an estimated 29 major disasters.
- Continue close-out activities associated with numerous disasters declared in 1990 and 1991.
- Conduct evaluations of IA programs in Disaster Field Offices and Regional Offices.
- Revise IA program regulations.
- Conduct annual review of all publications, handbooks, manuals, and policy guidance, and make appropriate revisions.
- Develop and conduct a Disaster Assistance Programs conference for key staff in other Federal agencies.
- Finalize policy to manage emergency food programs and implement a stand-by contract for deployment of up to three experts on food commodity distribution in Pacific island disasters.
- Work with the Small Business Administration to develop a bridge-loan concept, and to modify minimum-income tables.
- Establish a random sampling procedure to verify income of IFG recipients.
- Conduct a CC program training workshop for State representatives.
- Develop and distribute an informational booklet describing the many disaster programs of the Department of Agriculture to FEMA Regional Offices, Disaster Field Offices and State Governments.
- Manage a contract to improve public information methods and products.



- Revise ADAMS IA module.
- Acquire space for and equip a permanent National Teleregistration facility.
- Continue evaluation of feasibility and cost effectiveness of a centralized data processing capability to be collocated at the National Teleregistration Center.

- Public Assistance for Disaster Relief.

- Deliver public assistance in approximately 29 major disasters and provide continuing assistance to prior year disaster operations.
- Publish final insurance regulations implementing the Robert T. Stafford Act.
- Publish new regulations to reflect the Public Assistance Program changes necessary to improve efficiency of the program and reduce costs.
- Continue close-out activities associated with Hurricane Hugo and the Loma Prieta earthquake and other major disasters.
- Monitor the performance of the states in carrying out their increased public assistance responsibilities under the Stafford Act, part 13, and the President's Executive Order on Federalism.
- Develop enhancements to the Public Assistance Module of ADAMS.
- Complete and install system to collect current disaster cost information.
- Improve out-year public assistance cost projections.
- Conduct Public Assistance training for State officials.
- Effect transition to FEMA of Department of Education responsibility for repairs to public schools.

- Hazard Mitigation and Preparedness.

- Deliver Hazard Mitigation grant assistance in approximately 13 major disasters and provide continuing assistance for 1989, 1990, and 1991 disasters.
- Provide technical assistance and coordinate preparation of Hazard Mitigation Reports for major disasters.

- Continue to expand the data base on hazard mitigation measures as an evaluation tool to determine cost-savings created by the program.
  - Incorporate hazard mitigation evaluation data into technical assistance and program administration materials.
  - Improve functional program interrelationships with other agencies to use those programs more effectively in reducing disaster related damages.
  - Identify, select and fund hazard mitigation projects supported by the Hazard Mitigation Assistance program funded under National Earthquake Program and Other Hazards.
  - Conduct an evaluation of the Hazard Mitigation Grant Program in connection with representatives of the National Emergency Management Association and the Association of State Floodplain Managers.
- Disaster Preparedness Improvement Grants.
- Coordinate the delivery of grant assistance to a potential 56 applicants, with emphasis on improving State preparedness to deliver disaster assistance and to mitigate hazards through improved State disaster plans and training of personnel with disaster assignments.
- e. 1993 Program. In 1993, FEMA requests \$20,668,000 and 302 workyears for this activity under Salaries and Expenses. Program management, financial management and administration improvements identified during a comprehensive review of the Disaster Assistance Program will continue. Ongoing close-out activities associated with Hurricane Hugo and the Loma Prieta earthquake will place demands on staff resources. The accomplishments projected for 1993 are noted below:
- Management and Coordination.
- Process an estimated 38 requests for disaster and emergency declarations, with an estimated 27 declarations.
  - Provide program support guidance in approximately 27 major disasters.
  - Issue the fourth annual comprehensive monitoring and evaluation report on disaster program management and delivery.
  - Continue processing and close-out activities associated with Hurricane Hugo and the Loma Prieta earthquake and other open disasters.

- Provide for improvements to program management and delivery systems to the Regions, State and local jurisdictions.
- Provide oversight and direction for regulations, policy and legislation.
- Provide for evaluation and analysis of programs and their delivery systems to ensure that the monitoring mechanisms that are in place are current and operational.
- Conduct five regional and three field office reviews for each program area.
- Continue expansion and configuration of new ADAMS resources designed to address large scale disaster recovery processing.

- Individual Assistance for Disaster Relief.

- Deliver assistance in an estimated 24 disasters.
- Continue close-out activities associated with numerous disasters declared in 1991 and 1992.
- Review all publications, procedures, and policy guidance, and make appropriate revisions to reflect changes published in the final IA regulations.
- Conduct evaluations of IA programs in Disaster Field Offices and Regional Offices.
- Evaluate Pacific Island food-commodity distribution program.
- Publish IFG Handbook in final form.
- Conduct CC training programs for State representatives and Regional staff.
- Conduct disaster legal services training for ABA and FEMA staff.
- Continue management of a contract to improve disaster assistance public information approaches; begin implementation of the procedures and distribution of the materials already developed.
- Complete remote area housing policy.
- Implement revised temporary housing regulations.

- Complete field testing and program evaluation of automated housing inspection process.
- Continue close-out activities associated with Hurricane Hugo and the Loma Prieta earthquake and other open disasters.
- Complete development and provide for ongoing management and operation of the National Teleregistration Center.

- Public Assistance for Disaster Relief.

- Deliver public assistance in approximately 24 major disasters.
- Continue close-out activities associated with Hurricane Hugo and the Loma Prieta earthquake and other major disasters.
- Conduct public assistance training for State officials.
- Develop enhancements to the Public Assistance Module of ADAMS.
- Conduct meetings with other Federal agencies to coordinate areas of program interface and material support.
- Continue to improve cost estimating and projections in the public assistance program.

- Hazard Mitigation.

- Deliver Hazard Mitigation grant assistance in approximately 27 major disasters.
- Provide technical assistance and coordinate preparation of Hazard Mitigation reports for major disasters.
- Continue to expand the data base on hazard mitigation measures as an evaluation tool to determine cost-savings created by the program.
- Incorporate hazard mitigation evaluation data into technical assistance and program administration materials.
- Improve functional program interrelationships with other agencies to use those programs more effectively in reducing disaster related damages.

- Identify, select and fund hazard mitigation projects supported by the Hazard Mitigation Assistance program.

- Disaster Preparedness Improvement Grants.

- Coordinate the delivery of grant assistance to a potential 56 applicants, with emphasis on improving State preparedness to deliver disaster assistance and to mitigate hazards through improved State disaster plans and training of personnel with disaster assignments.

1993 Increase/Decrease. The 1993 request includes an increase of \$1,237,000 and 10 workyears: (1) an increase of \$131,000 for the final-quarter costs of the 1992 pay raise and \$377,000 for three quarters of the 1993 pay raise; (2) \$41,000 for the reversal of a one-time only programming in the 1992 current estimates; and (3) 10 workyears and \$688,000 to strengthen financial management of the Disaster Relief Fund, provide continuous monitoring of the Status of the Fund, and provide oversight of the allocation process of the fund.

- Outyear Implications. Annual operating costs to the Disaster Relief Administration account for the permanent teleregistration office will be approximately \$1,000,000.
- Advisory and Assistance Services. Advisory and assistance services costs for 1993 are estimated at \$150,000 for the development of a Pacific Island profile and baseline data for agricultural damage assessments and resultant nutritional requirements.

SALARIES AND EXPENSES  
EMERGENCY FOOD AND SHELTER  
(Dollars in Thousands)

| <u>Estimates by Program</u>                           | Page<br><u>No.</u> | 1991<br><u>Actual</u> |             | 1992<br><u>Request</u> |             | 1992<br><u>Current</u><br><u>Estimate</u> |             | 1993<br><u>Request</u> |             | <u>Increase/</u><br><u>Decrease</u> |             |
|---|--------------------|-----------------------|-------------|------------------------|-------------|---|-------------|------------------------|-------------|-------------------------------------|-------------|
|   |                    | <u>WY</u>             | <u>Amt.</u> | <u>WY</u>              | <u>Amt.</u> | <u>WY</u>                                 | <u>Amt.</u> | <u>WY</u>              | <u>Amt.</u> | <u>WY</u>                           | <u>Amt.</u> |
| Emergency Food and Shelter<br>(Budget Authority)..... | SE-61              | 5                     | \$238       | 5                      | \$247       | 5   | \$245       | 5                      | \$256       | ...                                 | \$11        |
| <u>Permanent Workyears</u>                            |                    |                       |             |                        |             |   |             |                        |             |                                     |             |
| Headquarters.....                                     |                    | 5                     |             | 5                      |             | 5   |             | 5                      |             | ...                                 |             |
| Regions.....  |                    | <u>...</u>            |             | <u>...</u>             |             | <u>...</u>                                |             | <u>...</u>             |             | <u>...</u>                          |             |
| Total Permanent.....                                  |                    | 5                     |             | 5                      |             | 5   |             | 5                      |             | ...                                 |             |
| <u>Total Workyears</u> .....                          |                    | 5                     |             | 5                      |             | 5   |             | 5                      |             | ...                                 |             |

Changes from Original 1992 Estimates. Reflects a decrease of \$2,000 resulting from the payment of a portion of the cost of establishing a disaster field office in Hawaii and paying for additional required space and related costs.

**SALARIES AND EXPENSES  
EMERGENCY FOOD AND SHELTER  
(Dollars in Thousands)**

|   | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br>Decrease |
|---|-----------------------|------------------------|------------------------------------|------------------------|-----------------------|
| <b>OBJECT CLASS</b>   |                       |                        |                                    |                        |                       |
| <u>Personnel compensation</u>                                     |                       |                        |                                    |                        |                       |
| 11.1 Full-time permanent .....                                    | \$161                 | \$160                  | \$160                              | \$168                  | \$8                   |
| 11.3 Other than full-time permanent.....                          | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.5 Other personnel compensation.....                            | 2                     | ...                    | ...                                | ...                    | ...                   |
| 11.6 Special personal services payments.....                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.9 Total personnel compensation.....                            | 163                   | 160                    | 160                                | 168                    | 8                     |
| <u>Personnel benefits</u>   |                       |                        |                                    |                        |                       |
| 12.1 Civilian personnel.....                                      | 40                    | 22                     | 22                                 | 29                     | 7                     |
| 12.2 Military personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 13.0 Benefits for former personnel.....                           | ...                   | ...                    | ...                                | ...                    | ...                   |
| <u>Non-Personnel Costs</u>  |                       |                        |                                    |                        |                       |
| 21.0 Travel and transportation of persons.....                    | 11                    | 15                     | 15                                 | 25                     | 10                    |
| 22.0 Transportation of things .....                               | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.1 Rental payments to GSA.....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.2 Rental payments to others.....                               | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | ...                   | ...                    | ...                                | ...                    | ...                   |
| 24.0 Printing and reproduction.....                               | 23                    | 25                     | 23                                 | 34                     | 11                    |
| 25.0 Other services .....   | 1                     | 25                     | 25                                 | ...                    | (25)                  |
| 26.0 Supplies and materials.....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| 31.0 Equipment .....  | ...                   | ...                    | ...                                | ...                    | ...                   |
| 32.0 Land and structures .....                                    | ...                   | ...                    | ...                                | ...                    | ...                   |
| 33.0 Investments and loans .....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| 41.0 Grants, subsidies and contributions .....                    | ...                   | ...                    | ...                                | ...                    | ...                   |
| 42.0 Insurance claims and indemnities.....                        | ...                   | ...                    | ...                                | ...                    | ...                   |
| 43.0 Interest and dividends.....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| Total Obligations.....  | 238                   | 247                    | 245                                | 256                    | 11                    |

### Emergency Food and Shelter

- a. Objective/Element Description. Program administration resources support the funding of the activities coordinated by the National Board, program review, and oversight.
- b. 1991 Accomplishments: In 1991, FEMA used \$238,000 and 5 workyears for this activity under Salaries and Expenses. In addition to the coordination of funding through the National Board activities, program accomplishments included:
- Coordinated with Department of Defense (DoD) on the Food Bank/Commissary program.
  - Conducted program and documentation training during the spring and early summer in 26 cities across the nation; 50 training sessions were conducted which provided instruction to approximately 1,000 program participants.
  - Developed a National Survey for all Local Boards (2,300) and Local Volunteer Organizations (10,000) to evaluate the effectiveness of the program and to determine future policy direction.
  - Prepared an Emergency Education Network Satellite broadcast entitled "Federal Dollars - Local Concerns". The program aired October 17, 1990, and included an overview of the McKinney Act Programs, and a discussion on Local Boards and State Set-Aside committees.
  - Worked with the Interagency Council on the Homeless (ICH) on several issues, which included the following: assisted Department of Housing and Urban Development by advertising information on foreclosed, single-family homes to National, State and local non-profit organizations receiving EFS funds; and participated in ICH Bi-Regional conferences.
  - Made site visits to Local Boards and local volunteer organizations.
  - Conducted an Emergency Food and Shelter National Board Retreat in January 1991 to determine new cost of establishing a disaster field office in Hawaii and paying for additional required space and related costs.
- c. Changes from the 1992 Estimates. Reflects a decrease of \$2,000 for a portion of the cost of establishing a disaster field office in Hawaii and paying for additional required space and related costs.
- d. 1992 Program. In 1992, FEMA is allocating \$245,000 and 5 workyears to this activity under Salaries and Expenses. The Emergency Food and Shelter National Board activities will include the following:



- Conduct additional site visits and spot audits to monitor agency expenditures.
  - Continue coordination with DoD on Food Bank/Commissary program to enhance and expand food bank and commissary participation in the program.
  - Continue participation in activities sponsored by the Interagency Council in order to disseminate information to State and local officials on EFS Program policies and issues.
  - Develop program information materials for a better understanding of program guidelines and use of EFS funds, including a training video for local boards and recipient agencies.
  - Review 1990 Bureau of the Census information as part of a comprehensive review of the Program's funding formula.
- e. 1993 Program. In 1993, FEMA requests \$256,000 and 5 workyears under Salaries and Expenses for this activity. In addition to coordination of funding through the National Board, program activities will include the following:
- Conducting site visits and spot audits to monitor Agency expenditures.
  - Participation in Interagency Council activities, particularly the smaller Regional meetings for provider groups.
  - Continuing coordination with DoD on the Food Bank/Commissary program to enhance and expand commissary and mess hall participation in the donation of excess food to local food banks.
  - Preparing for and participating in EFS State meetings with provider groups and State homeless program managers.
  - Coordinating training schedules with other McKinney Act programs for possible combined sessions.

1993 Increases/Decreases: The 1993 request includes an increase of \$11,000: (1) an increase of \$3,000 for the final-quarter costs of the 1992 pay raise; (2) an increase of \$7,000 for three quarters of the 1993 GS/GM pay raise; and (3) an increase of \$1,000 for a reversal of one-time only reprogramming in the 1992 current estimates.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

SALARIES AND EXPENSES  
MANAGEMENT AND ADMINISTRATION

Activity Overview

This activity includes consolidated support and operating costs for FEMA, as well as the salaries and related expenses for the following offices: Director's Office, General Counsel, Executive Director, Financial Management, Information Services, Regional Liaison, External Affairs, and Regional Executive Direction.

Most of FEMA's non-personnel related administrative costs are funded in this activity. In 1993, for example, the Management and Administration request is made up of the following categories: personnel compensation and benefits (48%); rent, communications, and utilities (31%); service and maintenance contracts (14%); and an assortment of other non-workyear costs such as printing, supplies, and shipping (7%).

The 1993 budget requests \$55,027,000 and 477 workyears, an increase of \$2,424,000 over the 1992 current estimate. The 1993 request includes increases in several areas: pay costs from 1992 and 1993 pay raises; administrative support for fee collections; improvements to the financial management system and reporting requirements under the Chief Financial Officers' Act; and various uncontrollable cost increases for rent, supplies, equipment and maintenance. Partially offsetting these increases are reductions totaling \$1,340,000 from the Information Services program due to the one-time, 1992 procurement for the Agency's LAN/WAN systems and savings realized under FTS 2000.

**SALARIES AND EXPENSES  
MANAGEMENT AND ADMINISTRATION**  
(Dollars in Thousands)

| Estimates by Office                                      | Page No. | 1991 Actual |        | 1992 Request |        | 1992 Current Estimate |        | 1993 Request |        | Increase/Decrease |        |
|--|----------|-------------|--------|--------------|--------|-----------------------|--------|--------------|--------|-------------------|--------|
|  |          | WY          | Amt.   | WY           | Amt.   | WY                    | Amt.   | WY           | Amt.   | WY                | Amt.   |
| A Office of the Director, ...                            |          | 9           | \$707  | 8            | \$716  | 8                     | \$710  | 8            | \$730  | ...               | \$20   |
| B General Counsel, ...                                   |          | 20          | 1,532  | 23           | 1,690  | 23                    | 1,672  | 24           | 1,779  | 1                 | 107    |
| C Office of Executive Director, ...                      |          | 192         | 23,507 | 210          | 26,541 | 210                   | 26,962 | 200          | 28,606 | -10               | 1,644  |
| D Financial Management                                   |          | 78          | 4,351  | 81           | 5,486  | 81                    | 5,433  | 90           | 6,903  | 9                 | 1,470  |
| E Information Services                                   |          |             |        |              |        |                       |        |              |        |                   |        |
| 1 Information Systems                                    |          | 15          | 939    | 25           | 2,760  | 25                    | 2,745  | 25           | 1,598  | ...               | -1,147 |
| 2 Administrative Telephones                              |          |             | 2,646  |              | 2,646  |                       | 2,646  | ...          | 2,506  | ...               | -140   |
| 3 Office Automation                                      |          |             | 173    |              | 175    |                       | 175    | ...          | 175    | ...               | ...    |
| F Regional Liaison                                       |          | 3           | 194    | 5            | 276    | 5                     | 326    | 5            | 339    | ...               | 13     |
| G Regional Executive Direction                           |          | 100         | 8,970  | 105          | 10,108 | 105                   | 10,025 | 105          | 10,229 | ...               | 204    |
| H External Affairs                                       |          | 17          | 1,486  | 20           | 1,877  | 20                    | 1,909  | 20           | 1,982  | ...               | 53     |
| Total, Management & Administration<br>(Budget Authority) | SE-67    | 434         | 44,505 | 477          | 52,275 | 477                   | 52,603 | 477          | 55,027 | ...               | 2,424  |
| <u>Permanent Workyears</u>                               |          |             |        |              |        |                       |        |              |        |                   |        |
| Headquarters   |          | 334         |        | 362          |        | 362                   |        | 362          |        | ...               |        |
| Regions  |          | 100         |        | 115          |        | 115                   |        | 115          |        | ...               |        |
| Total, Permanent   |          | 434         |        | 477          |        | 477                   |        | 477          |        | ...               |        |
| Total Workyears  |          | 434         |        | 477          |        | 477                   |        | 477          |        | ...               |        |

Changes from Original 1992 Estimates

The net increase of \$328,000 reflects the reprogramming of funds for the establishment of a disaster field office in Hawaii and paying for additional required space and related costs as well as an internal transfer of \$55,000 from Regional Executive Direction to Regional Liaison to satisfy regional requirements.

**SALARIES AND EXPENSES  
MANAGEMENT AND ADMINISTRATION**  
(Dollars in Thousands)

| OBJECT CLASS   | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br><u>Current<br/>Estimate</u> | 1993<br><u>Request</u> | Increase/<br><u>Decrease</u> |
|--|-----------------------|------------------------|-------------------------------------|------------------------|------------------------------|
| <b><u>Personnel compensation</u></b>                               |                       |                        |                                     |                        |                              |
| 11.1 Full-time permanent .....                                     | \$17,008              | \$21,055               | \$20,848                            | \$21,924               | \$1,076                      |
| 11.3 Other than full-time permanent.....                           | 1,148                 | ...                    | ...                                 | ...                    | ...                          |
| 11.5 Other personnel compensation.....                             | 424                   | 343                    | 631                                 | 455                    | (178)                        |
| 11.8 Special personal services payments.....                       | ...                   | ...                    | ...                                 | ...                    | ...                          |
| 11.9 Total personnel compensation.....                             | 18,580                | 21,398                 | 21,479                              | 22,379                 | 900                          |
| <b><u>Personnel benefits</u></b>                                   |                       |                        |                                     |                        |                              |
| 12.1 Civilian personnel.....                                       | 3,157                 | 3,679                  | 3,765                               | 3,918                  | 153                          |
| 12.2 Military personnel.....                                       | ...                   | ...                    | ...                                 | ...                    | ...                          |
| 13.0 Benefits for former personnel.....                            | ...                   | ...                    | 13                                  | 13                     | ...                          |
| <b><u>Non-Personnel Costs</u></b>                                  |                       |                        |                                     |                        |                              |
| 21.0 Travel and transportation of persons .....                    | 657                   | 853                    | 1,119                               | 1,102                  | (17)                         |
| 22.0 Transportation of things .....                                | 100                   | 62                     | 77                                  | 85                     | 8                            |
| 23.1 Rental payments to GSA.....                                   | 9,414                 | 10,392                 | 10,875                              | 12,782                 | 1,907                        |
| 23.2 Rental payments to others.....                                | ...                   | ...                    | 2                                   | ...                    | (2)                          |
| 23.3 Communications, utilities, and<br>miscellaneous charges ..... | 3,733                 | 3,265                  | 3,543                               | 4,068                  | 525                          |
| 24.0 Printing and reproduction .....                               | 318                   | 484                    | 431                                 | 366                    | (65)                         |
| 25.0 Other services .....  | 5,540                 | 8,460                  | 7,605                               | 7,634                  | 29                           |
| 26.0 Supplies and materials .....                                  | 877                   | 955                    | 900                                 | 989                    | 89                           |
| 31.0 Equipment .....   | 1,828                 | 2,527                  | 2,794                               | 1,691                  | (1,103)                      |
| 32.0 Land and structures .....                                     | 303                   | ...                    | ...                                 | ...                    | ...                          |
| 33.0 Investments and loans .....                                   | ...                   | ...                    | ...                                 | ...                    | ...                          |
| 41.0 Grants, subsidies and contributions .....                     | ...                   | ...                    | ...                                 | ...                    | ...                          |
| 42.0 Insurance claims and indemnities .....                        | ...                   | ...                    | ...                                 | ...                    | ...                          |
| 43.0 Interest and dividends .....                                  | ...                   | ...                    | ...                                 | ...                    | ...                          |
| <b>Total Obligations .....</b>                                     | <b>44,505</b>         | <b>52,275</b>          | <b>52,603</b>                       | <b>55,027</b>          | <b>2,424</b>                 |

## Management and Administration

- a. Objective/Activity Description. This activity includes consolidated support and operating costs for FEMA.

Office of the Director - The Director and the Deputy Director and their immediate staff exercises policy and managerial leadership in accomplishing FEMA's mission to plan for and recover from a broad spectrum of emergencies, ranging from imminent nuclear attack to natural and technological disasters.

General Counsel - The General Counsel (GC) provides full statutory and legal support, advice, opinions, and services for all FEMA programs and activities.

Office of Executive Director - This office provides policy coordination, executive liaison, special projects, and administrative functions for the Director and Deputy Director and coordinates the accomplishments of staff office activities. Executive responsibilities also include overseeing the activities and functions of the following offices: Security, Administrative Support, Acquisition Management, Operations Support, and Personnel and Equal Opportunity.

The Office of Financial Management - The Chief Financial Officer is the principal advisor to the Director on financial and resource management matters. In this context, the office conducts analyses and evaluations of Agency financial management and resource issues; formulates and executes the Agency's budget; operates an Agency-wide accounting system to record, process, and report financial transactions; and establishes financial goals, policies, and procedures; provides resource and financial management training for Agency personnel; and provides automated systems analysis and design for Agency resource management activities.

Information Services - This program consists of the following three elements: (1) Information Systems which provides information systems support services to all FEMA program offices not supported elsewhere in meeting day-to-day production and emergency requirements; (2) Administrative Telephones which encompasses the centralized management and funding of all telephone services for FEMA Headquarters National Capital Region; and (3) Office Automation which provides for effective management of word processing equipment within FEMA.

Regional Liaison - This office provides day-to-day coordination with the 10 Regional offices on operational matters and policy issues as staff advisor to the Deputy Director of FEMA, serves as liaison between the Regional Directors and Headquarters' elements on program and policy issues, and manages the Regional Executive Direction account which provides administrative and management funding to the Regional offices.

Regional Executive Direction - This program provides the executive administration and management support necessary within the Regional offices for the delivery of FEMA programs to State and local governments and is responsible for the Regional management of its administrative, financial, and personnel resources.

External Affairs - This directorate provides an information link between the Agency and the Congress, the media, public interest groups, and international agencies or representatives; advises the Director on the Congressional, public relations, and international impact of Agency policies, plans, and programs; and coordinates the development and furnishing of information to these groups.

- b. 1991 Accomplishments. In 1991, FEMA used \$44,505,000 and 434 workyears for this activity under Salaries and Expenses. The Management and Administration activity provided personnel, support and operating costs for FEMA offices to include facilities, security, supplies, equipment, information, financial, contractual and legal services; program analysis and evaluation; public, congressional and international affairs; and Regional liaison and executive direction. In addition, the following significant actions were taken:

- o Provided overall management for continuing operation of the FEMA Career Intern Program in which 25 interns of class II were given direction, training and developmental activities and were assigned to permanent FEMA positions. Also, directed the recruitment of Outstanding Scholars for Class III under this program.
- o Instituted a time and attendance audit program and conducted several audits.
- o Implemented a prototype FEMA/State project on identification of disabled persons requiring emergency assistance.
- o Provided 23 procurement training sessions for over 400 project officers and FEMA interns regarding the award and administration of contracts.
- o Increased the efficiency of mail management system by automating the correspondence control system and the preparation of certified and registered mail forms.
- o Produced the first comprehensive Five-Year Financial System Plan.
- o Implemented an automated reconciliation of the Disaster Assistance Program's (DAP's) Check Writing System; developed procedures for direct loans for the DAP; and initiated a training project to enhance the skills of professional and technical employees who administer the program.
- o Expanded the development and use of the Office of Financial Management's Local Area Network (LAN) system to 50 users to enable them to access the financial management system for financial data and report formatting, while maintaining inter-connectivity among users for sharing of essential data and programs. Also, through analysis in the development of the LAN/WAN systems to support Disaster Field Officers/Disaster Assistance Centers and National or Regional requirements, FEMA supported and improved the capabilities of the disaster management assistance programs.

- o Developed a financial management training curriculum for professional and technical employees.
- o Implemented the Agency's conversion of the letter-of-credit payment mechanism from the Department of Treasury system to the SMARTLINK system of the Department of Health and Human Services.
- c. Changes from the 1992 Estimates. The net increase of \$328,000 reflects the reprogramming of funds for the establishment of the Hawaii disaster field office and paying for additional required space and related costs.
- d. 1992 Program. In 1992, FEMA is allocating \$52,603,000 and 477 workyears to this activity under Salaries and Expenses. The Management and Administration activity provides for personnel, support and operating costs for FEMA offices to include facilities, security, supplies, equipment, information, financial, contractual and legal services; public, congressional and international affairs; and Regional liaison and executive direction. Some of the highlights for 1992 include the following:
  - o Commence implementation of the Chief Financial Officers' (CFO) legislation in the Agency. The capability to perform financial analysis must be developed as part of the Agency's response to the CFO Act. Resources are needed to satisfy the requirements to incorporate performance data that conforms with the standards issued by the Office of Management and Budget (OMB) and General Accounting Office (GAO).
  - o Implement improvements to the financial management system to make it compatible with the standards of the Core Financial System requirements issued by OMB. This includes implementing the General Ledger module within the accounting subsystem.
  - o Reduce security investigations update backlog.
  - o Close out contracts to eliminate the serious backlog of old completed contracts.
  - o Develop and evaluate an initiative of placing legal counsel in Regional and field offices where a requirement has been identified.
  - o Develop and implement new pay policies and regulations resulting from the Federal Employee Pay Comparability Act.
  - o Plan and coordinate bi-lateral emergency preparedness/disaster consultative agreements with Mexico.
  - o Conduct an organization and operations study of the Federal Insurance Administration (FIA), which will examine FIA's mission, organization, functions, staffing, and resources, as well as external factors affecting the direction of its ability to achieve expanded missions in the future.



- o Place one Information Systems Coordinator in each of the 10 Regional offices to support Regional information management activities.
  - o Institute an automated Regional Work Plan to track Regional plans and accomplishments.
- e. 1993 Program. In 1993, FEMA requests \$57,027,000 and 477 workyears for this activity under Salaries and Expenses. The 1993 request will continue to provide for personnel, support and operating costs for FEMA offices to include facilities, security, supplies, equipment, information, financial, contractual and legal services; program analysis and evaluation; public, congressional and international affairs; and Regional liaison and executive direction.

Emphasis will be placed on financial management through the CFO Act implementation, financial systems enhancements, Accounting Division enhancements. The capability to perform financial analysis must be developed as part of the Agency's response to the CFO Act. Financial analysis is a function which undergirds many of the CFO requirements. The Chief Financial Officer must have the capability to measure the performance of programs in an integrated manner based on an established set of indicators. Resources are needed to develop performance measures, collect data for reports and modify the financial management system to incorporate performance data that conforms with the standards issued by OMB and GAO. This effort includes agency compliance with applicable accounting and system standards to include the Standard General Ledger, the Core Requirements for financial systems and implementation of the 5-year financial system plan. Under the CFO, oversight responsibility for information systems will be expanded to include programmatic systems. This effort will require resources to enable the CFO to participate in the design and approval on information systems which feed information into the financial management system. Finally, resources are needed by the accounting function to meet OMB and GAO standards for cost accounting, fiduciary and management reports and audited financial statements, cash management, debt service and collection activities. Emphasis will be placed on improving accounting services to the disaster program to include timely close-out of the disaster accounts, perform reconciliations of the Check Writing System for the Temporary Housing Program, reconcile disaster subsidiary accounts to the general ledger, reconcile open disaster obligations, and provide on-site accounting assistance at Disaster Field Offices.

Additional resources are requested to enable the Agency to carry out the purposes of the Chief Financial Officer's (CFO) Act. These purposes include the following: (1) direction, management and oversight of the Agency's financial management personnel activities and operations; (2) preparation of the annual financial report and statements required by the CFO Act; and (3) execution of Section 4 of the internal control program and implementation of financial analysis and performance reports.

1993 Increases/Decreases. A net increase of \$2,424,000 for this activity reflects the following: (1) an increase of \$237,000 for the final-quarter costs of the 1992 GS/GM pay raise; (2) \$679,000 for three quarters of the 1993 GS/GM pay raise; (3) a net increase of \$1,508,000 for the following:

Increases of \$3,850,000 and 13 workyears:

- o For administrative support for fee collections for the Radiological Emergency Preparedness (REP) program \$50,000 and 1 workyear for the General Counsel and \$50,000 and 1 workyear for the Office of Financial Management.
- o For the Office of Financial Management: for improvements related to the Chief Financial Officer Act, \$334,000 and 5 workyears; for financial systems improvements \$900,000 and 3 workyears and; for enhancements to accounting operations related to the Chief Financial Officers' Act, \$126,000 and 3 workyears.
- o For a GSA rent increase, \$696,000, and a space increase at FEMA Headquarters, \$1,694,000.

Offset by decreases of \$2,342,000 and 13 workyears:

- o The reversal of a one-time only reprogramming of the 1992 Current Estimate, \$308,000.
- o An Agency-wide workyear reduction of 8 workyears and \$360,000.
- o Reduction of \$334,000 and 5 workyears for Program Analysis and Evaluation to provide resources for CFO improvements.
- o Reduction of \$140,000 in telephone costs due to savings realized through use of FTS-2000.
- o Reduction of \$1,200,000 due to one-time purchase of the FEMA LAN/WAN equipment in 1992.

- f. Outyear Implications. In the outyears, emphasis will be placed on implementation of the Chief Financial Officers' (CFO) requirements, the 5-year financial system plan, internal controls, performance reports, audited financial statements and improving fiduciary and management reports. Special emphasis will be placed on the implementation of financial management training programs for Headquarters and field personnel with particular emphasis on the Disaster Assistance Program.

Due to both technological advancement and the diversity and structure of FEMA's programs, the current trend is to place computers closer to the users. FEMA will continue to completely integrate word processing into other information system functions as a part of the continuing implementation of the National Emergency Management System (NEMS) Distributed Data Processing System, Phase III, LAN/WAN project.

While costs from anticipated increases in local and long distance telephone rates are expected to increase, FEMA will continue to monitor usage and provide off-setting controls through continuation of successful cost-saving management techniques.

- g. Advisory and Assistance Services. None.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
Appropriation Language

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), section 103 of the National Security Act (50 U.S.C. 404), and Reorganization Plan No. 3 of 1978, [\$285,827,000, notwithstanding section 201 of Public Law 100-707, including \$1,155,000 to install new sirens in Kansas with a 25 percent local match in towns under 5,000 and a 50 percent local match in towns over 5,000] ~~\$252,043,000.~~

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992; additional authorizing legislation to be proposed for \$138,773,000.)

# EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE Appropriation Overview

This appropriation provides resources for the following activities:

**Civil Defense:** Provides an integrated set of programs designed to create the capability at the State and local levels to save lives and preserve order in a complete spectrum of emergencies. Nearly all programs in Civil Defense provide direct Federal support, either financial or in-kind, in varying proportions to States and local entities, to provide specialized equipment and to subsidize the costs to those jurisdictions of the network of trained, experienced emergency-management specialists which forms the backbone of the nation's ability to respond to catastrophes ranging from natural disasters to attack on the United States. The Civil Defense program focuses on development of minimal "base" capabilities, and on creation of a national ability to rapidly expand, or "surge", these capabilities in time of national crisis.

**National Earthquake Program and Other Hazards:** Supports FEMA's activities as lead agency in the National Earthquake Hazards Reduction Program, whose purpose is to reduce the nation's vulnerability to the effects of earthquakes and to provide a direct Federal response when a catastrophic earthquake occurs. This activity also provides for FEMA's role in Federal programs to reduce vulnerability to hurricane hazards, encourage improvements in dam safety, and promote hazard mitigation.

**Technological Hazards:** Supports FEMA's role in Federal activities in the areas of community and Federal preparedness to respond to the hazards of fixed nuclear facilities and hazardous materials.

**Federal Preparedness:** Provides for the nation's ability to respond to, manage, and recover from peacetime and wartime national security emergencies, and develops a coordinated Federal response, integrated with State and local response plans developed through other FEMA activities, to cope with the consequences of accidental, natural, and human-caused emergencies.

**Training and Fire Programs:** Provides the training necessary to prepare Federal, State, and local officials and emergency responders, their supporting staffs, and the public to meet the responsibilities and challenges of domestic emergencies through planning, mitigation, preparedness, response, and long-term recovery. The U. S. Fire Administration provides a Federal focus for identifying and working toward solutions for the problems facing the nation's fire and rescue services, and supporting State and local fire protection and emergency rescue efforts.

**Flood Insurance and Mitigation:** Provides a comprehensive, integrated flood plain management program that combines mapping, regulatory, and technical assistance efforts for the purpose of responding to known flood hazards and mitigating their effects. Since 1987, this activity has been funded by a transfer of unobligated balance from the National Flood Insurance Fund.

APPROPRIATION SUMMARY  
EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
(Dollars in Thousands)

|   | Page<br>No. | 1991<br>Actual | 1992<br>Request | 1992<br>Current<br>Estimate | 1993<br>Request | Increase/<br>Decrease |
|---|-------------|----------------|-----------------|-----------------------------|-----------------|-----------------------|
| <u>Summary of Estimates by Activity</u>                   |             |                |                 |                             |                 |                       |
| I. Civil Defense.....                                     | EM- 8       | \$136,685      | \$133,145       | \$138,247                   | \$122,142       | -\$16,105             |
| II. National Earthquake Program<br>and Other Hazards..... | EM- 35      | 14,052         | 15,513          | 17,834                      | 14,902          | -2,932                |
| III. Technological Hazards.....                           | EM- 50      | 5,214          | 5,242           | 5,190                       | 5,190           | ...                   |
| IV. Federal Preparedness.....                             | EM- 64      | 99,068         | 100,333         | 94,886                      | 95,528          | 642                   |
| V. Training and Fire Programs.....                        | EM- 80      | 25,448         | 23,594          | 29,670                      | 21,281          | -8,389                |
| VI. Flood Insurance and Mitigation * ..                   | EM-123      |                |                 |                             |                 |                       |
| Total.....  |             | <u>280,467</u> | <u>277,827</u>  | <u>285,827</u>              | <u>259,043</u>  | <u>-26,784</u>        |
| Total, Emergency Management<br>Planning and Assistance:   |             |                |                 |                             |                 |                       |
| Budget Authority.....                                     |             | 282,623        | 277,827         | 285,827                     | 259,043         | -26,784               |
| Obligations.....  |             | 280,467        | 277,827         | 288,289**                   | 259,043         | -29,246               |
| Budget Outlays.....                                       |             | 236,498        | 286,460         | 289,892                     | 271,940         | -17,952               |
| Transfer reimbursements from other FEMA accounts:         |             |                |                 |                             |                 |                       |
| *Flood Insurance and Mitigation.....                      |             | 44,792         | 45,023          | 45,543                      | 48,092          | 2,549                 |

\*\*Includes \$2,462,000 in unobligated balance in the Earthquake program.

Changes from Original 1992 Estimates.

Reflects a net increase of \$8,000,000 from the following:

Specific Congressional Actions

- + \$7,705,000 - Civil Defense
- + 2,500,000 - Earthquake and Other Hazards
- 5,705,000 - Federal Preparedness
- + 6,375,000 - Training and Fire Programs

General Congressional Actions:

- \$2,875,000 - General reduction

EM-3

320

**EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE**  
(Dollars in Thousands)

|   | 1991           | 1992           | 1992                        | 1993           | Increase/<br>Decrease |
|---|----------------|----------------|-----------------------------|----------------|-----------------------|
|   | <u>Actual</u>  | <u>Request</u> | <u>Current<br/>Estimate</u> | <u>Request</u> |                       |
| <b>OBJECT CLASS</b>   |                |                |                             |                |                       |
| <u><b>Personnel compensation</b></u>                              |                |                |                             |                |                       |
| 11.1 Full-time permanent.....                                     | ...            | ...            | ...                         | ...            | ...                   |
| 11.3 Other than full-time permanent.....                          | ...            | ...            | ...                         | ...            | ...                   |
| 11.5 Other personnel compensation.....                            | ...            | ...            | ...                         | ...            | ...                   |
| 11.8 Special personal services payments.....                      | ...            | ...            | ...                         | ...            | ...                   |
| 11.9 Total personnel compensation.....                            | ...            | ...            | ...                         | ...            | ...                   |
| <u><b>Personnel benefits</b></u>                                  |                |                |                             |                |                       |
| 12.1 Civilian personnel.....                                      | ...            | ...            | ...                         | ...            | ...                   |
| 12.2 Military personnel.....                                      | ...            | ...            | ...                         | ...            | ...                   |
| 13.0 Benefits for former personnel.....                           | ...            | ...            | ...                         | ...            | ...                   |
| <u><b>Non-Personnel Costs</b></u>                                 |                |                |                             |                |                       |
| 21.0 Travel and transportation of persons.....                    | ...            | ...            | ...                         | ...            | ...                   |
| 22.0 Transportation of things.....                                | \$107          | \$47           | \$46                        | \$55           | \$9                   |
| 23.1 Rental payments to GSA.....                                  | ...            | ...            | ...                         | ...            | ...                   |
| 23.2 Rental payments to others .....                              | ...            | ...            | ...                         | ...            | ...                   |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | 21,306         | 29,757         | 28,331                      | 28,387         | 56                    |
| 24.0 Printing and reproduction.....                               | 1,785          | 3,033          | 2,663                       | 2,866          | 203                   |
| 25.0 Other services.....  | 114,584        | 102,446        | 101,121                     | 93,599         | (7,522)               |
| 26.0 Supplies and materials.....                                  | 3,741          | 6,693          | 6,729                       | 11,561         | 4,832                 |
| 31.0 Equipment.....   | 16,797         | 22,793         | 21,302                      | 20,531         | (771)                 |
| 32.0 Land and structures.....                                     | 5,101          | 3,209          | 4,510                       | 600            | (3,910)               |
| 33.0 Investments and loans.....                                   | ...            | ...            | ...                         | ...            | ...                   |
| 41.0 Grants, subsidies and contributions.....                     | 117,046        | 109,849        | 123,587                     | 101,444        | (22,143)              |
| 42.0 Insurance claims and indemnities.....                        | ...            | ...            | ...                         | ...            | ...                   |
| 43.0 Interest and dividends.....                                  | ...            | ...            | ...                         | ...            | ...                   |
| <b>Total Obligations.....</b>                                     | <b>280,467</b> | <b>277,827</b> | <b>288,289</b>              | <b>259,043</b> | <b>(29,246)</b>       |

## EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

### Civil Defense Activity Overview

The Civil Defense program develops and maintains a system of preparedness, response, and recovery capabilities for the protection of life and property in the United States from all forms of attack, as well as from natural and technological disasters. The objective of the Civil Defense program is to develop the required capabilities common to all catastrophic emergencies and those unique to attack emergencies in order to protect the population and the vital infrastructure of the Nation in accordance with statutory and presidential policy directives.

The Federal Civil Defense Act of 1950, as amended, vests responsibility for Civil Defense jointly in the Federal Government and the States and their political subdivisions. The Civil Defense program includes all those preparedness activities or measures designed or undertaken to minimize the effects or potential effects of an emergency on the population; those response activities required to meet the immediate threats to life and property created by an emergency; and those recovery actions required to restore minimum-essential service of vital life support systems damaged or destroyed by an emergency. The emergency management organizational structure established jointly by the Federal, State, and local governments for Civil Defense purposes can be effectively utilized to provide preparedness, response, and recovery assistance to State and local governments and populations struck by non-attack emergencies without adversely impacting the attack-related civil defense objectives of the Act.

The 1993 funding level reflects a "pause" in acquiring new equipment and facilities while a requirements study to assess, quantify and validate the Civil Defense program requirements is being conducted. In 1993, the Civil Defense program will transition towards an approach which is consistent with existing law, but at the same time is more responsive to current world conditions. This approach will establish Civil Defense as the focal point within Federal, State, and local governments for integrated multi-hazard catastrophic emergency response planning and operations. Civil Defense will continue to implement a policy of dual use of resources at Federal, State, and local levels in responding to catastrophic emergencies regardless of their cause.

Consistent with these objectives, this activity includes: 1) Federal Government guidance and assistance to enable State and local governments to protect the population effectively; 2) State and local government survivable crisis management capabilities (SCM); 3) information to promote a clear understanding by the public of all threats which may affect their localities and on actions they should take to increase their chances of survival; 4) information to assist business and industry to protect their work force and physical assets; 5) voluntary participation by citizens and institutions in community civil defense activities with an emphasis on citizen protective actions; 6) plans for sustaining survivors, for restoration of critical life support capabilities and for establishing a basis for recovery; 7) development of the required base capability necessary to respond to catastrophic emergencies, which do not provide warning or time to surge; and 8) plans for a civil defense surge to the total required capability in an international crisis which assumes an attack threat involving advanced warning, adequate time to conduct a surge to achieve additional capability, and the existence of a



minimum required base capability from which to surge.

The National Facility Survey will be terminated in 1993. Its data base will be decentralized and closed out at the National level. Resources will be provided to each State for personnel to support the SCM initiative and provide comprehensive engineering support to State emergency management organizations, and engineering expertise for all-hazard emergency response operations.

The 1993 Civil Defense request contains a restructuring and consolidation of the programs under the Civil Defense activity and features the following programs or program elements:

State and Local Emergency Management. Through its State and Local Emergency Management program, FEMA analyzes, develops, evaluates, and recommends improved management, programmatic, and financial systems and procedures for implementing essential assistance programs. The resources of several FEMA programs are made available to local governments via the States through a unified comprehensive cooperative agreement (CCA) delivery package. Funding is used to develop the personnel resources, plans, procedures, and training needed to ensure that capabilities are available for use during all types of emergencies. Toward this end, FEMA provides matching funds for the salaries and expenses of State and local emergency managers and 100 percent funding for State population protection planners and radiological defense officers.

The State and Local Emergency Management program includes:

- o Emergency Management Assistance (EMA), which contributes up to 50 percent of necessary personnel and administrative expenses for emergency management organizations in 56 States and 2,659 jurisdictions that cover 83 percent of the population. EMA-funded personnel develop plans for large-scale disasters and build capabilities for coordinated response and recovery operations in their respective jurisdictions.
- o Other Assistance which provides guidance, technical assistance and funding for population protection planning, radiological defense support, individual mobilization augmentees, family protection, and SCM.

Facilities and Equipment provides State and local governments with technical and financial assistance for the development, acquisition, and management of hardware and facilities to support SCM capabilities. These capabilities enhance the ability of State and local government to survive a catastrophic emergency, including attack, and be able to direct, control, manage and coordinate emergency operations within the jurisdiction and in coordination and cooperation with other jurisdictions and the Federal Government. This program element also develops, maintains, and operates capability assessment and program evaluation systems designed to assess State and local response capabilities, and the effectiveness of program delivery.

Planning, Exercising and Response is the focal point for the development of programs, policies, procedures, and guidance for Federal, State, and local emergency management agencies to use in: 1) formulating the plans that are

required to ensure effective response to and recovery from emergencies; 2) designing, conducting, and evaluating exercises to test plans, emergency management staff, and procedures to ensure their effectiveness and applicability to meet a wide range of response and recovery needs; and 3) ensuring the effective integration of Federal, State, and local response activities in the immediate period following an emergency.

Training. FEMA's Emergency Management Institute (EMI) uses a nationwide program of instruction to ensure that Federal, State, and local government emergency managers and others in the public and private sectors who are responsible for managing emergencies and protecting life and property from the impact of a range of hazards, including attack, are trained to fulfill those responsibilities. Training materials and activities developed and revised by EMI are taught in residence at FEMA's National Emergency Training Center or deployed through the national field deployment system addressing topics such as response, national security, planning, management, population protection, radiological defense, and civil/military interface. As part of the training activities offered in residence, EMI conducts an extensive train-the-trainer program to develop a national cadre of qualified State trainers. Minimal assistance is also provided to other Nations in terms of exchange of training materials and methodologies in coordination with NATO and the U.S. Department of State.

Telecommunications. This program provides for the management of Federally owned and/or leased telecommunications and other information systems required to support FEMA's civil defense mission. Technical planning expertise is also provided at the State and local levels relative to telecommunications and warning requirements and the day-to-day use of all national systems to support emergency and administrative functions. The development of State and local emergency telecommunications will assure the survival of the population in the event of an attack and to provide effective direction and control.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
Civil Defense  
(Dollars in Thousands)

| <u>Estimates by Program</u>                  | <u>Page No.</u> | <u>1991 Actual</u> | <u>1992 Request</u> | <u>1992 Current Estimate</u> | <u>1993 Request</u> | <u>Increase/Decrease</u> |
|--|-----------------|--------------------|---------------------|------------------------------|---------------------|--------------------------|
| A. State and Local Emergency Management..... | EM-10           | \$84,259           | \$81,241            | \$83,027                     | \$82,745            | -\$282                   |
| B. Facilities and Equipment.....             | EM-16           | 21,869             | 19,724              | 23,614                       | 7,637               | -15,977                  |
| C. Planning, Exercising and Response.....    | EM-22           | 2,104              | 2,096               | 1,742                        | 3,096               | 1,354                    |
| D. Training.....                             | EM-25           | 9,648              | 9,567               | 9,550                        | 9,550               | ...                      |
| E. Telecommunications.....                   | EM-31           | <u>18,805</u>      | <u>20,517</u>       | <u>20,314</u>                | <u>19,114</u>       | <u>-1,200</u>            |
| Total, Civil Defense (Budget Authority)..... |                 | 136,685            | 133,145             | 138,247                      | 122,142             | -16,105                  |

Changes from Original 1992 Estimates. Reflects a net increase of \$5,102,000: Specific Congressional increases of \$7,705,000 are offset by a decrease of \$1,403,000 from the application of the Congressional general reduction and a reprogramming of \$1,200,000 to Federal Preparedness for LAN/WAN equipment costs.

**EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
CIVIL DEFENSE  
(Dollars in Thousands)**

|   | <u>1991</u><br><u>Actual</u> | <u>1992</u><br><u>Request</u> | <u>1992</u><br><u>Current</u><br><u>Estimate</u> | <u>1993</u><br><u>Request</u> | <u>Increase/</u><br><u>Decrease</u> |
|---|------------------------------|-------------------------------|--|-------------------------------|-------------------------------------|
| <b>OBJECT CLASS</b>   |                              |                               |  |                               |                                     |
| <b><u>Personnel compensation</u></b>                              |                              |                               |  |                               |                                     |
| 11.1 Full-time permanent .....                                    | ...                          | ...                           | ...  | ...                           | ...                                 |
| 11.3 Other than full-time permanent.....                          | ...                          | ...                           | ...  | ...                           | ...                                 |
| 11.5 Other personnel compensation .....                           | ...                          | ...                           | ...  | ...                           | ...                                 |
| 11.6 Special personal services payments .....                     | ...                          | ...                           | ...  | ...                           | ...                                 |
| 11.9 Total personnel compensation .....                           | ...                          | ...                           | ...  | ...                           | ...                                 |
| <b><u>Personnel benefits</u></b>                                  |                              |                               |  |                               |                                     |
| 12.1 Civilian personnel.....                                      | ...                          | ...                           | ...  | ...                           | ...                                 |
| 12.2 Military personnel.....                                      | ...                          | ...                           | ...  | ...                           | ...                                 |
| 13.0 Benefits for former personnel.....                           | ...                          | ...                           | ...  | ...                           | ...                                 |
| <b><u>Non-Personnel Costs</u></b>                                 |                              |                               |  |                               |                                     |
| 21.0 Travel and transportation of persons.....                    | ...                          | ...                           | ...  | ...                           | ...                                 |
| 22.0 Transportation of things.....                                | \$11                         | \$2                           | \$7  | \$2                           | (\$5)                               |
| 23.1 Rental payments to GSA.....                                  | ...                          | ...                           | ...  | ...                           | ...                                 |
| 23.2 Rental payments to others.....                               | ...                          | ...                           | ...  | ...                           | ...                                 |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | 2,901                        | 4,151                         | 3,784  | 3,406                         | (378)                               |
| 24.0 Printing and reproduction.....                               | 493                          | 1,001                         | 787  | 1,169                         | 382                                 |
| 25.0 Other services.....  | 30,469                       | 26,163                        | 24,569   | 24,337                        | (232)                               |
| 26.0 Supplies and materials.....                                  | 740                          | 359                           | 378  | 362                           | (16)                                |
| 31.0 Equipment.....   | 2,124                        | 3,326                         | 3,158  | 1,992                         | (1,166)                             |
| 32.0 Land and structures.....                                     | 88                           | 427                           | 70   | 200                           | 130                                 |
| 33.0 Investments and loans.....                                   | ...                          | ...                           | ...  | ...                           | ...                                 |
| 41.0 Grants, subsidies and contributions.....                     | 99,859                       | 97,716                        | 105,494  | 90,674                        | (14,820)                            |
| 42.0 Insurance claims and indemnities.....                        | ...                          | ...                           | ...  | ...                           | ...                                 |
| 43.0 Interest and dividends.....                                  | ...                          | ...                           | ...  | ...                           | ...                                 |
| <b>Total Obligations.....</b>                                     | <b>136,685</b>               | <b>133,145</b>                | <b>138,247</b>                                   | <b>122,142</b>                | <b>(16,105)</b>                     |

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
Civil Defense  
(Dollars in Thousands)

| A. <u>State and Local Emergency Management</u>                  | <u>Page No.</u> | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase<br><u>Decrease</u> |
|---|-----------------|-----------------------|------------------------|------------------------------------|------------------------|-----------------------------|
| <u>Estimates by Program Element</u>                             |                 |                       |                        |                                    |                        |                             |
| 1. Emergency Management Assistance.....                         | EM-11           | \$63,128              | \$60,128               | \$62,128                           | \$62,128               | ...                         |
| 2. Other Assistance.....  | EM-12           | <u>21,111</u>         | <u>21,113</u>          | <u>21,899</u>                      | <u>20,617</u>          | <u>-\$282</u>               |
| Total, State and Local Emergency Management (Budget Authority). |                 | 84,259                | 81,241                 | 83,027                             | 82,745                 | -282                        |

Changes from Original 1992 Estimates. Reflects a net increase of \$1,786,000: An increase of \$2,000,000 for Emergency Management Assistance grants; a decrease of \$214,000 for Other Assistance from the application of a general Congressional reduction.

327

A. State and Local Emergency Management.

1. Emergency Management Assistance.

- a. Objective/Element Description. This program element makes financial contributions to the States for essential State and local Civil Defense personnel and administrative expenses, with the goal of ensuring the establishment and maintenance of emergency management organizations in all 56 States and territories and in a number of local jurisdictions to provide the basis for a national capability of dealing effectively with catastrophic natural, technological and attack emergencies. A core of trained, experienced full-time professionals, funded in part through this program element, forms the fundamental emergency management structure at State and local levels and provides the basic capability to plan for, respond to, and recover from catastrophic emergencies. Through this program, participating jurisdictions receive matching funds of up to 50 percent, allocated by use of a formula.
- b. 1991 Accomplishments. In 1991, FEMA used a total of \$64,649,000 and 25 workyears for this program element, of which \$1,521,000 was under Salaries and Expenses and \$63,128,000 was under Emergency Management Planning and Assistance. The funding under this program element supported 1,230 State level and approximately 5,270 local level Civil Defense/emergency management personnel in 2,715 jurisdictions. These personnel participated in activities to increase civil defense preparedness for the potential terrorist threat related to the Persian Gulf War, disaster response and recovery operations, tests and exercises, and updated approximately 900 State and local government emergency operations plans (EOP's).
- c. Changes from the 1992 Estimates. Reflects a Congressional increase of \$2,000,000 for Emergency Management Assistance grants.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$63,521,000 and 27 workyears to this program element, of which \$1,393,000 is under Salaries and Expenses and \$62,128,000 is under Emergency Planning and Assistance. In 1992, this program will continue funding up to 50 percent of the salaries and administrative expenses of civil defense personnel in approximately 2,715 jurisdictions who are capable of being surged, and who can lead, coordinate, and enhance response and recovery activities and participate in tests and exercises. Additionally, these personnel will be responsible for updating approximately 900 EOP's and upgrading automated program management systems to improve information exchange and ensure accountability for program resources.
- e. 1993 Program. In 1993, FEMA requests a total of \$63,521,000 and 27 workyears for this program element. Included in this total are \$1,393,000 under Salaries and Expenses and \$62,128,000 under Emergency Management Planning and Assistance. The entire \$62,128,000 Emergency Management Planning and Assistance will be passed

through to the States for up to 50 percent funding of the salaries and expenses of State and local emergency management staff. Program efforts will continue to focus on enhancing response and recovery readiness through participation in tests and exercises, refinement of approximately 900 EOP's to improve Survivable Crisis Management (SCM) capabilities, and upgrading of automated program management systems to facilitate information exchange and ensure accountability for program resources.

1991 Increases/Decreases. None.

- f. Outyear Implications. In order to provide a base-level capability, it may be necessary to extend program coverage to non-participating jurisdictions with populations over 50,000 without reducing support for current participants. In addition, due to cost-of-living and other increased expenses, the percentage of Federal match has dropped well below 50 percent and will continue to drop unless Federal funding is increased in the outyears.

- g. Advisory and Assistance Services. None.

2. Other Assistance

- a. Objective/Element Description. This element provides for support activities and funding for State and local personnel resources related to the Population Protection Planning (PPP), Radiological Defense (RADEF), Individual Mobilization Augmentee (IMA), Family Protection (FP), Survivable Crisis Management (SCM), and Facility Survey (FS) initiatives. 100 percent funding is provided for PPP State planners to develop all-hazard State and local EOP's, systems, and capabilities and to serve as a deployable resource for response operations. RADEF State personnel plan and develop State and local RADEF capabilities and maintain the RADEF instrument inventory. Funding is also provided for military reservists assigned to Federal, State, and local facilities for emergency planning and continuity of government (COG) missions. Family Protection efforts focus on leveraging volunteer and private sector support to encourage and assist families and communities to prepare to survive emergencies of all kinds. Survivable Crisis Management funds provide for the development, management, operation, and maintenance of statewide networks of survivable capabilities to ensure that States will have the ability to continue to govern during and respond to emergencies of all kinds. Through the end of 1992, Facility Survey supports State engineers in identifying fallout and reception and care shelters for use by planners. At the end of 1992, the Facility Survey Engineering and Development program will be terminated.
- b. 1991 Accomplishments. In 1991, FEMA used a total of \$26,777,000 and 102 workyears for this program element, of which \$5,646,000 was under Salaries and Expenses and \$21,131,000 was under Emergency Management Planning and Assistance. Accomplishments include:

- o Funded approximately 150 State planners who completed 90 EOP's, concentrating on non-Emergency Management Assistance (EMA) jurisdictions; upgraded an additional 280 EOP's; conducted 275 exercises and 150 workshops; and provided planning expertise for the development of State COG plans and SCM proposals which integrate all aspects of comprehensive planning.
  - o Funded 51 RADEF officers who developed, operated and maintained an ongoing RADEF emergency response capability in each of the 50 States and territories and are capable of leading a coordinated response to radiological emergencies. The officers, recruited, trained and maintained a cadre of RADEF volunteers; updated 500 RADEF EOP Annexes and exercised 400; updated the RADEF database on 5,402 jurisdictions and conducted 5 workshops on its use; and participated in conferences to enhance and encourage development and maintenance of State and local RADEF capabilities. Additionally, FEMA provided 100% funding for 131 electronic technicians and support personnel for the Radiological Maintenance and Calibration (RIM&C) Facilities in 48 States and Puerto Rico, who calibrate and maintain radiological instruments for the States.
  - o Funded 600 IMA's assigned to Federal, State, and local emergency management organizations to support emergency response and COG planning; as well as the operation of State and local emergency operating centers and direction and control systems and to participate in exercises.
  - o In the area of Family Protection, completed an initiative with the National Sheriff's Association (NSA) for a Statement of Understanding (signed at the annual NSA convention) to develop a family emergency preparedness pamphlet for distribution through Neighborhood Watch organizers; completed an initiative with the American Red Cross (ARC) Disaster Services for the joint development and independent printing of two self-help publications on family disaster planning and supplies; led a cooperative effort with ARC to produce an emergency food and water supply brochure, and initiated agreement efforts with similar private and public sector groups and organizations; developed and distributed a 20-minute video, a 35mm Speakers Kit slide presentation, and a brochure of publications on citizen-oriented, self-help emergency preparedness; and sponsored a family emergency preparedness conference.
  - o Provided funding to 40 States to support 45 Facility Survey engineers who performed fallout and reception and care surveys and provided guidance for the update and processing of shelter information into the National Shelter Survey database, technical assistance on the design or evaluation of structures, and technical assistance on State shelter development and legislation.
  - o Limited Survivable Crisis Management support was provided by State Facility Survey engineers and PFP planners who assisted EMA staff in the development of SCM proposals and implementation of approved SCM plans.
- c. Changes from the 1992 Estimates. Reflects a decrease of \$214,000 from the application of a Congressional



general reduction.

- d. 1992 Program. In 1992, FEMA is allocating a total of \$26,698,000 and 106 workyears to this program element, of which \$5,799,000 is under Salaries and Expenses and \$20,899,000 is under Emergency Management Planning and Assistance. Limited funding will be used to enhance and maintain the automated aspects of this program element. The 1992 program will:
- o Fund approximately 160 State planners who will update and upgrade 310 EOP's; participate in 330 exercises; continue training and workshops; and provide planning expertise for the development of SCM proposals and COG initiatives;
  - o Fund 51 RADEF officers whose duties and responsibilities are the same as in 1991.
  - o Fund 625 military reservists for assignment to Federal, State, and local emergency management organizations, the operation of State and local EOC's and direction and control systems, and exercise participation.
  - o Continue recruiting and establishing agreements with volunteer and private sector groups, produce and conduct a Family Protection Emergency Education Network videocast, conduct an annual Conference on Family Emergency Preparedness issues, and refine and develop publications, exhibits, and Civil Defense Speakers Kit materials.
  - o Continue limited Survivable Crisis Management Support by State Facility Survey engineers to PPP planners and EMA staff in the development and implementation of approved SCM proposals.
  - o Fund 45 FS engineers in 40 States who will perform fallout and reception and care surveys, provide guidance for the update and processing of shelter information, and deliver technical assistance. FEMA will begin the phase out of the Facility Survey program by reorientation of State engineers to a lead role in the SCM initiative, decentralizing the National Shelter Survey database, and developing guidance for providing alternative fallout and reception and care shelter information to PPP and EMA planners.
- e. 1993 Program. In 1993, FEMA requests a total of \$25,281,000 and 80 workyears for this program element. Included in this total are \$4,664,000 under Salaries and Expenses and \$20,617,000 under Emergency Management Planning and Assistance. Approximately \$18,990,000 will be passed through to the States. Limited funding will be used to enhance and maintain the automated aspects of this program element. The 1993 program will:
- o Support 160 State planners who provide planning expertise for the development of SCM proposals and COG initiatives.

- o Fund 51 RADEF officers with duties and responsibilities as detailed in 1991.
- o Continue to fund 625 military reservists in support of Federal, State and local emergency management organizations; the operation of State and local EOC's and direction and control systems; and exercises.
- o Solicit agreements with volunteer and private sector groups on Family Protection issues, develop television public service announcements, conducting an annual Conference on Family Emergency Preparedness, and refine and develop publications, exhibits, handouts (such as lapel pins), and Civil Defense speaker kit materials.
- o Provide funding assistance of up to \$54,000 to each of the 50 States for the salaries and expenses of personnel who will be responsible for developing, with the assistance of PPP planners and EMA staff, comprehensive SCM plans and proposals to achieve a statewide SCM capability. In addition, these individuals will provide technical assistance to ensure that SCM capabilities are properly operated and maintained, and will provide technical assistance in the operation and maintenance of the decentralized shelter survey database.

1993 Increases/Decreases. A decrease of \$282,000 under Emergency Management Planning and Assistance reflects the discontinuance of support for the Facility Survey Engineering and Development element, scheduled for termination at the end of 1992.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

**B. Facilities and Equipment**

- a. Objective/Element Description. This element provides financial and technical assistance to State and local governments for the development, acquisition, and management of hardware and facilities to support their Survivable Crisis Management Initiatives. The SCM capabilities provided through this element will enhance the ability of a jurisdiction to survive a catastrophic emergency, including attack, and provide the systems necessary to direct, control, manage, and coordinate emergency operations within the jurisdiction and in cooperation with all levels of government. The Facilities and Equipment program represents a compilation of the formerly separate State and Local Direction, Control and Warning and Radiological Defense Instrumentation programs, a portion of the Other State and Local Emergency Management program element justified in the 1992 budget, and initiatives related to the inspection, monitoring, and repair or replacement of underground storage tanks (UST's). This element will provide the following:
- o Up to 50 percent matching funds for the planning, design, and construction of State and local EOC's, thereby facilitating direction and control and the continuity of government.
  - o Technical assistance and up to 50 percent matching funds for the development of emergency warning and communications capabilities.
  - o 100 percent Federal funding to Emergency Broadcast System (EBS) station owners for development of essential nationwide capabilities to disseminate warning and emergency public information from the President and other public officials in the event of an enemy attack or peacetime disaster.
  - o 100 percent funding for protection against the effects of Electromagnetic Pulse (EMP) generated as a result of a nuclear detonation and against the effects of lightning and other electrical power transients;
  - o Up to 50 percent matching funds to maintain the operational capabilities of existing critical systems through maintenance, repair, replacement, and service of systems and equipment in Emergency Operating Centers (EOC's) and civil defense emergency communications and warning systems external to EOC's.
  - o 100 percent funding to inspect, monitor, and repair or replace UST's at EBS stations and up to 50 percent matching funds for UST's at EOC's, upon request.
  - o Development, production, procurement, testing, distribution, and maintenance of essential radiological instrumentation for use by government workers and emergency responders in a nuclear attack radiation environment and during an offsite Radiological Emergency Preparedness (REP) response.
  - o Training, education, and technical guidance in the design and upgrade of structures to withstand and protect against natural and technological hazards.

33

- o Evaluation and assessment of the cost effectiveness of civil defense programs; providing an integrated, computerized database of hazard capability, and planning and management information; providing standardized software packages to the States to facilitate the standard exchange of data and reports; and the development of systems which support Federal Response missions during disasters.
- b. 1991 Accomplishments. In 1991, FEMA used a total of \$26,286,000 and 72 workyears for this program, of which \$4,417,000 was under Salaries and Expenses and \$21,869,000 was under Emergency Management Planning and Assistance. In 1991, program accomplishments were as follows:
- o Supported 6 new and 6 ongoing statewide SCM projects.
  - o Provided financial assistance to 5 States and 31 local jurisdictions for Operation State Emergency Communications Using Radio Effectively (SECURE) radios; 6 States and 159 local jurisdictions for Radio Amateur Civil Emergency Services (RACES) equipment; 6 States and 81 local jurisdictions for other miscellaneous radio equipment; and 1 State and 126 local jurisdictions for alert and warning equipment.
  - o Provided grants to the States of California and South Carolina for the development of model State Telecommunications Service Priority (TSP) plans.
  - o Updated the Portable Emergency Data System (PEDS) database and completed a special study on FEMA, State, and local telecommunications resources for use in response to the projected New Madrid fault earthquake.
  - o Continued to protect, upgrade, and install equipment at 37 Primary Entry Point (PEP) stations; provided Broadcast Station Protection Program (BSPP) funding to 40 EBS stations for the repair or replacement of generators, purchase of emergency communications equipment, and EMP protection; and revised guidance on the EBS program.
  - o Funded EMP protection at 9 EBS stations and 32 EOC's; completed installation of EMP protection at 10 EBS stations and 32 EOC's; constructed an EMP Testing Laboratory as part of the Civil Defense Test Center; developed a Computer Aided Design (CAD) system to assist in the engineering analysis of EMP protected facilities; and completed development of an EMP Inspection and Maintenance training course.
  - o Provided funds to 35 States (192 jurisdictions) for maintenance, repair, or replacement of direction and control systems and equipment.
  - o Funded a prototype project in the State of Vermont to address problems associated with underground storage tanks at EBS stations, and supported UST projects for 14 State and local EOC's and 8 other EBS stations. Developed options for a comprehensive approach to manage the UST problem which meets legal and programmatic requirements.

- o Continued operation of the Radiological Instrumentation Test Facility (RITF), to include establishment of the Civil Defense Test Center (CDTC) for testing of EMP devices and research and development capabilities for testing and evaluating instrumentation and equipment for all CD programs. Provided funding to the William Langer Jewel Bearing Plant for continued pilot production of dosimeters. Completed detail testing of FEMA-owned radioactive material sources used for training. Procured an additional 29,000 FEMA patented high range dosimeters which can be applied to multihazard dual use response and authorized production of a new dosimeter.
  - o Developed an overview course for the Multi-protection Design Summer Institute, revised the Fallout Shelter Analysis Course, and initiated a revision of the Blast Protective Design Course. Disseminated technical publications.
  - o Maintained a database of shelters used to protect the public from fallout and other hazards, and provided technical assistance in the design and upgrade of structures to withstand and protect against natural and technological hazards.
  - o Developed a prototype Executive Information and Evaluation and Assessment System to provide accessible information on State and local emergency response capabilities; published CPG 1-35, Capability and Hazard Identification Program (CHIP) for Local Governments; completed field review of CPG 1-36, Capability and Hazard Identification Program for State Governments; revised data collection tools used for the computerized Disaster Response Questionnaire (DRQ); developed and distributed upgrades to the Comprehensive Cooperative Agreement Management System (CCAMS) and the Computerized Activity Results List (CARL); introduced a financial module to enhance fiscal management capabilities; published an updated Civil Defense Automation Plan; developed a user's directory for the CARL database; installed the State Profile System on Local Area Networks; and hosted the State and Local Emergency Management Data Users Group national conference.
- c. Changes From the 1992 Estimates. Reflects a net increase of \$3,890,000: an increase of \$1,500,000 for an Emergency Operating Center (EOC) in Iowa; \$50,000 for planning and design of an EOC in Vermont; \$1,000,000 for warning sirens in Chicago; \$1,155,000 for sirens in Kansas; \$2,000,000 for repair/replacement of Underground Storage Tanks; offset by a decrease of \$1,200,000 for a one-time reprogramming of \$1,200,000 to Federal Preparedness for LAN/WAN costs; and a decrease of \$615,000 from the application of a Congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$27,928,000 and 77 workyears to this program, of which \$4,314,000 is under Salaries and Expenses and \$23,614,000 is under Emergency Management Planning and Assistance. Limited funding will be used to enhance and maintain automated aspects of this program element. The 1992 program provides for:
- o Funding and technical assistance to both ongoing and new SCM projects, including projects for the States of

Iowa and Vermont, and development and dissemination of guidance and management systems.

- o State and local warning and communications systems technical and financial assistance including warning systems for the State of Kansas and the city of Chicago; managing the State and local TSP program; and assistance and funding in support of RACES networks.
  - o Funding to complete the protection of EBS PEP stations to provide broadcast station protection to selected critical EBS stations and to maintain protection previously provided to critical EBS stations.
  - o Electromagnetic Pulse Protection costs for training, procurement, testing, and installation of materials and equipment to protect and maintain facilities, equipment, and systems from the effects of EMP (including protection of approximately 16 selected EBS stations).
  - o Funding to States for maintaining existing critical civil defense equipment and systems, including underground storage tank monitoring and repair or replacement projects at State and local EOC's and EBS stations.
  - o Maintenance, calibration, and logistical support for both the radiological defense and electromagnetic pulse protection research and development programs at the CDTC.
  - o Technical and logistical support to State RIM&C facilities in 48 States and Puerto Rico.
  - o Initiation of procurement for the FEMA batteryless charger; continue existing prior year procurement initiatives for dosimeters; and development of a long-range strategy for maintenance and surveillance of the dosimeter inventory.
  - o Sponsorship of engineering and architectural faculty attendance at the Multi-protection Design Summer Institute and the Blast Protective Design course.
  - o Development of alternatives to the National Shelter Survey which will be decentralized to regional, State and local levels for information on fallout and reception and care shelters.
  - o Initiation of the Executive Information and Evaluation and Assessment system; expanding the usage of DRQ data collection tools, on-line access to CHIP, and the CCAMS financial module; field testing of a refined Comprehensive Cooperative Agreement system; development of systems to support and enhance disaster response capabilities; continued support for the State and Local Emergency Management Data Users Group; and publication of a revised CPG 1-36.
- e. 1993 Program. In 1993, FEMA requests a total of \$11,681,000 and 68 workyears for this program element. Included

in this total are \$4,044,00 under Salaries and Expenses and \$7,637,000 under Emergency Management Planning and Assistance (EMPA). Grants of \$3,600,000 will be passed through to the States. Limited funding will be used to enhance and maintain the automated aspects of this program element. In addition, the 1993 program will provide for the following:

- o Technical and financial assistance for ongoing SCM projects.
- o Technical and limited financial assistance to States and localities for warning and communications systems, including RACES and for managing the State and local TSP program.
- o Maintenance of protection and operational capabilities at selected, previously protected Originating Primary Relation Stations, State Relay Network Stations, and/or Common Program Control Stations - Level 1.
- o Provision and/or maintenance of Electromagnetic Pulse Protection for selected EBS stations and State and local EOC's; procurement, testing, and installation of materials and equipment to protect and maintain facilities, equipment, and systems from the effects of EMP; continued support for EMP inspection and maintenance training; and procurement, maintenance, and management of FEMA's EMP inventory of parts used for protection of EOC's and EBS radio stations.
- o Maintenance and Services funding to States for existing critical State and local Civil Defense equipment and systems.
- o Continued implementation of a UST monitoring and remedial action plan to register, test, monitor, and repair or replace UST's at approximately 500 EBS stations and 1,800 EOC's.
- o Maintenance, calibration, and logistical support for both the radiological defense and electromagnetic pulse protection research and development programs at the CDC; technical and logistical support to State RIM&C facilities which maintain radiological instruments in 48 States and Puerto Rico; support development of State dosimeter repair capability; development of a long-range strategy for maintenance and surveillance of the existing dosimeter inventory; and operate and maintain pilot production capabilities at the William Langer Jewel Bearing Plant.
- o Continued procurement and installation of the Executive Information and Evaluation and Assessment system and continued development of systems to support and enhance disaster response capabilities; and continuing to improve and provide technical support for Civil Defense database systems managed by FEMA.

1993 Increases/Decreases. The 1993 request reflects a net decrease of \$15,977,000 which represents a "pause" in the program pending the completion of a program requirements study to assess, quantify and validate the Civil Defense program requirements. The net reduction includes an increase of \$250,000 to reimburse the FEMA Special

Facility for services received at the Civil Defense Test Center.

- f. Outyear Implications. Once CD program requirements have been validated through the study, and a comprehensive plan developed to meet the base level requirements, funding levels for the outyears will be specifically determined.
- g. Advisory and Assistance Services. None.



C. Planning, Exercising and Response

- a. Objective/Element Description. This element seeks the ongoing improvement of the Federal Government's operational capability to respond to domestic and national security emergencies and provides for effective policy and guidance to enhance the Nation's ability to prepare for and respond to all emergencies. Inherent in this effort are the establishment, revision, and improvement of civil defense and emergency management policies, research, and emergency public information; continued refinement, testing, and exercising of the Federal Response Plan and operational plans at the Federal, State, and local levels of government; and related activities that facilitate the development of Federal, State, and local emergency preparedness and response capabilities required to protect the population and industry from the consequences of all hazards.
- b. 1991 Accomplishments. In 1991, FEMA used a total of \$3,424,000 and 21 workyears for this program, of which \$1,320,000 was under Salaries and Expenses and \$2,104,000 was under Emergency Management Planning and Assistance. In 1991, FEMA:
  - o Completed a review of U.S. national Civil Defense policy with the National Security Council Policy Coordinating Committee (PCC) on Emergency Preparedness and Mobilization Planning, completed an updated Civil Defense concept of operations.
  - o Provided information on life support systems; completed comprehensive, all-hazard public information materials for mass media and direct dissemination in time of international crisis or surge and arranged for their prepositioning; developed, produced, and distributed public awareness and protection materials, displays, models, and demonstration shelter exhibits; printed and stocked medical self-help information and materials for the handicapped, and restocked stand-by materials.
  - o Within the State and Local Programs Directorate, centralized the exercise function in one organizational unit to better coordinate and integrate exercise policies, guidance, procedures, and scheduling and improve consolidation of exercise requirements relating to various Federal emergency management plans; conducted a Federal response workshop for the FEMA Regions; provided a revised draft of the FRP to participating departments and agencies for review; developed a regional reporting and information exchange system; reached agreement with participating agencies on the management of mobilization centers; and, in support of the FRP, revised emergency support team membership to include skills for all-hazards response; conducted a training needs assessment; designed a process to implement critical support requirements; revised procedures and began training on the Information and Planning emergency support function of the FRP.
- c. Changes from the 1992 Estimate. Reflects the application of a general Congressional reduction of \$354,000.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$2,974,000 and 22 workyears to this program, of which \$1,232,000 is under Salaries and Expenses and 1,742,000 is under Emergency Management Planning and Assistance.

Limited funding will be used to enhance and maintain the automated aspects of this program element. The 1992 program provides for:

- o Refinement of Civil Defense policy, concepts, guidance, and options.
  - o Preparation of surge exercise materials, standby surge materials, a multi-hazard emergency operations reporting system for use in catastrophic emergencies, and exercise and training materials to test the reporting system.
  - o Development of an integrated exercise evaluation methodology.
  - o Preparation of the final version of the FRP; issuing planning guidance to the Regions on establishing operating facilities to support response operations; revising deployment procedures for emergency support response teams; issuing a policy on management and coordination of donated goods and services; conducting senior management and interagency training on Federal response activities; and developing guidance for the regional operations mobilization center issue.
  - o Completion of a workshop for State and local public information officers on outreach, development and conduct of public awareness campaigns for emergency preparedness; development of master plans to guide national dissemination of all-hazard public awareness materials and hazard specific standby emergency public information; and pre-positioning of those materials for dissemination in an emergency; continued development of and distribution of emergency information materials for special audiences (e.g., schools, nursing, handicapped and daycare facilities).
- e. 1993 Program. In 1993, FEMA requests a total of \$5,763,000 and 46 workyears for this program. Included in this total are \$2,667,000 under Salaries and Expenses and \$3,096,000 under Emergency Management Planning and Assistance. Limited funding will be used to enhance and maintain the automated aspects of this program element. The 1993 program funds will be used to:
- o Develop a comprehensive statement of civil defense capabilities, including a definition of minimum, base, surge, and full capabilities, and an evaluation of risks and resource implications associated with each level of capability.
  - o Continue policy analyses of civil defense concepts and requirements.
  - o Expand and improve the all-hazard threat assessment system.
  - o Support CIVEX-93, a nationwide exercise involving all FEMA regional offices, as well as State and local jurisdictions that agree to participate.

- o .Field test the integrated exercise evaluation methodology.
- o Coordinate revisions to the Federal Response Plan, including a strategy to further integrate private industry resources, development of an automated reports and message system and conduct of procedural training;

1993 Increases/Decreases. - An increase of \$1,354,000 in Emergency Management Planning and Assistance reflects the addition of \$1,000,000 to support a comprehensive civil defense requirements study to determine future program and resource requirements, and \$354,000 to support the all hazard catastrophic disaster response planning, exercising, and implementation at the FEMA regions and headquarters.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance. None.

#### D. Training

- a. Objective/Element Description. This activity uses a nationwide program of instruction through the Emergency Management Institute to ensure that the individuals who are responsible for managing emergencies and protecting citizens from the impact of hazards are trained to fulfill those responsibilities. The Emergency Management Institute (EMI) is a unique source of civilian training. This training is critical to reducing the probable effects of disasters and attack on the population. Additionally, this training provides for enhanced economic stability, assuring the continuity of government. Through dual-use capabilities, a wide variety of training activities and materials provide for enhanced emergency preparedness and management at all levels of government.

State and local emergency managers are the primary target audience. Pertinent training is also provided to other Federal, State and local government officials, emergency services personnel (fire, police, public works, medical officials), the private sector, allied professions, volunteers, and the public. Training is conducted through resident and field courses, home study courses, videoconferences, and school curriculum materials. Assistance is also provided to other Nations through the exchange of training materials and methodologies in coordination with NATO and the U.S. Department of State.

These activities and materials are designed to provide: (1) emergency management training - to establish or enhance comprehensive knowledge and skills related to emergency management functions, such as planning, resource and risk management. Training activities emphasize the relationship between Federal, State and local resources, and the requirement to respond to all hazards as well as those unique to attack. Exercise based training is tailored to site specific jurisdiction's, hazards and emergency organization structures. Training activities are designed to be truly dual-use to maximize resources; (2) hazard specific (national security) training - provides information to implement national security provisions, and to enhance comprehensive knowledge and skills required to manage national security emergencies. Topics include civil/military interface in mobilization, response and recovery, Civil Defense and Federal response policies, procedures, and plans and fallout protection. (3) Planning, evaluation and computer support - for evaluation, curriculum planning and new educational technologies such as computer assisted instruction, and national videoconferences. All activities are targeted at developing an optimized training program designed to support specific program objectives. Activities include an ongoing assessment of current training to allow the most cost effective training delivery.

This element also provides for the civil defense share of operating costs of the National Emergency Training Center (NETC) in Emmitsburg, Maryland, and for items such as maintenance, security, housekeeping, equipment, rent, and similar costs. Also included is a portion of the resources required to operate the learning resource center and the media support activity.

- b. 1991 Accomplishments. In 1991, FEMA used a total of \$12,809,000 and 59 workyears for this program, of which \$3,161,000 was under Salaries and Expenses and \$9,648,000 was under Emergency Management Planning and Assistance. These resources provided for:

- o Development and/or revision efforts to enhance EMI's response and recovery curriculum as a result of lessons learned from large-scale disasters such as Hugo and Loma Prieta. This included development of a Seminar on Contemporary Issues in Emergency Management targeted at public officials and their emergency managers for deployment in 1992, and initiation of a job requirements analysis for three emergency support functions (ESF's) specified in the Federal Response Plan.
- o Development and/or revision efforts to ensure that Professional Development Series (PDS) courses are current, including revision of the Effective Communications and National Security Integrated Emergency Management Course (IEMC) modules, and the Civil Defense Systems, Programs, and Policies Course. In addition purchased copyright publications and audio visual materials required for delivery of PDS courses.
- o Development of shelter management plans and training in coordination with the American Red Cross.
- o Upgrade of exercise computer systems and PBX capabilities to support the IEMC and other exercise-based courses.
- o Continued support for the American Council on Education (ACE) accreditation for EMI courses.
- o Technical support for EMI's computer lab, including development of a media/graphics module for EMI's train-the-trainer program, and continued support for teleconferencing and media capability.
- o Support of the field training and exercise program through Comprehensive Cooperative Agreements, maintenance of the State training infrastructure and delivery of 1,970 training activities to over 45,062 participants and support to local jurisdictions in planning and evaluating exercises to improve emergency response capabilities, resulting in the conduct of a total of 2,920 exercises with 428,312 participants.
- o Implementation and evaluation of the Emergency Management Training (EMT) funding formula which rewards training performance at the State level with modifications proposed for 1992.
- o Outreach and evaluation support which included a home study program which supported 24,005 requests for course materials (at a 64 percent level of verified course completion, or 15,426 completions); updates of the home study course, "Emergency Management, U.S.A".
- o Field exercise data collection and analysis system reports for use by State offices of emergency management and FEMA Headquarters and Regional Training Managers; and a pilot test of the automated Field Reporting System in 18 States and revisions to the software.
- o Delivery of 68 resident course offerings for 1,717 students including delivery of 17 train-the-trainer courses supporting the field training program addressing response, national security, planning, management,

population protection, radiological defense, and civil/military interface.

- o Bringing on-line the new Telecommunications and Warning Systems and the Electromagnetic Pulse Maintenance/Inspection courses.
  - o An international Heads of Civil Preparedness Colleges Conference in conjunction with a Seminar for State Emergency Management Directors at the resident facility. This training activity included representatives from 9 nations and the emergency management directors from 30 States and territories and provided a unique opportunity to compare and contrast emergency management practices and training methodologies worldwide.
  - o A number of Curriculum Advisory Committees which convened at the resident facility to obtain input from training audiences in the development/revision of courses and training activities addressing such topics as the incident command system, exercise evaluation, military support to local governments, microcomputer applications in emergency management, civil defense systems, programs, and policies, effective communications, shelter systems management, and planning.
  - o Audio visual and printing requirements, editorial support for training materials, equipment and classroom support for resident courses, adjunct faculty to obtain technical and specialized instruction, and student travel stipends.
  - o A NATO-sponsored Civil Emergency Preparedness Seminar for senior officials from Central and Eastern European countries at the NATO School in Oberammergau, Germany. The seminar was delivered to senior officials from the USSR, Poland, Hungary, Czech/Slovak Federal Republic, Bulgaria, and Romania.
  - o The Civil Defense share of the facility operating costs at NETC.
- c. Changes from the 1992 Estimate. Reflects an application of a Congressional general reduction of \$17,000.
- d. 1992 Program. In 1992, FEMA is allocating \$12,644,000 and 61 workyears to this program, of which \$3,094,000 is under Salaries and Expenses and \$9,550,000 is under Emergency Management Planning and Assistance. These resources will be used to do the following:
- o Provide for enhancing ENI's response and recovery curriculum, including an Emergency Response Team Leadership Course, the Telecommunications and Warning Systems Course, and continued development for an Incident Command System/Emergency Operations Center interface.
  - o Develop training activities for two to three emergency support functions (ESF) in the Federal Response Plan and a job requirements analysis of three additional ESF's.

- o Develop and/or revise several modules of the PDS courses; update the National Security Integrated Emergency Management Course (IEMC) exercise scenarios; and revise two radiological defense field courses; revise the Capstone Seminar and the Executive Development for Emergency Program Managers Course; and revise planning and public information officer curriculums to reflect results of job requirements analysis.
  - o Support ACE accreditation recommendations for EMI courses and improving student evaluation strategies.
  - o Support teleconferencing, media, and computer capability.
  - o Continue State and local training and exercise support through the CCA (1,870 training activities delivered to over 43,000 participants) and support local jurisdictions in planning and evaluating exercises (2,775 exercises with 458,000 participants).
  - o Initiate a review and revision of the current field curriculum in preparation for the next planning cycle beginning in 1994.
  - o Enhanced management and administration of the home study program to support an estimated 26,000 requests for course materials (at a 60% level of verified course completion, or 15,600 completions).
  - o Provide field exercise data collection and analysis system reports to training managers and distribute the automated FRS to 17 additional jurisdictions participating in the Emergency Management Training (EMT) program (total on-line, 35).
  - o Provide an estimated 70 resident course offerings for approximately 1,900 students, including 16 train-the-trainer courses supporting the field training program (courses address response, national security, planning, management, population protection, radiological defense, and civil/military interface). Bring on-line two new activities targeted at public officials and their emergency managers: Seminars on Contemporary Issues in Emergency Management (4 offerings) and 1 or 2 pilot offerings of a Disaster Response and Recovery Operations Seminar.
  - o Continue ongoing activities including convening a number of Curriculum Advisory Committees at the resident facility; liaison with the American Red Cross; audio visual, printing, equipment and classroom support requirements; adjunct faculty to obtain technical and specialized instruction; student travel stipends; responding to requests for training materials and assistance from other nations; and the civil defense share of the cost of operating and maintaining the National Emergency Training Center campus, and supporting the educational program of the Emergency Management Institute.
- e. 1993 Program. In 1993, FEMA requests \$12,645,000 and 60 workyears for this program. Included in this total are \$3,095,000 under Salaries and Expenses and \$9,550,000 under Emergency Management Planning and Assistance. Grants

totaling \$5,229,000 will be passed through to the States. These resources will provide:

- o Continuing enhancement of EMI's response and recovery curriculum, including development of the Federal Response Plan Orientation videotape and development of a disaster management course for Federal Interagency Teams.
- o Ensuring state-of-the-art materials for the PDS courses and purchase of copyright publications and audio visual materials for their delivery.
- o Expanding the curriculum for public officials by development of training modules for State officials (governor and staff) on Federal/State roles in disasters.
- o Developing two advanced planning functional modules.
- o Continuing support of American Council on Education accreditation for EMI courses; improved student evaluation strategies; and teleconferencing, media, and computer capability.
- o Through Comprehensive Cooperative Agreements, State and local training and exercise support which will maintain the State training infrastructure, provide 1,870 training activities to over 43,000 participants, and support local jurisdictions in planning and exercise evaluation (2,775 exercises with approximately 458,000 participants).
- o Completion of the Emergency Management Training core curriculum review in preparation for the next four-year planning period (1994 through 1997).
- o Outreach and evaluation support which will provide for the management, administration, and maintenance of the home study program to support an estimated 26,000 requests for course materials (at a 60% level of verified course completion, or 15,600 completions).
- o Field exercise data collection and analysis system reports for use by training managers; and distribution of the automated Field Reporting System to all 56 States and Territories participating in the Emergency Management Training (EMT) program.
- o An estimated 70 resident course offerings for approximately 1,900 students including 16 train-the-trainer courses (courses address response, national security, planning, management, population protection, radiological defense, and civil/military interface); and bringing on-line new and/or revised courses, including a Disaster Response and Recovery Operations Seminar for State and local officials being pilot tested in 1992.



- o Conducting the biennial State Directors Seminar at the resident facility; convening a number of Curriculum Advisory Committees at the resident facility to obtain input from State and local training audiences in the development/revision of courses and training activities; continued liaison with the American Red Cross; continuing to respond to requests for training materials and assistance from other nations; meeting audio visual, printing, editorial, and equipment needs; providing adjunct faculty to obtain technical and specialized instruction; and student travel stipends.
- o The operation and maintenance of the Emmitsburg resident educational facility; administrative support to the campus which houses the Emergency Management Institute, and the United States Fire Administration; and educational program support for the Emergency Management Institute and the National Fire Academy.

1993 Increases/Decreases. None.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

## E. Telecommunications

- a. Objective Element/Description. This program provides for the management of Federally owned and/or leased telecommunications and other information systems, required to support FEMA's civil defense and emergency management mission. These telecommunications and information systems enable FEMA to communicate in emergencies and day-to-day operations with other Federal departments and agencies, the States, the District of Columbia, and United States territories and possessions. These systems provide the initial attack/emergency message for the civilian population and selected civilian/military agencies. Technical planning expertise is also provided at the State and local levels relative to information and warning requirements and the day-to-day use of all national systems to support emergency and administrative functions. The program objectives are to provide the broadest possible dissemination of any warning to the civilian population with high reliability and to update and continuously expand existing systems within technical and fiscal constraints. The National Emergency Management System (NEMS) development goal is to provide the most responsive, reliable, interoperable and survivable communications/information systems possible. The NEMS integrates all FEMA telecommunications, Automatic Data Processing (ADP), and information systems, and includes the National Warning System (NAWAS), Emergency Broadcast System (EBS), FEMA Switched Network (FSN), FEMA National Radio System (FNARS), and other FEMA owned/leased information systems. Obsolete equipment within the civil defense systems is being replaced to increase reliability and efficiency. The development of State and local emergency information systems will assure their compatibility with the Federal system, specifically the NEMS. The Telecommunications program is essential to assure the survival of the population in the event of an attack and to provide effective direction and control. The program complies with Title V of the Civil Defense Act and with Presidential policy, which require that the civil defense program be designed with the capability to meet nuclear, natural, and man-made disaster-related requirements.

Prior to 1991, this program was separately justified as Telecommunications and Warning and Automatic Data Processing under the Civil Defense activity. As part of the restructure, these two programs have been consolidated into the Telecommunications program.

- b. 1991 Accomplishments. In 1991, FEMA used a total of \$23,330,000 and 81 workyears for this program, of which \$4,525,000 was under Salaries and Expenses and \$18,805,000 was under Emergency Management Planning and Assistance. Accomplishments include:
  - o Operation and maintenance of the National Warning System; the FEMA Switched Network, including leased communications circuit costs; funding for the T-1 switches and associated training; and development/installation of a Local/Wide Area Network (LAN/WAN) Information Support System.
  - o Operation and maintenance of the FEMA National Radio System; leased commercial communications circuits; military assistance in performing site surveys, installation, repairs and maintenance of antennae; and support services for the system upgrade.

- o Technical and engineering support to the National Level Program to determine the most survivable network configuration to support National Security Emergency Preparedness (NSEP) interagency telecommunications requirements; and provision of civil defense activity level information services.
  - o Civil Preparedness Support Detachment (CPSD) augmentation for regional communications personnel in support of emergency communications activities; and performance of monthly drills and annual training sessions; reimbursement to the Department of Defense (DoD) for support of communications and electronics functions.
- c. Changes from the 1992 Estimates. Reflects a decrease of \$203,000 from the application of a Congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$24,856,000 and 87 workyears to this program, of which \$4,542,000 is under Salaries and Expenses and \$20,314,000 is under Emergency Management Planning and Assistance. These resources will provide for:
- o Operations and maintenance of National Warning System circuits and Federal warning points, as well as funding for leased communications and replacement of handsets and operating equipment.
  - o Continued operations and maintenance of the FEMA Switched Network; funding for leased communications circuits; T-1 Carriers; and Automated Message System to State and local Emergency Operating Centers (EOC's).
  - o Operations and maintenance of the FEMA National Radio System including the following contract actions: purchase of radio and ancillary equipment; antenna upgrade; military assistance for installation and maintenance; training; Electromagnetic Pulse Protection; acquisition of survivable antennas; support for system engineering; operations and maintenance; NSEP interoperability; and leased commercial communications circuits.
  - o Information services support contracts to procure the following ongoing services and capabilities: Electromagnetic Capability Analysis Center (ECAC)/Spectrum Management; news services; message processing hardware and software; support for the Emergency Education Network; communications circuit costs; telephone services; cellular telephones; pagers; support to the National Level Program; NSEP telecommunications requirements; facsimile; exercises; communications center operations supply and maintenance; and database management, damage analysis and other analytical support for civil defense programs.
  - o CPSD monthly drills; two-week annual training; participation in national and FEMA-sponsored communications exercises; support to FEMA in emergency communications activities; and continued reimbursement to DoD for ongoing services and projects.
- e. 1993 Program In 1993, FEMA requests a total of \$23,674,000 and 85 workyears for this program. Included in this

total are \$4,560,000 under Salaries and Expenses and \$19,114,000 under Emergency Management Planning and Assistance. These resources will provide for:

- o Operations and maintenance of National Warning System circuits and Federal warning points, as well as funding for leased communications and replacement of handsets and operating equipment; the FEMA Switched Network; funding for leased communications circuits; T-1 Carriers; and Automated Message System to State and local EOC's.
- o Operations and maintenance of the FEMA National Radio System, including the following contract actions: purchase of radio and ancillary equipment; antenna upgrade; military assistance for installation and maintenance; training; Electromagnetic Pulse Protection; acquisition of survivable antennas; support for system engineering; operations and maintenance; NSEP interoperability; and leased commercial communications circuits.
- o Information services support contracts to procure the following ongoing services and capabilities: ECAC/Spectrum Management; news services; message processor; support to the Emergency Education Network; communications circuit costs; telephone services; cellular telephones; pagers; NSEP telecommunications; facsimile; exercises; communications center operations supply and maintenance; and database management, damage analysis and other analytical support for civil defense programs.
- o CPSP monthly drills; two-week annual training; participation in national and FEMA-sponsored communications exercises; and support to FEMA in emergency communications activities; continued reimbursement to DoD for ongoing services and projects.

1993 Increases/Decreases. The \$1,200,000 decrease in the 1993 request represents the termination of a one-time increase in 1992 for the costs associated with LAN/WAN.

f. Outyear Implications. No outyear implications over the 1993 request.

g. Advisory and Assistance Services. None.

350

NATIONAL EARTHQUAKE PROGRAM AND OTHER HAZARDS  
Activity Overview

The programs which comprise this activity are designed to enhance the nation's capability to prepare for and mitigate potential impact of natural disasters and emergencies. These programs are technically diverse, yet interrelated. Responsibility to develop multi-hazard, functionally integrated approaches to emergency planning, mitigation and response activities related to earthquakes, hurricanes, and dam safety is levied on State and local governments, with assistance from FEMA. Efforts in this activity will continue to be directed toward identifying opportunities to develop projects and programs which support and complement each other, thereby enabling State and local governments to utilize available resources more effectively.

The Emergency Management Planning Assistance portion of National Earthquake Program and Other Hazards includes the following programs:

- **National Earthquake Program**, which provides for the development of an integrated and comprehensive approach to reducing the loss of lives and property from earthquakes through delivery of technical and financial assistance to State and local governments in very high/moderate risk areas to implement earthquake hazards reduction programs; development, dissemination, and adoption of improved seismic design and construction practices for new and existing buildings and lifeline facilities; education and information transfer; Federal response planning; and overall leadership and coordination of the National Earthquake Hazards Reduction Program (NEHRP).
- **Hurricane**, which provides technical and financial assistance for the development of preparedness, evacuation, and mitigation projects for high-risk areas; training and education to enhance State and local capabilities for hurricane preparedness; and development and dissemination of public awareness materials.
- **Dam Safety**, which provides for the coordination of activities to enhance the safety of Federal and non-Federal dams and provides technical assistance to State and local governments, as well as the private sector, on the design, construction, maintenance and operation of safe dams. **The Dam Safety program will be discontinued beginning fiscal year 1993.**
- **Hazard Mitigation Assistance**, which funds planning efforts to reduce the impacts of potential hazards.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
NATIONAL EARTHQUAKE PROGRAM AND OTHER HAZARDS  
(Dollars in Thousands)

|   | <u>Page<br/>No.</u> | <u>1991<br/>Actual</u> | <u>1992<br/>Request</u> | <u>1992<br/>Current<br/>Estimate</u> | <u>1993<br/>Request</u> | <u>Increase/<br/>Decrease</u> |
|---|---------------------|------------------------|-------------------------|--------------------------------------|-------------------------|-------------------------------|
| <u>Estimates by Program</u>                             |                     |                        |                         |                                      |                         |                               |
| A. National Earthquake Program ...                      | EM-37               | \$12,529               | \$13,985                | \$16,308                             | \$13,808                | -\$2,500                      |
| B. Hurricane.....                                       | EM-42               | 895                    | 896                     | 896                                  | 896                     | ...                           |
| C. Dam Safety.....                                      | EM-44               | 431                    | 432                     | 432                                  | ...                     | -432                          |
| D. Hazard Mitigation Assistance...                      | EM-46               | <u>197</u>             | <u>200</u>              | <u>198</u>                           | <u>198</u>              | <u>...</u>                    |
| Total, National Earthquake Program<br>and Other Hazards |                     |                        |                         |                                      |                         |                               |
| (Budget Authority).....                                 |                     | 14,052                 | 15,513                  | 17,834*                              | 14,902                  | -2,932                        |
| Unobligated Balance* .....                              |                     | <u>...</u>             | <u>...</u>              | <u>2,462</u>                         | <u>...</u>              | <u>-2,462</u>                 |
| Obligations.....  |                     | 14,052                 | 15,513                  | 20,296                               | 14,902                  | -5,394                        |

Changes from Original 1992 Estimates. Reflects a net increase of \$2,321,000 for the following: (1) a Congressional increase of \$2,500,000 to construct an earthquake research laboratory at the University of Nevada; and (2) a decrease of \$179,000 for the application of a Congressional general reduction.

\*National Earthquake Program

**EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
NATIONAL EARTHQUAKE PROGRAM AND OTHER HAZARDS  
(Dollars in Thousands)**

|   | <u>1991<br/>Actual</u> | <u>1992<br/>Request</u> | <u>1992<br/>Current<br/>Estimate</u> | <u>1993<br/>Request</u> | <u>Increase/<br/>Decrease</u> |
|---|------------------------|-------------------------|--------------------------------------|-------------------------|-------------------------------|
| <b>OBJECT CLASS</b>   |                        |                         |                                      |                         |                               |
| <u>Personnel compensation</u>                                     |                        |                         |                                      |                         |                               |
| 11.1 Full-time permanent.....                                     | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 11.3 Other than full-time permanent.....                          | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 11.5 Other personnel compensation.....                            | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 11.8 Special personal services payments.....                      | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 11.9 Total personnel compensation.....                            | ...                    | ...                     | ...                                  | ...                     | ...                           |
| <u>Personnel benefits</u>   |                        |                         |                                      |                         |                               |
| 12.1 Civilian personnel.....                                      | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 12.2 Military personnel.....                                      | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 13.0 Benefits for former personnel.....                           | ...                    | ...                     | ...                                  | ...                     | ...                           |
| <u>Non-Personnel Costs</u>  |                        |                         |                                      |                         |                               |
| 21.0 Travel and transportation of persons.....                    | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 22.0 Transportation of things.....                                | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 23.1 Rental payments to GSA.....                                  | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 23.2 Rental payments to others.....                               | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | \$14                   | ...                     | \$94                                 | ...                     | (\$94)                        |
| 24.0 Printing and reproduction.....                               | 211                    | \$410                   | 474                                  | \$511                   | 37                            |
| 25.0 Other services.....  | 5,930                  | 8,308                   | 11,275                               | 9,331                   | (1,944)                       |
| 26.0 Supplies and materials.....                                  | 3                      | ...                     | ...                                  | ...                     | ...                           |
| 31.0 Equipment.....   | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 32.0 Land and structures.....                                     | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 33.0 Investments and loans.....                                   | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 41.0 Grants, subsidies and contributions.....                     | 7,894                  | 6,795                   | 8,453                                | 5,060                   | (3,393)                       |
| 42.0 Insurance claims and indemnities.....                        | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 43.0 Interest and dividends.....                                  | ...                    | ...                     | ...                                  | ...                     | ...                           |
| Total Obligations.....  | 14,052                 | 15,513                  | 20,296                               | 14,902                  | (5,394)                       |

353

A. National Earthquake Program

- a. Objective/Element Description. The potential for catastrophic losses of life and property, injuries, and economic and social disruption as a result of a major earthquake was recognized by Congress in establishing the National Earthquake Hazards Reduction Program (NEHRP). The principal authorized agencies of the NEHRP are FEMA, the U.S. Geological Survey, the National Science Foundation, and the National Institute of Standards and Technology.

By statute, FEMA is assigned lead-agency responsibilities for planning, reporting and coordinating all NEHRP activities. In addition, FEMA is charged with: (1) developing a comprehensive framework of mitigation, preparedness, and response planning for all levels of government; (2) developing and encouraging the adoption of improved seismic design and construction practices by Federal agencies, State and local governments and the private sector; and (3) developing public education and awareness programs. As a result, this program comprises the following categories of activities: lead agency, seismic design, State and local hazards reduction, Federal response planning, earthquake education and information transfer, and risk analysis and applications.

- b. 1991 Accomplishments. In 1991, FEMA used a total of \$14,562,000 and 28 workyears for this program, of which \$2,033,000 was under Salaries and Expenses and \$12,529,000 was under Emergency Management Planning and Assistance. Noteworthy accomplishments include the following: as lead agency for the NEHRP, formed the NEHRP Advisory Committee and conducted three meetings, revised and completed for submission to Congress the NEHRP Five-Year Plan for 1992-1996, continued activities to increase participation of new audiences in the NEHRP, and prepared the NEHRP fiscal year 1990 Annual Report for submission to Congress; continued activities to implement Executive Order 12699 governing seismic resistant design for new Federal buildings; continued to disseminate and update national seismic design provisions, handbooks and manuals governing new building construction; continued development of handbooks, studies and manuals that address the seismic safety of existing hazardous buildings, including a manual for homeowners, and started a structured dissemination effort of these materials; initiated the program definition phase, which led to the development of guidelines for seismic rehabilitation of existing buildings; completed assessment of the vulnerability of lifeline systems from earthquakes; continued work on the Congressionally mandated study on the placement of lifeline systems in Cajon Pass, California; provided cost-shared financial assistance to support earthquake hazard reduction activities in 21 States; continued to distribute supplemental appropriations to States to enhance their earthquake preparedness posture, provided by the Congress following the Loma Prieta earthquake; initiated development of systematic approach to earthquake loss estimation; incorporated revisions to the "Federal Response Plan (for Public Law 93-288, as amended)", formerly the "Plan for Federal Response to a Catastrophic Earthquake"; conducted the first joint Federal/State response exercise in the Central U.S., which included four FEMA regions and Illinois, Indiana, Kentucky, Missouri, Tennessee, Arkansas, and Mississippi; finalized planning for a joint Federal/State response exercise to be conducted in early 1992 in the Puget Sound risk area of Washington State; initiated the development of nationwide Federal Response Plan seminars, workshops and tabletop exercises to enhance Federal, State, and local understanding of the Plan and interaction between the various levels of government during exercises and/or disaster response operations; developed grant and application procedures, evaluated the merits and deficiencies of Urban Search and Rescue Task Force



applicants, and awarded grants to the nation's 25 best qualified, most strategically placed Urban Search and Rescue Task Forces for the newly developed urban search and rescue program; executed earthquake education and information transfer activities, such as workshops and conferences for architects, school teachers, engineers and State and local officials; provided funds for construction of an earthquake research laboratory facility; and initiated Congressionally-mandated studies on indirect economic losses from earthquakes, improving earthquake mitigation, and postearthquake investigations.

- c. Changes from the 1992 Estimates. Reflects a net increase of \$2,323,000 for the following: (1) A congressional increase of \$2,500,000 to construct an earthquake research laboratory at the University of Nevada; and (2) a decrease of \$177,000 from the application of a congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$19,845,000 and 43 workyears to this program, of which \$3,537,000 is under Salaries and Expenses and \$16,308,000 is under Emergency Management Planning and Assistance. In addition, \$2,462,000 in unobligated balance is available for obligation in 1992. FEMA plans to accomplish the following major activities in support of the NEHRP:
  - o Lead Agency - Manage multi-agency NEHRP coordination and statutory reporting and planning requirements including the submission of three Congressionally mandated studies on: (1) indirect economic consequences of earthquakes, (2) improving earthquake mitigation, and (3) postearthquake investigations; continue support of the NEHRP Advisory Committee; and continue activities to increase participation of new audiences in the NEHRP.
  - o Seismic Design - Continue activities necessary to implement Executive Order 12699 governing seismic resistant design for new Federal buildings; continue development of the 1994 Edition of NEHRP recommended provisions for seismic design and a handbook for home builders; continue dissemination of handbooks on evaluating and strengthening existing hazardous buildings and continue preparation of nationally-applicable seismic design guidelines for existing Federal and non-Federal hazardous buildings; continue projects associated with seismic design of single family dwellings; complete projects to abate the seismic risk posed to lifeline systems including the Congressionally mandated study on the placement of lifeline systems in Cajon Pass, California; and submit to Congress a plan that addresses lifeline seismic safety which is required by P. L. 101-614.
  - o State and Local Hazards Reduction - Provide both financial assistance (based on a phased-cost share schedule of 0% the first year, 25% in kind the second year, 35% in kind the third, and 50% Federal/50% State cash match requirement for the fourth and succeeding years) and technical assistance to support State and local earthquake hazards reduction activities in 31 moderate to high-risk States with technical assistance available to all states, increased emphasis on the application of mitigation techniques such as encouraging enactment of codes and ordinances; provide technical and financial

assistance to Regional consortia and associations that facilitate earthquake hazards reduction; and begin evaluation of financial and technical assistance State and Multi-State earthquake programs.

- o Federal Response Planning - Continue development of Regional response planning and exercising activities to include seminars/workshops and tabletop exercises in support of the "Federal Response Plan (for Public Law 93-288, as amended)"; conduct the joint Federal/State response exercise in the Puget Sound risk area of Washington State; conduct Nationwide Federal Response Plan workshops, tabletops and seminars to improve Federal, State and local understanding of the Plan for implementation during exercises or response operations; conduct a tabletop exercise of the Emergency Support Team and Catastrophic Disaster Response Group; initiate planning for a functional exercise in the Wasatch Fault area in Utah in 1993; continue addressing policy issues related to the Urban Search and Rescue program by reconvening the National Urban Search and Rescue System Advisory Committee and its various subcommittees; continue development of the Urban Search and Rescue database; and support selected training of the new FEMA Urban Search and Rescue Task Forces.
- o Earthquake Education and Information Transfer - Develop a multi-agency NEHRP education plan; conduct workshops for architects, fire service educators, school administrators and teachers; produce videotapes and videoconferences; develop a home study course; and develop, publish and disseminate earthquake curriculum, handbooks, manuals, guidance documents and public education materials.
- o Risk Analysis and Applications - Support National Academy of Sciences Committees; support the U.S. Decade for Natural Disaster Reduction; and continue development and implementation of a systematic approach to earthquake loss estimation.
- o Earthquake Laboratory in Nevada - Earthquake engineering testing and research facilities are being included in a new Engineering Laboratory Center at the University of Nevada, Reno, with support from FEMA, State and private funding. In 1992, efforts will focus on completion of the construction of the center's first building and planning and design of the second building.

e. 1993 Program. In 1993, FEMA requests a total of \$17,752,000 and 46 workyears for this program. Included in this total are \$3,944,000 under Salaries and Expenses and \$13,808,000 under Emergency Management Planning and Assistance. This request will enable FEMA to accomplish the following activities in support of NEHRP.

- o Lead Agency - Through contracts, grants and interagency agreements, acquire the expertise and support necessary to fulfill the multi-agency NEHRP coordination, planning and reporting requirements including submission of the Biennial Report to the Congress and the NEHRP Advisory Committee Report; continue support of the NEHRP Advisory Committee; initiate an assessment of earthquake hazards reduction in the United States; and expand ongoing outreach activities to enhance participation in NEHRP of critical audiences, such as local officials. (\$1,170,000)

- o Seismic Design - Through contracts, grants and interagency agreements, complete activities necessary to implement Executive Order 12699 governing seismic resistant design for new Federal buildings; disseminate national seismic design provisions (1991 Edition), handbooks and manuals for non-Federal new buildings and continue development of the 1994 Edition of the provisions; publish and disseminate handbooks, manuals and studies that address societal and engineering issues associated with strengthening existing hazardous buildings; continue preparation of nationally applicable seismic design guidelines for existing hazardous buildings; continue projects associated with the seismic design of single-family dwellings; and continue work on projects to abate the seismic risk posed to lifeline systems. (\$3,380,000)
- o State and Local Hazards Reduction - Through grants, contracts, and cooperative agreements, continue developing guidance and providing financial and technical assistance to enhance State and local earthquake hazards reduction activities in moderate to high risk States (financial assistance will be provided on a phased-cost share schedule), emphasizing increased application of mitigation techniques; and provide enhanced financial support to Regional consortia and associations that facilitate earthquake hazards reduction, of which \$3,900,000 will be apportioned to States by formula.
- o Federal Response Planning - Through contracts and grants, continue development of Regional response planning and exercising programs, which consist of seminars/workshops and tabletop exercises in support of the "Federal Response Plan (for Public Law 93-288, as amended)"; conduct functional exercise in 1993 along the Wasatch Fault in Utah; initiate planning for a joint Federal/State tabletop exercise to be conducted along the San Andreas Fault in Los Angeles in 1994; continue addressing policy issues related to the Urban Search and Rescue System Advisory Committee and its various sub-committees; and continue supporting selected training of the FEMA Urban Search and Rescue Task Forces. (\$400,000)
- o Earthquake Education and Information Transfer - Through grants, contracts and interagency agreements, conduct workshops; develop and conduct training courses; produce videos and video conferences; and develop, publish and disseminate earthquake curriculum handbooks, manuals, guidance documents, and public education materials. (\$1,600,000)
- o Risk Analysis and Applications - Through contracts, cooperative agreements, and interagency agreements, support National Academy of Sciences Committees and U.S. Decade for Natural Disaster Reduction; and implement a systematic approach to earthquake loss estimation. (\$1,885,000)

1993 Increases/Decreases. The 1993 request does not include the one-time 1992 increase of \$2,500,000 for construction of the Earthquake Laboratory at University of Nevada in Reno, Nevada.

- f. Outyear Implications. No outyear implications over the 1993 request. In 1994 and beyond, FEMA's earthquake activities will continue to reflect the base program detailed in the "NEHRP Five Year Plan for 1992-1996." These

activities will, to the extent practicable continue to respond to the recommendations and priorities included in the report of the Expert Review Committee of the NEHRP and to the advice obtained through the FEMA Advisory Committee on the NEHRP.

- g. Advisory and Assistance Services. The 1993 request for the NEHRP includes approximately \$100,000 for the following advisory and assistance services: administrative support for convening of the FEMA Advisory Committee on the NEHRP (established in 1990), as required under the Earthquake Act and P.L. 101-614; and specific technical expertise that may be required to support FEMA's leadership of the NEHRP.

B. Hurricane

- a. Objective/Element Description. The goal of the hurricane preparedness program is to reduce, abate and mitigate loss of life, injuries and property damages caused by hurricanes striking coastal areas of the United States and its possessions. With the technical assistance, funding and cooperation of the U.S. Army Corps of Engineers and the National Oceanic and Atmospheric Administration (NOAA), FEMA directs its efforts toward conducting hurricane preparedness studies in 28 highly populated risk areas extending from Texas to Maine including Hawaii, Puerto Rico, Virgin Islands, and Pacific possessions and territories. Currently, activities are in 14 of these areas. A hurricane preparedness study consists of a population preparedness project and, following later, a property protection project. Objectives of a population preparedness project are to provide hurricane evacuation data so that State and local emergency operations plans for evacuation can be developed and enhanced and to conduct a hurricane operations exercise. For a property protection project, objectives are to develop a hurricane hazards mitigation plan. Both projects are based on a hurricane hazard analysis that utilizes a state-of-the-art computer simulation model called Sea, Lake, Overland Surge from Hurricanes (SLOSH) developed by the National Weather Service (NWS). Through the application of SLOSH, the most probable areas of hurricane-caused coastal flooding and wind damages are identified. Completed Hurricane Preparedness Studies contribute to the overall development of State and local Emergency Operations Plans (EOPs) by addressing the unique requirements of a hurricane hazard, thereby enhancing capabilities in all emergency management functional areas.
- b. 1991 Accomplishments. In 1991, FEMA used a total of \$1,258,000 and 5 workyears for this program, of which \$363,000 was under Salaries and Expenses and \$895,000 was under Emergency Management Planning and Assistance. Noted accomplishments included the following activities: continued population preparedness projects for Connecticut, New York, Massachusetts, Rhode Island, New Jersey, Virginia, Tampa Bay, Galveston/Houston, Oahu, Hawaii, and Southeast Louisiana; completed a hurricane hazard analysis for Charlotte Harbor (Southwest Florida); completed the population preparedness project for Southeast Florida; provided support to NWS to prepare SLOSH simulations for hurricane hazard analysis for Palm Beach, Florida, Virgin Islands, and Southeastern Puerto Rico; completed the report "The Next Step... Incorporating Information from Hurricane Evacuation and Property Loss Studies into Community Emergency Plans and Programs;" provided support for a Property Damage Mitigation Study; and continued support for development and publication of hurricane public awareness brochures, video tapes, and booklets.
- c. Changes from the 1992 Estimates. None.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$1,152,000 and 5 workyears to this program, of which \$256,000 is under Salaries and Expenses and \$896,000 is under Emergency Management Planning and Assistance. Funds will be used for the following activities:
- o Provide support to NWS for SLOSH simulations and to initiate a hazard analyses for Matagorda Bay, Texas.

369

- o Continue population preparedness projects in Connecticut, Southern Massachusetts, Rhode Island, New York, New Jersey, Palm Beach and Apalachicola in Florida, Virgin Islands, Southeast Puerto Rico, Texas (Galveston/Houston), and Oahu, Hawaii.
  - o Complete population preparedness projects in Virginia, Tampa Bay, and Southeast Louisiana.
  - o Provide support for a Property Damage Mitigation Study and technical assistance for the development of hurricane preparedness and mitigation training courses.
  - o Complete a manual on "Principles of Property Damage Mitigation, Southeast United States Barrier Coastline."
  - o Initiate a pilot property protection project using FEMA developed hurricane hazard mitigation planning methodologies.
  - o Continue support for development and publication of hurricane mitigation and public awareness brochures, booklets, and manuals and continuation of interagency coordination activities.
- e. 1993 Program. In 1993, FEMA requests a total of \$1,164,000 and 5 workyears for this program. Included in this total are \$268,000 under Salaries and Expenses and \$896,000 under Emergency Management Planning and Assistance. This request will enable FEMA to accomplish the following activities:
- o Hurricane Hazard Analyses - Through grants and interagency agreements, initiate one hurricane hazard analyses using the state-of-the-art SLOSH computer simulation model to identify potential high hazard coastal flooding and damaging winds upon which population preparedness and property protection projects are based (\$115,000);
  - o Population Preparedness Projects - Through grants and interagency agreements, continue hurricane evacuation projects in 11 highly-populated risk areas and complete four projects. (\$680,000);
  - o Property Protection Projects - Through grants, complete one pilot property protection project and the property damage mitigation study (\$80,000); and
  - o Hurricane Hazard Information, Education, and Coordination - Through contracts, continue development and publication of hurricane mitigation and public awareness brochures, and manuals; conduct training workshops; and continue support of interagency coordination activities (\$21,000).
- 1993 Increases/Decreases. None.
- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

C. Dam Safety

- a. Objective/Element Description. The Executive Order which established FEMA gave the Director of FEMA responsibility of efforts to promote dam safety. For the first time the coordination of dam safety came under the purview of a single agency. This came about after several disastrous dam failures in the 1970's which emphasized the need for Federal agencies to take action to improve dam safety. Later, a 1981 U.S. Army Corps of Engineers' inventory of dams identified over 68,000 dams of which 95%, or approximately 64,000, were non-Federally owned; 10,000 were classified high hazard, 3,000 were classified unsafe; and 150 of these classified unsafe dams required emergency action. The scope of FEMA's Dam Safety program includes the Federal and non-Federal sectors.

The goal of the program is to enhance the safety of the nation's dams. FEMA pursues its goal by partnership activities in the Federal and non-Federal arenas in three major areas: (1) Leadership - FEMA provides strong program leadership by coordinating Federal endeavors through the Interagency Committee on Dam Safety (ICODS), chaired by FEMA, and by coordinating Federal actions in non-Federal dam safety with the Association of State Dam Safety Officials (ASDSO), ICODS, and others. (2) Technical Assistance - FEMA develops and delivers technical materials and other assistance to the States, public and private dam owners. (3) Public Awareness - FEMA's proactive efforts and aggressive public awareness activities bring the national dam safety message to the general public, emergency managers, State and local officials and the private sector dam safety community.

- b. 1991 Accomplishments. In 1991, FEMA used a total of \$649,000 and 3 workyears for this program, of which \$218,000 was under Salaries and Expenses and \$431,000 was under Emergency Management Planning and Assistance. With these resources FEMA accomplished the following: provided leadership by chairing ICODS; initiated preparation of the biennial report to the President on the status of National dam safety for 1990-1991; continued development of Probable Maximum Precipitation/Probable Maximum Flood (PMP/PMF) guidelines; completed an update of the Model State Dam Safety Program; developed delivery techniques and inventory methodologies to support State and Federal programs to update the National Inventory of Dams; supported the National Academy of Sciences' Water Technology Board; continued the development and dissemination of Training Aids for Dam Safety (TADS); revised technical manuals published earlier; disseminated technical guidelines, manuals and other technical materials; implemented phase III in the development of the library for historical dam failures; developed a dam safety public awareness multi-media system; continued to disseminate public awareness brochures and other materials; and co-sponsored 20 State dam safety workshops in 15 States.
- c. Changes from the 1992 Estimates. None.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$567,000 and 3 workyears to this program, of which \$135,000 is under Salaries and Expenses and \$432,000 is under Emergency Management Planning and Assistance. FEMA will undertake the following in support of the National Dam Safety program:

1. Leadership - Coordinate Federal activities by chairing ICODS; coordinate an assessment of the National Dam Safety Program; publish the biennial report to the President on the status of national dam safety for 1990-1991; continue activities to implement PMP/PMF guidelines; and encourage State adoption of the revised Model State Dam Safety program.
  2. Technical Assistance - Revise technical manuals; disseminate technical guidelines, manuals and other technical materials; continue to update the National Inventory of Dams; continue maintenance of the library of historical dam failures; conduct 4 technical seminars; and continue support of the National Academy of Sciences' Water Technology Board.
  3. Public Awareness - Disseminate dam safety public awareness video materials, brochures and other public awareness materials; and co-sponsor 10 State dam safety public awareness workshops.
- e. 1993 Program. In 1993, the Dam Safety program will be discontinued.
- 1993 Increases/Decreases. The 1993 request includes a decrease of \$432,000 to reflect the elimination of the Dam Safety program.
- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.



D. Hazard Mitigation Assistance

- a. Objective/Element Description. The experience of the Disaster Assistance Program (DAP) has shown that the effectiveness of post-disaster efforts to mitigate hazards as part of the recovery process is enhanced greatly if the affected communities or areas have plans in place to address how the community can incorporate protective measures against future disaster damage into the rebuilding process. The Hazard Mitigation Assistance program, authorized by Title II of the Stafford Act, is designed to provide funding for pre-disaster planning in particularly vulnerable communities. Funding is used to identify mitigation opportunities and develop plans for future mitigation activities.
- b. 1991 Accomplishments. In 1991, FEMA used \$342,000 and 2 workyears for this program, of which \$145,000 was under Salaries and Expenses and \$197,000 was under Emergency Management Planning and Assistance. In 1991, 16 projects were funded through the Hazard Mitigation Assistance program at an average cost of \$12,500. These projects included the following accomplishments: developed acquisition and relocation plans for flood damaged structures in Indiana, Oregon, and Washington (The acquisition and relocation plans for flood damaged communities provide a comprehensive analysis of each community's situation, evaluating the flood hazard, comparing alternative solutions, and identifying funding resources for the overall relocation projects. Funding options include the Federal Insurance Administration program authorized under Section 1362 of the Flood Insurance Act, Community Development Block Grants, FEMA Hazard Mitigation Grant Funds, as well as State and resources.); prepared hazard mitigation plans for communities in Arizona and Utah; developed plans to address dam safety in New Mexico and Missouri; procured, installed and monitored a flood warning system in the District of Columbia; and developed a Geographic Information Systems (GIS) database for integrated emergency management in Missouri.
- c. Changes from the 1992 Estimates. Reflects a decrease of \$2,000 from the application of a congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$301,000 and 2 workyears to this program, of which \$103,000 is under Salaries and Expenses and \$198,000 is under Emergency Management Planning and Assistance. This request will enable FEMA to provide funding to all Regions to support 14 mitigation projects at the State and local level at an average cost of approximately \$14,140.
- e. 1993 Program. In 1993, FEMA requests a total of \$305,000 and 2 workyears for this program. Included in this total are \$107,000 under Salaries and Expenses and \$198,000 under Emergency Management Planning and Assistance. This request will enable FEMA to provide funding to all Regions to support 14 mitigation projects at the State and local level at an average cost of approximately \$14,140.

1993 Increases/Decreases. None.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

## ACTIVITY OVERVIEW Technological Hazards

This activity encompasses two FEMA programs which, through technical and financial assistance and coordination, develop/foster Federal, State and local capabilities to variously prepare for, respond to, and mitigate the consequences of technological emergencies. The technological hazards activity comprises the Radiological Emergency Preparedness and Hazardous Materials programs.

The Radiological Emergency Preparedness (REP) program was initiated by FEMA in response to the President's directive of December 7, 1979, which requested FEMA to take the lead in offsite emergency response planning for commercial nuclear power facilities. Subsequently, in U.S. Nuclear Regulatory Commission (NRC) Appropriations Authorization legislation (P.L. 96-295 and P.L. 97-415), FEMA was assigned a role in offsite radiological emergency preparedness in the NRC licensing of commercial nuclear power plants. The fixed nuclear facilities program encompasses all efforts dealing with offsite preparedness for commercial nuclear plant facilities, fuel cycle facilities, material license holders and appropriate Department of Defense (DOD) and Department of Energy (DOE) nuclear facilities. Commercial nuclear power plant facilities refer to those that are either licensed, or with the potential to be licensed, by the NRC for the commercial production of electrical power which, in most cases, these facilities are owned by private sector corporations. Fuel cycle facilities are installations that process nuclear materials for the production of nuclear fuel for use in commercial nuclear power plants and that store nuclear wastes and spent fuel. Material license holders include a variety of medical and industrial users of nuclear materials. The REP Program also encompasses the provision of technical assistance to State and local governments to enhance their capability to respond to transportation accidents involving radioactive materials. The President further directed FEMA, in Executive Order 12241 of September 29, 1980, to prepare a Federal response plan for commercial nuclear power facility accidents. The FEMA/NRC Memorandum of Understanding of April 18, 1985, provides for FEMA review of offsite planning and preparedness for materials license holder sites. Executive Order 12657, of November 18, 1988, assigned to FEMA the overall coordination and planning responsibilities whenever State or local governments, either individually or together, decline or fail to prepare plans that are sufficient to satisfy NRC licensing requirements or to participate adequately in the preparation, demonstration, testing, exercising, or use of such plans in actual radiological emergencies.

FEMA Rule 44 CFR, Part 353 established fees that are charged to utilities for services which are site-specific in nature, and which are performed by FEMA under the REP program. On April 8, 1991, 44 CFR 353 was implemented by FEMA and resulted in recovery of \$1,900,000 of the REP program budget through collection of fees which were deposited directly to the Treasury as general revenues.

In 1993, the budget proposes to recover the full cost of the REP program. The fees would be credited as offsetting proprietary receipts of the Agency.

As part of its activities in the REP program, FEMA participates in and chairs the Federal Radiological Preparedness Coordinating Committee (FRPCC) comprising 17 participating Federal departments and agencies. The FRPCC assists FEMA in providing policy direction to State and local governments in their radiological emergency planning and preparedness activities. The agency supports a variety of computer simulation modules, known as FEMA's Integrated Emergency Management Information System (IEMIS), which have application to the REP program.

The Hazardous Materials (HAZMAT) program encompasses support to State and local governments to improve their emergency preparedness capability to deal with major hazardous materials accidents. This includes hands-on technical assistance in the areas of planning, training, exercising, coordination, and information dissemination. The Agency provides financial support and interagency coordination for multi-agency initiatives that support State and local responsibilities mandated under Title III of the Superfund Amendments and Reauthorization Act (SARA), which include: multi-agency consensus planning guidance, integrated training curriculum, public/private sponsorship of national workshops and teleconferences, multi-agency design, participation, and evaluation of exercises to test the implementation capability of emergency response plans, and the joint development and management of a hazardous materials information exchange system by FEMA and the Department of Transportation.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
TECHNOLOGICAL HAZARDS  
(Dollars in Thousands)

|   | Page<br><u>No.</u> | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br><u>Decrease</u> |
|---|--------------------|-----------------------|------------------------|------------------------------------|------------------------|------------------------------|
| <u>Estimates by Program</u>                             |                    |                       |                        |                                    |                        |                              |
| A. Radiological Emergency Preparedness.....             | EM-52              | \$4,624               | \$4,651                | \$4,605                            | \$4,605                | ...                          |
| B. Hazardous Materials.....                             | EM-60              | <u>590</u>            | <u>591</u>             | <u>585</u>                         | <u>585</u>             | ...                          |
| Total, Technological Hazards<br>(Budget Authority)..... |                    | 5,214                 | 5,242                  | 5,190                              | 5,190                  | ...                          |

Changes from Original 1992 Estimate. Reflects a decrease of \$52,000 from the application of a Congressional reduction.

**EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
TECHNOLOGICAL HAZARDS  
(Dollars in Thousands)**

|   | <b>1991<br/>Actual</b> | <b>1992<br/>Request</b> | <b>1992<br/>Current<br/>Estimate</b> | <b>1993<br/>Request</b> | <b>Increase/<br/>Decrease</b> |
|---|------------------------|-------------------------|--------------------------------------|-------------------------|-------------------------------|
| <b>OBJECT CLASS</b>   |                        |                         |                                      |                         |                               |
| <b><u>Personnel compensation</u></b>                              |                        |                         |                                      |                         |                               |
| 11.1 Full-time permanent.....                                     | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 11.3 Other than full-time permanent.....                          | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 11.5 Other personnel compensation.....                            | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 11.8 Special personal services payments.....                      | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 11.9 Total personnel compensation .....                           | ...                    | ...                     | ...                                  | ...                     | ...                           |
| <b><u>Personnel benefits</u></b>                                  |                        |                         |                                      |                         |                               |
| 12.1 Civilian personnel.....                                      | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 12.2 Military personnel.....                                      | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 13.0 Benefits for former personnel.....                           | ...                    | ...                     | ...                                  | ...                     | ...                           |
| <b><u>Non-Personnel Costs</u></b>                                 |                        |                         |                                      |                         |                               |
| 21.0 Travel and transportation of persons.....                    | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 22.0 Transportation of things.....                                | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 23.1 Rental payments to GSA.....                                  | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 23.2 Rental payments to others .....                              | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | \$115                  | \$96                    | \$27                                 | \$27                    | ...                           |
| 24.0 Printing and reproduction.....                               | 62                     | 120                     | 120                                  | 120                     | ...                           |
| 25.0 Other services .....   | 4,965                  | 5,026                   | 4,843                                | 4,843                   | ...                           |
| 26.0 Supplies and materials.....                                  | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 31.0 Equipment.....   | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 32.0 Land and structures.....                                     | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 33.0 Investments and loans .....                                  | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 41.0 Grants, subsidies and contributions.....                     | 72                     | ...                     | 200                                  | 200                     | ...                           |
| 42.0 Insurance claims and indemnities.....                        | ...                    | ...                     | ...                                  | ...                     | ...                           |
| 43.0 Interest and dividends .....                                 | ...                    | ...                     | ...                                  | ...                     | ...                           |
| <b>Total Obligations .....</b>                                    | <b>5,214</b>           | <b>5,242</b>            | <b>5,190</b>                         | <b>5,190</b>            | A.                            |

**A. Radiological Emergency Preparedness**

- a. **Objective/Element Description.** The Radiological Emergency Preparedness (REP) activity encompasses the Fixed Nuclear Facilities (FNF) program, which deals with offsite preparedness for 69 NRC-licensed, commercial nuclear power facilities and 2 additional sites currently under construction and not yet licensed for operation. The primary goal of the FNF program is to assist in the development of State and local offsite radiological emergency plans and preparedness within the emergency planning zones at these facilities. For commercial nuclear power plants, appropriate actions to protect the health and safety of the public in the event of a radiological emergency are reasonably assured through emergency planning and exercising of the plans. Also included in the FNF program are fuel cycle facilities, material license holders and certain Department of Defense (DoD) and Department of Energy (DOE) facilities. The REP Program also encompasses the provision of technical assistance to State and local governments to enhance their capability to respond to transportation accidents involving radioactive materials. To date, program activities have been concentrated on commercial nuclear power facilities.
- b. **1991 Accomplishments.** In 1991, FEMA used \$9,506,000 and 87 workyears for this program, of which \$4,882,000 was under Salaries and Expenses and \$4,624,000 was under Emergency Management Planning and Assistance. Noteworthy accomplishments included the following: (1) achieved a cumulative completion of approximately 80% of the initial findings and determinations under 44 CFR 350 and conducted additional reviews and issued additional findings, increasing the total number of findings issued since inception of the program to approximately 225; (2) participated in 1 Atomic Safety and Licensing Board (ASLB) hearing; (3) through support contracts: conducted 33 joint offsite exercises and 11 remedial exercises; made 3 Alert and Notification System (ANS) findings; prepared 4 site-specific 44 CFR 350 findings; conducted 70 ANS operability reviews; evaluated medical services drills for all sites; and participated in 1 DoD nuclear weapons accident exercise; (4) conducted 2 Federal Radiological Emergency Response Plan (FRERP) training workshops (one in Region VI and the other in Region IX) for Federal, State and local officials, and utility personnel, both of which were joint FRERP/Agriculture Ingestion Pathway Workshops; (5) continued to develop and deploy IEMIS, including upgrading assessment capabilities, coordination of joint activities and support to training and education activities; (6) published guidance documents to address specific issues, such as field monitoring, radiological planning, Regional implementation of the REP Program, and the draft Exercise Evaluation Methodology, the evaluation form, and the draft REP Exercise Manual, consisting of program guidance; (7) developed a draft revision to the FRERP to bring it into line with Executive Order 12657 and implementing FEMA Rule 44 CFR 352, the River Bend Table-Top Exercise in Baton Rouge, Louisiana, and the lessons learned from the response to Chernobyl; (8) conducted 4 REP Exercise Evaluator courses for Federal and State personnel; (9) reviewed all REP documents and developed/revised guidance memoranda and interagency agreements/memoranda of understanding to bring them into conformance with Executive Order 12657; (10) provided support to the Committee for Interagency Radiation Research and Policy Coordination (CIRRPC); (11) conducted a national workshop on the Joint Information Systems (JIS) concerning public/ media information briefings and arrangements; (12) provided for annual maintenance and calibration of radiological instruments; and (13) tracked and collected \$1,900,000 recoverable utility fees of \$1,900,000.

- c. Changes from the 1992 Estimates. Reflects a decrease of \$46,000 from the application of a Congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$9,523,000 and 95 workyears to this program, of which \$4,918,000 is under Salaries and Expenses and \$4,605,000 is under Emergency Management Planning and Assistance. For commercial nuclear power facilities, the program will continue radiological emergency preparedness plan reviews and stress preparedness improvements through exercises. By the close of 1992, FEMA anticipates that approximately 85% of the commercial nuclear power plant sites will have received initial formal reviews and approvals under FEMA Rule 44 CFR 350.

FEMA Rule 44 CFR, Part 353, established fees that are charged to utilities for services which are site-specific in nature, and which are performed by FEMA under the REP program. In 1992, it is anticipated that \$4,605,000 under the REP Program will be recovered through collection of fees which will be deposited directly to the Treasury as general revenues.

Work involving the following areas will be accomplished:

1. Findings and Determinations for Offsite Radiological Emergency Plans and Preparedness

- o Under FEMA Rule 44 CFR 350, provide 4 site-specific formal determinations of offsite radiological emergency plans and preparedness and conduct 56 reviews of plans and preparedness previously approved under this rule;
- o Review annual certifications of State and local compliance with periodic requirements for all commercial nuclear power plant sites;
- o Provide 25 site-specific determinations, findings, and status reports on offsite radiological emergency preparedness;
- o Report the findings of 50 joint exercises of radiological emergency response plans to the Nuclear Regulatory Commission (NRC);
- o Conduct 69 ongoing ANS operability and maintenance reviews; and issue 3 ANS findings to NRC;
- o Upon request, assist the NRC and/or States in the review of offsite portions of emergency plans for nuclear material license holders; and
- o Work with DoD and DOE to provide technical assistance to State and local governments for nuclear activities, and participate in exercises involving these activities, as requested by DoD and DOE.



This assistance is designed to help State and local governments develop and enhance emergency plans, and to test those plans in exercises.

2. Atomic Safety and Licensing Board (ASLB) Hearings - These hearings are conducted by the NRC and are critical to the licensing process. One ASLB hearing is projected that could require involvement by FEMA and contract support staff participating as expert witnesses.
3. Exercises - Joint exercises are the critical demonstration of the implementation of offsite radiological emergency preparedness plans around commercial nuclear reactors. It is projected that with the aid of contractor support, FEMA will evaluate the following: 37 joint exercises (utility, State, and localities), some with emphasis given to the ingestion pathway; and 13 remedial exercises to resolve deficiencies discovered during joint exercises.
4. Federal Response Plans
  - o Complete revision and publication of the FRERP to bring it in line with Executive Order 12657, the Federal Response Plan, and implementing FEMA Rule 44 CFR 352, the lessons learned from the River Bend Table-top Exercise.
  - o Develop planning documentation for Federal Field Exercise - 3;
  - o Conduct two field sessions of the workshop "Protecting People and Their Food Supply" for Federal, State, and local officials and industry personnel; and one FRERP Workshop at FEMA's National Emergency Training Center;
  - o Continue to review, update, and exercise emergency preparedness based on the response to and lessons learned from the Chernobyl accident.
5. Integrated Emergency Management Information System (IEMIS)
  - o Continue to upgrade the Outdoor Sound Propagation Model, which is used to evaluate warning systems installed around nuclear power plants;
  - o Continue to develop specific software to perform analyses of radioactive releases to water from transportation vehicles and fixed facilities.
6. Technical Assistance and Agreements
  - o Publish, in final form FEMA REP-2, "Guidance on Offsite Emergency Radiation Measurement Systems,

Phase I-Airborne Release"; FEMA REP-12, "Guidance on Offsite Emergency Radiation Measurement Systems, Phase II-Milk Pathway"; and FEMA REP-13, "Guidance on Offsite Emergency Radiation Measurement Systems, Phase III-Water and Non-Dairy Food Pathway";

- o Publish revisions to 44 CFR 350 and 44 CFR 351;
- o Obtain support from the Conference of Radiation Control Program Directors (CRCPD) and the Committee for Interagency Radiation Research and Policy Coordination (CIRRPC);
- o Continue to monitor research reports and data on the Chernobyl accident, and identify implications for the REP Program;
- o Issue a final comprehensive REP Exercise Manual (FEMA-REP-14), the Exercise Evaluation Methodology (FEMA-REP-15), and a Statement of Considerations document (FEMA-REP-18); and
- o Continue the ongoing interim revision of NUREG-0654/FEMA-REP-1, Rev. 1, "Criteria for the Preparation and Evaluation of Radiological Emergency Response Plans and Preparedness in Support of Nuclear Power Plants".

7. Public Education

- o Conduct a national workshop on the Joint Information Systems (JIS), in order to review the status of the program and areas still requiring attention; and provide technical assistance on JIS/Emergency Broadcast System activities, based on newly completed guidance;
- o Continue periodic reviews of public information materials based on FEMA REP-11, "A Guide to Preparing Emergency Public Information Materials"; and
- o Revise, in cooperation with the U.S. Department of Agriculture, the brochure on ingestion pathway emergency measures for use at all commercial nuclear power plants entitled "Protecting Your Farm in the Event of A Radiological Accident;" to incorporate comments from State and local governments, and the nuclear utility industry.

8. Executive Order 12657 (44 CFR 352) - FEMA will perform the following activities, implementing Executive Order 12657:

- o Continue to revise and issue Guidance Memoranda, as well as negotiate interagency agreements/memoranda of understanding relevant to the implementation of the Order;

- o If a certified request is received under the Order, prepare all necessary site-specific planning for an initial Federal response.
9. Radiological Instrument Maintenance and Calibration - Provide for annual maintenance and calibration of radiological instruments used in the commercial nuclear power plant offsite radiological emergency preparedness program through the State radiological defense instrument maintenance and calibration facilities.
- e. 1993 Program. In 1993, FEMA requests a total of \$10,477,000 and 99 workyears for this program. Included in this total are \$5,872,000 under Salaries and Expenses and \$4,605,000 under Emergency Management Planning and Assistance. For 1993, FEMA proposes to collect fees to cover the full amount of the program costs. These fees will be deposited in an account in Treasury as an offset to the costs of the program. The major tasks to be accomplished with these resources are as follows:
1. Findings and Determinations for Offsite Plans and Preparedness (\$160,000) - Primarily through contracts, with some expenditures for printing, FEMA will accomplish the following activities;
    - o Issue 5 site-specific, formal 44 CFR 350 determinations of offsite radiological emergency plans and preparedness and conduct 60 reviews of plans and related preparedness activities previously approved under FEMA Rule 44 CFR 350;
    - o Review annual certifications of State and local governments' and, if appropriate, utilities' compliance with periodic requirements for all sites;
    - o Provide 25 site-specific determinations, findings, and status reports on offsite radiological emergency preparedness;
    - o Complete 69 ongoing ANS operability and maintenance reviews; and
    - o Assist the NRC or State governments, if requested, in reviewing offsite portions of emergency response plans of material license holder sites. In addition, FEMA will work with DOE and DoD on an as-requested basis in the development and implementation of emergency planning and preparedness around DOE and DoD nuclear facilities.
  2. Atomic Safety and Licensing Board (ASLB) Hearings (\$25,000) - There is 1 ASLB hearing projected where FEMA involvement and support from contractor witnesses could be required.
  3. Plan Reviews and Exercises (\$3,215,000) - Through contracts and printing, FEMA plans to accomplish the following:

- o Conduct 33 joint exercises (utility, State, and localities), emphasizing ingestion pathway in selected exercises and 11 remedial exercises to resolve deficiencies identified during the joint exercises;
  - o Conduct 1 ANS demonstration and public telephone survey;
  - o Assist State and local governments in evaluating 2 exercises to test offsite emergency response plans for DoD/DOE nuclear facilities;
  - o Participate in 2 DoD/DOE nuclear weapons accident exercises; and
  - o Develop and conduct a Federal post-emergency tabletop exercise.
4. Federal Response Plans (\$300,000) - Through contracts and printing, FEMA plans to do the following:
- o Continue to review, update, and exercise emergency preparedness based on the response to and lessons learned from the River Bend Table-top Exercise and the Chernobyl accident response;
  - o Complete planning documentation and conduct and record the results of Federal Field Exercise - 3 which will be held in conjunction with the Susquehanna Nuclear Power Plant Exercise;
  - o Interface the Federal Radiological Emergency Response Plan (FRERP) with the Federal Response Plan (FRP); and
  - o Conduct two field sessions of the workshop on "Protecting People and Their Food Supply" for Federal, State and local officials and industry personnel, one workshop at FEMA's National Emergency Training Center in Emmitsburg, Maryland, and 2 courses to train Senior FEMA Officials, Federal Coordinating Officers, and senior staff in the FRERP and related response.
5. Integrated Emergency Management Information System (IEMIS) (\$30,000) - Through contracts and printing, FEMA will do the following:
- o Continue to upgrade the IEMIS system to accommodate State and local users as network partners and the Outdoor Sound Propagation Model and database; and
  - o Continue to develop specific software to perform analyses of radioactive releases to water from transportation vehicles and fixed facilities.

6. Public Education (\$125,000) - Through contracts and printing, FEMA will accomplish the following:
  - o Conduct a national workshop and report on the Joint Information System (JIS), in order to review the status of the program and areas still requiring attention; and
  - o Complete required periodic reviews of public information materials at remaining sites not covered in 1992.
7. Technical Assistance (\$250,000) - Through contracts and printing, FEMA will perform the following activities related to policy and program development:
  - o Continue to utilize support from the Conference of Radiation Control Program Directors (CRCPD), the Committee on Interagency Radiation Research and Policy Coordination (CIRRPC), and related activities; and
  - o Continue to monitor research reports and data on the Chernobyl accident and identify implications for the REP Program.
8. Executive Order 12657 (Rule 44 CFR 352) (\$300,000) - Through contracts and printing, FEMA will perform the following activities to implement Executive Order 12657:
  - o Continue to revise guidance memoranda relevant to the implementation of the Order; and
  - o Prepare all necessary site-specific planning for an initial Federal response in the event that a request is received under the Order.
9. Radiological Instrumentation Maintenance and Calibration (\$200,000) - Provide for annual maintenance and calibration of radiological instruments used in the commercial nuclear power plant offsite radiological emergency preparedness program through the State radiological defense instrument maintenance and calibration facilities.

1993 Increase/Decrease. None.

- f. Outyear Implications. By the close of 1993, FEMA anticipates that approximately 92% of the commercial nuclear power plant sites will have received formal reviews under FEMA Rule 44 CFR 350.

For commercial nuclear power facilities, FEMA will focus on recertification of FEMA 44 CFR 350 approvals through intensive reviews of previously approved plans and on continuation of required biennial and remedial exercises.

Emphasis will be placed on exercising in the ingestion pathway, the development of complete and accurate Emergency Broadcast Station (EBS) messages during exercise play and their incorporation into State and local plans, and improving public education and information materials for the reactor sites, as well as certifying the continued operability of siren systems. For material license holders, the principal activity will be a continuation of FEMA review of plans as requested by the NRC. FEMA remains ready to provide technical assistance to DOE and DoD in the development and implementation of emergency planning and preparedness around DOE and DoD nuclear facilities, if requested to do so. The FRERP will be maintained and refined through an exercise cycle and through training activities which will include tabletop and full-participation exercises to test and correct areas needing improvement and workshops. Agreements, regulations and guidance will be maintained to provide the necessary resources and procedures for FEMA to take action to respond to requests under Executive Order 12657, and to implement planning and response efforts under specific companion documents, including Rule 44 CFR 352.

- g. Advisory and Assistance Services. None.

-B. Hazardous Materials

- a. Objective/Element Description. The primary goal of the Hazardous Materials (HAZMAT) emergency preparedness program is the provision of direct support and assistance (both technical and financial) to State and local governments, and first responders, in HAZMAT planning, training, and exercising to enhance their preparedness and response capabilities. FEMA provides leadership in hazardous materials emergency management through the coordination of preparedness, response, and mitigation activities at the Federal level through the National and Regional Response Teams (NRT and RRTs), and at the State and local level through emergency management agencies, State Emergency Response Commissions (SERCs), and Local Emergency Planning Commissions (LEPCs). FEMA's focus is to integrate hazardous materials emergency planning into "all-hazards" planning to assure coordinated and effective responses and to eliminate duplication of effort by States, locals, and first responders.
- b. 1991 Accomplishments. In 1991, FEMA used a total of \$1,656,000 and 19 workyears for this program, of which \$1,066,000 was under Salaries and Expenses and \$590,000 was under Emergency Management Planning and Assistance. Noteworthy accomplishments include: (1) participated in over thirty exercises, providing assistance in the design, development, and/or evaluation to States, locals, first responders, and industry; sponsored and conducted major pilot exercise initiatives along the Upper Mississippi River and the Ohio River; (2) supported the U.S. Coast Guard by providing evaluation and exercise development assistance in their first unannounced, evaluated exercise to meet their new requirements of the Oil Pollution Act of 1990 (OPA); (3) developed or finalized and distributed over 55,000 copies of a National Response Team guidance for States and locals to develop hazardous materials exercise programs, guidance for hazardous materials exercise evaluation, a brochure on simulation techniques for HAZMAT exercises, technical guides for State and local governments on emergency warning systems for chemical emergencies, copies of the 1990 DOT Emergency Response Guide for Initial Response to Hazardous Materials Incidents, and preparedness guidance for the railroad yard and adjacent communities; (4) expanded accessibility of the FEMA/DOT sponsored Hazardous Materials Information Exchange (HMIX) through the addition of toll-free access telephone lines; (5) revised and distributed over 20,000 copies of the HMIX users guide; initiated project with Regions V, III, and II in support of their Regional Response Teams and the U.S. Coast Guard to develop a response equipment inventory database for preparedness and response purposes, to be available on the HMIX; initiated development of FEMA's Five-Year work plan for Hazardous Materials Program; (6) continued leadership in National Response Team (NRT) and 13 Regional Response Teams (RRT) initiatives, including chairing the Preparedness and Training Committees, reviewing plans, and developing preparedness guidance; (7) supported the development of two national teleconferences to be aired on the Emergency Education Network (EENET) in 1992 on developing a HAZMAT exercise program and first responder health and safety issues related to clandestine drug labs and six training modules on such varied topics as Incident Command and Liability; (8) supported the revision activities of the National Oil and Hazardous Substances Pollution Contingency Plan (NCP); (9) continued to support and augment the FEMA/RRT HAZMAT resource libraries in nine Regions; (10) in the Regions coordinated the distribution of SARA Title III training funds with emergency management agencies, SERCs, State fire interests, and Native Americans; (11) supported resident and field deliveries of hazardous materials-related courses; (12) conducted training/gave demonstrations on the HMIX and on hazard analysis software systems; (13) supported and conducted four workshops for Native Americans on HAZMAT contingency planning;

(14) participated in the Federal Interagency Coordination Group (ICG) on the Implementation of the Hazardous Materials Transportation Uniform Safety Act (HMTUSA); and (15) chaired/supported workgroups on developing grant program guidance and structuring monitoring and technical assistance programs.

- c. Changes from the 1992 Estimates. Reflects a decrease of \$6,000 from the application of a congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$1,735,000 and 22 workyears to this program, of which \$1,150,000 is under Salaries and Expenses and \$585,000 is under Emergency Management Planning and Assistance. With these resources, FEMA will undertake the following:
  - o Continue to provide support and assistance to emergency management agencies, SERCs, LEPCs, first responders, and Native Americans in the development, improvement, and implementation of hazardous materials emergency response plans, through plan reviews, hazards analysis training, guidance distribution, exercise design and evaluation, etc.;
  - o Distribute guidance for railroad yards and adjacent communities, targeting technical assistance, as appropriate;
  - o Finalize and distribute guidance for the design, installation, operation, and maintenance of community warning systems, with particular emphasis on warning strategies for transportation corridors;
  - o Develop and distribute an interagency interface document for chemical hazards analysis procedures and deliver workshops on same topic;
  - o Assess training needs and support HAZMAT curriculum development and delivery;
  - o Continue to enhance utility of and expand user and system information base of the FEMA/DOT HMIX system;
  - o Provide technical and financial assistance to State, local and Indian tribal governments to support the design, conduct, and evaluation of hazardous materials exercises in an effort to assess the quality of plans and the capability to implement those plans;
  - o Develop and distribute report outlining pilot exercise initiatives and course of action for future exercise activities, including case studies, as appropriate;
  - o Deliver five workshops on developing comprehensive hazardous materials exercise programs to Federal, State, and local representatives, as well as Native Americans and first responders;



- o Continue to support the interagency effort to implement the HMTUSA, Section 117, which provides for "Public Sector Training and Planning" through Federal grants, monitoring public sector emergency response training and planning for accidents and incidents involving hazardous materials, and providing technical assistance to States and public subdivisions; and
  - o Support special outreach and technical assistance programs for communities with unique needs, i.e. Native Americans, non-English speaking communities, and U.S./Mexico and U.S./Canada border communities.
- e. 1993 Program. In 1993, FEMA requests a total of \$1,785,000 and 22 workyears for this program. Included in this total are \$1,200,000 under Salaries and Expenses and \$585,000 under Emergency Management Planning and Assistance. These funds will allow FEMA to undertake the following activities:
- o Hazardous Materials Information Exchange (HMIX) (\$200,000) - Through contracts and printing, continue funding for this joint FEMA/DOT project that is a major information source for State and local governments.
  - o Exercising of State and Local Plans (\$170,000) - Through contracts, continue to provide support for the design, conduct and evaluation of HAZMAT exercises to assess emergency planning and response capabilities at the State and local level.
  - o Technical Assistance (\$215,000) - Through technical assistance to State and local governments, assist with the development, review and upgrade of plans.
- 1993 Increases/Decreases. None.
- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
Federal Preparedness  
Activity Overview

The Federal Preparedness activity encompasses a wide range of programs whose purpose is to achieve Government readiness to ensure that the nation is prepared to respond to, manage, and recover from peacetime or wartime national security emergencies, and to enable Government at all levels to cope with the consequences of accidental, natural, and man-caused occurrences. In 1993, FEMA is proposing a restructuring and consolidation of the programs within the Federal Preparedness activity to better reflect the interrelationships between these programs and their mission responsibilities. The proposed restructure combines the previously separate Emergency Information Coordination Center (EICC), Mobilization Preparedness, and Federal Readiness and Coordination programs into a single program called Government Plans and Capabilities. This structure will provide increased management flexibility to more efficiently apply the resources within the Federal Preparedness activity. The Government Preparedness program will not be affected by this restructuring.

- A. Government Preparedness. (Submitted in separate package).
- B. Government Plans and Capabilities. This program will continue to provide national-level emergency managers with data, communications support, and facilities to direct the national response to a wide range of emergencies through the operation and maintenance of the EICC; coordinate efforts of Federal departments and agencies to have in place the necessary plans, systems, procedures, and resources to support national emergency mobilization, including civil-sector support to a military mobilization; and provide guidance to the Federal departments and agencies to prepare for and effectively respond to national security emergencies. This program provides for the development of interagency plans and decision tools; for improvements such as new and revised plans and operational documents; for the test, exercise, and evaluation of mobilization plans, procedures, and systems to ensure adequate civil readiness; for guidance, policy, and management for the Government-wide National Defense Executive Reserve (NDER); and for support to planning and exercises involving NATO, Canada and Mexico. In addition, this program funds airlift costs for deployment of appropriate resources in a Federal Emergency Response Capability (FERC) to respond to the full range of potential catastrophic emergencies which can strike the United States and its territories.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
Federal Preparedness  
(Dollars in Thousands)

| <u>Estimates by Program</u>                            | <u>Page<br/>No.</u> | <u>1991<br/>Actual</u> | <u>1992<br/>Request</u> | <u>1992<br/>Current<br/>Estimate</u> | <u>1993<br/>Request</u> | <u>Increase/<br/>Decrease</u> |
|--|---------------------|------------------------|-------------------------|--------------------------------------|-------------------------|-------------------------------|
| A. Government Preparedness..                           | EM-66               | \$95,337               | \$96,053                | \$90,648                             | \$91,290                | \$642                         |
| B. Government Plans and<br>Capabilities.....           | EM-67               | <u>3,731</u>           | <u>4,280</u>            | <u>4,238</u>                         | <u>4,238</u>            | <u>---</u>                    |
| Total, Federal Preparedness<br>(Budget Authority)..... |                     | 99,068                 | 100,333                 | 94,886                               | 95,528                  | 642                           |

Changes from Original 1992 Estimates. The decrease of \$5,447,000 reflects a specific Congressional reduction of \$5,705,000 to Government Preparedness; a decrease of \$942,000 from the application of a general Congressional reduction; and an increase of \$1,200,000 resulting from an internal reprogramming from the Civil Defense activity to Government Preparedness for LAN/WAN costs.

**EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
FEDERAL PREPAREDNESS  
(Dollars in Thousands)**

|   | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | <u>Increase/<br/>Decrease</u> |
|---|-----------------------|------------------------|------------------------------------|------------------------|-------------------------------|
| <b>OBJECT CLASS</b>   |                       |                        |                                    |                        |                               |
| <u><b>Personnel compensation</b></u>                              |                       |                        |                                    |                        |                               |
| 11.1 Full-time permanent .....                                    | ...                   | ...                    | ...                                | ...                    | ...                           |
| 11.3 Other than full-time permanent .....                         | ...                   | ...                    | ...                                | ...                    | ...                           |
| 11.5 Other personnel compensation.....                            | ...                   | ...                    | ...                                | ...                    | ...                           |
| 11.8 Special personal services payments.....                      | ...                   | ...                    | ...                                | ...                    | ...                           |
| 11.9 Total personnel compensation.....                            | ...                   | ...                    | ...                                | ...                    | ...                           |
| <u><b>Personnel benefits</b></u>                                  |                       |                        |                                    |                        |                               |
| 12.1 Civilian personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                           |
| 12.2 Military personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                           |
| 13.0 Benefits for former personnel.....                           | ...                   | ...                    | ...                                | ...                    | ...                           |
| <u><b>Non-Personnel Costs</b></u>                                 |                       |                        |                                    |                        |                               |
| 21.0 Travel and transportation of persons .....                   | ..                    | ...                    | ..                                 | ...                    | ...                           |
| 22.0 Transportation of things.....                                | \$82                  | ...                    | ...                                | ...                    | ...                           |
| 23.1 Rental payments to GSA .....                                 | ..                    | ...                    | ..                                 | ...                    | ...                           |
| 23.2 Rental payments to others .....                              | ...                   | ...                    | ...                                | ...                    | ...                           |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | 17,712                | \$24,880               | \$23,949                           | \$24,449               | \$500                         |
| 24.0 Printing and reproduction.....                               | 10                    | 75                     | 75                                 | 25                     | (50)                          |
| 25.0 Other services.....  | 63,716                | 50,033                 | 46,899                             | 46,715                 | (184)                         |
| 26.0 Supplies and materials.....                                  | 2,825                 | 6,006                  | 6,006                              | 6,064                  | 58                            |
| 31.0 Equipment.....   | 13,910                | 18,939                 | 17,557                             | 17,875                 | 318                           |
| 32.0 Land and structures.....                                     | 813                   | 400                    | 400                                | 400                    | ...                           |
| 33.0 Investments and loans .....                                  | ...                   | ...                    | ...                                | ...                    | ...                           |
| 41.0 Grants, subsidies and contributions.....                     | ...                   | ...                    | ..                                 | ...                    | ...                           |
| 42.0 Insurance claims and indemnities.....                        | ...                   | ...                    | ...                                | ...                    | ...                           |
| 43.0 Interest and dividends.....                                  | ...                   | ...                    | ...                                | ...                    | ...                           |
| <b>Total Obligations.....</b>                                     | <b>99,068</b>         | <b>100,333</b>         | <b>94,866</b>                      | <b>95,528</b>          | <b>642</b>                    |

982

A. Government Preparedness

The Government Preparedness program is described in a separate submission.

88

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
Federal Preparedness  
(Dollars in Thousands)

| B. <u>Government Plans and Capabilities</u>                       | Page<br>No. | 1991<br>Actual | 1992<br>Request | 1992<br>Current<br>Estimate | 1993<br>Request | Increase/<br>Decrease |
|---|-------------|----------------|-----------------|-----------------------------|-----------------|-----------------------|
| <u>Estimates by Program Element</u>                               |             |                |                 |                             |                 |                       |
| 1. Mobilization Preparedness.....                                 | EM-68       | \$1,304        | \$1,317         | \$1,305                     | \$1,305         | ...                   |
| 2. Mobilization Assessment.....                                   | EM-71       | 914            | 914             | 904                         | 904             | ...                   |
| 3. Federal Readiness.....   | EM-73       | 1,018          | 1,549           | 1,534                       | 1,534           | ...                   |
| 4. Plans and Authorities.....                                     | EM-76       | <u>495</u>     | <u>500</u>      | <u>495</u>                  | <u>495</u>      | <u>...</u>            |
| Total, Government Plans and<br>Capabilities (Budget Authority) .. |             | 3,731          | 4,280           | 4,238                       | 4,238           | ...                   |

Changes from Original 1992 Estimates. Reflects a decrease of \$42,000 from the application of a general Congressional reduction.

## B. Government Plans and Capabilities

The Government Plans and Capabilities program represents a compilation of the separate EICC, Mobilization Preparedness, and Federal Readiness and Coordination programs justified in the 1992 budget. In 1993, FEMA has restructured these activities to consolidate Federal preparedness planning, to include the development of concepts, policies, plans and programs to ensure Federal preparedness to use the nation's resources; development of situation assessment and engineering support capabilities for the decision-making process for national security emergencies; provision of guidance to Federal departments and agencies to prepare for and effectively respond to national security and other emergencies; and the development and maintenance of Federal plans and authorities for recommending resource mobilization policy and developing related policy guidance.

### 1. Mobilization Preparedness

- a. Objective/Element Description. This element provides for the development of concepts, policies, plans and programs to ensure Federal preparedness to use the nation's resources (natural, industrial, and infrastructure) in national emergencies to implement E.O. 12656, and E.O. 10480. The program mission is to assess the nation's ability to respond to both major domestic and national security emergencies; develop alternative solutions to identified problems; coordinate alternatives for implementation during normal operations to prevent problems from occurring during emergencies; and coordinate planning and implementation of approved alternatives during emergencies.
- b. 1991 Accomplishments. In 1991, FEMA used a total of \$3,085,000 and 27 workyears for this program element, of which \$1,781,000 was under Salaries and Expenses and \$1,304,000 was under Emergency Management Planning and Assistance. These resources were used to do the following:
  - o Initiate review of assets protection plans and policy;
  - o Develop graduated resources mobilization response capabilities;
  - o Develop resource mobilization planning guidance and systems based on policy changes to E.O. 12656 and other defense production authorities;
  - o Coordinate with NATO civil emergency planning and bilateral planning with Canada in the industrial resource area;
  - o Support Global War Game '91 and table top exercises to assess the country's ability to mobilize;
  - o Recruit experienced executive reservists to augment executive branch staff in emergencies and develop National Defense Executive Reserve (NDER) training courses and workshops;

- o Continue FEMA's support role in the interagency effort to develop and expand the National Disaster Medical System (NDMS) to respond to large scale emergencies and provide care for resulting casualties.
- c. Changes from the 1992 Estimates. Reflects a decrease of \$12,000 from the application of a general Congressional reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$3,230,000 and 28 workyears to this program element, of which \$1,925,000 is under Salaries and Expenses and \$1,305,000 is under Emergency Management Planning and Assistance. These resources will be used to do the following:
  - o Develop overall guidance documents to implement the charter of the National Security Council Policy Coordinating Committee (PCC) and its working groups, and to fulfill FEMA's E.O. 12656 responsibilities as they relate to Mobilization;
  - o Review existing mobilization preparedness policies based on experience during Operation Desert Shield/Storm and make recommendations to the National Security Council;
  - o Support the development and utilization of simulation models to conduct "net assessments" of U.S. mobilization capabilities;
  - o Work with members of the intelligence community to develop a statement of requirements needed to support crisis management responsibilities of FEMA and the PCC;
  - o Conduct special studies as required by the PCC and its working groups, e.g., participate in developing a program to implement energy restoration to meet national security requirements;
  - o Conduct table top exercises, war games and exercises to develop and test crisis management policy decision-making procedures and processes;
  - o Provide policy guidance on the NDER program to reflect legislative action on the Defense Production Act and the existing authorization under the National Security Act;
  - o Continue development of policy and planning guidance for Federal emergency preparedness programs to implement E.O. 12656, including refinements of the Graduated Mobilization Response (GMR) guidance consistent with the new national security strategy on reconstitution;
  - o Continue support to the NDMS interagency effort.



e. 1993 Program. In 1993, FEMA requests a total of \$3,286,000 and 28 workyears for this program element. Included in this total are \$1,981,000 under Salaries and Expenses and \$1,305,000 under Emergency Management Planning and Assistance. Planned accomplishments for 1993 include:

- o Special studies as required by the PCC and its working groups, e.g., participation in a review of foreign dependencies and the criteria used to determine foreign source reliability;
- o Continuation of development of industrial base assessment capability to incorporate resources of our allies;
- o Adjustment of the resource aspects of GMR and other mobilization planning to reflect the needs of revised national security strategy;
- o Expansion of exercise, war game, and table top exercise activity to more broadly and accurately reflect national interests;
- o Development of analysis techniques which more effectively utilize statistical information being generated on mobilization issues;
- o Development of policy guidance and training sessions for members of the NDER;
- o Development of an interagency national asset protection program that incorporates DOD's Key Asset Protection Program (KAPP) and the Defended Asset Concept;
- o Support to implementation of the NDMS, particularly with respect to training, exercises and public awareness.

1993 Increases/Decreases. None.

f. Outyear Implications. No outyear implications over the 1993 request.

g. Advisory and Assistance Services. None.

## 2. Mobilization Assessment

- a. Objective/Element Description. This element provides for situation assessment and engineering support capabilities for the decision making process for national security and catastrophic domestic emergencies of all types. These activities provide for the engineering, design, development, integration, maintenance, and application of computerized situation assessment and other program support systems to provide intelligent options to decision makers and facilitate mission accomplishment. Situation assessment provides knowledge of the situation status, available resources, resource requirements, and timely options for effective and efficient emergency management. The integrated engineering support for mobilization systems will integrate and perpetuate unified, efficient, and effective program information support systems, while minimizing replications of effort and providing for the efficient use of scarce resources.
- b. 1991 Accomplishments. In 1991, FEMA used a total of \$1,717,000 and 12 workyears for this program element, of which \$803,000 was under Salaries and Expenses and \$914,000 was under Emergency Management Planning and Assistance. Accomplishments for 1991 include the following:
  - o Continued to resolve shortcomings and correct deficiencies with a goal of achieving an effective situation assessment capability in national security emergencies.
  - o Upgraded selected existing software application systems to a fully engineered, maintained and applied status.
  - o Began filling significant voids in the National Infrastructure Information System, Industry Product Capabilities Model, Geographic Information Systems, spatial databases for emergency preparedness, and computer hardware.
  - o Identified civilian firms with industrial process capabilities that are useful in the production of defense components and items.
  - o Continued to develop computer systems, related software, and national database management components of the geographic and infrastructure emergency information systems.
  - o Continued to coordinate the updating of industrial databases with other Federal departments and agencies.
  - o Continued to develop emergency infrastructure data reconciliation, loading, checking, and documentation procedures.

- o Continued to separate military and civilian production requirements patterns in critical mobilization industries.
- c. Changes from the 1992 Estimates. Reflects a decrease of \$10,000 from the application of a general Congressional reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$1,807,000 and 13 workyears to this program element, of which \$903,000 is under Salaries and Expenses and \$904,000 is under Emergency Management Planning and Assistance. Planned accomplishments for 1992 include continuation of the following:
  - o Upgrading selected existing software application systems to a fully engineered, maintained and applied status.
  - o Developing computer systems, related software, and national database management components of the geographic and infrastructure emergency information systems.
  - o Coordinating the update of industrial databases with other Federal departments and agencies.
  - o Identifying civilian firms with industrial process capabilities that are useful in the production of defense components and items.
  - o Developing emergency infrastructure data reconciliation, loading, checking, and documentation procedures.
  - o Separating military and civilian production requirements patterns in critical mobilization industries.
- e. 1993 Program. In 1993, FEMA requests a total of \$1,826,000 and 12 workyears for this program element. Included in this total are \$922,000 under Salaries and Expenses and \$904,000 under Emergency Management Planning and Assistance. Planned accomplishments for 1993 include starting to extend damage prediction and assessment capabilities to catastrophic domestic disasters while continuing the following projects:
  - o Resolving shortcomings and correcting deficiencies to eventually achieve an effective situation assessment capability in national security and catastrophic domestic emergencies.
  - o Upgrading selected existing software application systems to a fully engineered, maintained and applied status.
  - o Developing computer systems, related software, and national database management components of the geographic and infrastructure emergency information systems.

- o Coordinating the update of industrial databases with other Federal departments and agencies.
- o Filling significant voids in the National Infrastructure Information System, industrial production capabilities models, geographic information systems, spatial data bases for emergency preparedness, and computer hardware.

1993 Increases/Decreases. None.

f. Outyear Implications. No outyear implications over the 1993 request.

g. Advisory and Assistance Services. None.

### 3. Federal Readiness

a. Objective/Element Description. This element provides guidance and specific operational support to Federal departments and agencies to prepare for and effectively respond to national security and catastrophic domestic emergencies. The program's goal is to manage effectively Federal mitigation, response and recovery activities of national security emergencies and other catastrophic emergencies. Management planning and preparedness activities encompass the military, industrial, economic, human, governmental, and civilian resources and infrastructure of the Nation. Program activities are as follows:

- o Develop processes to improve Federal preparedness and coordination;
- o Test, exercise and validate Federal preparedness policies and plans;
- o Manage FEMA's national emergency operations and coordination centers;
- o Manage and provide airlift transportation for two elements of the Federal Emergency Response Capability (FERC): the Mobile Air Transportable Telecommunications System (MATTS) and the Information Display System (IDS).
- o Maintain FERC elements on standby alert at all times to provide a rapid response to major emergencies.

b. 1991 Accomplishments. In 1991, FEMA used a total of \$2,127,000 and 20 workyears for this program element, of which \$1,109,000 was under Salaries and Expenses and \$1,018,000 was under Emergency Management Planning and Assistance. Accomplishments for 1991 included the following:

- o Reviewed exercise planning in light of the changed world situation. Continued planning for Exercise PRIME DIRECTIVE 92, and initiated planning for Exercise PRIME DIRECTIVE 93 and PRIME DIRECTIVE 94,

PROMPT RESPONSE 92-1, PROMPT RESPONSE 92-2, and NDMS 92. Evaluated exercises REX-90 ALPHA and GLOBAL WAR GAMES 90. Conducted several emergency electrical energy exercises. Improved administration and automation of the Remedial Action Program (RAP). Updated instructions and guidance documents.

- o Used the MATTS and/or the IDS elements of the FERC to support the Desert Storm welcome home parades for Washington D.C. and New York City, as well as the Response 91A earthquake exercise in Nashville, Tennessee.
  - o Used the EICC facilities and other FEMA operations centers for numerous meetings, training/simulation activities and exercises designed to test and evaluate readiness capabilities, including Response 91A. Completed Phase III of the FEMA Headquarters EICC Local Area Network, with the exception of certain unique software, so that twenty-five work stations are now available with connections through the FEMA Wide Area Network (WAN). Initiated audio visual upgrade and enhancement efforts which, when completed, will provide a full range of display capabilities including computer graphics, digital mapping, video presentation and television distribution.
- c. Changes from the 1992 Estimates. Reflects a decrease of \$15,000 from the application of general Congressional reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$2,767,000 and 22 workyears to this program element, of which \$1,233,000 is under Salaries and Expenses and \$1,534,000 is under Emergency Management Planning and Assistance. For 1992, FEMA plans to accomplish the following:
- o Continue development, oversight, and maintenance of a remedial action program covering unresolved issues from previously conducted exercises, improve automation of the exercise program, and assign remedial actions from EXERCISE REX-90 ALPHA, CIVEX 90, as well as GLOBAL WAR GAMES 90 and 91.
  - o Plan, conduct and evaluate NDMS 92 and continue planning for PRIME DIRECTIVE 93 and PRIME DIRECTIVE 94.
  - o Initiate planning for an international civil/military crisis management exercise SPRINGEX 93.
  - o Through the MATTS and IDS, provide telecommunications and information management support to special events such as national political conventions scheduled for the summer of 1992.
  - o Provide reimbursement to the Military Airlift Command to provide standby airlift capability on military aircraft for the MATTS vehicle, provide maintenance and repair of telecommunications and information display equipment, and support the MATTS motor vehicle.
  - o Operate and maintain FEMA's operations and coordination centers. The funds will be used for the

purchase and the maintenance and repair of automatic data processing hardware and software; Local Area Network (LAN) and Wide Area Network (WAN); the Information Display System (IDS); audio-visual systems, video systems and other related vital support activities.

- e. 1993 program. In 1993, FEMA requests a total of \$2,818,000 and 16 workyears for this program element. Included in this total are \$1,284,000 under Salaries and Expenses and \$1,534,000 under Emergency Management Planning and Assistance. Planned accomplishments for 1993 are as follows:

- o Complete planning for, conduct, and evaluate various small exercises and three major exercises: an international civil/military crisis management exercise, SPRINGEX 93; the civil agency play for a Chairman, Joint Chiefs of Staff (CJCS) sponsored world-wide command-post mobilization exercise, PRIME DIRECTIVE 93; a major medical emergency exercise, National Disaster Medical System (NDMS) 93. Assist in the planning and conduct of GLOBAL WAR GAMES 93.
- o Continue development, oversight, and maintenance of a remedial action program covering unresolved issues from previously conducted exercises, improve automation of the program, and assign remedial actions from exercises NDMS 92, GLOBAL WAR GAMES 92, and various smaller exercises.
- o Continue planning for three major exercises to be conducted in 1994: an international civil/military crisis management exercise, SPRINGEX 94; CJCS world wide command-post nuclear recovery exercise, PRIME DIRECTIVE 94; and a major medical emergency exercise, NDMS 94. Assist with GLOBAL WAR GAMES 94.
- o Continue operational readiness and maintenance of the Mobile Air Transportable Telecommunications System (MATTS) and the Information Display System (IDS);
- o Through the IDS, provide support for the information coordination center for the January 20, 1993 presidential inauguration ceremonies;
- o Begin planning MATTS and IDS support functions for the 1996 summer Olympic Games; and
- o Continue to reimburse the Military Airlift Command (MAC) for standby airlift services; to provide maintenance and repair for telecommunication and information management systems; and to provide for support for motor vehicles and electronic equipment.
- o Continue to support operation and maintenance of FEMA's national operations and coordination centers.

1993 Increases/Decreases. None.

- f. Outyear Implications. No outyear implications over the 1993 request.

- g. Advisory and Assistance Services. None.

4. Plans and Authorities

- a. Objective /Element Description. This element provides the primary vehicle for recommending national security emergency preparedness policy and developing related policy guidance. It has the objective of developing an integrated overall emergency preparedness framework for national security emergencies and response. This element formulates periodic planning guidance applicable to all civilian Federal national security emergency-oriented programs, as well as establishes criteria to assess the effectiveness of emergency plans. This program element develops and maintains a comprehensive system of major emergency actions across the Federal government to assist decision-making and implementation of procedures and authorities; develops national guidance and plans; establishes interagency channels of communication; incorporates essential information requirements into decision support systems; and coordinates current operational systems and procedures.
- b. 1991 Accomplishments. In 1991, FEMA used a total of \$1,080,000 and 10 workyears for this program element, of which \$585,000 was under Salaries and Expenses and \$495,000 was under Emergency Management Planning and Assistance. This element provided continued support to Federal departments and agencies to prepare for and effectively respond to the full spectrum of national security emergencies through the development of interagency plans and emergency action and authority documentation. This element also provided support for emergency preparedness planning and the continuance of infrastructure functions essential to national security. Other program activities included the following: published, provided training associated with, updated, and tested the Major Emergency Actions Guidelist; published implementation documentation for emergency actions; upgraded the Automated Major Emergency Actions Guidelist, including the alert, tracking and cross-referencing features; and continued support for national security emergency policy development and implementation.
- c. Changes from the 1992 Estimates. Reflects a decrease of \$5,000 from the application of a Congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$1,197,000 and 11 workyears to this program element, of which \$702,000 is under Salaries and Expenses and \$495,000 is under Emergency Management Planning and Assistance. With these funds, FEMA will do the following:
- o Complete analysis and inter-agency coordination of the document entitled NSEP Responsibilities and Programs. Based on Executive Orders 12656 and 12472, the document identifies the lead and support responsibilities of each department and agency in the full range of national security emergencies; relates each provision of the lengthy Executive Orders to specific functional areas of emergency response; and describes each of the Federal programs that implement the NSEP responsibilities assigned by the President.

- o Establish criteria for the evaluation of emergency plans of the departments and agencies.
  - o Issue and update NSEP guidance to the departments and agencies (to include the areas of vital records, designation of emergency coordinators, civil readiness, use of emergency facilities, and other areas of national security emergency preparedness). Provide training on NSEP guidance.
  - o Complete coordination and publish Volumes I and II (containing at least 50 action option papers) of the Major Emergency Action Guidelist (MEAG) and initiate research on implementation documents for ten actions. Identify, research and coordinate five new MEA topics. Provide training on emergency actions and authorities.
  - o Identify, write, and obtain legal sufficiency review of five new Presidential Emergency Action Documents.
- e. 1993 program. In 1993, FEMA requests a total of \$1,216,000 and 11 workyears. Included in this total are \$721,000 under Salaries and Expenses and \$495,000 under Emergency Management Planning and Assistance. With these funds, FEMA will do the following:
- o Update and complete inter-agency coordination of new material for the document entitled NSEP Responsibilities and Programs (described above in 1992 Program)
  - o Issue and update NSEP guidance to the departments and agencies (to include the areas of continuity of government, system oversight, operating plan requirements, use of emergency facilities, and other areas of national security emergency preparedness). Provide training on NSEP guidance.
  - o Conduct initial evaluation of department and agency emergency plans; complete two detailed evaluations.
  - o In light of current doctrine, update 20 percent of Volumes I and II of the Major Emergency Action Guidelist (MEAG); publish implementation documents researched and coordinated in 1992; initiate research on implementation documents for ten actions; update automated version of the MEAG; identify, research and coordinate five new MEA topics. Provide training on actions and authorities.
  - o Identify, write, and obtain legal sufficiency review of five new Presidential Emergency Action Documents.
- 1993 Increases/Decreases. None.
- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.



EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
TRAINING AND FIRE PROGRAMS  
Activity Overview

This activity prepares Federal, State and local officials, their supporting staffs, emergency first responders, volunteer groups, and the public to meet the responsibilities and challenges of domestic emergencies through planning, mitigation, preparedness, response, and long-term recovery. The United States Fire Administration (USFA) is the Federal fire focus within the Federal Emergency Management Agency (FEMA) and has ultimate responsibility for all fire programs and fire training activities. Fire prevention and control activities are developed and delivered through the **United States Fire Administration (USFA)**, through programs designed to build capacity at the State and local level; to enhance the nation's fire prevention and arson control activities and, thereby, significantly reduce the nation's loss of life from fire; and to achieve a reduction in property loss and non-fatal injuries to firefighters and citizens due to fires. Educational programs are provided through the **Emergency Management Institute (EMI)** and the **National Fire Academy (NFA)**. The NFA is an integral part of the USFA. The Emergency Management Institute provides training in support of a number of FEMA programs addressing both natural and technological hazards such as earthquakes, hurricanes, floods and radiological and/or hazardous materials incidents. The educational program activities are divided into the following areas:

Instructional Programs and Materials. Development, evaluation, and reproduction of course materials used in both resident and field training programs to enhance the capability of State and local governments to protect their citizens from the impact of a range of emergencies.

Training Field Deployment Systems. Delivery of training throughout the United States in cooperation with State and local training agencies.

Resident Programs. Delivery of training at the Emmitsburg, Maryland, residential campus.

The **U.S. Fire Administration** provides a Federal focus on identifying problems with which the nation's fire and rescue services must deal, finding solutions to these problems, and supporting State and local fire protection and emergency rescue efforts. This is accomplished through:

Creation of a national system for the collection, analysis, dissemination, and use of data to assist local fire and rescue services in establishing their own research and action priorities;

Coordination with national, State, and local government elements which support and reinforce fire prevention, fire control, and emergency response activities;

Development of improved firefighting practices and equipment to reduce firefighter death and injury;

Development and dissemination of information to the manufacturing and construction industries, related standards organizations, and government agencies to improve consumer products, construction practices, and related activities.

The three **NETC Site Administration** program elements under Training and Fire Programs include a portion of the necessary resources to operate and maintain the National Emergency Training Center Campus in Emmitsburg, Maryland. These resources provide program support to the Emergency Management Institute, the National Fire Academy, and the U.S. Fire Administration in the form of admissions and registration, student services, procurement, budget and fiscal support, media service, and the learning resource center.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
TRAINING AND FIRE PROGRAMS  
(Dollars in Thousands)

| <u>Estimates by Program Element</u>                                 | <u>Page<br/>No.</u> | <u>1991<br/>Actual</u> | <u>1992<br/>Request</u> | <u>1992<br/>Current<br/>Estimate</u> | <u>1993<br/>Request</u> | <u>Increase/<br/>Decrease</u> |
|---|---------------------|------------------------|-------------------------|--------------------------------------|-------------------------|-------------------------------|
| A. Emergency Management   |                     |                        |                         |                                      |                         |                               |
| Institute.....  | EM- 82              | \$8,486                | \$4,728                 | \$7,650                              | \$4,650                 | \$-3,000                      |
| B. National Fire Academy....  | EM- 95              | 11,436                 | 10,608                  | 12,740                               | 8,466                   | -4,274                        |
| C. U.S. Fire Administration.  | EM-106              | <u>5,526</u>           | <u>8,258</u>            | <u>9,280</u>                         | <u>8,165</u>            | <u>-1,115</u>                 |
| <br>Total, Training and Fire<br>Programs<br>(Budget Authority)..... |                     | 25,448                 | 23,594                  | 29,670                               | 21,281                  | -8,389                        |

Changes from Original 1992 Estimates. Reflects a net increase of \$6,076,000: specific Congressional increases of \$3,000,000 for SARA Title III, \$2,260,000 for building safety and maintenance projects at the National Emergency Training Center (NETC), and \$1,115,000 for hazardous materials training centers, offset by a decrease of \$299,000 from the application of a Congressional general reduction.

**EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
TRAINING AND FIRE PROGRAMS**  
(Dollars in Thousands)

|   | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br>Decrease |
|---|-----------------------|------------------------|------------------------------------|------------------------|-----------------------|
| <b>OBJECT CLASS</b>   |                       |                        |                                    |                        |                       |
| <b><u>Personnel compensation</u></b>                              |                       |                        |                                    |                        |                       |
| 11.1 Full-time permanent.....                                     | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.3 Other than full-time permanent.....                          | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.5 Other personnel compensation.....                            | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.8 Special personal services payments.....                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.9 Total personnel compensation.....                            | ...                   | ...                    | ...                                | ...                    | ...                   |
| <b><u>Personnel benefits</u></b>                                  |                       |                        |                                    |                        |                       |
| 12.1 Civilian personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 12.2 Military personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 13.0 Benefits for former personnel .....                          | ...                   | ...                    | ...                                | ...                    | ...                   |
| <b><u>Non-Personnel Costs</u></b>                                 |                       |                        |                                    |                        |                       |
| 21.0 Travel and transportation of persons.....                    | ...                   | ...                    | ...                                | ...                    | ...                   |
| 22.0 Transportation of things.....                                | \$14                  | \$45                   | \$39                               | \$53                   | \$14                  |
| 23.1 Rental payments to GSA.....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.2 Rental payments to others.....                               | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | 564                   | 630                    | 477                                | 532                    | 55                    |
| 24.0 Printing and reproduction.....                               | 1,009                 | 1,427                  | 1,207                              | 1,134                  | (73)                  |
| 25.0 Other services.....  | 9,504                 | 12,916                 | 13,535                             | 13,096                 | (439)                 |
| 26.0 Supplies and materials.....                                  | 173                   | 328                    | 345                                | 292                    | (53)                  |
| 31.0 Equipment.....   | 763                   | 528                    | 587                                | 664                    | 77                    |
| 32.0 Land and structures.....                                     | 4,200                 | 2,382                  | 4,040                              | ...                    | (4,040)               |
| 33.0 Investments and loans.....                                   | ...                   | ...                    | ...                                | ...                    | ...                   |
| 41.0 Grants, subsidies and contributions.....                     | 9,221                 | 5,338                  | 9,440                              | 5,510                  | (3,930)               |
| 42.0 Insurance claims and indemnities.....                        | ...                   | ...                    | ...                                | ...                    | ...                   |
| 43.0 Interest and dividends.....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| <b>Total Obligations.....</b>                                     | <b>25,448</b>         | <b>23,594</b>          | <b>29,670</b>                      | <b>21,281</b>          | <b>(8,389)</b>        |

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
TRAINING AND FIRE PROGRAMS  
(Dollars in Thousands)

A. Emergency Management Institute

| <u>Estimates by Program Element</u>                           | <u>Page No.</u> | <u>1991 Actual</u> | <u>1992 Request</u> | <u>1992 Current Estimate</u> | <u>1993 Request</u> | <u>Increase/Decrease</u> |
|---|-----------------|--------------------|---------------------|------------------------------|---------------------|--------------------------|
| 1. Instructional Programs & Materials.....                    | EM-83           | \$1,093            | \$2,088             | \$2,068                      | \$2,068             | ...                      |
| 2. Training Field Deployment Systems.....                     | EM-87           | 5,948              | 820                 | 3,782                        | 782                 | -\$3,000                 |
| 3. Resident Programs.....                                     | EM-89           | 1,172              | 1,062               | 1,057                        | 1,057               | ...                      |
| 4. NETC Site Administration.                                  | EM-92           | <u>273</u>         | <u>758</u>          | <u>749</u>                   | <u>749</u>          | <u>...</u>               |
| Total, Emergency Management Institute (Budget Authority)..... |                 | 8,486              | 4,728               | 7,650                        | 4,650               | -3,000                   |

Changes from Original 1992 Estimates. Reflects a net increase of \$2,922,000: a \$3,000,000 for hazardous material training under SARA Title III; and a decrease of \$78,000 from the application of a Congressional general reduction.

A. EMERGENCY MANAGEMENT INSTITUTE

This program supports the non-civil defense component of the Emergency Management Institute (EMI) which prepares Federal, State, and local officials who are responsible for managing major emergencies to meet emergency management responsibilities in varied areas such as natural hazards (i.e., earthquake, flood, tornado, hurricane), off-site nuclear power plant safety, hazardous materials incidents, and response operations following a Presidentially-declared disaster. The program addresses the four major components of comprehensive emergency management--disaster planning and preparedness, response, mitigation, and recovery.

Training materials and activities developed and revised by EMI are taught in residence or deployed through the national field deployment system. This system provides funds and materials to States, territories, and trusts through the FEMA Regional Offices. As part of the training activities offered in residence, EMI conducts an extensive train-the-trainer program to develop a national cadre of qualified State trainers.

These activities and materials are designed to provide assistance in four areas: (1) comprehensive emergency management training that has broad application to a variety of disasters and hazards; (2) hazard or disaster specific training that focuses on one type of hazard or disaster such as earthquakes; (3) training assistance to specific communities that provides activities to enhance local community emergency preparedness; and (4) planning, evaluation, and computer support designed for long-range evaluation, curriculum planning, new educational technologies such as computer-assisted instruction, and national videoconferences.

1. Instructional Programs and Materials

- a. Objective/Element Description. The objective of this program element is to develop courses and educational materials that support the training needs of emergency management preparedness in communities throughout the nation as defined by the FEMA program mission. Courses are developed which support planning for, mitigation of, response to, and recovery from hazards such as earthquakes, floods, hazardous materials and national security emergencies. The process of developing a course from an initial training requirement to finished course delivery takes approximately two years, and includes the development and pilot testing of instructor and student materials, audio-visual and graphic aids, supplementary resource materials for existing and newly developed training activities, and, in some instances, the training of field instructors. Often, courses involve other agency input and coordination. Once developed, courses must be evaluated and revised periodically to reflect new information and policies. This element also supports program development, program evaluation and documentation, and program management. These activities are aimed at determining the optimum training program to meet specified program objectives, and assessing the quality and effectiveness of current training activities, which will allow more cost effective training delivery.
- b. 1991 Accomplishments. In 1991, FEMA used a total of \$1,093,000 and no workyears for this program element under Emergency Management Planning and Assistance. In addition to support costs for editorial, audio visual

and printing requirements, these resources provided for the development and/or revision efforts to enhance EMI's response and recovery curriculum as a result of lessons learned from large scale disasters such as Hurricane Hugo and Loma Prieta earthquake, including revision of the Federal Coordinating Office (FCO)/Disaster Recovery Manager (DRM) course and development of a Disaster Response and Recovery Operations Seminar for State and local officials through Oak Ridge Associated Universities; support for Radiological Emergency Preparedness (REP) training through Argonne and Idaho National Labs, and conduct of the Radiological Emergency Response Operations (RERO) Course at the Nevada Test Site; two teleconferences that addressed technological applications in emergency management and hazardous materials topics; revision of the Community Rating System Train-the-Trainer Course and continued development of the Community Floodplain Management Course; development of instructional materials for the Basic and Advanced Public Information Courses; revision of the Earthquake Hazard Mitigation for Utility Lifeline Systems Course; development of ten Disaster Assistance Program (DAP) on-the-job training packages resulting from front-end analyses of training requirements; a study of the feasibility of equivalency testing for EMI course credit; curriculum coordination and review of EMI courses for accreditation recommendations; upgrading, developing, and implementing new technology in the EMI computer lab which supports both computer and information management training activities and numerous lab sessions within many of EMI's resident offerings (e.g., train-the-trainers); and basic support for videoconferencing.

- c. Changes From 1992 Estimates. Reflects a decrease of \$20,000 from the application of a Congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating \$2,233,000 and 3 workyears to this program element, of which \$165,000 is under Salaries and Expenses and \$2,068,000 is under Emergency Management Planning and Assistance. In addition to support costs for editorial, audio visual and printing requirements, these resources provide for the following:
  - o Expansion of EMI use of alternate delivery mechanisms to reduce costs and/or reach audiences unable to attend traditional classroom training in the following areas: one professional development series course, Disaster Assistance Program (DAP) home study course, individualized instructional materials supporting DAP, translation of modules/components of existing materials into alternate delivery modes, training materials in alternate delivery modes to reach a broader audience in the natural hazards arena, computer assisted training materials which address topics such as hazardous materials, and an assessment of augmentation required for the field training infrastructure to support the increased use of individualized instruction.
  - o Continued development/revision of EMI natural hazards curriculum required in support of the National Earthquake Hazards Reduction Program (NEHRP) and development of training to support hurricane and flood hazard reduction, including an Integrated Emergency Management Course (IEMC) which addresses the

hurricane hazard and short- and long-term recovery phase, and revision of the Nonstructural Earthquake Hazard Mitigation for Hospitals Course.

- o On-going development of a curriculum for public information officers through development of an Introduction to Public Affairs Course.
  - o Development of a Geological Information Systems and Federal Insurance Administration Digital Mapping System Course in conjunction with the Federal Insurance Administration.
  - o Support of radiological emergency preparedness training through Argonne and Idaho National Labs, conduct of the Radiological Emergency Response Operations (RERO) Course at the Nevada Test Site, and development of a revised field version of a radiological response course.
  - o Support of an IEMS project which is part of a joint effort with the U.S. Fire Administration through a cooperative agreement with the International Association of Fire Chiefs (IAFC).
  - o Development of two teleconferences that address radiological emergency preparedness and hazardous materials topics, in addition to continued support for ongoing teleconference and media capability.
  - o Revision of the resident Methods and Techniques of Adult Learning and the field Instructional Techniques courses and development of a video course to update State instructors on recent course revisions and modifications.
  - o Revision and updating of the legal liabilities case studies for use in several EMI courses.
  - o Initial planning for a seminar for State Directors of Emergency Management to be delivered in 1993.
  - o Upgrading and implementing new technology in the EMI computer lab which supports both computer and information management training activities and numerous lab sessions within many of EMI's resident offerings (e.g., train-the-trainers). Upgrading computer capability for the Integrated Emergency Management Course (IEMC) to support resource allocation activities as well as new maps to support the exercise-based courses and the Hurricane IEMC.
  - o Curriculum coordination and a review of EMI courses for accreditation recommendations.
- e. 1993 Program. In 1993, FEMA requests \$2,239,000 and 3 workyears for this program element. Included in this total are \$171,000 under Salaries and Expenses and \$2,068,000 under Emergency Management Planning and Assistance. In addition to \$245,000 support costs for editorial, audio visual and printing requirements, these resources will provide the following:



- o Continue the initiative begun in 1992 to enhance usage of alternative delivery strategies to maintain or reduce training costs and/or reach audiences who cannot attend classroom training (volunteers, part-time employees, etc.). This will include: development of an on-the-job training workshop and two home study courses to improve disaster assistance center operations and State disaster management; and development of a hazard mitigation course using alternate delivery strategies. Training packages developed in 1992 will be completed and pilot tested to determine their effectiveness in achieving educational objectives and/or improving efficiency. Two to three State demonstration projects will be funded to evaluate distance education approaches. (\$900,000).
- o Develop training to support implementation of the federal response plan in major disasters. This includes: development of training based on 1992 needs assessment for federal coordinating officers and their deputies in disaster response/recovery operations, development of an Integrated Emergency Management Course (IEMC) involving the Catastrophic Disaster Response Group, and development of training for State employees on the federal/State interface (\$218,000).
- o Continue development and revision of EMI's technological hazards curriculum; support of Radiological Emergency Preparedness (REP) training through Argonne and Idaho National Labs; and conduct of the Radiological Emergency Response Operations (RERO) Course at the Nevada Test Site (\$213,000).
- o Continue development/revision of EMI natural hazards curriculum required in support of the National Earthquake Hazards Reduction Program (NEHRP) and development of training to support hurricane and flood hazard reduction (\$145,000).
- o Continue support of American Council on Education (ACE) accreditation; improved student evaluation strategies; and use of computer technology in emergency management (\$107,000).
- o Develop four teleconferences that address REP, hazardous materials, natural hazards, and mass fatalities incidents topics and continue support of media and teleconferencing capabilities (\$240,000).

1993 Increases/Decreases. None.

f. Outyear Implications. No outyear implications over the 1993 request.

g. Advisory and Assistance Services. None.

## 2. Training Field Deployment Systems

- a. Objective/Element Description. Under this element, field training is delivered throughout the States, territories, and trusts, using Regional Offices and State emergency management agencies. Financial assistance is provided to State government agencies through Comprehensive Cooperative Agreements (CCA's) to support their State and local training programs. EMI also provides instructional materials and technical assistance to conduct courses. A qualification program for instructors is conducted at EMI for all trainers designated by State training offices. The vast network created by the program is the mainstay of EMI's nationwide deployment system and also provides an instructor cadre should a national crisis occur. In addition, EMI has developed a computerized Field Reporting System (FRS) to assist in managing the program, and a computerized Field Evaluation System (FES) to obtain and process student and instructor course evaluation data.
- b. 1991 Accomplishments. In 1991, FEMA used a total of \$6,066,000 and 3 workyears for this program element, of which \$118,000 was under Salaries and Expenses and \$5,948,000 was under Emergency Management Planning and Assistance. These funds were used to conduct approximately 3,218 training activities instructing over 77,605 participants in the States, territories, and trusts. Activities included comprehensive emergency management training with application to a broad range of natural hazards, and hazard specific training that focused on one major type of hazard or disaster such as hazardous materials or earthquakes. Provisions were also made for States to deliver recovery training for natural disasters. These resources provided State and local training and exercise support in the form of State grants for the delivery of 218 training activities for 5,105 participants (\$589,000); printed and video educational materials in support of course offerings and newly developed activities; conversion of the Introduction to Disaster Assistance Home Study Course to Spanish; augmentation of State systems with equipment and software to support the automated training and exercise reporting requirements; revision of the Computer Assisted Design Exercise Training (CADET) software to enhance capabilities available to State and local users; development of an Emergency Operations Center (EOC) Videotape Facilitator's Guide and packaging of the EOC videotape for field deployment; maintenance of National Home Study Council accreditation of EMI home study courses; and development of a computerized learning game to supplement the computerized Radiological Emergency Management Home Study Course. In addition, funds provided outreach and evaluation support for aggregation of the field computerized data reporting system, field evaluation system, and the administration of the home study program. Under Title III of the Superfund Amendments and Reauthorization Act (SARA), EMI provided hazardous materials training consisting of deployment of existing and newly developed activities through grants provided to the States and Indian Tribes for the delivery of 3,000 training activities for 72,500 participants (\$4,751,000), printed educational materials in support of course offerings, and computerized data reporting and evaluation system for the hazardous materials training program.

- c. Changes From 1992 Estimates. Reflects a net increase of \$2,962,000: a Congressional increase of \$3,000,000 for SARA Title III hazardous material training; and a decrease of \$38,000 from the application of a Congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating \$3,782,000 and no workyears to this program element under Emergency Management Planning and Assistance. These funds are being used to conduct approximately 1,960 training activities instructing over 49,600 participants in the States, territories, and trusts. Activities include comprehensive emergency management training that has application to a broad range of natural hazards, and hazard specific training that focuses on one major type of hazard or disaster such as hazardous materials or earthquakes. Specifically, these resources provide for the following:
- o State and local training and exercise support.
    - State grants of \$600,000 for the delivery of 210 training activities for 5,600 participants in the States.
    - Under Title III of the Superfund Amendment and Reauthorization Act (SARA), EMI administers a hazardous materials training program consisting of deployment of existing materials and newly-developed activities through grants (\$2,722,040) to States and Indian Tribes to support the delivery of 1,750 training activities for 44,000 participants, as well as printed educational materials and computerized data reporting and evaluation system.
    - Printed and video educational materials in support of these course offerings and newly developed activities.
    - Continued support of the home study program.
    - Augmentation of State systems with equipment and software to support the automated training and exercise reporting requirements.
    - Expansion of a training module on Dealing with Cultural Diversity in the Classroom to a combined home study/classroom format.
  - o Outreach and evaluation support. Funds provide contractual support for aggregation of the field computerized data reporting system, the field evaluation system, and the administration of the home study program.
- e. 1993 Program. In 1993, FEMA requests \$782,000 and no workyears for this program element under Emergency Management Planning and Assistance. These funds will be used to conduct approximately 210 training

activities instructing over 5,600 participants in the States, territories and trusts. Activities will include comprehensive emergency management training that has application to a broad range of natural hazards, and hazard specific training and exercising that focuses on one major type of hazard or disaster such as hazardous materials or earthquakes. More specifically, these resources will provide the following:

- o State and local training and exercise support (\$632,000).
  - State grants of \$600,000 for the delivery of 210 State training activities for 5,600 participants and support of State assistance to communities in developing and maintaining an active exercise program.
  - Printed and audio visual materials required to support the field training program.
  - Augmentation of State systems with equipment and software to support the automated training and exercise reporting requirements.
- o Outreach and evaluation support (\$150,000). Funds will provide contractual support for aggregation of the field computerized data reporting system, the field evaluation system, and the administration of the home study program.

1993 Increases/Decreases. The 1993 request reflects a decrease of \$3,000,000 under Emergency Management Planning and Assistance which eliminates all funding to support the SARA Title III hazardous materials training program.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

### 3. Resident Programs

- a. Objective/Element Description. This element supports student participation in training activities delivered at EMI. The resident EMI facility provides Federal, State, and local emergency management professionals and public officials from across the nation the opportunity to exchange experiences and ideas and to have access to courses which, due to the technical nature of the content or the stature of the instructors/speakers, cannot be effectively delivered through the field program. The resident program also trains the instructors for field courses, a function that is essential to maintaining the quality of field instruction, and provides an opportunity for key target audiences to participate in course development and testing. Annually, this element funds over 1,500 students participating in EMI resident courses on the Emmitsburg campus.

Education and training programs at the resident facility provide a national focal point for the dissemination of timely information and useful skills and knowledge to enable emergency managers to prepare for man-made and natural hazards. The scope of training at EMI includes both comprehensive and hazard specific courses and activities. Comprehensive emergency management training activities address policy, programmatic, and operational concepts and functions for areas such as hazard mitigation and recovery; multi-hazard planning; professional and executive development; public assistance; and management of volunteer resources. Hazard or disaster specific training activities address specific hazards such as earthquakes, radiological and hazardous materials, and planning, mitigation, response, and recovery operations and policies.

- b. 1991 Accomplishments. In 1991, FEMA used a total of \$1,524,000 and 9 workyears for this program element, of which \$352,000 was under Salaries and Expenses and \$1,172,000 was under Emergency Management Planning and Assistance. Fifty-eight offerings of resident training activities were delivered to 1,791 participants. Training activities delivered included 18 train-the-trainer courses supporting the field training program, and 13 exercise-based Integrated Emergency Management Courses (IEMC's), five of which were delivered to the entire management structure of specific communities. Community requests for IEMC/Specific's exceeded offerings; therefore, selection was competitive based on State and Regional recommendations and the level of senior official commitment to course participation. The five specific communities were: Dallas, Texas; Dane County/Madison, Wisconsin; Pima County/Tucson, Arizona; Placentia, California; and Jonesboro, Arkansas. Also included were existing IEMC's featuring all-hazard, earthquake, and hazardous materials scenarios. An array of other courses addressed topics such as Radiological Emergency Preparedness (REP), hazardous materials awareness and response, floodplain management, mitigation and recovery, and earthquake preparedness. A number of new and/or revised courses were brought on-line such as the State Public Assistance Program Managers Course, the National Flood Insurance Program (NFIP) Community Floodplain Management Course, and the National Earthquake Hazards Reduction (NEHRP) Seismic Building Provisions Course.

EMI also convened a number of Curriculum Advisory Committees (CAC's) at the resident facility to obtain input from State and local training audiences in the development/revision of courses and training activities addressing such topics as field training, mass casualties incidents, home study, federal coordinating officer/disaster recovery manager (FCO/DRM), hazardous materials modules, and geo-based information systems.

Resources also provided for audio visual and printing requirements, editorial support for training materials, equipment and classroom support for resident courses, adjunct faculty to obtain technical and specialized instruction, and student travel stipends.

In addition, EMI has experienced a significant increase in requests for training materials and assistance from other nations in dealing with similar emergency management problems. EMI responded to these requests through appropriate channels within limited resources.

c. Changes From 1992 Estimates. Reflects a decrease of \$11,000 from the application of a Congressional general reduction.

d. 1992 Program. In 1992, FEMA is allocating \$1,470,000 and 9 workyears to this program element, of which \$419,000 is under Salaries and Expenses and \$1,051,000 is under Emergency Management Planning and Assistance. An estimated 45 offerings of resident training activities are being delivered to approximately 1,500 participants in the following areas:

- 18 train-the-trainer courses supporting the field training program.
- 14 exercise-based Integrated Emergency Management Courses (IEMC's), six of which are being delivered to the entire management structure of specific communities. Community requests for IEMC/Specific's exceed offerings; therefore, selection is competitive based on State and Regional recommendations and the level of senior official commitment to course participation. Communities planned for 1992 are Tulsa, Oklahoma; Tacoma, Washington; Provo, Utah; Kansas City, Kansas; Hernando County, Florida; and Denver, Colorado. Also included is support for existing IEMC's featuring all-hazard, earthquake, and hazardous materials scenarios.
- An array of other courses addressing topics such as Radiological Emergency Preparedness (REP), hazardous materials awareness and response, floodplain management, mitigation and recovery, and earthquake preparedness.

EMI is convening a number of Curriculum Advisory Committees (CAC's) at the resident facility to obtain input from State and local training audiences in the development/revision of courses and training activities. Resources also provide for audio visual and printing requirements, editorial support for training materials, equipment and classroom support for resident courses, adjunct faculty to obtain technical and specialized instruction, and student travel stipends.

In addition, EMI has experienced a significant increase in requests for training materials and assistance from other nations in dealing with similar emergency management problems. EMI will continue to respond to these requests through appropriate channels as resources permit.

e. 1993 Program. In 1993, FEMA requests \$1,489,000 and 9 workyears under this program element. Included in this total are \$438,000 under Salaries and Expenses and \$1,051,000 under Emergency Management Planning and Assistance. An estimated 45 offerings of resident training activities will be delivered to approximately 1,500 participants (\$1,051,000) in the following areas:

- 18 train-the-trainer courses supporting the field training program.

- 14 exercise-based Integrated Emergency Management Courses (IEMC's), 6 of which will be delivered to the entire management structure of specific communities. Community requests for IEMC/Specific's will still exceed offerings; therefore, selection will be competitive based on State and Regional recommendations and the level of senior official commitment to course participation.
- An array of other courses addressing topics such as Radiological Emergency Preparedness (REP), hazardous materials awareness and response, floodplain management, mitigation and recovery, and earthquake preparedness.

EMI will also convene a number of Curriculum Advisory Committees (CAC's) at the resident facility to obtain input from State and local training audiences in the development/revision of courses and training activities.

Resources will also provide for audio visual and printing requirements, editorial support for training materials, equipment and classroom support for resident courses, adjunct faculty to obtain technical and specialized instruction, and student travel stipends.

In addition, EMI has experienced a significant increase in requests for training materials and assistance from other nations in dealing with similar emergency management problems. EMI will continue to respond to these requests through appropriate channels as resources permit.

1993 Increases/Decreases. None.

f. Outyear Implications. No outyear implications over the 1993 request.

g. Advisory and Assistance Services. None.

#### 4. NETC Site Administration

- a. Objective/Element Description. This element provides for a share of the cost of operating and maintaining the National Emergency Training Center (NETC) facility in Emmitsburg, Maryland, and supporting the non-Civil Defense educational programs of the Emergency Management Institute. The funding in this element covers a portion of the facility costs for items such as maintenance, security, housekeeping, equipment, renovation, rent, and similar costs.
- b. 1991 Accomplishments. In 1991, FEMA used \$273,000 and no workyears for this program element under Emergency Management Planning and Assistance. The 1991 program included providing a share of the facility operating and educational program support costs. The facility operations costs included maintenance, security, housekeeping, equipment, student ground transportation, rents, media support and library services.

- c. Changes from the 1992 Estimates. Reflects a decrease of \$9,000 from the application of a Congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating \$749,000 and no workyears to this program element under Emergency Management Planning and Assistance. These resources provide a share of the cost of operating and maintaining the facility, providing administrative support to the National Emergency Training Center, and supporting the educational programs of the Emergency Management Institute.
- e. 1993 Program. In 1993, FEMA requests \$749,000 and no workyears for this program element under Emergency Management Planning and Assistance. The Emergency Management Planning and Assistance funds are requested to support a share of the cost of the operation and maintenance of the Emmitsburg resident educational facility; administrative support to the campus which houses the Emergency Management Institute, the National Fire Academy, and the United States Fire Administration; and educational support for the Emergency Management Institute. A portion of the resources for NETC Site Administration are included in each of four budget programs--Emergency Management Institute, National Fire Academy, U.S. Fire Administration, and Training under the Civil Defense activity. The following is a summary of the planned use of those Emergency Management Planning and Assistance funds provided under the Emergency Management Institute program. These funds represent a share of the total cost for NETC Site Administration.
  - o Equipment rental including reproduction equipment to produce student and instructor course manuals and procurement documents; and utilities including steam, water and sewer, electricity, and commercial telephone service - \$67,000.
  - o General printing - \$1,000.
  - o Facility operations and maintenance including furniture moving, lawn care, snow removal, maintenance and repair of the mechanical and electrical systems, maintenance of the 19 buildings on the NETC campus, minor space alterations, maintenance support for the full service food service operation, operation of the facility and office supply warehouses, operation of the duplicating center, courier service between Emmitsburg and Washington, and maintenance of the campus utilities; student services such as housekeeping, student registration, and student bus transportation; security including operation of the switchboard, and provision of emergency medical services; Learning Resource Center including library services, information research, and response to public inquiries; and media production including the development of slides, video tapes, overhead transparencies, slide/tape programs, typesetting, and graphic layout - \$676,000.
  - o Facility, related equipment - \$5,000.

These services are provided by commercial vendors.



1993 Increases/Decreases. None.

f. Outyear Implications. No outyear implications over the 1993 request.

g. Advisory and Assistance Services. None.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
TRAINING AND FIRE PROGRAMS  
(Dollars in Thousands)

**B. National Fire Academy**

| <u>Estimates by Program Element</u>                  | <u>Page No.</u> | <u>1991 Actual</u> | <u>1992 Request</u> | <u>1992 Current Estimate</u> | <u>1993 Request</u> | <u>Increase/Decrease</u> |
|--|-----------------|--------------------|---------------------|------------------------------|---------------------|--------------------------|
| 1. Instructional Programs & Materials.....           | EM- 96          | \$1,584            | \$2,846             | \$2,789                      | \$2,539             | -\$250                   |
| 2. Training Field Deployment Systems.....            | EM- 99          | 848                | 770                 | 770                          | 770                 | ...                      |
| 3. Resident Programs.....                            | EM-101          | 2,050              | 2,140               | 2,140                        | 2,390               | 250                      |
| 4. NETC Site Administration.                         | EM-103          | <u>6,954</u>       | <u>4,852</u>        | <u>7,041</u>                 | <u>2,767</u>        | <u>-4,274</u>            |
| Total, National Fire Academy (Budget Authority)..... |                 | 11,436             | 10,608              | 12,740                       | 8,466               | -4,274                   |

Changes from Original 1992 Estimates. Reflects a net increase of \$2,132,000: a specific Congressional increase of \$2,260,000 for building safety and maintenance projects at the National Emergency Training Center (NETC); and a decrease of \$128,000 from the application of a Congressional general reduction.

B. National Fire Academy

This program provides for the operation of the National Fire Academy (NFA) training and education program at the residential site in Emmitsburg, Maryland, and, through off-campus outreach courses, support for the curriculum development and evaluation effort as well as a portion of the operating costs for the Emmitsburg campus. In addition, this program provides for a major renovating program to correct fire and life safety deficiencies and provide more efficient use of available space and systems.

1. Instructional Programs and Materials

- a. Objective/Element Description. This element provides for the curriculum design and for the assessment, development and evaluation of NFA courses which are delivered at the Emmitsburg, Maryland, residential site and throughout the Nation in cooperation with State and local fire training agencies and a consortium of colleges and universities.

Each course follows a multi-phase development process: (1) needs assessment by practitioners in the field; (2) task analysis and course structure; (3) student and instructor manual development; (4) pilot testing and revisions; and (5) materials evaluation system. The element also provides for establishing overall NFA training and education curriculum policy, planning, evaluation, and training research.

- b. 1991 Accomplishments. In 1991, FEMA used a total of \$2,513,000 and 18 workyears for this program element, of which \$929,000 was under Salaries and Expenses and \$1,584,000 was under Emergency Management Planning and Assistance. Major accomplishments included: development of or revision to 16 separate courses; refinement of short-term evaluation system; college accreditation recommendations through the American Council on Education (ACE) for NFA courses; and development of a long-term evaluation plan for Academy programs. Through the Open Learning Fire Service Program (OLFSP), approximately 1,800 personnel were enrolled in the 12-course curriculum; the seven participating OLFSP colleges and universities awarded over 90 baccalaureate degrees. In addition, the Open Learning Program completed revision of two courses. One national videoconference was funded and delivered. The ninth annual ceremony to honor fallen firefighters was conducted at the National Fallen Firefighter's Memorial. Following congressional designation of the memorial as an official national memorial, a national dedication ceremony was held.
- c. Changes from the 1992 Estimates. Reflects a decrease of \$57,000 from the application of a Congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$4,379,000 and 28 workyears to this program element, of which \$1,590,000 is under Salaries and Expenses and \$2,789,000 is under Emergency Management Planning and Assistance. The following activities are planned for 1992:

- o Develop and/or revise approximately 20 courses.
- o Provide editorial support and book production for all Academy courses.
- o Release four courses for national distribution.
- o Conduct short-term evaluation of individual course offerings. Develop and implement a model for long-term evaluation of Academy programs.
- o Submit new and revised field and resident courses to the American Council on Education for recommendation for college level accreditation.
- o Conduct national needs assessment for Academy curriculum planning.
- o Provide grant support for participating colleges/universities in the Open Learning Fire Service Program.
- o Revise four courses and develop a new course OLFSP curriculum.
- o Produce one videoconference.
- o Continue the annual national ceremony to honor fallen firefighters who have given their lives in service to their communities, including nationally televised coverage through the Emergency Education Network (EENET).
- o Complete planning and development of a course for the regional pilot delivery program.
- o Market OLFSP curriculum to increase awareness and enrollment.
- o Participate in the U.S. Fire Administration's national fire education and awareness campaign.
- o Continue educational program support for the Learning Resources Center and the media production center.
- o Design, pilot test and institute a regional delivery program to allow delivery of appropriate resident type courses in locations and in formats other than the traditional two week delivery at the NFA's Emmitsburg campus. (This is a joint pilot in both the resident and field programs.)
- o Prepare three additional Academy-developed and pilot-tested training packages for "hand-off" delivery by local instructors to State and local fire and rescue personnel.

414

- e. 1993 Program. In 1993, FEMA requests a total of \$4,184,000 and 28 workyears for this program element. Included in this total are \$1,645,000 under Salaries and Expenses and \$2,539,000 under Emergency Management Planning and Assistance. These resources will be used to do the following:
- o Develop and/or revise up to 16 courses at a cost of \$1,095,000.
  - o Prepare and deliver up to three regional delivery programs at a cost of \$150,000.
  - o Conduct short-term evaluation of course offerings at a cost of \$15,000.
  - o Provide editorial support and book production for all Academy course development projects, at a cost of \$150,000.
  - o Conduct national needs assessment for Academy curriculum planning, at a cost of \$75,000.
  - o Continue grant support to colleges and universities participating in the Open Learning Fire Service Program, at a cost of \$100,000.
  - o Develop, revise, and market OLFSP courses, at an estimated cost of \$120,000.
  - o Conduct long-term evaluation of Academy curriculum, at a cost of \$150,000.
  - o Continue the annual national ceremony to honor fallen firefighters who have given their lives, in service to their communities, at an estimated cost of \$30,000.
  - o Support Academy educational displays at major fire service/allied professions conferences, at a cost of \$10,000.
  - o Provide American Council on Education accreditation review and listing of all new and revised courses, at a cost of \$7,000.
  - o Provide basic support for videoconferencing, at a cost of \$74,000.
  - o Continue educational program support for the Learning Resource Center and the media production center, at a cost of \$513,000.
  - o Participate in the U.S. Fire Administration's national fire education and awareness campaign, at a cost of \$50,000.

1993 Increase/Decrease. The 1993 request includes a decrease of \$250,000 which is being transferred to the Resident Programs program element to institute a regional delivery program to allow appropriate resident type courses to be delivered in locations and in formats other than the traditional two week delivery at the NFA's Emmitsburg campus.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

## 2. Training Field Deployment Systems

- a. Objective/Element Description. This element provides for the field delivery of courses in cooperation with State and local fire training agencies. These courses are delivered in every State to allow maximum opportunity for volunteer and career fire personnel attendance.
- b. 1991 Accomplishments. In 1991, FEMA used a total of \$1,312,000 and 9 workyears for this program element, of which \$464,000 was under Salaries and Expenses and \$848,000 was under Emergency Management Planning and Assistance. Major accomplishments included the delivery of 277 off-campus courses to over 7,437 fire service, rescue and allied professionals at the local level, resulting in 17,874 student days of instruction and providing training to over 86,000 personnel through courses developed by the NFA and taught by State and local trainers. Training of State and local personnel continued at an increased level through 128 course offerings in the State Weekend Program; 5,449 State and local fire service personnel participated in this program for a total of 10,898 student days of instruction. Academy direct field deliveries, State Weekend Program and the Train-the-Trainer (TtT) Program accounted for over 198,000 student days.
- c. Changes from the 1992 Estimates. None.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$1,232,000 and 9 workyears to this program element, of which \$462,000 is under Salaries and Expenses and \$770,000 is under Emergency Management Planning and Assistance. The following activities are planned for 1992:
  - o Continue the on-campus State Weekend Program for 28 participating States. There are 141 course deliveries planned for approximately 5,800 fire service and rescue personnel for a total of 11,600 estimated student days of instruction.
  - o Provide approximately 306 direct deliveries of Academy developed courses sponsored by the State fire training systems to reach approximately 9,400 students, for a total of 18,800 student days of instruction.

- o Conduct two Adjunct Faculty In-Service Training Workshops for 100 State and local fire service personnel to enhance the Academy's off-site deliveries.
  - o Coordinate the Student Manual Support Program which provides training support to an estimated 80,000 people through the TtT courses conducted at the State and local level for fire service personnel.
  - o Hold a national conference for 193 senior fire service educators including the State fire training directors and training chiefs for the 143 largest metro fire departments. As a follow-on, a meeting of the 50 directors of State fire training is planned.
- e. 1993 Program. In 1993, FEMA requests a total of \$1,250,000 and 9 workyears for this program element. Included in this total are \$480,000 under Salaries and Expenses and \$770,000 under Emergency Management Planning and Assistance. These resources provide for the following activities:
- o Conduct approximately 306 course deliveries at the State and local level to reach approximately 9,400 fire service and rescue personnel for a total of 18,800 days of instruction. Provide contractual services for adjunct faculty, and delivery support, at a cost of \$200,000.
  - o Hold an on-campus conference for the 20 regional co-chairpersons of the National Training Resources and Data Exchange network. In addition, conduct a program assessment to review accomplishments of the 1992 National Conference, at a cost of \$10,000.
  - o Coordinate the Student Manual Support Program to provide training to an estimated 100,000 people through Train-the-Trainer courses conducted at the State and local levels for fire service personnel, at a cost of \$181,650.
  - o Conduct two Adjunct Faculty In-Service Training Workshops for 70 State and local fire service personnel to enhance the Academy's off-site deliveries, at a cost of \$25,000.
  - o Prepare and implement an interagency agreement with the National Archives and Records Administration's National Audiovisual Center to print, stock, and disseminate Academy training materials, at a cost of \$75,000.
  - o Prepare for hand-off, two Academy developed and field-tested training packages through the annual TtT program, at a cost of \$80,000. It is estimated that an additional 40,000 fire service personnel at the State and local level will be trained by utilizing these materials.
  - o Provide editorial support and book distribution for all field deliveries, at a cost of \$125,000.

- o Continue the on-campus State Weekend Program for 30 participating States. A total of 152 course deliveries are planned for approximately 6,200 fire and rescue personnel for a total of 12,450 student days of instruction at a cost of \$73,000.

1993 Increase/Decrease. None.

f. Outyear Implications. No outyear implications over the 1993 request.

g. Advisory and Assistance Services. None.

3. Resident Programs

a. Objective/Element Description. This element provides for the delivery of courses by the National Fire Academy (NFA) at Emmitsburg, Maryland, and program content coordination in the development of NFA videoconferences and field program courses.

b. 1991 Accomplishments. In 1991, FEMA used a total of \$3,237,000 and 23 workyears for this program element, of which \$1,187,000 was under Salaries and Expenses and \$2,050,000 was under Emergency Management Planning and Assistance. The major accomplishment was the delivery of 150 course offerings to 3,560 fire service and related personnel, representing 33,147 student days of training, including the Volunteer Incentive Program (VIP) where 13 course offerings were attended by 319 volunteer students totaling 1,914 student days of training. In-service training for instructors was provided in one new course area and on-going in-service training was provided as needed in other course areas. Support was provided for the Fire Executive Fellowship program, which is co-funded with the United States Fire Administration. Additionally, 31 hazardous materials resident course offerings were delivered to 753 students off the Emmitsburg campus with some funding support from the Environmental Protection Agency. The Executive Fire Officer Symposium was delivered for the third time with 78 Senior Chief Officers participating from throughout the United States. As part of the Executive Fire Officer program, 548 applied research projects were submitted by Chief Officers.

c. Changes from the 1992 Estimates. None.

d. 1992 Program. In 1992, FEMA is allocating a total of \$3,312,000 and 23 workyears to this program element, of which \$1,172,000 is under Salaries and Expenses, and \$2,140,000 is under Emergency Management Planning and Assistance. The following activities are planned for 1992:

- o Deliver approximately 158 course offerings to an estimated 3,900 fire service and allied professionals representing 39,000 student days of training.



- o Sponsor an Executive Fire Officer Symposium for approximately 100 senior fire service executives.
  - o Continue support of the Arson Lab/Burn Building to facilitate the Fire/Arson Investigation course delivery.
  - o Fund miscellaneous course expenses related to printing, supplies, and equipment acquired by contractual services.
  - o Co-sponsor with the U.S. Fire Administration, the FEMA Fire Executive Fellowship Program, which sends six competitively selected senior fire officers to participate in the John F. Kennedy School of Government program for State and local Government officials at Harvard University.
  - o Continue off-campus delivery of selected hazardous materials course offerings.
  - o Continue delivery of the Volunteer Incentive Program (VIP) courses.
  - o Continue the Executive Fire Officer program which emphasizes the educational needs of current and future fire service leaders.
  - o Provide a limited number of new In-service Resident Adjunct Faculty training programs as courses are developed or revised.
  - o Modify the Academy's Microcomputer Laboratory to more closely fit the needs of fire service personnel.
  - o Provide editorial support for resident classroom deliveries.
- e. 1993 Program. In 1993, FEMA requests a total of \$3,607,000 and 23 workyears for this program element. Included in this total are \$1,217,000 under Salaries and Expenses and \$2,390,000 under Emergency Management Planning and Assistance. The following activities are planned for 1993:
- o Deliver approximately 157 course offerings to an estimated 3,766 fire service and allied professionals providing approximately 38,000 student days of training. Pilot test an off-site regional delivery system which will eventually provide an additional 20 course offerings across the United States to 500 students representing 5,000 student days of training. Requested resources include reimbursement for student stipends for on-campus deliveries and contractual services of adjunct faculty, and other costs such as air fare increases and normal increases in essential contract instructor services at approximately \$2,040,000. Also included in the activity are the following specific activities:

- Continue the six-day Volunteer Incentive Program courses designed to address specific needs of volunteer fire service personnel.
- Continue the Executive Fire Officer series of course offerings.
- Continue the hazardous materials curriculum course offerings both on- and off-campus.
- o Continue the Executive Fire Officer Symposium program, at a cost of \$22,000.
- o Continue support of the Arson, Fire Protection, and Incident Simulation Laboratories, at a cost of \$97,000.
- o Support miscellaneous course expenses related to printing, supplies, and equipment acquired by contractual services, at a cost of \$71,000.
- o Fund editorial support activities and support for the classroom management and material revisions, at a cost of \$160,000.
- o Provide editorial support for resident classroom deliveries.

1993 Increases/Decreases. The 1993 request includes an increase of \$250,000 which is an internal transfer of funds from the Instructional Programs and Materials program element to institute a regional delivery program to allow appropriate resident type courses to be delivered in locations and in formats other than the traditional two week delivery at the NFA's Emmitsburg Campus.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

#### 4. NETC Site Administration

- a. Objective/Element Description. This element provides for a share of the cost of operating the National Emergency Training Center (NETC) in Emmitsburg, Maryland, and supporting the educational programs of the National Fire Academy and Emergency Management Institute. The funding covers a portion of the facility costs such as maintenance, security, housekeeping, equipment, rent, and similar costs. Also included is funding for renovations to correct fire and life safety deficiencies as well as structural and system deterioration.

- b. 1991 Accomplishments. In 1991, FEMA used a total of \$8,038,000 and 21 workyears for this program element, of which \$1,084,000 was under Salaries and Expenses and \$6,954,000 was under Emergency Management Planning and Assistance. The 1991 program included providing a share of facility operating and educational program support costs. The facility operations costs included maintenance, security, housekeeping, equipment, transportation, rents, media support and library services. In addition, funding was provided to correct fire and life safety deficiencies at the facility, including the major renovations to Buildings E, H, and K, and the installation of a campus-wide fire alarm system.
- c. Changes from the 1992 Estimates. Reflects a net increase of \$2,189,000: a Congressional increase of \$2,260,000 for building safety and maintenance projects; and a reduction of \$71,000 from the application of a Congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$8,815,000 and 22 workyears to this program element, of which \$1,774,000 is under Salaries and Expenses and \$7,041,000 is under Emergency Management Planning and Assistance. These resources provide a share of the cost of operating and maintaining the facility, providing administrative support to the National Emergency Training Center campus, and supporting the educational programs of the Emergency Management Institute and National Fire Academy.

In addition to normal facility operations and maintenance activities, funding is provided to fund a portion of a multi-year renovation program to correct structural and other facility deficiencies. Among the projects being undertaken are:

- Completion of an electric survey and upgrade of the electrical distribution system.
  - Expansion and updating of the Fire Protection Laboratory and Incident Command Simulator.
  - Replacement of roofs on nine buildings.
  - Upgrading the central heating and air conditioning system in Building L.
  - Renovation to the classrooms and office areas in Building J.
  - Removal of asbestos and replacement of Polychlorinated Biphenyl (PCB) transformers.
  - Completion of architectural and engineering work for future projects.
- e. 1993 Program. In 1993, FEMA requests a total of \$4,585,000 and 22 workyears for this program element. Included in this total are \$1,818,000 under Salaries and Expenses and \$2,767,000 under Emergency Management Planning and Assistance. The resources are requested for a share of the cost of operating and maintaining

the Emmitsburg resident educational facility; administrative support to the campus which houses the Emergency Management Institute, the National Fire Academy; and the United States Fire Administration; and educational program support for the National Fire Academy. A portion of the resources for NETC Site Administration are included in each of four programs--Emergency Management Institute, National Fire Academy, U.S. Fire Administration, and Training under the Civil Defense activity. The following is a summary of the planned use of those Emergency Management Planning and Assistance funds provided under the National Fire Academy program. These funds represent a share of the total cost for NETC Site Administration.

- o Equipment rental including reproduction equipment to produce student and instructor course manuals and procurement documents and utilities including steam, water and sewer, electricity, and commercial telephone service - \$395,000.
- o General printing - \$3,000.
- o Facility operations and maintenance including furniture moving, lawn care, snow removal, maintenance and repair of the mechanical and electrical systems, maintenance of the 19 buildings on the NETC campus, minor space alterations, maintenance support for the full service food service operation, operation of the facility and office supply warehouses, operation of the duplicating center, ADP support for the admissions system, general supplies and equipment, courier service between Emmitsburg and Washington, and maintenance of the campus utilities; student services including housekeeping, student registration, and student ground transportation; security including operation of the campus switchboard, and provision of emergency medical services - \$2,337,000.
- o Office supplies and equipment - \$32,000.

These services are provided by commercial vendors.

1993 Increases/Decreases. The 1993 program includes a decrease of \$4,274,000 in Emergency Management Planning and Assistance which eliminates all funding to continue the building safety and maintenance projects.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
TRAINING AND FIRE PROGRAMS  
(Dollars in Thousands)

C. U.S. Fire Administration

| <u>Estimates by Program Element</u>                     | <u>Page No.</u> | <u>1991 Actual</u> | <u>1992 Request</u> | <u>1992 Current Estimate</u> | <u>1993 Request</u> | <u>Increase/Decrease</u> |
|---|-----------------|--------------------|---------------------|------------------------------|---------------------|--------------------------|
| 1. Fire Prevention & Arson Control.....                 | EM-107          | \$3,054            | \$5,258             | \$5,199                      | \$5,199             | ...                      |
| 2. Federal Fire Policy & Coordination.....              | EM-110          | 261                | 817                 | 808                          | 808                 | ...                      |
| 3. Firefighter Health & Safety.....                     | EM-113          | 1,136              | 1,099               | 2,201                        | 1,086               | -\$1,115                 |
| 4. Fire Data & Analysis.....                            | EM-116          | 884                | 887                 | 877                          | 877                 | ...                      |
| 5. NETC Site Administration.                            | EM-119          | <u>191</u>         | <u>197</u>          | <u>195</u>                   | <u>195</u>          | <u>...</u>               |
| Total, U.S. Fire Administration (Budget Authority.....) |                 | 5,526              | 8,258               | 9,280                        | 8,165               | -1,115                   |

Changes from Original 1992 Estimates. Reflects a net increase of \$1,022,000; a Congressional increase of \$1,115,000 for hazardous materials training facilities in Iowa and Vermont; and a decrease of \$93,000 from the application of a Congressional general reduction.

C. U.S. Fire Administration

The mission of the United States Fire Administration (USFA) is to enhance the nation's fire prevention and control activities and thereby significantly reduce the nation's loss of life from fire, and to achieve a reduction in property loss and non-fatal injury due to fire.

1. Fire Prevention and Arson Control

- a. Objective/Element Description. This element is directed to reducing the loss of life and property in the nation due to the incidence of fire. This is being accomplished by the diligent application of programs and projects in the area of anti-arson strategies; creating public awareness of the hazards of fire, and fire protection and prevention measures; and researching codes and standards via a pro-active approach to legislation and enforcement. Information obtained through applications is generated with and for the fire service community to inform and involve the general public in anti-arson strategies and fire prevention research.
- b. 1991 Accomplishments. In 1991, FEMA used a total of \$3,374,000 and 5 workyears for this program element, of which \$320,000 was under Salaries and Expenses and \$3,054,000 was under Emergency Management Planning and Assistance. During 1991, the United States Fire Administration (USFA) initiated the final phase of the National Community Volunteer Fire Prevention Program in the remaining 20 States, and printed and distributed a successful demonstration series to all states. Efforts were continued in the implementation of a multi-pronged approach to residential sprinklers by focusing on research, demonstrations, technical information, and assistance. Special focus during the application phase of the program was placed on fire safety for Native Americans and the physically impaired as well as on fire safety in multi-family occupancies.

The USFA continued the national public fire education and awareness program with special emphasis on Corporate 500 involvement and electrical fire safety. The Fire Prevention and Arson Control efforts included interactive videoconference programs as a vehicle for dissemination of public fire education information. Topics included home electrical appliance problems, Corporate 500 efforts in fire safety, and Wildland Urban Interface. The program expanded efforts on arson prevention through research and development, activities aimed at juvenile firesetters especially efforts with the Office of Juvenile Justice Delinquency Prevention/Department of Justice, and expanded community-based anti-arson programs. In addition, the Arson Information Management System (AIMS) was revised to meet higher investigator needs, technical assistance on arson unit management was provided to several communities, and a multi-agency procedural manual was developed and tested as part of the continuing improvement of local juvenile firesetter approaches. Efforts were expanded with the national building and fire code organizations to address State and local needs (i.e., through technical assistance and information for local code officials and the completed technical report on smoke detectors for the hearing impaired).

Programs designed to produce fire safety materials and information with particular emphasis on materials and information targeted to assist the disabled and senior populations were intensified. For example, programs were

expanded on public/private partnership for the fire-safe adaptable modular house with special emphasis on these high-risk populations. A videotape and supporting materials were completed and widely disseminated, and on-site visits and presentations to interested individuals and groups were conducted.

Implementation of a national program to encourage Government travelers to stay in hotels/motels protected by fire sprinkler systems was initiated. This included the preparation of educational materials, coordination with State and local fire services and other Federal agencies on Federal employee travel, and initiating close work with private industry and the fire service on full implementation of the Hotel/Motel Fire Safety Act (P. L. 101-391).

- c. Changes from the 1992 Estimates. Reflects a decrease of \$59,000 from the application of a Congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$5,637,000 and 8 workyears to this program element, of which \$438,000 is under Salaries and Expenses and \$5,199,000 is under Emergency Management Planning and Assistance. The following are planned for 1992:
  - o Complete the phase out and distribution of the final products of the National Community Volunteer Fire Prevention Program.
  - o Expand efforts in multi-pronged approach to residential sprinklers by focusing on basic research, technical information and assistance, and demonstrations. In research, USFA will focus on lower response time for quick-acting sprinklers, more effective and appropriate sprinkler systems for health care facilities and persons, new means of freeze protection, and water supply concerns, particularly in rural areas.
  - o Continue the national public fire education and awareness campaigns with special emphasis on home fire safety.
  - o Develop and conduct interactive videoconferences with the Emergency Education Network (EENET) including shows on Women in the Fire Service and Wildland Urban Interface.
  - o Continue current broad-based attack on arson through research and development, activities aimed at juvenile firesetters, community-based programs, arson resources center and other information and technical assistance.
  - o Undertake new efforts with national and State building and fire code organizations to address state and local needs, i.e. new/expanded efforts to increase fire safety during housing renovation and rehabilitation.
  - o Conduct programs designed to utilize organizations representing high-risk populations, seniors, disabled, and hearing impaired for better distribution and utilization of fire safety materials and information.

- o Continue implementation and monitoring of national program to encourage travelers to stay in hotels/motels protected by fire sprinkler and smoke detection systems.
  - o Continue to develop, print, and disseminate materials to fire service and public and private organizations on prevention, education, and technologies for fire safety.
- e. 1993 Program. In 1993, FEMA requests a total of \$5,653,000 and 9 workyears for this program element. Included in this total are \$454,000 under Salaries and Expenses and \$5,199,000 under Emergency Management Planning and Assistance. These resources will provide for the following activities:
- o Initiate technical assistance activities to selected communities in order to continue to utilize the successful products from the completed National Community Volunteer Fire Prevention Program. Orientation and assistance in creating and sustaining new partnerships will be emphasized (\$300,000).
  - o Continue efforts in multi-pronged approach to residential sprinklers by focusing on basic research, technical information and assistance, and demonstrations. Regional demonstrations of the new rural/mobile sprinkler package will be broadly conducted and a targeted effort will be coordinated with the Department of Housing and Urban Development and the mobile home industry (\$2,249,000).
  - o Continue successful national public education and awareness campaigns with special emphasis on residential sprinklers and arson control (\$700,000).
  - o Develop and conduct interactive videoconferences with Emergency Education Network (EENET) with specific shows on Juvenile Firesetters and Residential Sprinkler Technology (\$200,000).
  - o Expand upon efforts with national and state building and fire code organizations to meet unique fire safety challenges. USFA will promote its new Chemicals In Schools Project as an example (\$200,000).
  - o Undertake new initiative in smoke detector installation and maintenance to reflect USFA efforts with the Consumer Product Safety Commission (CPSC) and Underwriters Laboratories on smoke detectors for the hearing impaired (\$100,000).
  - o Undertake new efforts with other Federal Agencies in arson mitigation to develop and implement new arson programs (\$100,000).
  - o Continue current broad-based attack on arson including new initiatives with the Bureau of Alcohol, Tobacco, and Firearms (BATF) on expert witness capability and wildland arson problems (\$550,000).



- o Conduct programs aimed at fire prevention and education for high-risk populations such as senior citizens, the disabled, children, and the hearing impaired (\$100,000).
- o Complete the first phase of Hotel/Motel Fire Safety Act (P.L. 101-391), to encourage travelers to stay in hotels/motels protected by fire sprinklers and smoke detection systems (\$500,000).
- o Continue to develop, print, and disseminate materials to fire service and public and private organizations on prevention, education and technologies for fire safety (\$200,000).

1993 Increases/Decreases. None.

f. Outyear Implications. No outyear implications over the 1993 request.

g. Advisory and Assistance Services. None.

## 2. Federal Fire Policy and Coordination

- a. Objective/Element Description. This element includes research, development and technical efforts to encourage improvement in the Nation's overall fire protection management; an expansion of existing public/private interactions for models of public/private partnerships; assessment and evaluation of fire prevention efforts; the dissemination of information; and the review and authorization of reimbursement to local fire services for fighting fire on Federal property.
- b. 1991 Accomplishments. In 1991, FEMA used a total of \$643,000 and 6 workyears for this program element, of which \$382,000 was under Salaries and Expenses and \$261,000 was under Emergency Management Planning and Assistance. During 1991, the program enhanced fire service leadership development through educational and information assistance; specifically, the development of three case studies was to be used with Harvard University's Executive Development Program was initiated. The USFA worked with volunteer fire service to enhance their roles and efforts in addressing national fire problems. The National Volunteer Fire Council (NVFC) communication software program was installed in several states. The USFA continued efforts in the coordination of fire programs and resources in Federal agencies, and public interest organizations that impact on fire and emergency management including involvement with Department of Health and Human Services, Department of Housing and Urban Development, Environmental Protection Agency, Department Of Justice, National Institute of Occupational Health and Safety, National Institute of Science and Technology, and other federal agencies. Efforts continued on specialized information for State and local fire services with special focus on groups who are particularly vulnerable to fire hazards, such as children, senior citizens, the physically impaired, and Native Americans; and completed the report on the hearing impaired. Major accomplishments also included intensified opportunities for fire service involvement in public/private partnerships, i.e., 200 corporations began participation in

targeted employee fire safety programs developed by USFA; support for fire service roles in technology development and the consensus codes process; production and distribution of a videotape that describes the code process to fire communities and encourages increased participation; and achievement of a better relationship between the fire service and other public management policy and planning organizations such as through the new State Fire Marshals Association. The USFA developed opportunities to enhance integrated emergency management systems at State and local levels, i.e., Incident Command System (ICS) was the focus of several working groups and activities. Efforts were continued on working in concert with other FEMA programs and local fire service entities in building their capacity to effectively respond to and operate at disasters requiring urban search and rescue techniques. USFA convened the interagency working group established to improve the information available to emergency response personnel regarding hazardous materials emergencies and provided recommended changes and additions to the report to Congress concerning the information available to local responders.

- c. Changes From the 1992 Estimates. Reflects a decrease of \$9,000 from the application of a Congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$1,479,000 and 12 workyears to this program element, of which \$671,000 is under Salaries and Expenses and \$808,000 is under Emergency Management Planning and Assistance. The resources permit accomplishment of the following:
  - o Continue to enhance fire service leadership development through educational and informational assistance.
  - o Identify new opportunities to enhance volunteer fire service roles and efforts with specific emphasis on the role of women in the fire service.
  - o Continue coordination efforts with other Federal and State agencies and public interest organizations on fire related matters. Work with national organizations on injury prevention and control will continue including that with the National Safe Kids Campaign and Head Start.
  - o Carry out the development and dissemination of better hazardous materials response information for first responders as a result of administration and Congressional directives.
  - o Implement USFA responsibilities under the Firefighter Safety Study Act (P.L. 101-446) with a target date for submission of initial report in late September 1992.
  - o Continue to develop and provide specialized information for State and local fire services with special focus on groups who are particularly vulnerable to fire hazards, such as children, senior citizens, physically impaired and Native Americans.
  - o Support fire service participation in national consensus codes process.

- o Continue to broker a better relationship between the fire service and other public policy and management organizations, such as the International City Managers Association, National Governors Association, National League of Cities, and National Association of Counties.
- o Continue joint efforts with other FEMA organizations to enhance integrated emergency management systems and urban search and rescue techniques at State and local levels.
- o Continue to convene the interagency working group established to improve the information available to emergency response personnel concerning hazardous materials emergencies.
- o Work in close cooperation with the State Fire Marshals Association to identify and address statewide fire issues.
- o Develop opportunities for fire service involvement in public/private partnerships.
- o Fully implement a viable hazardous materials information program for first responders.
- e. 1993 Program. In 1993, FEMA requests a total of \$1,503,000 and 11 workyears for this program element. Included in this total are \$695,000 under Salaries and Expenses and \$808,000 under Emergency Management Planning and Assistance. These resources will provide for the following activities:
  - o Continue to enhance fire service leadership development through educational and informational assistance (\$21,000).
  - o Enhance the level of fire protection identifying new opportunities to enhance volunteer fire service roles and efforts, i.e., mid-level fire service management training programs; continue coordination efforts with other Federal and State agencies and public interest organizations on fire related matters; and developing opportunities for fire service involvement in public/private partnerships (\$70,000).
  - o Improve fire service hazardous materials response capability by carrying out the development and dissemination of better hazardous materials response information for first responders as a result of administration and Congressional directives; formulating the process for continuing the evaluation of the first responder guidance as required by the Firefighter Safety Study Act; and continuing to convene the interagency working group established to improve the information available to emergency response personnel concerning hazardous materials emergencies (\$500,000).
  - o Continue to develop and provide specialized information for State and local fire services with special focus on groups who are particularly vulnerable to fire hazards, such as children, senior citizens, physically impaired and Native Americans (\$50,000).

- o Support fire service participation in national consensus codes process (\$50,000).
- o Continue to improve the relationship between the fire service and other public policy and management organizations, such as the International City Managers Association, National Governors Association, National League of Cities, and National Association of Counties (\$25,000).
- o Continue joint efforts with other FEMA organizations to enhance integrated emergency management systems and urban search and rescue techniques at State and local levels (\$75,000).
- o Work in close cooperation with the State Fire Marshals Association to identify and address statewide fire issues (\$17,000).

1993 Increases/Decreases. None.

f. Outyear Implications. No outyear implications over the 1993 request.

g. Advisory and Assistance Services. None.

### 3. Firefighter Health and Safety

- a. Objective/Element Description. The Firefighter Health and Safety program element operates to lower the rate of death, injury, and illness among the nation's firefighters. This is accomplished by sponsoring research to develop superior protective clothing, tools, and equipment to allow firefighters to operate more safely and efficiently in emergencies. The Firefighter Health and Safety program provides for the development of, and makes available to the fire service, model programs for improving the level of firefighter physical fitness and for measuring and monitoring the state of firefighters' health.
- b. 1991 Accomplishments. In 1991, FEMA used a total of \$1,452,000 and 5 workyears for this program element, of which \$316,000 was under Salaries and Expenses and \$1,136,000 was under Emergency Management Planning and Assistance. During 1991, a study of the optimum criteria for heavy urban search and rescue personnel protective clothing and equipment was initiated. The development of criteria for protective clothing for personnel engaged in Emergency Medical Services (EMS), and Hazardous Materials (HazMat) mitigation continued. A Safety and Health Manual for Emergency Health Care Providers was developed. Case histories of significant urban search and rescue incidents were amassed. A program dealing with an Emergency Medical Service Public Information Education and Relations campaign was begun. An EMS Resource Directory was promulgated. A videoconference, "Infection Control: Today's Requirements for Fire and EMS Departments" was scheduled. Work continued on the development of more realistic tests for fire department protective equipment. The third national forum on EMS Management, stressing areas in need of federal attention, was conducted. A Fire Department Communications Manual was

completed. A "Guide to Develop and Manage an EMS Infection Control Program" was completed. A grant to the State of Vermont for the construction of a Hazardous Materials Training Academy was processed in accordance with Congressional direction. Performance criteria, specifically for chemical incident protective boots and EMS gloves, were developed. Partial funding of a California Public Health Foundation cyanide toxicity study was processed. Project Fire Smoke, a joint effort with the National Institute of Occupational Safety and Health (NIOSH), which dealt with the off gases of combustion developed at actual fire responses, was completed. Partial funding of the Redmond Safety and Health Symposium was provided. The Northwest Firefighter Mortality Study was continued. A project tracking the technology available for urban search and rescue operations was initiated.

- c. Changes from the 1992 Estimates. Reflects a net increase of \$1,102,000: a Congressional increase of \$1,115,000 for hazardous materials training facilities; and a decrease of \$13,000 from the application of a Congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$2,529,000 and 6 workyears to this program element, of which \$328,000 is under Salaries and Expenses and \$2,201,000 is under Emergency Management Planning and Assistance. The funding provides for the following:
  - o Completion and distribution of new publications, including an EMS Safety and Health Manual, an EMS Infection Control Guide, an EMS Public Information and Education Manual, an EMS Funding Guide, and an EMS Management Guide.
  - o Development and field testing of model programs to enhance EMS delivery.
  - o Coordinating with the National Fire Academy (NFA) on the expansion of the EMS program.
  - o Refinement of firefighter protective equipment criteria.
  - o Production and field testing of prototypical protective equipment for personnel involved in heavy, prolonged Urban Search and Rescue Operations (USAR).
  - o Preparing and conducting videoconferences of selected topics in Firefighter Health and Safety (FFHS) based on current issues.
  - o Further study of physiological effects of carbon monoxide.
  - o Researching new technologies in vehicle extrication equipment.

- o Development of an Urban Search and Rescue program manual and a Guide to Funding Alternatives for Fire Departments and Emergency Medical Services.
  - o Participating in the development of a standard for firefighter autopsies.
  - o -Conducting a special study on safety and health issues related to female firefighters.
  - o Development of a sizing standard for chemical protective clothing.
  - o Conducting a study on Firefighter Ergonomics, i.e., a special study of physiological disorders due to ergonomic/biomechanical stresses.
  - o Research and development on decontamination of structural firefighting clothing and equipment.
  - o Integrated performance testing of complete firefighter protective ensemble.
- e. 1993 Program. In 1993, FEMA requests a total of \$1,426,000 and 6 workyears for this program element. Included in this total are \$340,000 under Salaries and Expenses and \$1,086,000 under Emergency Management Planning and Assistance. The following activities are planned for 1993:
- o Research new technologies in confined space rescue operations (\$75,000).
  - o Complete and distribute the Urban Search and Rescue Safety Manual (\$75,000).
  - o Continue field performance tests of urban search and rescue equipment (\$100,000).
  - o Broadcast videoconferences on selected safety and health topics; one topic may include Reducing Firefighter Deaths and Injuries which will begin a series that will address the leading causes of firefighter death and injury and how the fire service can prevent such occurrences. Other topics will be EMS safety and EMS management (\$80,000).
  - o Develop a Recruitment and Retention Manual for the Fire Service encompassing both career and volunteer fire departments (\$50,000).
  - o Continue research on decontamination of personal protective clothing and equipment (\$100,000).
  - o Conduct special studies and analyses of protective clothing in support of national consensus standards for protective clothing and support of the National Fire Protection Association (NFPA) Subcommittee (\$59,000).

- o Continue support for the Project Fire Firefighter Technical Assistance Committee (\$60,000).
- o Continue involvement with Redmond Symposium on Firefighter Occupational Health and Safety (\$50,000).
- o Continue the development of a sizing standard for chemical protective clothing for firefighters (\$50,000).
- o Continue special studies and analyses, specifically the Firefighter Autopsy Study (\$50,000).
- o Continue follow-up work with Lawrence Livermore Laboratory in California on the testing of protective clothing (\$100,000).
- o Continue work on the health and safety issues and the female firefighter (\$50,000).
- o Develop Public EMS Education Campaign (\$57,000).
- o Research new technologies for improving EMS management (\$80,000).
- o Research safety of ambulance patient compartments (\$50,000).

1993 Increases/Decreases. The 1993 request includes a decrease of \$1,115,000 which eliminates the funding for a hazardous materials training facility in Waterloo, Iowa, and Vermont.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

#### 4. Fire Data and Analysis

- a. Objective/Element Description. The Fire Data and Analysis program element (i.e. The National Fire Data Center) strives to provide an accurate Nationwide analysis of the fire problem, identification of major problem areas, assistance in setting priorities, possible solutions to problems and monitoring of the progress of programs to reduce fire losses. This activity is accomplished, in part, through contracts/grants and cooperative agreements as well as other forms of technical assistance provided in support of the National Fire Incident Reporting System (NFIRS) and its participating/member States and metropolitan fire departments. The program also involves activities with various Federal, State and private sector organizations which utilize the data base and related information to formulate and implement prevention and mitigation strategies to reduce fire related loss.

- b. 1991 Accomplishments. In 1991, FEMA used a total of \$1,138,000 and 4 workyears for this program element, of which \$254,000 was under Salaries and Expenses and \$884,000 was under Emergency Management Planning and Assistance. During 1991, the Fire Data and Analysis program element funded the development, enhancement, and expansion of the NFIRS program, primarily through cooperative efforts with the National Fire Information Council (NFIC). Efforts focused on data analysis and dissemination at the local, State and Federal levels. This activity included the development of new standardized analytical reporting formats for system participants and a variety of special studies, which targeted problem areas and trends in regional and national fire experience, e.g., the publication of a special in-house report on "Arson in the U.S." Major efforts were continued on the fire department operations analysis and the review findings, with particular attention to identified problem areas such as management information systems enhancements, organizational structure and resource utilization issues. The results of the pilot Arson Fire reporting module for NFIRS were used to make necessary revisions for the manual, and the development of a time-table and plan was initiated. Development of the Wildfire Data set, collection form and pilot field test methodology was continued. Efforts also continued on the USFA's Technical Report Series - Major Fire(s) Investigations Program.
- c. Changes from the 1992 Estimates: Reflects a decrease of \$10,000 from the application of a Congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating a total of \$1,094,000 and 4 workyears to this program element, of which \$217,000 is under Salaries and Expenses and \$877,000 is under Emergency Management Planning and Assistance. The funding provides for the following:
- o Continue the development and expansion of the NFIRS program in conjunction with the National Fire Information Council (NFIC). Efforts are continuing to improve data collection, quality control, and enhance analysis capabilities at all levels of system participation.
  - o Explore the initial results of the fire department operations review for information exchange benefits, information system design enhancements, organizational definition/functions identification and potential lessons learned, and if appropriate, develop model functional configurations resource profiles.
  - o Finalize implementation of the Arson Fire Incident Reporting component to NFIRS.
  - o Target the publication of the Eighth Edition of "Fire In The U.S."
  - o Target completion of preliminary conceptual design of new national fire incident reporting system.
  - o Continue the USFA's Technical Report Series - Major Fire(s) Investigations program. Target expanded focus on mass casualty incidents, special facilities, and high hazard occupancies.



- e. 1991 Program. In 1993, FEMA requests a total of \$1,102,000 and 4 workyears for this program element, of which \$225,000 is under Salaries and Expenses and \$877,000 is under Emergency Management Planning and Assistance. These resources will provide for the following:

- o Continue the development and expansion of the NFIRS program in conjunction with the National Fire Information Council (NFIC). Efforts will continue to improve data collection and quality control, and to enhance analysis capabilities at all levels of system participation (\$400,000).
- o Continue the USFA's Technical Report Series - Major Fire(s) Investigations Program. In conjunction with the Civil Defense activity, expand the scope of the series to include events prompting major population evacuations or similar conditions which utilize both fire department and emergency management resources. The focus of such reports is to profile successful coordination of multi-jurisdictional/organization incident response, as well as identifying where such programs would be helpful (\$250,000).
- o Target publication of three special reports dealing with key aspects of the U.S. fire problem (\$27,000).
- o Within resource constraints, continue work on a new fire reporting system, specifically, the initial system architecture and implementation strategies (\$100,000).
- o Continue work on the fire department operations profile analysis and related by-products, i.e., training, organization, and operational implications (\$50,000).
- o Continue field evaluation of "Data Analysis Manual" for fire department managers (\$50,000).

1993 Increases/Decreases: None.

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

5. NETC Site Administration

- a. Objective/Element Description. This element provides for a share of the cost of operating the National Emergency Training Center (NETC) in Emmitsburg, Maryland. The funding covers a portion of the facility costs such as maintenance, security, housekeeping, equipment, rent, and similar costs. Also included is a portion of the resources required to operate the learning resource center and the media support activity.
- b. 1991 Accomplishments. In 1991, FEMA used \$191,000 and no workyears for this program element under Emergency Management Planning and Assistance. This provided a share of the cost of operating and maintaining the facility.
- c. Changes from the 1992 Estimates. Reflects a decrease of \$2,000 from the application of a Congressional general reduction.
- d. 1992 Program. In 1992, FEMA is allocating \$195,000 and no workyears to this program element under Emergency Management Planning and Assistance. These resources provide a share of the cost of operating and maintaining the facility, and providing administrative support to the National Emergency Training Center campus.
- e. 1993 Program. In 1993, FEMA requests \$195,000 and no workyears for this program element under Emergency Management Planning and Assistance. The resources will provide a share of the cost of operating and maintaining the resident facility, providing administrative support to the various organizational entities at Emmitsburg.

A portion of the resources for NETC Site Administration are included in each of four programs--Emergency Management Institute, National Fire Academy, U.S. Fire Administration, and Training under the Civil Defense activity. The following is a summary of the planned use of those Emergency Management Planning and Assistance funds provided under the United States Fire Administration program. These funds represent a share of the total cost for NETC Site Administration.

- o Equipment rental including reproduction equipment to produce program materials and procurement documents, and utilities including steam, water and sewer, electricity, and commercial telephone service (\$23,000).
- o Facility operations and maintenance including furniture moving, lawn care, snow removal, maintenance and repair of the mechanical and electrical systems, maintenance of the 19 buildings on the NETC campus, minor space alterations, maintenance support for the full service food service operation, operation of the facility and office supply warehouses, operation of the duplicating center, general equipment, courier service between Emmitsburg and Washington, and maintenance of the campus utilities; campus services including housekeeping; security including operation of the campus switchboard, and provision of emergency medical services; learning Resource Center including library services, information research, and response to public inquiries; and media

production including the development of slides, video tapes, overhead transparencies, slide/tape programs, typesetting, and graphic layout (\$170,000).

- o Office supplies and equipment (\$2,000).

These services are provided by commercial vendors.

1993 Increases/Decreases. None.

- f. Outyear Implications. No outyear implications over the 1993 request.

- g. Advisory and Assistance Services. None.

FLOOD INSURANCE AND MITIGATION  
Activity Overview

The flood plain management component of the National Flood Insurance Program (NFIP) focuses on hazard mitigation through programs that combine mapping and regulatory and technical assistance efforts for the purpose of identifying flood hazards and reducing flood loss claims and disaster assistance payments through a comprehensive approach to the management of the nation's flood plains. For 1993, FEMA is proposing that this activity be funded through reimbursement from the National Flood Insurance Fund (NFIF) to the Emergency Management Planning and Assistance (EMPA) appropriation. As directed by the Omnibus Budget Reconciliation Act of 1990, all costs for the activity will be borne by the policyholders. Major programs under this activity include the following:

- A. Flood Studies and Surveys, which identifies various flood risk zones, base flood elevations, floodways and coastal high hazard areas. The flood data for the study are either procured through interagency agreements with other Federal agencies, contracts with architectural and engineering firms, or developed from existing data. Flood studies provide detailed data and are the basis upon which communities can promulgate effective flood plain management ordinances. Once flood elevations are finalized, communities convert to the Regular Phase of the NFIP by adoption and enforcement of the required flood plain management ordinances. Participation in the Regular Program also allows residents to purchase flood insurance in higher amounts than is available to residents of communities in the Emergency Program, which is characterized by a flood hazard boundary map outlining the estimated special flood hazard area without detailed risk zones or base flood elevations. The studies are also utilized as a tool in setting rates for flood insurance.

Back-up data used for the studies is stored and made available to both individuals and organizations involved in the NFIP, and is usable by other FEMA programs in pursuing multi-hazard preparedness planning projects. As FEMA proceeds with implementation of the geographic information systems technology, this wealth of flood data is a particularly valuable resource for hazard identification and analysis at the State and local level.

- B. Flood Hazard Reduction, which provides for the development of improved flood plain management standards and techniques; technical assistance to State and local governments; community assistance, monitoring and enforcement for compliance with NFIP flood plain management standards in the 18,000 communities participating in the NFIP; and, community assistance for participation in the Community Rating System (CRS).

NFIP standards for elevation and protection of structures are incorporated in state statutes and local zoning ordinances and building codes. Technical assistance is provided for the adoption and enforcement of these standards. Blatant non-enforcement results in community probation with a \$25 insurance premium surcharge and ultimately, suspension of community eligibility. The new CRS is conditioned upon certification of full community compliance with regular program standards and requires an increased level of community monitoring. Certification and enforcement actions can only be carried out by FEMA staff.

Experience with NFIP flood loss reduction standards is encouraging State and local initiatives to strengthen their flood plain management programs; from 1980-89 flood damage to insured structures not built to NFIP standards was 3.8 times more frequent than structures built to standard, a benefit demonstrated by Hurricane Hugo experience.

- C. Purchase of Property, which provides for the public acquisition and transfer to local governments of properties that have sustained very severe or repeated flood damage, thus reducing future Federal expenditures for flood insurance claims, disaster relief, and other financial assistance.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
FLOOD INSURANCE AND MITIGATION  
(Dollars in Thousands)

| <u>Estimates by Program Element 1/</u>                   | <u>Page<br/>No.</u> | <u>1991<br/>Actual</u> | <u>1992<br/>Request</u> | <u>1992<br/>Current<br/>Estimate</u> | <u>1993<br/>Request</u> | <u>Increase/<br/>Decrease</u> |
|--|---------------------|------------------------|-------------------------|--------------------------------------|-------------------------|-------------------------------|
| A. Flood Plain Management                                |                     |                        |                         |                                      |                         |                               |
| 1. Flood Studies and Surveys..                           | EM-125              | \$36,277               | \$34,783                | \$34,783                             | \$37,102                | \$2,319                       |
| 2. Flood Hazard Reduction.....                           | EM-131              | 4,315                  | 5,520                   | 5,520                                | 6,270                   | 750                           |
| 3. Purchase of Property.....                             | EM-134              | <u>4,200</u>           | <u>4,720</u>            | <u>4,720</u>                         | <u>4,720</u>            | <u>...</u>                    |
| Total, Flood Plain Management<br>(Budget Authority)..... |                     | 44,792                 | 45,023                  | 45,023                               | 48,092                  | 3,069                         |
| Unobligated Balance...2/.....                            |                     | <u>...</u>             | <u>...</u>              | <u>520</u>                           | <u>...</u>              | <u>-520</u>                   |
| Obligations.....   |                     | 44,792                 | 45,023                  | 45,543                               | 48,092                  | 2,549                         |

Changes from Original 1992 Estimates. None.

1/ As authorized by P.L. 101-508, anticipates reimbursement from the National Flood Insurance Fund. Outlays and budget authority are scored against the National Flood Insurance Fund.

2/ Carryover from the Purchase of Property Program.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE  
FLOOD INSURANCE AND MITIGATION  
(Dollars in Thousands)

|   | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br><u>Decrease</u> |
|---|-----------------------|------------------------|------------------------------------|------------------------|------------------------------|
| <b>OBJECT CLASS</b>   |                       |                        |                                    |                        |                              |
| <u>Personnel compensation</u>                                     |                       |                        |                                    |                        |                              |
| 11.1 Full-time permanent.....                                     | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.3 Other than full-time permanent.....                          | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.5 Other personnel compensation.....                            | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.8 Special personal services payments.....                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.9 Total personnel compensation.....                            | ...                   | ...                    | ...                                | ...                    | ...                          |
| <u>Personnel benefits</u>   |                       |                        |                                    |                        |                              |
| 12.1 Civilian personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 12.2 Military personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 13.0 Benefits for former personnel.....                           | ...                   | ...                    | ...                                | ...                    | ...                          |
| <u>Non-Personnel Costs</u>  |                       |                        |                                    |                        |                              |
| 21.0 Travel and transportation of persons.....                    | ...                   | ...                    | ...                                | ...                    | ...                          |
| 22.0 Transportation of things.....                                | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23.1 Rental payments to GSA.....                                  | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23.2 Rental payments to others.....                               | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | ...                   | ...                    | ...                                | ...                    | ...                          |
| 24.0 Printing and reproduction.....                               | \$1,757               | \$1,800                | \$1,930                            | \$2,500                | \$570                        |
| 25.0 Other services.....  | 39,652                | 39,023                 | 39,413                             | 41,392                 | 1,979                        |
| 26.0 Supplies and materials.....                                  | 2                     | ...                    | ...                                | ...                    | ...                          |
| 31.0 Equipment.....   | 10                    | ...                    | ...                                | ...                    | ...                          |
| 32.0 Land and structures.....                                     | ...                   | ...                    | ...                                | ...                    | ...                          |
| 33.0 Investments and loans.....                                   | ...                   | ...                    | ...                                | ...                    | ...                          |
| 41.0 Grants, subsidies and contributions.....                     | 3,371                 | 4,200                  | 4,200                              | 4,200                  | ...                          |
| 42.0 Insurance claims and indemnities.....                        | ...                   | ...                    | ...                                | ...                    | ...                          |
| 43.0 Interest and dividends.....                                  | ...                   | ...                    | ...                                | ...                    | ...                          |
| Total Obligations.....  | 44,792                | 45,023                 | 45,543                             | 48,092                 | 2,549                        |

A. Flood Plain Management

1. Flood Studies and Surveys

- a. Objective/Element Description. The objectives of this program are to identify Special Flood Hazard Areas and to produce, distribute, store, update, and interpret current information on flood hazards and risks. Flood studies are either procured through interagency agreements with other Federal agencies, contracts with architectural and engineering firms, or developed from existing data. Restudies or revisions are performed when necessary to expand flood risk data into newly developing areas, or areas previously unstudied, and to update information which has become obsolete. The study establishes or modifies flood frequencies, elevations, floodways, and coastal high hazard areas within the community's developed or developing areas. It ascertains the physical characteristics of flood sources and flood plains and applies principles of hydrology and hydraulics to the determination of flood risks in order to set rates for flood insurance and enable local officials to enact flood plain management measures. The results of these analyses are reviewed by a technical evaluation contractor under contract with FEMA prior to the results being presented to the community.

State and local officials must be consulted throughout the detailed flood analyses for each community. Contact with a community begins with a consultation and coordination meeting which determines the scope of the study. A final community meeting is convened at the study's conclusion to present its results, explain the community's right to appeal, and illustrate the responsibility of local officials to use the resulting data for establishing a sound program of flood plain management. Other informational meetings may be held to ensure the acquisition and transfer of pertinent flood data.

Flood insurance maps are subject to appeal by community officials and citizens. Appeals may be filed during formal appeal periods provided at the time of a map's issuance or any time thereafter. Appeals must be based on technical data disputing the findings of FEMA's flood studies. When accepted, appeals result in changes made either by an immediate revision of the flood map or by means of a letter followed later by a revision of the map.

FEMA maintains flood data provided for more than 20,000 communities. This information is kept for FEMA's records and is made available for use by other Federal agencies, State governments, local officials and private individuals. FEMA manages a contract to distribute about 8 million flood maps annually to those agencies and individual responsible for using them. A mass mailing of all flood maps occurs at the time of their printing. A library and centralized system of distribution is available to handle subsequent orders for flood insurance maps and flood insurance studies. In 1991, FEMA began to convert its inventory of paper maps to digital form for production, revision and distribution in a computer environment.

Technical assistance is also offered to other Federal agencies, State and local officials, and private citizens in interpreting and applying this flood data. Special studies and engineering research reports produce



technical guidance materials, resolve problems, and improve methodologies in support of effective local flood plain management programs.

The Salaries and Expenses and Emergency Management Planning and Assistance appropriations will be reimbursed from the National Flood Insurance Fund (NFIF) for the expenses of the Flood Studies and Surveys Program element, with outlays and budget authority scored against the NFIF.

- b. 1991 Accomplishments. In 1991, FEMA used a total of \$39,331,000 and 55 workyears for this program element, of which \$3,054,000 was under Salaries and Expenses and \$36,277,000 was under Emergency Management Planning and Assistance. These resources were used to accomplish the following:
- o Initiated 104 detail flood insurance restudies and 60 existing data restudies, the latter of which are less costly than traditional detail restudies.
  - o Initiated 99 flood map updates under the Limited Map Maintenance Program (LMMP) for communities where full restudies were not warranted.
  - o Completed 328 flood risk studies.
  - o Completed revisions to 275 community flood insurance rate maps using data developed by communities or private sector sources and completed 93 revisions using data developed by FEMA under the LMMP.
  - o Evaluated and resolved 3,729 official appeals or requests for revision or amendment of Flood Insurance Maps.
  - o Printed or reprinted 700 flood study reports and 12,000 maps and distributed 8.5 million flood map panels.
  - o Converted 432 communities to the Regular Program of the National Flood Insurance Program (NFIP) and effected 173 flood insurance restudies.
  - o As required by P.L. 100-242, the Housing and Community Development Act of 1984, completed 160 determinations of structures subject to imminent collapse due to erosion.
  - o Initiated two additional pilot studies to test methodology and procedures and determine the costs of doing erosion rate studies.
  - o Completed a special study of the impacts of sea level rise on the NFIP as mandated by P.L. 101-137, Miscellaneous Reauthorization Act of 1989.
  - o Continued a special study to determine criteria for recognizing effectiveness of flood control structures

on alluvial fans.

- o Digitized Flood Insurance Rate Maps for 36 county-wide areas and developed flood risk directories by property address for 5 pilot communities.
- o Operated a fee charge system for providing copies of archived technical data from flood insurance studies. Under this system, \$28,000 was collected and returned to the National Flood Insurance Fund.
- o Operated a map fee system to charge certain categories of flood map recipients for map orders placed. Under this system, \$381,000 was collected and returned to the National Flood Insurance Fund.
- o Collected \$474,000 in fees for engineering reviews and processing associated with issuance of conditional letters of map correction.
- o Microfilmed 144,000 archived flood map panels.

c. Changes from the 1992 Estimates. None.

d. 1992 Program. In 1992, FEMA is allocating \$38,019,000 and 53 workyears to this program element, of which \$3,236,000 is under Salaries and Expenses and \$34,783,000 is under Emergency Management Planning and Assistance. Funds will be used for the following:

- o Initiate 177 flood insurance restudies and 60 existing data restudies as part of the transition to a full risk data maintenance effort. This transition will be essentially completed during 1992.
- o Initiate 105 flood map updates under the LMMP for communities where full restudies would otherwise be required in order to reduce future program expenditures for the maintenance of hazard and risk data.
- o Complete 281 flood insurance studies and restudies.
- o Complete revisions to 280 community flood insurance rate maps using data developed by communities or other appellants and 93 community flood insurance rate maps using data developed under the LMMP in prior fiscal years.
- o Evaluate and resolve 3,758 official appeals or requests for revision or amendment of flood insurance maps.
- o Distribute 6 million map sheets.
- o Convert 32 communities to the regular phase of the NFIP.

- o Continue the fee charge system for flood maps and studies, map subscription service, conditional letters of map correction and archived flood insurance study data in order to contain program costs.
  - o Continue to develop digital flood map data and explore the use of geographic information systems to improve risk data availability and useability for program constituencies by digitizing 2,150 flood insurance rate map panels for 20 counties.
  - o Evaluate the feasibility of and establish a process for increased utilization of State and local agencies in the restudy and map revision process, including cost-sharing mechanism.
  - o As required by P.L. 100-242, complete 160 determinations of imminent collapse due to erosion.
  - o Complete development of guidelines and specifications for coastal erosion rate studies.
  - o Complete two additional pilot studies to test methodology and procedures for doing erosion rate studies on the Great Lakes and Pacific Coasts.
  - o Implement a new fee charge system for certain categories of physical map revisions.
  - o Microfilm 144,000 archived flood map panels.
  - o Complete a special study to determine criteria to be used in recognizing effectiveness of flood control structures on alluvial fans for NFIP mapping purposes.
- e. 1993 Program. In 1993, FEMA requests \$40,448,000 and 53 workyears for this program element. Included in this total are \$3,346,000 under Salaries and Expenses and \$37,102,000 under Emergency Management Planning and Assistance. The information which follows is a table which specifies the level of funding required to accomplish these activities and the quantifiable outputs FEMA will produce in 1993, all of which will be performed under contract:

FUNDING ALLOCATION 1/  
(dollars in thousands)

|  | <u>1991</u>   | <u>1992</u>   | <u>1993</u><br><u>Request</u> |
|--|---------------|---------------|-------------------------------|
| Studies in Progress.....                                 | \$1,102       | \$810         | \$1,231                       |
| Restudies.....   | 7,665         | 9,192         | 8,140                         |
| Limited Map Updates.....                                 | 2,939         | 2,431         | 2,512                         |
| Technical Evaluation, Appeals, and<br>Map Revisions..... | 19,754        | 15,700        | 17,319                        |
| Printing/Distribution.....                               | 2,419         | 2,400         | 2,400                         |
| Erosion Data Development.....                            | 276           | 400           | ...                           |
| Engineering/Research Reports.....                        | 22            | 50            | 500                           |
| Flood Map Digitization.....                              | 2,100         | 3,800         | 5,000                         |
| <b>Total, Flood Studies and Surveys...</b>               | <b>36,277</b> | <b>34,783</b> | <b>37,102</b>                 |

1/ The Salaries and Expenses and Emergency Management Planning and Assistance appropriations for Flood Studies and Surveys will be reimbursed from the National Flood Insurance Fund.

- o Continue an effort to digitize its Flood Insurance Rate Maps for all 715 counties and independent cities within the Consolidated Metropolitan Statistical Areas as defined by the U.S. Bureau of the Census. The effort will yield computer-compatible flood maps covering 80% of the nation's Property-at-Risk. This project will also facilitate the use and updating of flood maps in an automated environment. Digital flood maps, in conjunction with Geographic Information Systems (GIS) technology, will permit the development of such products as flood risk directories by property address which will facilitate the identification of properties where mandatory flood insurance purchase applies and will also facilitate the marketing and rating of flood insurance. This task is proposed for completion in 1996.
- o Technically evaluate and complete 271 flood insurance studies and restudies begun in prior years.
- o Initiate 111 flood map updates under the Limited Map Maintenance Program (LMMP) for communities where full restudies would otherwise be required as a cost containment measure.
- o Complete revisions to update 220 community flood insurance maps using data provided by communities or private sector sources.

- o Complete revisions to 105 community flood insurance maps using data developed under the LMMP.
- o Evaluate and resolve 4,469 official appeals or requests for revision and amendment of flood insurance maps.
- o Print or reprint 525 flood study reports and 12,700 NFIP map panels (paper copies).
- o Distribute 5 million NFIP map panels.
- o Conduct three special studies to improve program effectiveness or efficiency or delivery of services to constituencies.
- o Continue the fee systems for maps, flood insurance studies archive data, certain kinds of physical map revisions, and conditional letters of map correction.
- o Produce digital flood map data for 6,100 flood insurance rate map panels (approximately 40 counties) to improve risk-data availability and usability for program constituencies and continue to evaluate the feasibility of producing flood risk directories by property address.
- o Microfilm 100,000 flood map panels.

1993 Increases/Decreases. The 1993 request includes an increase of \$2,319,000 under Emergency Management Planning and Assistance; \$1,319,000 for coastal barrier mapping; and \$1,000,000 for Letter Of Map Revisions (LOMRs)/Letter of Map Amendments (LOMAs).

The Coastal Barrier Improvement Act of 1990 (CBIA) added 750,000 acres to the coastal barrier resources system and required the prohibition on the sale of flood insurance in these areas. The boundaries of the CBIA had to be promptly transferred to the NFIP maps in about 340 communities to ensure that FEMA could comply with the insurance prohibitions of the CBIA. A one-time request for \$1,319,000 is being made to assure that the delayed production of approximately 1,171 digital Flood Insurance Rate Map (FIRM) panels can be accomplished during 1993. The production of these digital FIRM panels has an associated benefit estimated at \$2,100,000 per year.

The growth in demand for letters of map revision or amendment has exceeded the capacity of FEMA's regional office staff to satisfy critical program constituency needs and to meet FEMA's congressional mandate with respect to the identification and promulgation of flood hazard information. The additional work created by this demand must be accomplished under contract with private sector firms. Therefore, an additional \$1,000,000 above the 1992 funding level is being requested to enable the NFIP to meet these needs. If the requests for letters of map revision or amendment are not honored, policyholders will be required to purchase inappropriate levels of flood insurance. This will lead to a degradation of confidence in the NFIP and may result in increased outlays of Federal disaster assistance.

- f. Outyear Implications. FEMA has prepared a transition plan for the completion of the initial studies phase to implementation of a full program for maintenance of previously developed and published risk data for more than 18,000 communities comprising a Federal investment of nearly \$1 billion. Full implementation of this maintenance program will be achieved in 1996.

FEMA has assessed benefits of producing digital mapping and has concluded that digital conversion of all flood hazard maps within the Consolidated Metropolitan Statistical Areas (CMSA's) will significantly improve data useability, flood insurance marketing, and containment of map revision costs. This program is expected to be completed during 1996. FEMA anticipates funding this effort at an average \$5 million per year during the period 1992-96.

The total outyear implication of FEMA activities for study and map maintenance, map revision activities, digital mapping, and erosion studies will result in future funding requests of about \$40.8 million through 1997.

- g. Advisory and Assistance Services. None.

## 2. Flood Hazard Reduction

- a. Objective/Element Description. The Flood Hazard Reduction Program was created to reduce loss of life and property from flooding and encourage wise use of the nation's flood plains. The program directly supports the national goals of reducing flood-caused property damage, deaths, injuries, disaster payments, tax losses and excessive insurance claims. Each year approximately 140,000 structures with an estimated value in excess of \$11 billion are built in the Nation's floodplains in accordance with these standards. The present value of the reduced average annual damages to these 140,000 structures as a result of meeting floodplain management requirements is estimated to exceed \$900 million.

The program assures that the 18,100 flood-prone communities participating in the NFIP adopt and enforce flood plain management ordinances that meet National Flood Insurance Program (NFIP) minimum standards. These standards allow a range of flood loss reduction techniques for the location, design and construction of individual homes, condominiums, industrial and commercial buildings. Techniques include elevation and floodproofing of new buildings or substantially improved existing buildings. Standards are administered through the local zoning, building permit, and inspection programs.

Individual community performance is systematically evaluated by review of flood plain development and of permits. Communities with program deficiencies and violations are targeted for technical assistance provided by FEMA staff supplemented by services provided under agreements with individual States and four Federal agencies (the Corps of Engineers, Soil Conservation Service, U.S. Geological Survey, and Tennessee Valley Authority). When technical assistance does not result in community compliance, enforcement procedures leading

to probation and suspension are initiated. Fully compliant communities which apply for participation in the Community Rating System Program (CRS) are provided technical assistance.

The Salaries and Expenses and Emergency Management Planning and Assistance appropriations will be reimbursed from the National Flood Insurance Fund for expenses of Flood Hazard Reduction Program element, with outlays and budget authority scored against that Fund.

- b. 1991 Accomplishments. In 1991, FEMA used a total of \$8,758,000 and 80 workyears for this program, of which \$4,443,000 was under Salaries and Expenses and \$4,315,000 was under Emergency Management Planning and Assistance.

More than 3,600 of the 18,100 communities participating in the NFIP were visited or contacted, their performance evaluated, technical assistance provided and, when necessary, compliance actions taken. Compliance problems originally caused by State agricultural exemptions were resolved in all of the eight states where they occurred. Probation actions were initiated for 15 noncompliant communities. It was verified that 293 communities were in full compliance with minimum NFIP requirements prior to receiving rate credits under the Community Rating System (CRS). The CRS provides insurance rate reductions to those communities that exceed minimum NFIP floodplain management standards. Assisted 350 communities in updating their floodplain management ordinances. A report was compiled documenting the five years' damage assessment effort to evaluate the effectiveness of the NFIP building standards following a flood. A revised residential flood repair handbook was drafted and is presently being field tested. Technical bulletins were developed for distribution on the following: floodproofing certificates, manufactured home installation, lower area obstructions, and below-grade parking. Funds were used in the development and publication of the FEMA brochure, "Disaster Mitigation: Reducing Losses of Life and Property through Model Codes." A "Best Build Three" video on protecting a floodprone home was duplicated for distribution. FEMA printed and distributed "Big Bird Gets Ready For Floods" kits for second and third grade elementary school children. The initial pilot course, entitled "Community Floodplain Management Course for Local Officials" was developed and conducted.

- c. Changes from the 1992 Estimates. None.
- d. 1992 Program. In 1992, FEMA is allocating \$10,958,000 and 95 workyears to this program, of which \$5,438,000 is under Salaries and Expenses and \$5,520,000 is under Emergency Management Planning and Assistance. Funding will be used to support enhanced flood plain management assistance to States and communities as the initial flood hazard identification studies are all completed. In addition, the following will be accomplished:
- o Strengthen the NFIP community assistance program by expanding the use of State technical expertise from 44 to 48 States in the State Support Services Program.
  - o Strengthen the NFIP community assistance program by expanding the use of Federal agency technical expertise

provided by the Corps of Engineers, Tennessee Valley Authority, Soil Conservation Service and U.S. Geologic Survey.

- o Provide leadership through the Federal Interagency Floodplain Management Task Force, in the revisions to the Unified National Program for Floodplain Management.
  - o Continue evaluating applications and determining rate credits for communities that are in full compliance with NFIP requirements prior to approving eligibility for the Community Rating System.
  - o Verify that 350 communities remain in full compliance with minimum NFIP requirements prior to receiving rate credits under the Community Rating System (CRS).
  - o Assist 400 communities in updating their floodplain management ordinances.
  - o Ensure that communities carry out program requirements and initiate probation actions for noncompliant communities, necessary legal actions that only FEMA staff can carry out.
  - o Initiate code compatibility standards for earthquake, wind, fire, and floods by means of a design analysis.
  - o Institutionalize the "Community Floodplain Management Course for Local Officials."
  - o Initiate an evaluation of alternatives for reducing losses in coastal erosion areas.
- e. 1991 Program. In 1993, FEMA requests \$12,579,000 and 95 workyears for this program element. Included in this total are \$6,309,000 under Salaries and Expenses and \$6,270,000 under Emergency Management Planning and Assistance. Funding will be used to support flood plain management technical support provided to communities through the State and Federal Support Services Program; enhancement of community compliance monitoring and enforcement actions; operation of the new Community Rating System; development of retrofitting strategies and projects for reducing flood damage to structures built prior to the NFIP; and, cooperation and support for the program of the U.S. Decade for Reduction of Natural Disasters. FEMA will also:
- o Manage the work plan for the Community Assistance Program and the Community Compliance Program which serves 18,100 communities utilizing FEMA staff and Support Service Program staff from the States and Federal agencies.
  - o Conduct visits and make contacts to evaluate the floodplain management programs of 4,000 communities and provide technical assistance to local officials, States, and the private sector in their implementation of floodplain management programs.



- o Assist 500 communities in updating their floodplain management ordinances.
- o Ensure that communities carry out program requirements and initiate probation actions against noncompliant communities, legal actions that only FEMA staff can carry out.
- o Verify that 350 communities remain in full compliance with minimum NFIP requirements prior to receiving rate credits under the Community Rating System (CRS).
- o Institutionalize standard operating procedures for providing damage assessments and technical assistance to assure compliance of reconstruction after catastrophic flood events.
- o Initiate development of methodology and field manual for determining technical feasibility and cost-effectiveness of repetitive loss properties as part of a comprehensive mitigation program.
- o Complete the code compatibility standards for earthquake, wind, fire, and floods by means of a design analysis.

1993 Increases/Decreases. The 1993 request includes an increase of \$750,000 for this activity to evaluate and administer NFIP building code and zoning ordinance standards which ensure community monitoring and compliance activities. These activities are critical to reducing flood losses to new structures. The increase will be used to develop and disseminate information on technologies for protecting these structures from flood loss. This will encourage voluntary and community-based floodproofing of repetitive loss structures and improve compliance with community floodplain management requirements of those that are substantially damaged.

f. Outyear Implications. No outyear implications over the 1993 request.

g. Advisory and Assistance Services. None.

### 3. Purchase of Property

- a. Objective/Element Description. The goal of this element is to reduce future flood insurance and disaster assistance costs in areas where flooding causes repetitive and substantial property damage. Property that has been substantially damaged beyond repair, damaged by floods on three or more occasions in five years with a damage-to-value proportion averaging at least 25% or for which a building permit to repair has been denied are eligible for purchase. Communities are eligible for participation in the purchase initiatives based on whether acquisition will be in the public's interest and on the community's willingness to pursue a strong program of flood plain management and flood damage reduction that exceeds Federal minimum criteria. Owners of real property located in flood risk zones, who are covered by Federal flood insurance, potentially can qualify for

this assistance through the community's application. The purchase price is determined by subtracting the amount of insurance claim payment from pre-flood fair market value of the improved real property. If the property is selected, and the property owner agrees to participate, the property is acquired by FEMA and the title is transferred to the local community or State, provided the land remains open space for public use. This program is an integral flood loss reduction tool of the NFIP.

The Salaries and Expenses and Emergency Management Planning and Assistance appropriations will be reimbursed from the NFIF for the expenses of the Purchase of Property program element, with outlays and budget authority scored against the NFIF.

- b. 1991 Accomplishments. In 1991, FEMA used a total of \$4,533,000 and 6 workyears for this program element, of which \$333,000 was under Salaries and Expenses and \$4,200,000 was under Emergency Management Planning and Assistance.

The Purchase of Property program operates on a two-year funding basis. This is necessary because of the long lead time required to carefully select the most cost-effective properties and complete the acquisition process.

- c. Changes from the 1992 Estimates. None.
- d. 1992 Program. In 1992, FEMA is allocating \$5,060,000 and 6 workyears to this program element, of which \$340,000 is under Salaries and Expenses and \$4,720,000 is under Emergency Management Planning and Assistance. An additional \$520,000 is available for obligation from the unobligated balance from 1991. These funds will purchase an additional 94 properties at an average cost of \$50,000.
- e. 1993 Program. In 1993, FEMA requests \$5,072,000 and 6 workyears for this program element. Included in this total are \$352,000 under Salaries and Expenses and \$4,720,000 under Emergency Management Planning and Assistance. This will enable FEMA to purchase 94 properties at an average cost of \$50,000.

1993 Increases/Decreases. Reflects a decrease of \$520,000 in obligations. The 1992 total reflected a carryover amount not displayed in the 1993 total.

- f. Outyear implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. None.

DISASTER RELIEF  
Appropriation Language

For necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), [\$185,000,000] \$292,095,000, of which not to exceed [\$541,000] \$20,000,000 are available for hazard mitigation grants under section 404 of the Act in FY 1993, and of which not to exceed \$95,000 may be transferred to the Disaster Assistance Direct Loan Program account for administrative expenses and subsidies for direct loans provided under Section 319 of such Act, to remain available until expended.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992.)

[For emergency disaster assistance payments necessary to provide for expenses in presidentially-declared disasters under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, an additional amount for "Disaster relief", \$943,000,000, to remain available until expended, of which \$143,000,000 shall be available only after submission to the Congress of a formal budget request by the President designating the \$143,000,000 as an emergency: Provided, That up to \$1,250,000 of the funds made available under this heading may be transferred to, and merged with, amounts made available to the Federal Emergency Management Agency under the heading "Salaries and expenses" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992 (Public Law 102-139): Provided further, That hereafter, beginning in fiscal year 1993, and in each year thereafter, notwithstanding any other provision of law, all amounts appropriated for disaster assistance payments under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) that are in excess of either the historical annual average obligation of \$320,000,000, or the amount submitted in the President's initial budget request, whichever is lower, shall be considered as "emergency requirements" pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985, and such amounts shall hereafter be so designated.] (Dire Emergency Supplemental Appropriations Act, 1992.)

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT  
Appropriation Language

Funds provided to this account are available to subsidize gross obligations for the principal amount of direct loans not to exceed [\$6,000,000] \$8,000,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992.)

**DISASTER RELIEF FUND**  
**Appropriation Overview**

With the signing of the Disaster Relief and Emergency Assistance Amendments of 1988, in November 1988, the Disaster Relief Act of 1974 (P.L. 93-288 as amended) was renamed the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The amendments do not affect disasters declared before the date of enactment. Under the provisions of the Act, the President is authorized to provide Federal assistance to supplement the efforts and resources of State and local governments in response to major disasters and emergencies. Under Executive Order 12148, the Director of FEMA has been delegated the responsibility for administering the President's Disaster Relief Program. The Act currently specifies two types of Presidential declarations that may be made upon a Governor's request: a major disaster or an emergency.

Major activities under the Disaster Relief Fund are:

Disaster Assistance. When a major disaster or emergency is declared, a Federal Coordinating Officer (FCO) is appointed to represent the President in coordinating relief and recovery activities. A Disaster Field Office (DFO) is established from which the FCO manages the delivery of assistance during the period of intense activity immediately following a declaration. Permanent FEMA personnel from regional offices and headquarters as well as temporary Disaster Assistance employees (DAE's) provide staff support. DFO's typically remain open a few months. However, because of the extended nature of certain projects, processing can continue for several years on open disaster contracts. The ongoing project management burden continues unabated during periods of field response to subsequent disasters.

Funds are primarily obligated under the Individual Assistance Program for aid to families and individuals, the Public Assistance Program for aid to State and local governments, and for disaster management (e.g. DFO staff, ADP support).

Title II of the Act authorizes Disaster Preparedness Improvement Grants to help States develop better response capabilities.

Direct Loan Program. The Federal Credit Reform Act of 1990 contained credit reform requirements which directly affect loans financed from the Disaster Relief Fund. Prior to the passage of this Act, Community Disaster Loans and loans to States under the cost sharing provisions of the Stafford Act were made directly from the Disaster Relief Fund. The Federal Credit Reform Act directs that changes be made in the recording and funding of Agency loans and as a result three accounts have been established to meet the direct loan credit reform requirements of this Act. First, the Disaster Assistance Direct Loan Liquidating Account was established to disburse loan balances and collect payments for loans made through 1991. Two accounts were established to accommodate state share loan activity in 1992 and subsequent years (Community Disaster Loans will not be made after 1991). The Disaster Assistance Direct Loan Program Account will cover the cost of a loan subsidy as well as any administrative expenses needed to support the loan while the Disaster Assistance Direct Loan Financing Account, financed through a Treasury Department revolving fund, will cover the estimated cost of state share loans in 1992 and beyond.

Annual obligations from the Disaster Relief Fund are ultimately a function of the number, frequency, and magnitude of disasters occurring during any given year and carry-over requirements from previously declared disasters. Budgets are projected based on an assessment of historical averages. From 1981 (when current cost sharing approaches were first applied to Public Assistance) to 1990, average annual obligations from the Fund adjusted to 1991 constant dollars were approximately \$320 million. In the last ten years, the number of requests for disaster assistance has averaged around 38 each year; the average number of disasters in a given year is approximately 27. In 1991, FEMA had 53 requests for disaster assistance, which resulted in 39 Presidentially declared disasters involving 520 designated counties. Obligations for program grants in 1991 totaled approximately \$321 million, and loans totaling approximately \$4.0 million were made. FEMA incurred approximately \$67 million in administrative expenses from the fund. Total 1991 obligations from the Disaster Relief Fund were \$392 million. The total amount obligated, while more than that associated with an average year's obligations of \$320 million, is substantially less than needed to fully fund the program. Obligations for the Public Assistance and Hazard Mitigation Programs were suspended during a portion of Fiscal Year 1991 due to a lack of funds. This shortage of resources was due to large program requirements associated with heavy disaster activity in Fiscal Year 1990 and 1991, and continued program demands from Hurricane Hugo and Loma Prieta.

For 1991, Congress made no appropriation to the Disaster Relief Fund. With a carryover of prior year unobligated funds of \$451,379,000 and recovery of prior year obligations of \$47,270,000, the total obligational authority for 1991 equaled \$498,649,000.

For 1992, Congress appropriated \$185,000,000 to the Disaster Relief Fund, of which up to \$541,000 may be transferred to the Disaster Assistance Direct Loan Program. A supplemental appropriation of \$943,000,000 was also made, \$800,000,000 of which was available immediately and \$143,000,000 to be made available upon submission of a formal budget request designating these funds as an emergency. The 1992 supplemental appropriation also authorizes the transfer of \$1,250,000 to the Disaster Relief Administration activity in the Salaries and Expenses appropriation. Together with the anticipated recovery of prior year obligations of \$50,000,000 and carryover of prior year unobligated funds of \$107,137,000, total obligational authority for 1992 disaster activity and open disaster contracts would total \$1,140,346. FEMA estimates that \$976,150,000 of these funds will be obligated during the year.

For 1993, FEMA requests an appropriation of \$292,000,000 for Disaster Assistance activities and \$95,000 for the Disaster Assistance Direct Loan Program. The estimate of \$292,000,000 assumes an average disaster year of \$320,000,000, offset by estimated savings of \$28,000,000 from regulatory changes to the program that will be in effect by 1993. Together with anticipated recovery of prior obligations of \$50,000,000, and anticipated carryover of prior year obligated funds of \$164,196,000, total obligational authority for 1993 disaster activity and open disaster contracts would total \$506,196,000.

DISASTER RELIEF FUND  
(Dollars in Thousands)

| <u>Estimates by Program Element</u>           | <u>Page No.</u> | <u>1991 Actual</u> | <u>1992 Request</u> | <u>1992 Current Estimate</u> | <u>1993 Request</u> | <u>Increase/Decrease</u> |
|---|-----------------|--------------------|---------------------|------------------------------|---------------------|--------------------------|
| A. Disaster Relief.....                       | DR- 8           | ...                | \$274,459           | \$184,459                    | \$292,200           | \$107,541                |
| B. Loan Subsidy/Administrative Costs..        | DR-21           | ...                | 541                 | 541                          | 95                  | -446                     |
| Initial Budget Authority.....                 |                 | ...                | 275,000             | 185,000                      | 292,095             | 107,095                  |
| Supplemental Appropriation.....               |                 | ...                | ...                 | 800,000 1/                   | ...                 | -800,000                 |
| Total Disaster Relief (Budget Authority)..... |                 | ...                | 275,000             | 985,000                      | 292,095             | -692,905                 |
| Transfer to DADLPA..2/.....                   |                 | ...                | -541                | -541                         | -95                 | 446                      |
| Transfer to Salaries and Expenses..           |                 | ...                | ...                 | -1,250 1/                    | ...                 | 1,250                    |
| Unobligated Balance Carried Forward           |                 | 451,379            | 792,379             | 107,137                      | 164,196             | 57,059                   |
| Recovery of Prior Year Obligations.           |                 | 47,270             | 50,000              | 50,000                       | 50,000              | ...                      |
| Total, Obligation Authority.....              |                 | 498,649            | 1,116,838           | 1,140,346                    | 506,196             | -634,150                 |
| Direct Obligations.....                       |                 | 391,512            | 1,109,000           | 976,150                      | 391,880             | -584,270                 |
| Budget Outlays                                |                 |                    |                     |                              |                     |                          |
| Disaster Relief.....                          |                 | 551,795            | 606,697             | 659,911                      | 734,873             | 74,962                   |
| DADLPA.....                                   |                 | ...                | 541                 | 541                          | 95                  | -446                     |

1/ Figure does not include \$143 million which will be made available only after the President prepares a formal budget request declaring the funds to be an emergency.

2/ Disaster Assistance Direct Loan Program Account

1/ Funds transferred to the Disaster Relief Administration (DRA) activity as authorized in the Dire Emergency Supplemental Appropriations Act of 1992, P.L. 102-229.

DR-5

**DISASTER RELIEF FUND**  
(Dollars in Thousands)

| OBJECT CLASS  | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br>Decrease |
|---|-----------------------|------------------------|------------------------------------|------------------------|-----------------------|
| <u>Personnel compensation</u>                                     |                       |                        |                                    |                        |                       |
| 11.1 Full-time permanent.....                                     | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.3 Other than full-time permanent.....                          | \$10,134              | \$9,200                | \$19,596                           | \$12,236               | (\$7,360)             |
| 11.5 Other personnel compensation.....                            | 3,308                 | ...                    | ...                                | ...                    | ...                   |
| 11.8 Special personal services payments.....                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.9 Total personnel compensation.....                            | 13,442                | 9,200                  | 19,596                             | 12,236                 | (7,360)               |
| <u>Personnel benefits</u>   |                       |                        |                                    |                        |                       |
| 12.1 Civilian personnel.....                                      | 986                   | 700                    | 1,491                              | 931                    | (560)                 |
| 12.2 Military personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 13.0 Benefits for former personnel.....                           | 942                   | ...                    | ...                                | ...                    | ...                   |
| <u>Non-Personnel Costs</u>  |                       |                        |                                    |                        |                       |
| 21.0 Travel and transportation of persons.....                    | 14,000                | 7,200                  | 15,336                             | 9,576                  | (5,760)               |
| 22.0 Transportation of things.....                                | 913                   | 200                    | 426                                | 266                    | (160)                 |
| 23.1 Rental payments to GSA.....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.2 Rental payments to others.....                               | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | 4,087                 | 1,500                  | 3,195                              | 1,995                  | (1,200)               |
| 24.0 Printing and reproduction.....                               | 214                   | 225                    | 479                                | 299                    | (180)                 |
| 25.0 Other services.....  | 29,181                | 10,400                 | 22,442                             | 13,785                 | (8,657)               |
| 26.0 Supplies and materials.....                                  | 1,179                 | 420                    | 895                                | 559                    | (336)                 |
| 31.0 Equipment.....   | 1,090                 | 3,250                  | 6,923                              | 4,323                  | (2,600)               |
| 32.0 Land and structures.....                                     | 22                    | ...                    | ...                                | ...                    | ...                   |
| 33.0 Investments and loans.....                                   | 4,229                 | ...                    | ...                                | ...                    | ...                   |
| 41.0 Grants, subsidies and contributions.....                     | 321,227               | 1,075,905              | 905,367                            | 347,910                | (\$557,457)           |
| 42.0 Insurance claims and indemnities.....                        | ...                   | ...                    | ...                                | ...                    | ...                   |
| 43.0 Interest and dividends.....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| Total Obligations.....  | 391,512               | 1,109,000              | 976,150                            | 391,880                | (584,270)             |

458



**DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT**

(Dollars in Thousands)

|   | 1991          | 1992           | 1992                        | 1993           | Increase/<br>Decrease |
|---|---------------|----------------|-----------------------------|----------------|-----------------------|
|   | <u>Actual</u> | <u>Request</u> | <u>Current<br/>Estimate</u> | <u>Request</u> |                       |
| <b>OBJECT CLASS</b>   |               |                |                             |                |                       |
| <b><u>Personnel compensation</u></b>                              |               |                |                             |                |                       |
| 11.1 Full-time permanent.....                                     | ...           | ...            | ...                         | ...            | ...                   |
| 11.3 Other than full-time permanent.....                          | ...           | ...            | ...                         | ...            | ...                   |
| 11.5 Other personnel compensation.....                            | ...           | ...            | ...                         | ...            | ...                   |
| 11.8 Special personal services payments.....                      | ...           | ...            | ...                         | ...            | ...                   |
| 11.9 Total personnel compensation.....                            | ...           | ...            | ...                         | ...            | ...                   |
| <b><u>Personnel benefits</u></b>                                  |               |                |                             |                |                       |
| 12.1 Civilian personnel.....                                      | ...           | ...            | ...                         | ...            | ...                   |
| 12.2 Military personnel.....                                      | ...           | ...            | ...                         | ...            | ...                   |
| 13.0 Benefits for former personnel.....                           | ...           | ...            | ...                         | ...            | ...                   |
| <b><u>Non-Personnel Costs</u></b>                                 |               |                |                             |                |                       |
| 21.0 Travel and transportation of persons.....                    | ...           | ...            | ...                         | ...            | ...                   |
| 22.0 Transportation of things.....                                | ...           | ...            | ...                         | ...            | ...                   |
| 23.1 Rental payments to GSA.....                                  | ...           | ...            | ...                         | ...            | ...                   |
| 23.2 Rental payments to others.....                               | ...           | ...            | ...                         | ...            | ...                   |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | ...           | ...            | ...                         | ...            | ...                   |
| 24.0 Printing and reproduction.....                               | ...           | ...            | ...                         | ...            | ...                   |
| 25.0 Other services.....  | ...           | ...            | ...                         | ...            | ...                   |
| 26.0 Supplies and materials.....                                  | ...           | ...            | ...                         | ...            | ...                   |
| 31.0 Equipment.....   | ...           | ...            | ...                         | ...            | ...                   |
| 32.0 Land and structures.....                                     | ...           | ...            | ...                         | ...            | ...                   |
| 33.0 Investments and loans.....                                   | ...           | ...            | ...                         | ...            | ...                   |
| 41.0 Grants, subsidies and contributions.....                     | ...           | \$451          | \$451                       | ...            | (\$451)               |
| 42.0 Insurance claims and indemnities.....                        | ...           | ...            | ...                         | ...            | ...                   |
| 92.0 Administrative Expenses.....                                 | ...           | 90             | 90                          | \$95           | 5                     |
| <b>Total Obligations.....</b>                                     | ...           | 541            | 541                         | 95             | (446)                 |

A. Disaster Assistance.

- a. Objective/Element Description. Assistance is provided and coordinated according to the functions outlined in the following sections.
1. Management and Coordination. The Federal Coordinating Officers (FCO) manage and coordinate the operations of the Disaster Field Office (DFO) which supports all program activities, including liaison with non-FEMA entities (other Federal, State, local and private non-profit agencies). An office has been established in Puerto Rico to manage the extraordinary post Hurricane Hugo disaster activity in the Caribbean; as directed by Congress in the 1992 report on the VA-HUD-Independent Agencies appropriation's act, an office is being established in Hawaii. Program Support functions provide overall coordination of logistics, communications, space, equipment, supplies, travel, staffing (including use of Disaster Assistance Employees) and DFO financial management. Automated Disaster Assistance Management System (ADAMS) equipment acquisition, software development, and training and deployment costs are also reflected under this function. A permanent teleregistration center was established in November 1991 utilizing funds from Disaster Relief Administration. Management and Coordination funds also cover Preliminary Damage Assessment (PDA) costs for all declaration requests.
  2. Loans. FEMA provided two types of loans:
    - a. State Share Loans. FEMA may lend or advance to an eligible applicant or State the portion of assistance for which the State is responsible under cost-sharing provisions of the Stafford Act. In order to be determined eligible for a loan, the Governor must demonstrate, where the damage is overwhelming and severe, that the State is unable to assume its financial responsibility to meet the cost-share due to one or both of the following conditions: (1) the State is responding to concurrent, multiple disasters/emergencies; and/or (2) the State has incurred extraordinary costs as a result of a particular disaster or emergency. For 1992 and beyond, State Share Loans will be obligated from the Disaster Assistance Direct Loan Financing Account.
    - b. Community Disaster Loans. Loans were authorized to local governments which had suffered a substantial loss of tax and other revenues as a result of a major disaster, and which had demonstrated a need for financial assistance in order to perform their governmental functions. No loans under the Community Disaster Loan Program will be made after the end of fiscal year 1991.
  3. Individual Assistance. These resources support Temporary Housing Assistance (THA), which may be provided for up to 18 months. THA funding is 100% Federal except for construction of mobile home group sites, which are 75% Federal/25% State cost-shared, and covers essential repairs to residences, rental of available units, or use of FEMA-owned mobile homes. Individual Assistance resources also support Individual and Family Grants (IFG) at a current maximum of \$11,500 per applicant with 75% Federal/25%

State cost-sharing mandated in the Act; Disaster Unemployment Assistance (DUA), administered by the Department of Labor covering workers not eligible for other unemployment compensation programs; Crisis Counseling; and Legal Services for low-income victims.

4. Public Assistance. Resources under Public Assistance support emergency measures to (a) save lives, and protect public health, safety and property; and (b) supplement the efforts of State and local governments, and eligible private non-profit organizations to repair or restore facilities damaged or destroyed by events that have been declared major disasters or emergencies by the President. The primary form of assistance is Public Assistance Grants to States (generally administered as 75% Federal/25% State and local cost-sharing) for emergency protective measures and permanent repair of eligible facilities. In addition, Fire Suppression Assistance to States, and emergency assistance by the Department of Defense may be authorized by FEMA without a major disaster declaration by the President.

The Federal share of public assistance projects may be increased above 75% in extreme circumstances. During 1992 individual small projects costing up to \$40,000 may have the full Federal share paid at the time of project approval. Eligible costs for Public Assistance grants will include an administrative cost allowance for applicants and the State. For insurable structures within the identified base floodplain, the maximum amount of flood insurance recovery which could have been obtained under the National Flood Insurance Program will be subtracted from otherwise eligible costs.

5. Disaster Preparedness Improvement Grants (DPIG). The DPIG program provides funding for improving, maintaining and updating State disaster assistance plans and for related mitigation and operational preparedness activities. The development and maintenance of capability (comprehensive plans and practicable programs) by States for preparation against natural hazards are a continuing need. States identify priority needs and use DPIG funds to address the most critical requirements to improve disaster assistance capabilities. Grants may be made to a maximum of \$50,000 each from the Disaster Relief Fund on a 50% Federal/50% State matching basis.
6. Hazard Mitigation and Preparedness. Extensive hazard mitigation activity occurs as part of the disaster recovery process during DFO operations and beyond. Technical assistance and guidance are provided to direct and encourage efforts by applicants to adopt measures that have the potential to reduce costs in future disasters. Staff resources noted under Disaster Relief Administration and other administrative costs associated with DFO activities are included under Management and Coordination functions for the Disaster Relief Fund.

As authorized under Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Disaster Relief Fund may be used for matching grants (50% Federal/50% State or local) for FEMA approved hazard mitigation projects to reduce the risk of future damage, hardship, loss, and suffering in any area affected by a major disaster. The total Federal mitigation contribution is limited to 10% of

estimated costs of permanent restorative work under public assistance. Appropriation language requested in 1993 will limit the total amount provided to \$20,000,000.

- b. 1991 Accomplishments. In 1991, FEMA obligated a total of \$391,512,000 for program delivery and support under the Disaster Relief Fund. Program activities are noted in the following sections.

| <u>ACTIVITY</u>  | <u>FUNDING</u>    | <u>BASIS</u> |
|--|-------------------|--------------|
| 1. <u>Management and Coordination (M&amp;C)</u>  |                   |              |
| - Conducted 53 Preliminary Damage Assessments.   | \$1,001,000       | N/A          |
| - Managed 39 DFO operations, including supervision of DAE's equivalent to approximately 418 PTE. Funded all support requirements for 1990 and prior year disasters including the management of the Disaster Reservist Program. | \$64,202,000      | N/A          |
| - Funded acquisition of ADAMS equipment, software, technical support and system development. Funded maintenance for hardware and upgrades for software.  | <u>\$ 853,000</u> | N/A          |
| 1991 TOTAL M&C   | \$66,056,000      |              |
| 2. <u>Loans</u>  |                   |              |
| - Approved Community Disaster and State Share loans.   | \$4,229,000       |              |
| 3. <u>Individual Assistance (IA)</u>   |                   |              |
| - Provided Temporary Housing Assistance to 34,285 eligible applicants.   | \$24,768,000      | 100%         |
| - Administered 40,803 applications and provided funding for 31,997 Individual  |                   |              |

|   |                    |   |
|---|--------------------|---|
| and Family Grants.  | \$42,405,000       | 75% Fed/25% State   |
| - Supported 7 Crisis Counseling programs.   | \$1,963,000        | 100%  |
| - Funded Disaster Unemployment Assistance for 6,212 eligible applicants.  | <u>\$7,120,000</u> | 100%  |
| 1991 TOTAL IA   | \$76,286,000       |   |
| 4. <u>Public Assistance (PA)</u>  |                    |   |
| - Processed applications; conducted inspections; prepared and evaluated more than 28,000 on-site engineering estimates totalling in excess of \$300 million for damage restoration projects (Damage Survey Reports); and reviewed, processed and administered State grants for Federal disaster assistance for States and local governments (includes costs associated with disasters declared in prior years). | \$235,542,000      | Not less than 75% Fed.  |
| - Approved funding for 3 Section 417 Fire Suppression Grants. Funded 1 section 417 Fire Suppression Grant.  | <u>114,000</u>     | 70% Fed/30% State after floor cost is met                               |
| 1991 TOTAL PA   | \$235,656,000      | (\$223,448,550 transferred to the States)                               |
| 5. <u>Disaster Preparedness Improvement Grants</u>  |                    |   |
| - Approved funds for grant applications received from 53 applicants.  | \$ 1,804,000       | 50% Fed/50% State maximum grant of \$50,000 (\$1,804,000 to the States) |

6. Hazard Mitigation and Preparedness (HM)

- Processed applications; evaluated project proposals; and reviewed, processed, and administered grants for Hazard Mitigation projects (includes costs associated with disasters declared in prior years).

7,511,000

50% Fed/50% State  
(\$7,511,000 transferred  
to the States)

1991 TOTAL GRANTS

\$321,227,000

(\$232,763,550 transferred  
to the States)

- c. Changes from the Original 1992 Estimates. The decrease of \$132,850,000 in estimated obligations is primarily due to the receipt of the Dire Emergency Supplemental Appropriation at a date later than originally anticipated. Original estimates forecast more obligations occurring in 1992.
- d. 1992 Program. In 1992, FEMA estimates obligating a total of \$976,150,000 for program delivery and support under the Disaster Relief Fund. Disasters resulting from Hurricane Hugo and the Loma Prieta earthquake combined with unusually heavy disaster activity in 1990 and 1991 and projected increased disaster activity in 1992 will generate corresponding increases in program activity. Due to the unavailability of funding resources in 1991, many program obligations were deferred until 1992. Program activities are noted in the following sections.

ACTIVITY

FUNDING

BASIS

1. Management and Coordination

- Conduct approximately 47 Preliminary Damage Assessments.
- Manage 33 DFO operations, including supervision of DAE's. Funding of all support requirements for 1991 and prior year disasters including the management of the Disaster Reservist Program and coordination of emergency assistance.

\$ 940,000

N/A

\$67,143,000

N/A

464

|  |                      |  |
|--|----------------------|--|
| - Fund acquisition of ADAMS equipment, software, technical support, systems development, research and analysis to ensure better operational support.   | \$ <u>2,700,000</u>  | N/A  |
| 1992 TOTAL M&C   | \$ <u>70,783,000</u> |  |
| 2. <u>Loans</u>  |                      |  |
| - Loans from Disaster Assistance Financing Account, starting in 1992   | ...                  |  |
| 3. <u>Individual Assistance</u>  |                      |  |
| - Provide Temporary Housing Assistance to approximately 25,000 applicants.   | \$ 51,160,000        | 100% except for mobile home group sites at 75% Fed/25% State |
| - Provide Federal funding for approximately 36,500 Individual and Family Grants.   | \$ 50,553,000        | 75% Fed/25% State  |
| - Support 7 Crisis Counseling Programs.  | \$ 2,061,000         | 100%   |
| - Provide Disaster Unemployment Assistance to 6,000 individuals.   | \$ <u>7,000,000</u>  | 100%   |
| 1992 TOTAL IA  | \$110,774,000        |  |
| 4. <u>Public Assistance</u>  |                      |  |
| - Process applications; conduct inspections; prepare and evaluate approximately 20,000 on-site engineering estimates for damage restoration projects (Disaster Survey Reports); and review, process and administer 24 new grants to states for Federal |                      |  |

|   |  |                      |   |
|---|--|----------------------|---|
| disaster assistance (Project Applications for States and local governments (includes costs associated with disasters declared in previous years). |  | \$749,793,000        | Not Less than 75% Fed.  |
| -   | Approve funding for approximately 4 Section 417 Fire Suppression Grants.   | \$ <u>2,000,000</u>  | 70% Fed/30% State (after floor cost is met)   |
|   | 1992 TOTAL PA  | \$751,793,000        | (\$714,203,350 transferred to the States)   |
| 5.  | <u>Disaster Preparedness Improvement Grants</u>  |                      |   |
| -   | Approve funds for grant applications from 56 applicants.   | \$ 2,800,000         | 50% Fed/50% State maximum grant of \$50,000 (\$2,800,000 transferred to the States) |
| 6.  | <u>Hazard Mitigation and Preparedness</u>  |                      |   |
| -   | Process applications; evaluate project proposals; and review, process, and administer grants for Hazard Mitigation projects.   | \$ <u>40,000,000</u> | 50% Fed/50% State (\$40,000,000 transferred to the States)                          |
|   | 1992 TOTAL GRANTS  | \$905,367,000        | (\$757,003,350 transferred to the States)   |
| e.  | <u>1993 Program.</u> In 1993, FEMA requests a net appropriation of \$292,000,000 for program delivery and support under the Disaster Relief Fund, with obligations for the year currently projected at \$391,880,000. The 1993 Program activities are noted in the following sections: |                      |   |



| ACTIVITY   | FUNDING             | BASIS             |
|--|---------------------|-------------------|
| 1. <u>Management and Coordination</u>  |                     |                   |
| - Conduct approximately 38 Preliminary Damage Assessments.   | \$ 760,000          | N/A               |
| - Manage 27 DFO operations, including training and supervision of DAE's. Funding of all support requirements for FY 1992 and prior year disasters, including the management of the Disaster Reservist Program. | \$ 40,210,000       | N/A               |
| - Maintain and upgrade ADAMS environment and implement additional system for large scale and catastrophic disasters.   | \$ <u>3,000,000</u> | N/A               |
| 1993 TOTAL M & C   | \$ 43,970,000       |                   |
| 2. <u>Loans</u>  |                     |                   |
| - Loans from Disaster Assistance Financing Account, starting in 1992.  | ...                 |                   |
| 3. <u>Individual Assistance</u>  |                     |                   |
| - Provide Temporary Housing Assistance to approximately 25,000 applicants.   | \$ 39,375,000       | 100% Federal      |
| - Provide Federal funding for 36,500 Individual and Family Grants.   | \$ 50,626,000       | 75% Fed/25% State |
| - Support 7 Crisis Counseling Programs.  | \$ 2,211,000        | 100%              |

|    |  |                     |   |
|----|--|---------------------|---|
| -  | Provide Disaster Unemployment Assistance to 6,000 individuals.   | \$ <u>5,250,000</u> | 100% Federal  |
|    | 1993 TOTAL IA  | \$97,462,000        |   |
| 4. | <u>Public Assistance</u>   |                     |   |
| -  | Process applications; conduct inspections; prepare and evaluate 20,000 on-site engineering estimates for damage restoration projects (Damage Survey Reports); and review, process and administer 24 grants to states for Federal disaster assistance for States and local governments. | \$225,648,000       | Not less than 75% Fed.                                    |
| -  | Approve funding for approximately 4 Section 417 Fire Suppression Grants.   | \$ <u>2,000,000</u> | 70% Fed/30% State (after floor cost is met)               |
|    | 1993 TOTAL PA  | \$227,648,000       | (\$216,765,600 transferred to the States)                 |
| 5. | <u>Disaster Preparedness Improvement Grants</u>  |                     |   |
| -  | Approve funds for grant applications from 56 applicants.   | \$ 2,800,000        | 50% Fed/50% State (\$2,800,000 transferred to the States) |

468

6. Hazard Mitigation and Preparedness

- Process applications; evaluate project proposals; and review, process and administer grants for Hazard Mitigation projects.

\$ 20,000,000

50% Fed/50% State  
(\$20,000,000 transferred  
to the States)

1993 TOTAL GRANTS

\$347,910,000

(\$239,565,600 transferred  
to the States)

1993 Increase/Decrease. The 1993 request includes a decrease of \$584,270,000 in expected obligations due to the return to a more average year of disaster activity following the extraordinary program demands from recent years' disaster activity. Obligations for the year will, however, remain above those normally associated with an average year due to carryover program requirements from prior year declarations.

The 1993 estimate of \$292 million for the Disaster Relief Fund assumes an average disaster year of \$320 million, offset by estimated savings of \$28 million from regulatory changes to the program that will be in effect by 1993. The following table summarizes the derivation of the 1993 estimate.

(In Millions of Dollars)

|  | <u>Amount</u> |
|--|---------------|
| Total resources needed for average disaster year.....  | \$320         |
| Regulatory Changes:  |               |
| - Eliminate reimbursements to grantees for disaster-related work of regular employees during normal working hours.....                                     | -19           |
| - Limit eligibility of private non-profits to those providing an essential service (e.g., hospitals).....  | -4            |
| - Establish \$1,000 threshold for eligible repairs (currently \$250) to eliminate smaller claims that are more likely to be routine maintenance items..... | <u>-5</u>     |
| 1993 Estimate of new budget authority needed.....  | 292           |

469

- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. Advisory and assistance services for 1993 are estimated at \$362,000 (\$142,000 for an interagency agreement with the National Institute of Mental Health; \$120,000 for Department of Labor administrative costs; and \$100,000 for a stand-by contract for a food needs assessment in the Pacific).

PRESIDENTS DISASTER FUND  
ACTUAL AND PROJECTED OBLIGATIONS  
PERIOD OF DECLARATIONS - 10/1/90 THROUGH 09/30/91

| CONTRACT | REGION | STATE       | DATE<br>DECLARED | TYPE                                   | TOTAL<br>FUNDING | PROGRAMS  | FIELD<br>OFFICE | NO OF<br>COUNTIES |
|----------|--------|-------------|------------------|--|------------------|-----------|-----------------|-------------------|
| 880      | 4      | GEORGIA     | 10-19-90         | SEVERE STORMS & FLOODING               | \$8,852,895      | BY COUNTY | COLUMBIA        | 9                 |
| 881      | 4      | S. CAROLINA | 10-22-90         | SEVERE STORMS & FLOODING               | \$6,295,133      | BY COUNTY | ATLANTA         | 13                |
| 882      | 9      | PALAU       | 11-28-90         | TYPHOON MIKE                           | \$7,509,860      | ALL       | KOROR, PALAU    | 1                 |
| 883      | 10     | WASHINGTON  | 11-26-90         | SEVERE STORMS & FLOODING               | \$44,716,724     | BY COUNTY | LYNWOOD         | 19                |
| 884      | 9      | ARIZONA     | 12-06-90         | SEVERE STORMS & FLOODING               | \$6,646,057      | PA        | PHOENIX         | 9                 |
| 885      | 5      | INDIANA     | 12-06-90         | SEVERE STORMS & FLOODING               | \$4,745,344      | ALL       | SCHERERVILLE    | 1                 |
| 886      | 9      | MICRONESIA  | 12-14-90         | TYPHOON OWEN                           | \$35,645,295     | ALL       | GUAM            | 2                 |
| 887      | 9      | GUAM        | 12-24-90         | TYPHOON RUSS                           | \$15,317,309     | ALL       | AGANA           | 1                 |
| 888      | 4      | MISSISSIPPI | 01-03-91         | SEVERE STORMS, TORNADOES<br>& FLOODING | \$3,354,773      | IA        | JACKSON         | 12                |
| 889      | 4      | TENNESSEE   | 01-04-91         | SEVERE STORMS & FLOODING               | \$6,887,264      | BY COUNTY | NASHVILLE       | 22                |
| 890      | 4      | ALABAMA     | 01-04-91         | SEVERE STORMS & FLOODING               | \$5,303,620      | BY COUNTY | HUNTSVILLE      | 12                |
| 891      | 5      | INDIANA     | 01-05-91         | SEVERE STORMS & FLOODING               | \$7,182,514      | BY COUNTY | INDIANAPOLIS    | 73                |
| 892      | 9      | MICRONESIA  | 01-17-91         | TYPHOON RUSS                           | \$3,569,915      | ALL       | HONOLULU        | 1                 |
| 893      | 4      | KENTUCKY    | 01-29-91         | SEVERE STORMS & FLOODING               | \$4,123,904      | PA        | PAINTSVILLE     | 19                |
| 894      | 9      | CALIFORNIA  | 02-11-91         | SEVERE FREEZE                          | \$15,039,816     | IA        | FRESNO          | 33                |
| 895      | 4      | MISSISSIPPI | 03-05-91         | SEVERE STORMS & FLOODING               | \$3,195,912      | BY COUNTY | JACKSON         | 18                |
| 896      | 10     | WASHINGTON  | 03-08-91         | SEVERE STORMS & HIGH TIDES             | \$3,850,531      | PA        | BOTHEL          | 10                |
| 897      | 4      | GEORGIA     | 03-15-91         | SEVERE STORMS & FLOODING               | \$4,355,401      | ALL       | VALDOSTA        | 15                |
| 898      | 2      | NEW YORK    | 03-21-91         | SEVERE WINTER STORM                    | \$51,306,492     | PA        | NEWARK, NY      | 13                |
| 899      | 5      | INDIANA     | 03-29-91         | SEVERE ICE STORM                       | \$23,226,225     | PA        | INDIANAPOLIS    | 26                |
| 900      | 6      | TEXAS       | 04-12-91         | SEVERE STORMS, TORNADOES<br>& FLOODING | \$20,917,403     | ALL       | HARLINGEN       | 5                 |
| 901      | 1      | MAINE       | 04-19-91         | SEVERE STORMS, ICE JAMS<br>& FLOODING  | \$11,257,897     | PA        | FORT KENT       | 1                 |
| 902      | 6      | LOUISIANA   | 04-23-91         | SEVERE STORMS & FLOODING               | \$5,215,760      | IA        | SHREVEPORT      | 15                |
| 903      | 7      | KANSAS      | 04-29-91         | SEVERE STORMS & TORNADOES              | \$5,435,706      | BY COUNTY | WICHITA         | 6                 |
| 904      | 6      | LOUISIANA   | 05-03-91         | SEVERE STORMS, TORNADOES<br>& FLOODING | \$24,468,016     | BY COUNTY | SHREVEPORT      | 38                |
| 905      | 6      | OKLAHOMA    | 05-08-91         | SEVERE STORMS & TORNADOES              | \$2,410,062      | BY COUNTY | TULSA           | 6                 |

|     |    |               |          |  |                        |                |     |
|-----|----|---------------|----------|--|------------------------|----------------|-----|
| 906 | 4  | MISSISSIPPI   | 05-17-91 | SEVERE STORMS, TORNADOES<br>& FLOODING | \$9,976,608 BY COUNTY  | JACKSON        | 41  |
| 907 | 6  | ARKANSAS      | 05-30-91 | SEVERE STORMS & FLOODING               | \$3,026,216 PA         | EL DORADO      | 21  |
| 908 | 7  | NEBRASKA      | 05-28-91 | SEVERE STORMS & FLOODING               | \$5,868,278 PA         | COLUMBUS       | 7   |
| 909 | 10 | ALASKA        | 05-30-91 | HEAVY SNOW, FLOODING &<br>ICE JAMS     | \$2,575,392 PA         | ANCHORAGE      | 4   |
| 910 | 4  | TENNESSEE     | 06-21-91 | SEVERE STORMS & FLOODING               | \$3,697,652 PA         | NASHVILLE      | 9   |
| 911 | 7  | IOWA          | 07-12-91 | SEVERE STORMS & FLOODING               | \$3,462,524 BY COUNTY  | WATERLOO       | 13  |
| 912 | 5  | WISCONSIN     | 08-06-91 | SEVERE STORMS & HAIL                   | \$2,634,988 PA         | MADISON        | 5   |
| 913 | 1  | RHODE ISLAND  | 08-26-91 | HURRICANE BOB                          | \$13,796,346 ALL       | MIDDLETOWN     | 5   |
| 914 | 1  | MASSACHUSETTS | 08-26-91 | HURRICANE BOB                          | \$21,716,786 BY COUNTY | HYANNIS        | 11  |
| 915 | 1  | MAINE         | 08-28-91 | HURRICANE BOB & FLOODING               | \$6,335,892 BY COUNTY  | SOUTH PORTLAND | 9   |
| 916 | 1  | CONNECTICUT   | 08-30-91 | HURRICANE BOB                          | \$8,064,100 PA         | NORWICH        | 6   |
| 917 | 1  | NEW HAMPSHIRE | 09-09-91 | HURRICANE BOB & SEVERE<br>STORMS       | \$1,754,000 PA         | HYANNIS, MA    | 4   |
| 918 | 2  | NEW YORK      | 09-16-91 | HURRICANE BOB                          | \$12,899,000 PA        | YAPHANK        | 1   |
|     |    |               |          | TOTAL FOR 39 CONTRACTS                 | \$426,667,610          | TOTAL COUNTIES | 520 |

IA=INDIVIDUAL ASSISTANCE/PA=PUBLIC ASSISTANCE/ALL=IA & PA

B. Direct Loan Program.

1. Disaster Assistance Loan Liquidating Account

- a. Objective/Element Description. This account records all cash flows to and from FEMA for direct loans obligated prior to 1992 for the following types of loans:
- 1) State Share. FEMA may lend or advance to an eligible applicant or State the portion of assistance for which the State is responsible under cost-sharing provisions of the Stafford Act. In order to be determined eligible for a loan, the Governor must demonstrate, where the damage is overwhelming and severe, that the State is unable to assume its financial responsibility to meet the cost-share due to one or both of the following conditions: (1) the State is responding to concurrent, multiple disasters/emergencies; and/or (2) the State has incurred extraordinary costs as a result of a particular disaster or emergency. Since implementation of the Stafford Act, FEMA has approved over \$86 million in loans to States to support the non-Federal share of the Disaster Assistance Program. For 1992 and beyond, State Share Loans will be obligated from the Disaster Assistance Direct Loan Financing Account.
  - 2) Community Disaster Loan. Loans could be authorized to local governments which had suffered a substantial loss of tax and other revenues as a result of a major disaster, and which had demonstrated a need for financial assistance in order to perform their governmental functions. The loans, not to exceed 25 percent of the annual operating budget of that local government for the fiscal year in which the major disaster occurs, were made at the current Treasury rate for a term of 5 years. All or part of such loans may be canceled to the extent that revenues of the local government during the three post-disaster fiscal years are insufficient to meet the operating budget. Since 1974, FEMA and its predecessor agency have approved 24 loans for \$97.9 million and denied 10 requests. Of those approved, ten have been repaid in full or are being repaid, six have been canceled, three have been withdrawn, three are active loans, and the balance are pending settlement. No loans under the Community Disaster Loan Program will be made after the end of fiscal year 1991.
- b. 1991 Accomplishments. In 1991 FEMA loans were made from the Disaster Relief Fund. In 1992 and beyond no funds will be obligated from this account for direct loans. Beginning in 1992 this account will disburse loan amounts approved prior to 1992 and will also collect all repayments of principal and interest on pre-1992 loans.
- c. Changes from the Original 1992 Estimate. None.
- d. 1992 Program. No funds will be obligated from this account after 1991, although existing loan amounts may be disbursed and repayments made to this account for loans made prior to 1992. No additional Community

Disaster Loans will be made after the end of fiscal year 1991. The States Share Loan Program will be financed from the Disaster Assistance Direct Loan Financing Account beginning in 1992.

- e. 1993 Program. No outyear implications over the 1993 request.
- f. Outyear Implications. None.
- g. Advisory and Assistance Services. None.



2. Disaster Assistance Direct Loan Program Account

a. Objective/Element Description. This account provides for the "cost" to the Government of States Share loans beginning in 1992. The following costs will be incurred.

- 1) Loan Subsidy. The subsidy cost estimates reflect the expected value of the cost to the Government of this loan program on a net present value basis excluding administrative expenses. The discount rate used for the purpose of calculating the present value is the interest rate on marketable Treasury securities of similar maturity to the loan as projected in the economic assumptions for the President's Budget. Subsidy budget authority will be calculated for the estimated amount of new loan obligations each year. In calculating subsidy budget authority, anticipated loan disbursements were used rather than loan limitations or obligations. The current, definite, subsidy authority for this account expires at the end of each fiscal year.
- 2) Administrative Expenses. Administrative expenses for this account consist of the portion of the cost of the program's administration that is directly related to the loan program. These activities include costs of: loan servicing, loan systems maintenance, central administrative services and overhead expenses.

b. 1991 Accomplishments. None. No loans were applied to the account prior to 1992.

c. Changes from the Original 1992 Estimate. None.

d. 1992 Program. In 1992, FEMA estimates loan subsidy and administrative expenses at the following levels.

| ACTIVITY                          | FUNDING       |
|-----------------------------------|---------------|
| 1) <u>Loan Subsidy</u>            | \$451,000     |
| 2) <u>Administrative Expenses</u> | <u>90,000</u> |
| TOTAL OBLIGATIONS                 | \$541,000     |

e. 1993 Program. In 1993, FEMA estimates loan subsidy and administrative expenses at the following levels.

| ACTIVITY               | FUNDING |
|------------------------|---------|
| 1) <u>Loan Subsidy</u> | \$ ---  |

2) Administrative Expenses 25,000

TOTAL OBLIGATIONS

\$95,000

1993 Increase/Decrease. The 1993 request is a decrease of \$446,000, comprised of an increase of \$5,000 for administrative expenses and a decrease of \$451,000 for loan subsidy.

f. Outyear Implications. No outyear implications over the 1993 request.

g. Advisory and Assistance Services. None.

3. Disaster Assistance Direct Loan Financing Account

a. Objective/Element Description. This account is financed as described in the following sections.

- 1) Direct Loan (States Share). Beginning in 1992 States Share Loans are funded from this account. Prior to 1992 these loans were funded from the Disaster Relief Fund. Under this program FEMA may lend to any eligible applicant or State the portion of assistance for which the State is responsible under cost-sharing provisions of The Stafford Act. In order to be determined eligible for a loan, the Governor must demonstrate, where the damage is overwhelming and severe, that the State is unable to assume its financial responsibility to meet the cost-share due to one or both of the following conditions: (1) the State is responding to concurrent, multiple disasters/emergencies; and/or (2) the State has incurred extraordinary costs as a result of a particular disaster or emergency. As required by the Federal Credit Reform Act of 1990, this non budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.
- 2) Interest on Treasury borrowing. Interest rates will be chosen for States Share Loans based on terms of maturity for comparable Treasury securities.

b. 1991 Accomplishments. None. No loans were financed through this account prior to 1992.

c. Changes from the Original 1992 Estimate. None.

d. 1992 Program. In 1992, FEMA estimates total obligations for this account to be \$6,145,000. Loans totaling \$6,000,000 and interest costs of \$145,000. Anticipated program activity is noted in the following section.

| ACTIVITY                                 | FUNDING        |
|--|----------------|
| 1) <u>State Share</u>                    |                |
| Approve 10 loans of the State Share      | \$6,000,000    |
| 2) <u>Interest on Treasury Borrowing</u> | <u>145,000</u> |
| TOTAL OBLIGATIONS                        | \$6,145,000    |

e. 1993 Program. In 1993, FEMA estimates total obligations for this account to be \$8,143,000. This includes loans totaling \$8,000,000 and interest costs of \$143,000. Anticipated program activity is noted in the following section.

| ACTIVITY                                 | FUNDING        |
|--|----------------|
| 1) <u>State Share</u>                    |                |
| Approve 12 loans of the State Share      | \$8,000,000    |
| 2) <u>Interest on Treasury Borrowing</u> | <u>143,000</u> |
| TOTAL OBLIGATIONS                        | \$8,143,000    |

1993 Increase/Decrease. The 1993 request represents an increase of \$1,998,000. This reflects the anticipated increase in requests for State share loans as a result of proposed legislative changes which will raise the amount of the costs States are requested to pay for some programs under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

f. Outyear Implications. No outyear implications over the 1993 request.

g. Advisory and Assistance Services. None.

SPECIAL EXHIBIT  
Cora Brown Fund

- a. Objective/Element Description. This section permits FEMA to receive and spend money donated to the Federal Government for disaster assistance. Mrs. Cora Brown left the majority of her estate to the Federal Government for use in natural disasters. Although the authority is in Title VI of the Act, FEMA considers the Cora Brown Fund a type of individual assistance. Highlights of the program are as follows:
- Since FEMA administers the program under the Act, assistance is limited to declared major disasters.
  - Assistance will normally be given up to \$2,000 although the Assistant Associate Director, Disaster Assistance Programs, may approve more if necessary.
  - No application by a disaster victim is necessary. FEMA will identify potential recipients by obtaining information from the American Red Cross, Individual and Family Grant (State) agencies, and any other source in the normal framework of disaster operations.
  - Any assistance provided from the fund will be identified as such to the recipient in order to distinguish it from appropriated funds.
  - The normal requirements of disaster assistance will also apply to the Cora Brown Fund (e.g. flood insurance requirements, environmental assessment, etc.).
  - Assistance will be limited to those who cannot obtain aid from any other source or who have remaining needs after receipt of all available disaster assistance.
- b. 1991 Accomplishments. In 1991, assistance totaling \$10,825 was provided.
- c. Current Status of the Fund. Approximately \$1,297,846 is currently available for obligation.
- d. Level of Expenditures. These obligations are projected for 1992 -- \$100,000; and for 1993-- \$30,000.
- e. Possible Uses of Funds. Relocation away from hazardous areas, temporary housing-related costs, permanent housing and repair of real property and repair or replacement of personal property, community services to minority and handicapped disaster victims, and excessive medical costs.

OFFICE OF INSPECTOR GENERAL  
Appropriation Language

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, [\$5,144,000] \$5,248,000.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992.)

INSPECTOR GENERAL  
Appropriation Overview

Public Law 100-504, enacted in 1988, created a statutory Inspector General (IG) within FEMA. Through a program of audits, investigations and inspections, the IG seeks to prevent and detect fraud and abuse and promote economy, efficiency and effectiveness in the Agency's programs and operations. Emphasis will be placed on the audit of FEMA financial management functions and internal audits that report on the performance of FEMA programs; the investigation of complex, high dollar volume cases; and the inspection of FEMA's technical and managerial operations. The law also imposes certain additional responsibilities: reviewing existing and proposed legislation and regulations relating to Agency programs and operations and submitting semi-annual reports to the Congress.

INSPECTOR GENERAL  
(Dollars in Thousands)

|  | Page<br>No. | 1991<br><u>Actual</u> |         | 1992<br><u>Request</u> |         | 1992<br>Current<br><u>Estimate</u> |         | 1993<br><u>Request</u> |         | <u>Increase/<br/>Decrease</u> |       |
|--|-------------|-----------------------|---------|------------------------|---------|------------------------------------|---------|------------------------|---------|-------------------------------|-------|
| <u>Estimates by Office</u>                   |             | WY                    | Amt.    | WY                     | Amt.    | WY                                 | Amt.    | WY                     | Amt.    | WY                            | Amt.  |
| Inspector General<br>(Budget Authority)..... | IG-5        | 42                    | \$2,977 | 70                     | \$5,144 | 70                                 | \$5,144 | 78                     | \$5,948 | 8                             | \$804 |
| Budget Outlays.....                          |             |                       | 3,172   |                        | 4,965   |                                    | 4,965   |                        | 5,867   |                               | 902   |
| <u>Permanent Workyears</u>                   |             |                       |         |                        |         |                                    |         |                        |         |                               |       |
| Headquarters .....                           |             | 25                    |         | 50                     |         | 50                                 |         | 48                     |         | -2                            |       |
| Regions .....                                |             | <u>17</u>             |         | <u>20</u>              |         | <u>20</u>                          |         | <u>10</u>              |         | <u>10</u>                     |       |
| Total, Permanent.....                        |             | 42                    |         | 70                     |         | 70                                 |         | 78                     |         | 8                             |       |
| <u>Total Workyears</u> .....                 |             | 42                    |         | 70                     |         | 70                                 |         | 78                     |         | 8                             |       |
| <u>Changes from Original 1992 Estimates.</u> | None.       |                       |         |                        |         |                                    |         |                        |         |                               |       |



**INSPECTOR GENERAL**  
(Dollars in Thousands)

|   | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br><u>Current</u><br><u>Estimate</u> | 1993<br><u>Request</u> | <u>Increase/</u><br><u>Decrease</u> |
|---|-----------------------|------------------------|---|------------------------|-------------------------------------|
| <b>OBJECT CLASS</b>   |                       |                        |   |                        |                                     |
| <b><u>Personnel compensation</u></b>                              |                       |                        |   |                        |                                     |
| 11.1 Full-time permanent.....                                     | \$1,929               | \$3,648                | \$3,934                                   | \$4,430                | \$496                               |
| 11.3 Other than full-time permanent.....                          | 128                   | ...                    | ...                                       | ...                    | ...                                 |
| 11.5 Other personnel compensation .....                           | 57                    | ...                    | ...                                       | 190                    | 190                                 |
| 11.8 Special personal services payments.....                      | ...                   | ...                    | ...                                       | ...                    | ...                                 |
| 11.9 Total personnel compensation.....                            | <u>2,114</u>          | <u>3,648</u>           | <u>3,934</u>                              | <u>4,620</u>           | <u>686</u>                          |
| <b><u>Personnel benefits</u></b>                                  |                       |                        |   |                        |                                     |
| 12.1 Civilian personnel.....                                      | 409                   | 576                    | 618                                       | 708                    | 90                                  |
| 12.2 Military personnel .....                                     | ...                   | ...                    | ...                                       | ...                    | ...                                 |
| 13.0 Benefits for former personnel.....                           | ...                   | ...                    | ...                                       | ...                    | ...                                 |
| <b><u>Non-Personnel Costs</u></b>                                 |                       |                        |   |                        |                                     |
| 21.0 Travel and transportation of persons.....                    | 307                   | 345                    | 367                                       | 360                    | (7)                                 |
| 22.0 Transportation of things .....                               | 5                     | 50                     | 50  | 75                     | 25                                  |
| 23.1 Rental payments to GSA.....                                  | ...                   | ...                    | ...                                       | ...                    | ...                                 |
| 23.2 Rental payments to others.....                               | ...                   | ...                    | ...                                       | ...                    | ...                                 |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | ...                   | ...                    | ...                                       | ...                    | ...                                 |
| 24.0 Printing and reproduction.....                               | 1                     | 5                      | 5   | 5                      | ...                                 |
| 25.0 Other services.....  | 36                    | 500                    | 150                                       | 150                    | 0                                   |
| 26.0 Supplies and materials.....                                  | 7                     | 5                      | 5   | 5                      | ...                                 |
| 31.0 Equipment .....  | 98                    | 15                     | 15  | 25                     | 10                                  |
| 32.0 Land and structures.....                                     | ...                   | ...                    | ...                                       | ...                    | ...                                 |
| 33.0 Investments and loans.....                                   | ...                   | ...                    | ...                                       | ...                    | ...                                 |
| 41.0 Grants, subsidies and contributions .....                    | ...                   | ...                    | ...                                       | ...                    | ...                                 |
| 42.0 Insurance claims and indemnities.....                        | ...                   | ...                    | ...                                       | ...                    | ...                                 |
| 43.0 Interest and dividends .....                                 | ...                   | ...                    | ...                                       | ...                    | ...                                 |
| <b>Total Obligations.....</b>                                     | <u>2,977</u>          | <u>5,144</u>           | <u>5,144</u>                              | <u>5,948</u>           | <u>804</u>                          |

### Inspector General

- a. Objective/Office Description. The Office of Inspector General (IG) provides audit, inspection, and investigative support services covering FEMA's programs and operations. The objectives of the IG are to prevent and detect fraud and abuse and to improve economy and efficiency in the administration of FEMA programs and operations. Activities are planned and conducted in response to requirements of laws, regulations, and Congressional and OMB directives; specific requests from the Director and other FEMA management officials; and allegations received from Agency employees and other sources.
- b. 1991 Accomplishments. In 1991, FEMA used \$2,977,000 and 42 workyears under the Office of Inspector General appropriation. Activities included the following:
- o Issued 66 audit reports: 29 pertaining to recipients of FEMA funds and 37 pertaining to FEMA operations. Subject areas included the following: administration of Superfund expenses; implementation of lobbying restrictions; Emergency Food and Shelter grants; FEMA's control over disbursements; classified travel; National Flood Insurance Program; Comprehensive Cooperative Agreements; disaster relief grants; and administration of disaster activities relating to Hurricane Hugo.
  - o Reviewed and processed 75 organization-wide audit reports covering claims of \$389,739,470.
  - o Obtained commitments of FEMA management to recover approximately \$5,900,000.
  - o Opened 170 investigative cases and closed 200 cases, with 191 cases pending.
  - o Charged 35 individuals and convicted 25 of violations in connection with FEMA programs; obtained 4 civil judgments totaling \$200,000; collected \$90,000 in fines and restitutions ordered by the courts; and realized \$60,000 in administrative cost-savings and recoveries.
- c. Changes from the 1992 Estimates. None.
- d. 1992 Program. In 1992, FEMA is allocating \$5,144,000 and 70 workyears under the Office of Inspector General appropriation. This is the second phase of the planned expansion of the Office of Inspector General since it became statutory in 1988. The IG will provide increased audit, investigative, and inspection coverage of Agency programs and operations; reduce and improve the audit cycle; and concentrate on eliminating the backlog of complex, high dollar volume, investigative cases. It is anticipated that approximately 73 external and 23 internal audits will be completed. Areas scheduled for increased audit and inspection coverage include the following: National Preparedness Directorate activities, financial management functions, audit of financial statements under the Chief Financial Officers' Act; emergency response capabilities, and information resources management activities.

Investigative activities will concentrate on reducing the backlog of cases due to the Hurricane Hugo and Loma Prieta earthquake disasters.

- e. 1993 Program. In 1993, FEMA requests \$5,948,000 and 78 workyears under the Office of Inspector General appropriation. The IG plans to continue to increase audit, inspection and investigative coverage of the Agency's programs and operations. Emphasis will be placed on internal audits that report on the performance of FEMA programs and the audit of FEMA's financial management functions. Additional resources will be used to expand field operations and conduct complex investigations involving white collar crimes. Activities will include the following:

- o Investigations of significant allegations that have potential for prosecution under criminal or civil law, and/or administrative action.
- o Audits specifically required by laws, regulations and OMB guidance (including the expansion and improvements upon the requirements of the CFO Act); and performance of annual audit-related activities, such as providing input to semi-annual reports, maintaining the audit tracking system, acting as liaison with other Federal agencies, and performing audit follow-up duties.
- o Approximately 25 internal audits of the economy and efficiency of FEMA's programs.
- o Approximately 85 audits of FEMA contracts and financial assistance awards made to State and local units of government through grants and cooperative agreements.
- o Inspections of managerial and technical operations, including data processing, command-control, and telecommunications systems.
- o Review of existing and proposed legislation and regulations relating to Agency programs and operations.

1993 Increases/Decreases. The 1993 request includes an increase of \$804,000 and 8 workyears: (1) an increase of \$23,000 for the final-quarter costs of 1992 GS/GM pay raise; (2) an increase of \$118,000 for three quarters of the 1993 GS/GM pay raise; (3) an increase of \$763,000 and 10 workyears for the following:

- o Establishment of two additional resident agent posts of duty in order to reduce the time required to bring special agents into place to conduct post-disaster investigations;
- o Increased field audit presence to enhance our capability to audit FEMA programs administered by the States;
- o Improved audit cycle with expanded audit coverage of FEMA programs and operations;
- o Reduction in the backlog of complex high-dollar volume investigations;

- o Further reduction of dependence upon part-time disaster reservist investigators; and
- (4) offset by a decrease of 2 workyears and \$100,000 as a result of an agency-wide workyear reduction.
- f. Outyear Implications. No outyear implications over the 1993 request.
- g. Advisory and Assistance Services. The 1993 request for the Inspector General includes \$150,000 for the conduct of audits, studies, and special analyses as deemed necessary to carry out the provisions of the IG Act.

EMERGENCY FOOD AND SHELTER PROGRAM  
Appropriation Language

There is hereby appropriated [\$134,000,000] \$100,000,000 to the Federal Emergency Management Agency to carry out an emergency food and shelter program pursuant to title III of Public Law 100-77, as amended: Provided, That total administrative costs shall not exceed three and one-half per centum of the total appropriation.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992.)

## EMERGENCY FOOD AND SHELTER

### Appropriation Overview

Funding provided by this appropriation is awarded to a National Board to carry out programs for sheltering and feeding the needy. The Board, which is chaired by a representative of FEMA, is composed of representatives from the United Way of America; the Salvation Army; the American Red Cross; Catholic Charities, USA; National Council of Churches of Christ in the USA; and the Council of Jewish Federations, Inc. This program is nationwide in scope and provides food and shelter to needy individuals through local private voluntary organizations and units of government selected by Local Boards in areas designated by the National Board as being in highest need. These Local Boards are an integral part of the program emphasizing local decisionmaking and monitoring for program compliance. The intent of the program is to meet emergency needs by supplementing other food and shelter assistance programs, thus enabling them to expand their services providing food and shelter to families and individuals.

EMERGENCY FOOD AND SHELTER  
(Dollars in Thousands)

| <u>Estimates by Program</u>                           | <u>Page<br/>No.</u> | <u>1991<br/>Actual</u> | <u>1992<br/>Request</u> | <u>1992<br/>Current<br/>Estimate</u> | <u>1993<br/>Request</u> | <u>Increase/<br/>Decrease</u> |
|---|---------------------|------------------------|-------------------------|--------------------------------------|-------------------------|-------------------------------|
| Emergency Food and Shelter<br>(Budget Authority)..... | EFS-5               | \$134,000              | \$100,000               | \$134,000                            | \$100,000               | -\$34,000                     |
| Budget Outlays.....                                   |                     | 132,953                | 100,000                 | 134,000                              | 100,000                 | - 34,000                      |

Changes from Original 1992 Estimates. Reflects a congressional increase of \$34,000,000.

# EMERGENCY FOOD AND SHELTER FUND

(Dollars in Thousands)

| OBJECT CLASS  | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br>Decrease |
|---|-----------------------|------------------------|------------------------------------|------------------------|-----------------------|
| <u>Personnel compensation</u>                                     |                       |                        |                                    |                        |                       |
| 11.1 Full-time permanent.....                                     | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.3 Other than full-time permanent.....                          | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.5 Other personnel compensation.....                            | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.8 Special personal services payments.....                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.9 Total personnel compensation.....                            | ...                   | ...                    | ...                                | ...                    | ...                   |
| <u>Personnel benefits</u>   |                       |                        |                                    |                        |                       |
| 12.1 Civilian personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 12.2 Military personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 13.0 Benefits for former personnel.....                           | ...                   | ...                    | ...                                | ...                    | ...                   |
| <u>Non-Personnel Costs</u>  |                       |                        |                                    |                        |                       |
| 21.0 Travel and transportation of persons.....                    | ...                   | ...                    | ...                                | ...                    | ...                   |
| 22.0 Transportation of things.....                                | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.1 Rental payments to GSA.....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.2 Rental payments to others.....                               | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | ...                   | ...                    | ...                                | ...                    | ...                   |
| 24.0 Printing and reproduction.....                               | ...                   | ...                    | ...                                | ...                    | ...                   |
| 25.0 Other services.....  | ...                   | ...                    | ...                                | ...                    | ...                   |
| 26.0 Supplies and materials.....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| 31.0 Equipment.....   | ...                   | ...                    | ...                                | ...                    | ...                   |
| 32.0 Land and structures.....                                     | ...                   | ...                    | ...                                | ...                    | ...                   |
| 33.0 Investments and loans.....                                   | ...                   | ...                    | ...                                | ...                    | ...                   |
| 41.0 Grants, subsidies and contributions.....                     | \$134,000             | \$100,000              | \$134,000                          | \$100,000              | ...                   |
| 42.0 Insurance claims and indemnities.....                        | ...                   | ...                    | ...                                | ...                    | ...                   |
| 43.0 Interest and dividends.....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| Total Obligations.....  | 134,000               | 100,000                | 134,000                            | 100,000                | ...                   |



### Emergency Food and Shelter

- a. Objective/Element Description. The objective of this program is to supplement programs of food and shelter through governmental and/or voluntary organizations at the local level. The intent is to alleviate the strain on local volunteer agencies which, because of the severity and magnitude of the problem, are unable to keep up with the demand for food and shelter for the needy.

For the National Board Program, high-need jurisdictions are selected nationwide based on three considerations: most-current annual unemployment rates; total number of unemployed within a civil jurisdiction; and poverty rates within a civil jurisdiction. In addition, the National Board has developed a State Set Aside Program in order to reach communities experiencing recent economic dislocations (large plant closings, etc.). State EFS Boards, similar in composition to the National Board, identify areas of greatest need and pockets of homelessness and poverty from sources at the State and local level. They give particular attention to jurisdictions not selected by the National Board.

For funding under Public Law 101-645 (1991), the following criteria were used:

- Jurisdictions, including a balance of counties, with more than 18,000 unemployed and 4.3% unemployment rate.
  - Jurisdictions, including a balance of counties, with 1,000 to 17,999 unemployed and a greater than 6.9% unemployment rate.
  - Jurisdictions, including a balance of counties, with 1,000 or more unemployed and an 11%+ rate of poverty.
- b. 1991 Accomplishments: In 1991, FEMA used \$134,000,000 for this program and obligated that amount to the National Board. The National Board funded more than 2,350 jurisdictions, with nearly 10,000 organizations receiving funds. This is estimated to have provided over 92,154,471 additional meals, more than 5,100,000 additional nights of shelter, and more than 150,000 individual rent/mortgage payments to assist the needy.
- c. Changes from the 1992 Estimates. Reflects a congressional increase of \$34,000,000.
- d. 1992 Program. In 1992, FEMA is allocating \$134,000,000 to this program. This resource level provides \$100,000,000 for obligation to the national board of voluntary organizations, which will distribute that amount to the local level.
- e. 1993 Program. In 1993 FEMA requests \$100,000,000 for this program. This resource level provides \$100,000,000 for obligation to the National Board of Voluntary Organizations which will distribute that amount to the local level.

1991 Increases/Decreases: The decrease of \$34,000,000 for Emergency Food and Shelter is consistent with the policy endorsed by the Interagency policy on the homeless to shift resources to programs that provide more comprehensive and longer term solutions to the problems of homelessness.

f. Outyear Implications. No outyear implications over the 1993 request.

g. Advisory and Assistance Services. None.

NATIONAL INSURANCE DEVELOPMENT FUND  
Appropriation Language

[Notwithstanding section 520(h) of the National Housing Act (12 U.S.C. 1735d(b)), effective October 1, 1991, any indebtedness of the Director of the Federal Emergency Management Agency resulting from the Director or the Secretary of Housing and Urban Development borrowing sums under such section before the date of the enactment of this Act to carry out title XII of the National Housing Act shall be canceled, the Director shall not be obligated to repay such sums or any interest thereon, and no further interest shall accrue on such sums.]

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992.)

NATIONAL INSURANCE DEVELOPMENT FUND  
Appropriation Overview

The National Insurance Development Fund was established from the proceeds of the Riot Reinsurance Program, which was terminated by the Congress on November 30, 1983. It has also been used as the vehicle for the funding of the Federal Crime Insurance Program (FCIP), and it receives deposits from crime insurance premiums and other receipts.

The FCIP is a direct Federal program which offers insurance against financial loss from burglary and robbery. This insurance has been offered to homeowners, tenants, and business owners, at rates established without regard to risk, if protective devices have been installed on the property to be insured. Because of the general availability of insurance through the private sector, the problems this program was created to address are no longer of national proportions. Over 54 percent of the policies are in the State of New York.

The budget request assumes that the Crime Insurance Program, which is authorized through September 30, 1995, will not be continued beyond that date.

NATIONAL INSURANCE DEVELOPMENT FUND  
(Dollars in Thousands)

| <u>Estimates by Program Element</u>            | <u>Page No.</u> | <u>1991 Actual</u> |             | <u>1992 Request</u> |             | <u>1992 Current Estimate</u> |             | <u>1993 Request</u> |             | <u>Increase/Decrease</u> |             |
|--|-----------------|--------------------|-------------|---------------------|-------------|------------------------------|-------------|---------------------|-------------|--------------------------|-------------|
|  |                 | <u>WY</u>          | <u>Amt.</u> | <u>WY</u>           | <u>Amt.</u> | <u>WY</u>                    | <u>Amt.</u> | <u>WY</u>           | <u>Amt.</u> | <u>WY</u>                | <u>Amt.</u> |
| A. Federal Crime Insurance.....                | ID-5            | 6                  | ...         | 6                   | ...         | 6                            | ...         | 6                   | ...         | ...                      | ...         |
| B. Salaries and Expenses<br>(Obligations)..... | ID-9            |                    | (\$553)     | 1/                  | (\$420)     |                              | (\$420)     |                     | (\$443)     |                          | (\$23)      |
| Budget Authority.....                          |                 |                    | 16,337      |                     | 14,414      |                              | 1,800       |                     | 1,558       |                          | -242        |
| Budget Outlays.....                            |                 |                    | 16,339      |                     | 14,697      |                              | 2,223       |                     | 1,606       |                          | -617        |
| Appropriation.....                             |                 |                    | ...         |                     | ...         |                              | ..          |                     | ...         |                          | ...         |
| <u>Permanent Workyears</u>                     |                 |                    |             |                     |             |                              |             |                     |             |                          |             |
| Headquarters.....                              |                 | 6                  |             | 6                   |             | 6                            |             | 6                   |             | ...                      |             |
| Regions.....                                   |                 | <u>...</u>         |             | <u>...</u>          |             | <u>...</u>                   |             | <u>...</u>          |             | <u>...</u>               |             |
| Total, Permanent.....                          |                 | 6                  |             | 6                   |             | 6                            |             | 6                   |             | ...                      |             |
| <u>Total Workyears</u> .....                   |                 | 6                  |             | 6                   |             | 6                            |             | 6                   |             | ...                      |             |

Changes from Original 1992 Estimates. Reflects an increase in premium income and forgiveness of prior-year borrowings, as authorized by Public Law 102-139.

1/ Includes \$145,000 in payroll expenses that should have been charged to the Disaster Relief Fund. Adjustments will be made in 1992.

**NATIONAL INSURANCE DEVELOPMENT FUND**  
(Dollars in Thousands)

| OBJECT CLASS  | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br><u>Decrease</u> |
|---|-----------------------|------------------------|------------------------------------|------------------------|------------------------------|
| <u>Personnel compensation</u>                                     |                       |                        |                                    |                        |                              |
| 11.1 Full-time permanent .....                                    | \$461                 | \$340                  | \$344                              | \$360                  | \$16                         |
| 11.3 Other than full-time permanent.....                          | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.5 Other personnel compensation.....                            | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11.6 Special personal services payments.....                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 11 9 Total personnel compensation.....                            | <u>461</u>            | <u>340</u>             | <u>344</u>                         | <u>360</u>             | <u>16</u>                    |
| <u>Personnel benefits</u>   |                       |                        |                                    |                        |                              |
| 12.1 Civilian personnel.....                                      | 81                    | 60                     | 61                                 | 63                     | 2                            |
| 12.2 Military personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                          |
| 13.0 Benefits for former personnel.....                           | ...                   | ...                    | ...                                | ...                    | ...                          |
| <u>Non-Personnel Costs</u>  |                       |                        |                                    |                        |                              |
| 21.0 Travel and transportation of persons.....                    | 11                    | 20                     | 15                                 | 20                     | 5                            |
| 22.0 Transportation of things.....                                | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23.1 Rental payments to GSA.....                                  | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23.2 Rental payments to others.....                               | ...                   | ...                    | ...                                | ...                    | ...                          |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | ...                   | ...                    | ...                                | ...                    | ...                          |
| 24.0 Printing and reproduction.....                               | ...                   | ...                    | ...                                | ...                    | ...                          |
| 25.0 Other services.....  | 2,666                 | 4,205                  | 2,639                              | 2,613                  | (26)                         |
| 26.0 Supplies and materials.....                                  | ...                   | ...                    | ...                                | ...                    | ...                          |
| 31.0 Equipment.....   | ...                   | ...                    | ...                                | ...                    | ...                          |
| 32.0 Land and structures.....                                     | ...                   | ...                    | ...                                | ...                    | ...                          |
| 33.0 Investments and loans.....                                   | ...                   | ...                    | ...                                | ...                    | ...                          |
| 41.0 Grants, subsidies and contributions.....                     | ...                   | ...                    | ...                                | ...                    | ...                          |
| 42.0 Insurance claims and indemnities.....                        | 7,566                 | 5,870                  | 5,865                              | 5,791                  | (74)                         |
| 43.0 Interest and dividends.....                                  | <u>12,420</u>         | <u>11,328</u>          | <u>45</u>                          | <u>137</u>             | <u>92</u>                    |
| Total Obligations.....  | <u>23,205</u>         | <u>21,823</u>          | <u>8,969</u>                       | <u>8,984</u>           | <u>15</u>                    |

A. Federal Crime Insurance Program

- a. Objective/Element Description. The President's National Advisory Panel on Insurance in Riot-Affected Areas, in its January 1968 report entitled, "Meeting the Insurance Crisis of Our Cities," pointed out that one important factor in the deterioration of inner-city areas was the unavailability of basic insurance coverages, including insurance against burglary and robbery. A study of the availability of crime insurance, conducted by the Federal Insurance Administration in 1970, concluded that there was a critical problem of availability of insurance in many areas. The Federal Crime Insurance Program (FCIP) became effective in August 1971.
- Review of Insurance Availability. Continuing reviews are conducted to determine whether crime insurance is available at "affordable" rates, either through the normal insurance market or through State action. Many States do not appear to have a crime insurance availability problem. A few States which do have availability problems have implemented programs of their own. While there is evidence that some insureds would experience difficulty in being placed in the private market, there are States which have developed crime insurance programs of their own. Under State legislation, both Michigan and New Jersey have created programs which have been in existence since the initiation of the Federal program. These programs represent one way of meeting the crime insurance availability problem. In addition, the States of Indiana and Wisconsin have less formal programs supervised by their Insurance Departments. Neither Indiana nor Michigan has been a FCIP State. Several Fair Access to Insurance Requirements (FAIR) Plans have followed the lead of Massachusetts in making limited amounts of crime insurance available through the offering of fire insurance policies. Rhode Island, Wisconsin, Michigan, Maryland, and Illinois have added such coverages. In any event, the degree of the problem of crime insurance availability and/or affordability has not demonstrated that it is beyond the ability of the States or private insurers to develop means of addressing the situation.
  - Selling and Servicing Insurance. Crime insurance is a direct Federal program in which the Federal Government assumes the risk-bearing function. The insurance is available through the Program's servicing contractor to businesses and residences in participating jurisdictions without regard to the actuarial risk, if protective devices have been installed.
  - Jurisdictions Covered. The following table depicts the jurisdictions currently covered, the date of their entry into the program, and the policies currently in force:

Crime Insurance Policies By State  
(As of November 30, 1991)

| <u>State</u>               | <u>Date Of<br/>Entry</u> | <u>Residential</u> | <u>Commercial</u> | <u>Total</u> |
|----------------------------|--------------------------|--------------------|-------------------|--------------|
| Alabama .....              | 7/77                     | 697                | 12                | 709          |
| California .....           | 11/80                    | 1,542              | 257               | 1,799        |
| Connecticut .....          | 8/71                     | 66                 | 10                | 76           |
| Delaware .....             | 3/74                     | 111                | 2                 | 113 *        |
| District of Columbia ..... | 8/71                     | 32                 | 39                | 71           |
| Florida .....              | 2/74                     | 1,570              | 322               | 1,892        |
| Georgia .....              | 9/75                     | 299                | 80                | 379          |
| Illinois .....             | 8/71                     | 184                | 240               | 424          |
| Kansas .....               | 4/73                     | 208                | 8                 | 216          |
| Maryland .....             | 8/71                     | 54                 | 54                | 108          |
| New Jersey .....           | 2/73                     | 956                | 140               | 1,096        |
| New York .....             | 8/71                     | 8,423              | 2,694             | 11,117       |
| Pennsylvania .....         | 8/71                     | 1,387              | 241               | 1,628        |
| Rhode Island .....         | 8/71                     | 10                 | 15                | 25 *         |
| Tennessee .....            | 8/72                     | 115                | 71                | 186 *        |
| Puerto Rico .....          | 6/78                     | 419                | 93                | 512          |
| Virgin Islands .....       | 10/78                    | <u>232</u>         | <u>31</u>         | <u>263 *</u> |
| TOTAL .....                |                          | 16,305             | 4,309             | 20,614       |

\* Will not participate in the program after April 1, 1992.



- b. 1991 Accomplishments. In order to reduce the current combined loss-to-expense ratio of 166%, a 15% rate increase on commercial business was implemented in 1991.
- c. Changes From the 1992 Estimates. The new estimates reflect an increase in premium income and forgiveness of all previous borrowings, as authorized by Public Law 102-139.
- d. 1992 Program. In keeping with the Administration's goal of reducing the program's burden on the taxpayer, FEMA will implement a 15% rate increase, as authorized by Public Law 101-508, the Omnibus Budget Reconciliation Act of 1990.
- e. 1991 Program. FEMA plans to raise premium rates 15% as authorized by Public Law 101-508, the Omnibus Budget Reconciliation Act of 1990, in order to make the program more efficient and reduce the taxpayer subsidy.
- f. Outyear Implications. The estimates assume the program will be discontinued on September 30, 1995 when the current authorization expires.
- g. Advisory and Assistance Services. None.

The status of the National Insurance Development Fund is as follows:

(Dollars in Thousands)

|                                | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br><u>Decrease</u> |
|--------------------------------|-----------------------|------------------------|------------------------------------|------------------------|------------------------------|
| Number of Policies Issued..... | 21,080                | 18,718                 | 18,972                             | 17,075                 | -1,897                       |
| Unobligated Fund Balance,      |                       |                        |                                    |                        |                              |
| Start of Year.....             | \$105,534             | \$89,710               | \$250,000                          | \$248,200              | -\$1,800                     |
| Insurance Premiums.....        | 6,868                 | 7,409                  | 7,169                              | 7,426                  | 257                          |
| Insurance Claims.....          | -7,566                | -5,870                 | -5,865                             | -5,791                 | 74                           |
| Operating Expenses.....        | -2,666                | -4,205                 | -2,639                             | -2,613                 | 26                           |
| Interest Expense.....          | -12,420               | -11,328                | -45                                | -137                   | -92                          |
| Administrative Expenses.....   | <u>-553</u> 1/        | <u>-420</u>            | <u>-420</u>                        | <u>-443</u>            | <u>-23</u>                   |
| TOTAL.....                     | -16,337               | -14,414                | -1,800                             | -1,558                 | 242                          |
| Unobligated Fund Balance,      |                       |                        |                                    |                        |                              |
| End of Year.....               | <u>89,197</u>         | <u>75,296</u>          | <u>248,200</u>                     | <u>246,642</u>         | <u>-1,558</u>                |
| Cumulative Borrowings.....     | 160,803 2/            | 174,704                | 1,800                              | 3,358                  | 1,558                        |
| Budget Outlays.....            | 16,339                | 14,697                 | 2,223                              | 1,606                  | -617                         |

1/ Includes \$145,000 in payroll expenses that should have been charged to the Disaster Relief Fund.

2/ Does not include \$124,000,000 used from Riot Reinsurance income.

500

NATIONAL INSURANCE DEVELOPMENT FUND  
(Dollars in Thousands)

Federal Crime Insurance Program

| <u>Estimates by Program Element</u>            | <u>Page No.</u> | <u>1991 Actual</u> |             | <u>1992 Request</u> |             | <u>1992 Current Estimate</u> |             | <u>1993 Request</u> |             | <u>Increase/Decrease</u> |             |
|--|-----------------|--------------------|-------------|---------------------|-------------|------------------------------|-------------|---------------------|-------------|--------------------------|-------------|
|  |                 | <u>WY</u>          | <u>Amt.</u> | <u>WY</u>           | <u>Amt.</u> | <u>WY</u>                    | <u>Amt.</u> | <u>WY</u>           | <u>Amt.</u> | <u>WY</u>                | <u>Amt.</u> |
| B. Salaries & Expenses<br>(Appropriation)..... | ID-10           | 6                  | ...         | 6                   | ...         | 6                            | ...         | 6                   | ...         | ...                      | ...         |
| Budget Authority.....                          |                 |                    | \$553       | 1/                  | \$420       |                              | \$420       |                     | \$443       |                          | 23          |
| Budget Outlays.....                            |                 |                    | 553         |                     | 420         |                              | 420         |                     | 443         |                          | 23          |
| <u>Permanent Workyears</u>                     |                 |                    |             |                     |             |                              |             |                     |             |                          |             |
| Headquarters.....                              |                 | 6                  |             | 6                   |             | 6                            |             |                     |             | ...                      |             |
| Regions.....                                   |                 | 6                  |             | 6                   |             | 6                            |             | 6                   |             | ...                      |             |
| Total, Permanent.....                          |                 | 6                  |             | 6                   |             | 6                            |             | 6                   |             | ...                      |             |
| <u>Total Workyears</u> .....                   |                 | 6                  |             | 6                   |             | 6                            |             | 6                   |             | 6                        |             |

Changes from Original 1992 Estimates. None.

1/ Includes \$145,000 in payroll expenses that should have been charged to the Disaster Relief Fund.

B. Salaries and Expenses

- a. Objective/Element Description. This program provides the required administrative support on a reimbursable basis for the Federal Crime Insurance Program.
- b. 1991 Accomplishments. Accomplishments are detailed in the preceding narrative for the National Insurance Development Fund.
- c. Changes from the 1992 Estimates. None.
- d. 1992 Program. Accomplishments are detailed in the preceding narrative for the National Insurance Development Fund.
- e. 1993 Program. Accomplishments are detailed in the preceding narrative for the National Insurance Development Fund.  
1993 Increases/Decreases: The 1993 request includes an increase of \$23,000 for increased pay and related costs.
- f. Outyear Implications. The estimates assume the program is terminated on September 30, 1995.
- g. Advisory and Assistance Services. None.

502

NATIONAL FLOOD INSURANCE FUND  
Appropriation Language

(TRANSFERS OF FUNDS)

Of the funds available from the National Flood Insurance Fund for activities under the National Flood Insurance Act of 1968, and the Flood Disaster Protection Act of 1973, [\$12,874,000] \$11,978,000 shall, upon enactment of this Act, be transferred to the "Salaries and expenses" appropriation for administrative costs of the insurance and flood plain management programs and [\$45,023,000] \$48,092,000 shall, upon enactment of the Act, be transferred to the "Emergency management planning and assistance" appropriation for flood plain management activities, including \$4,720,000 for expenses under section 1362 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4103,4127), which amount shall be available until September 30, [1993] 1994. In fiscal year [1992] 1993, no funds in excess of (1) \$32,000,000 for operating expenses, (2) [\$208,276,000] \$221,000,000 for agents' commissions and taxes, and (3) \$3,500,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations.

(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992.)

503

NATIONAL FLOOD INSURANCE FUND  
Appropriation Overview

The National Flood Insurance Program (NFIP) is a Federal program consisting of two components: insurance and flood plain management. The insurance component is the mechanism enabling property owners to buy flood insurance which is otherwise unavailable in the commercial market. As a loss mitigation tool and in return for the availability of insurance, communities agree to adopt and enforce flood plain management measures to protect lives and new construction from future flooding. The program continues to be self-supporting for the historic average loss year.

For decades, the national response to flood disasters was generally limited to flood control works and providing disaster relief to flood victims. This approach led to rising flood losses and rising Federal costs. To compound the problem, the public could not buy flood coverage from insurance companies, and building techniques to reduce flood damage to new construction were often overlooked.

The insurance mechanism enables people owning or renting property in the flood plain to insure against flood losses. By paying insurance rates which are, insofar as practical, related to the risk, there will be more enlightened management of the flood plains and a reduction in flood damage. This will reduce the need for relief due to flood disasters and will eliminate the cost to the general taxpayer for insurable flood damage.

The flood plain management component of the NFIP focuses on hazard mitigation through programs that combine mapping, regulatory, and technical assistance efforts for the purpose of responding to known flood hazards and mitigating their effects through a comprehensive approach to the management of flood plains. In 1993, funding for this activity will be provided through a reimbursement to the Emergency Management Planning and Assistance from the National Flood Insurance Fund. Salaries and expenses for both the Insurance Activities and Flood Plain Management components of the NFIP will be funded through reimbursement from the National Flood Insurance Fund. As authorized by the Omnibus Budget Reconciliation Act of 1990, all costs for these activities will be borne by flood insurance policyholders. Details for these activities may be found under Emergency Management Planning and Assistance and Salaries and Expenses for Flood Insurance and Mitigation.

NATIONAL FLOOD INSURANCE FUND  
(Dollars in Thousands)

| <u>Estimates by Fund</u>                                 | <u>Page<br/>No.</u> | <u>1991<br/>Actual</u> | <u>1992<br/>Request</u> | <u>1992<br/>Current<br/>Estimate</u> | <u>1993<br/>Request</u> | <u>Increase/<br/>Decrease</u> |
|--|---------------------|------------------------|-------------------------|--------------------------------------|-------------------------|-------------------------------|
| National Flood Insurance Fund<br>(Budget Authority)..... | FI-5                | ...                    | ...                     | ...                                  | ...                     | ...                           |
| Budget Outlays.....                                      |                     | -\$202,876             | -\$61,024               | -\$101,811                           | -\$81,903               | \$19,908                      |

Changes from Original 1992 Estimates. Projected decreases in claims and underwriting expenses result in outlays that are less than anticipated.

**NATIONAL FLOOD INSURANCE FUND**  
(Dollars in Thousands)

| OBJECT CLASS  | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br>Current<br><u>Estimate</u> | 1993<br><u>Request</u> | Increase/<br>Decrease |
|---|-----------------------|------------------------|------------------------------------|------------------------|-----------------------|
| <b><u>Personnel compensation</u></b>                              |                       |                        |                                    |                        |                       |
| 11.1 Full-time permanent.....                                     | \$9,039               | \$9,775                | \$10,004                           | \$11,000               | \$996                 |
| 11.3 Other than full-time permanent.....                          | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.5 Other personnel compensation.....                            | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.8 Special personal services payments.....                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 11.9 Total personnel compensation.....                            | 9,039                 | 9,775                  | 10,004                             | 11,000                 | 996                   |
| <b><u>Personnel benefits</u></b>                                  |                       |                        |                                    |                        |                       |
| 12.1 Civilian personnel.....                                      | 1,459                 | 1,849                  | 1,573                              | 1,600                  | 27                    |
| 12.2 Military personnel.....                                      | ...                   | ...                    | ...                                | ...                    | ...                   |
| 13.0 Benefits for former personnel.....                           | ...                   | ...                    | ...                                | ...                    | ...                   |
| <b><u>Non-Personnel Costs</u></b>                                 |                       |                        |                                    |                        |                       |
| 21.0 Travel and transportation of persons.....                    | 513                   | 950                    | 733                                | 950                    | 217                   |
| 22.0 Transportation of things.....                                | 9                     | ..                     | ...                                | ...                    | ...                   |
| 23.1 Rental payments to GSA.....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.2 Rental payments to others.....                               | ...                   | ...                    | ...                                | ...                    | ...                   |
| 23.3 Communications, utilities, and<br>miscellaneous charges..... | ...                   | ...                    | ...                                | ...                    | ...                   |
| 24.0 Printing and reproduction.....                               | 1,757                 | 1,800                  | 1,930                              | 2,500                  | 570                   |
| 25.0 Other services.....  | 247,410               | 283,599                | 273,384                            | 295,609                | 22,225                |
| 26.0 Supplies and materials.....                                  | 4                     | ...                    | ...                                | ...                    | ...                   |
| 31.0 Equipment.....   | 10                    | ...                    | ...                                | ...                    | ...                   |
| 32.0 Land and structures.....                                     | ...                   | ...                    | ...                                | ...                    | ...                   |
| 33.0 Investments and loans.....                                   | ...                   | ...                    | ...                                | ...                    | ...                   |
| 41.0 Grants, subsidies and contributions.....                     | 3,371                 | 4,200                  | 4,200                              | 4,200                  | ...                   |
| 42.0 Insurance claims and indemnities.....                        | 226,537               | 459,019                | 399,600                            | 448,828                | 49,228                |
| 43.0 Interest and dividends.....                                  | ...                   | ...                    | ...                                | ...                    | ...                   |
| Total Obligations.....  | 490,109               | 761,192                | 691,424                            | 764,687                | 73,263                |



### Insurance Activities

- a. Objective/Element Description. The National Flood Insurance Act of 1968, as amended, authorized providing flood insurance on a national basis by a joint program with the Federal government and the private sector insurance industry. Until December 31, 1977, flood insurance was provided by a joint government/industry program. On January 1, 1978, the Federal Government assumed full responsibility for operating the program. FEMA established goals of making the NFIP self-supporting for the average loss year and re-involving the private sector in the NFIP. In 1983, the insurance industry became involved with the NFIP once again with the initiation of the Write-Your-Own program and since 1988, the program has been self-supporting for the historical average loss year. Along with these efforts, rates may be adjusted periodically to more closely reflect the actual risk.
- Coverage. All existing buildings and their contents in communities where flood insurance is available, through either the Emergency or the Regular Program, are eligible for a first layer of coverage at subsidized premium rates. In Regular Program communities, a second layer of flood insurance coverage is available at actuarial rates on all properties, and full actuarial rates for both layers apply to all new construction and to substantial improvements located in special flood hazard areas. A new actuarial rating system for construction in coastal high hazard areas commencing on or after October 1, 1981, was introduced in 1981.
- Coverage is available for residential properties, business properties, churches, agricultural properties, properties occupied by private nonprofit organizations, and properties owned by local and State governments and agencies thereof. Only buildings and their contents are eligible for coverage.
- Subsidized Premium Rates. The National Flood Insurance Act provides for the establishment of "chargeable" or subsidized premium rates designed to encourage the sale of flood insurance at less than full actuarial levels. These rates were increased for the first time during 1982. The Flood Disaster Protection Act of 1973 provides that all flood insurance may be written at subsidized rates on construction in participating communities until December 31, 1974, or until the effective date of the Flood Insurance Rate Map (FIRM) with 100-year flood elevation data, whichever is later. Subsequent new construction and additional limits of coverage for existing construction are eligible for flood insurance only at actuarial rates.

The following table shows the current subsidized premium rates available under the Emergency Program and first layer coverage under the Regular Program:

| LIMITS OF COVERAGE AND SUBSIDIZED RATES            |                       |         |           |         |
|--|-----------------------|---------|-----------|---------|
| TYPE OF STRUCTURE                                  | (Per Unit)            | RATE a/ | CONTENTS  | RATE a/ |
|  | STRUCTURE<br>COVERAGE |         | COVERAGE  |         |
| Single-family residential.....                     | \$ 35,000             | \$0.55  | \$ 10,000 | \$0.65  |
| Hawaii, Alaska, Guam, U.S.,<br>Virgin Islands..... | 50,000                | 0.55    | ...       | ...     |
| All other residential.....                         | 100,000               | 0.55    | 10,000    | 0.65    |
| Hawaii, Alaska, Guam, U.S.,<br>Virgin Islands..... | 150,000               | 0.55    | ...       | ...     |
| All non-residential b/.....                        | 100,000               | 0.65    | 100,000   | 1.30    |

a/ Rates per \$100 of coverage.

b/ Includes hotels and motels with occupancy of less than six months.

- Actuarial Rates. Studies and investigations of specific areas to determine flood risk are carried out in conjunction with several Federal agencies, including the U.S. Army Corps of Engineers, as well as State and local agencies, and private engineering firms. These studies establish risk zones and flood elevations which determine the appropriate actuarial rate to be charged. The full risk premium rates (i.e., actuarial rates), besides reflecting the expected annual damage, take into account all costs related to providing flood insurance.

Some sparsely populated special flood hazard areas, however, as well as flood risk zones outside the special flood hazard areas, do not warrant detailed studies to determine elevations. In these areas, actuarial zone rates, which establish rates by building type and occupancy but not elevation, are used. As a result of simplification efforts in the 1980's, the rating of actuarial policies currently uses only 8 risk zones.

- Staffing. Administrative costs for insurance operations and flood plain management of the NFIP are funded by reimbursing the Salaries and Expenses appropriation from the NFIF. As authorized by the Omnibus Budget Reconciliation Act of 1990, these costs will be borne by the policyholders.

- Program Financing. The instrument through which the Federal government fulfills its financial responsibilities is the National Flood Insurance Fund which is financed by premium income, appropriations, and Treasury borrowings. The Director is authorized to borrow \$500 million from the Treasury with an additional \$500 million available with

approval of the President and notification to Congress. Even though there were no Congressional prohibitions on rate increases, no rate increases were implemented in fiscal years 1989 and 1990 because the program had already achieved the Administration's goal of being self-supporting for the historical average loss year. For 1991, a \$25 policyholder service fee, as authorized by the Omnibus Budget Reconciliation Act of 1990, was implemented to cover administrative and floodplain management expenses. In addition, increases in the Basic Limits threshold for amounts of building insurance purchased were implemented. The impact of these changes will be equivalent to a 12 percent rate increase. For 1992, changes in the standard deductibles for subsidized policies will be equivalent to almost a 2 percent rate increase. With the extension of the erosion provision of P.L. 100-242 until September 30, 1995, rates will be developed for providing this additional benefit unless the provision is removed by currently pending legislation. FEMA will continue to annually review program experience and, as necessary, adjust rates to maintain the NFIP's self-supporting status for the historical average loss year and maintain the soundness of the rates for actuarially rated policies. In 1993, no general rate increase is anticipated to be necessary to maintain the self-supporting status. The program will continue to collect a policy-holder service fee to cover costs of flood insurance and mitigation activities. Some adjustments of individual actuarial rate categories are expected.

NATIONAL FLOOD INSURANCE FUND  
Financial Transactions  
(Dollars in Thousands)

|   | CUMULATIVE<br>9/30/91 | 1991 Actual      | 1992<br>Estimate | 1993<br>Estimate |
|---|-----------------------|------------------|------------------|------------------|
| Number of Policies in Force.....                          | 2,506,017             | 2,506,017        | 2,706,498        | 2,923,018        |
| Amount of Insurance in Force.....                         | \$219,346,640         | \$219,346,640    | \$244,001,621    | \$271,428,528    |
| Program Costs, Funded:                                    |                       |                  |                  |                  |
| Agents Commissions and Taxes.....                         | 461,743               | 15,244           | 15,957           | 17,416           |
| Operating Expenses.....                                   | 459,279               | 28,460           | 32,000           | 32,000           |
| Community Rating System.....                              | 2,260                 | 2,260            | 4,000            | 4,000            |
| WYO Expense Allowance 1/.....                             | <u>690,902</u>        | <u>161,777</u>   | <u>181,450</u>   | <u>200,171</u>   |
| Total Underwriting.....                                   | 1,614,184             | 207,741          | 233,407          | 253,789          |
| Loss and Adjustment .....                                 | 3,953,646             | 226,537          | 399,600          | 448,828          |
| Interest on Treasury Borrowing .....                      | 209,487               | ...              | ...              | ...              |
| Adjustment to Prior Years.....                            | 65,719                | ...              | ...              | ...              |
| Deferred Commissions.....                                 | 7,351                 | ...              | ...              | ...              |
| Depreciation Expense.....                                 | <u>7,920</u>          | <u>...</u>       | <u>...</u>       | <u>...</u>       |
| Total Cost, Insurance Activities .....                    | 5,858,317             | 434,278          | 633,007          | 702,617          |
| Flood Plain Management and Salaries and Expenses.....     | 55,831                | 55,831           | 58,417           | 62,070           |
| Changes in Selected Resources.....                        | <u>7,808</u>          | <u>...</u>       | <u>...</u>       | <u>...</u>       |
| Total Obligations.....                                    | 5,921,956             | 490,109          | 691,424          | 764,687          |
| Offsetting Collections, Received:                         |                       |                  |                  |                  |
| Premium Income.....                                       | -5,241,588            | -598,874         | -685,758         | -748,388         |
| Investment Income.....                                    | -194,588              | -33,596          | -29,599          | -35,217          |
| Federal Processing Fee 2/.....                            | -20,538               | -20,838          | -54,814          | -59,794          |
| Miscellaneous Income 1/.....                              | <u>-6,802</u>         | <u>-6,802</u>    | <u>-3,100</u>    | <u>-3,100</u>    |
| Budget Authority.....                                     | 458,440               | -169,701         | -81,847          | -81,812          |
| Cumulative Budget Authority<br>(Net Federal Subsidy)..... | -458,440              | -531,723         | -449,876         | -368,064         |
| Cumulative Transfer Unobligated Bal...                    | -256,681              | -256,681         | -256,681         | -256,681         |
| Cumulative Adjustments.....                               | -72,928               | 355              | ...              | ...              |
| Cumulative Appropriation.....                             | <u>1,204,130</u>      | <u>1,204,130</u> | <u>1,204,130</u> | <u>1,204,130</u> |
| Unobligated Balance, End of Year.....                     | 416,081               | 416,081          | 497,573          | 579,385          |

- 1/ Represents funds retained by private insurance companies participating in the Write-Your-Own Program for writing and servicing flood insurance policies.
- 2/ Surcharge collected from policyholders to support Flood Plain Management and Salaries and Expenses as authorized by P.L. 101-508, the Omnibus Reconciliation Act of 1990.
- 3/ Fees for flood maps and agent and lender workshops.

- b. 1991 Accomplishments. No rate increase was required because the program achieved its goal of being self-supporting for the historical average loss year. The Write-Your-Own Program, whereby private insurers write and service flood insurance policies under their own names on a non-risk bearing basis, entered its eighth full year of operation in 1991. This program also allows the NFIP to utilize these insurers' existing policy bases to increase market penetration. By the end of the fiscal year, over 90 companies were actively writing in the program, with approximately 86% of the NFIP's policy base, representing over 1,900,000 policies. In addition, the following were accomplished:
- o Completed an independent audit of the program's financial statements for the year 1990, including WYO operations, which resulted in an unqualified opinion by the accounting firm of Deloitte and Touche.
  - o Conducted 7 sessions of a 4 1/2-day course on the CRS attended by 175 Federal, state, and local personnel.
  - o Conducted 227 agent and 230 lender workshops throughout the country to increase awareness of the NFIP attended by 4,683 agents and 5,998 lenders.
- c. Changes from the 1992 Estimates. Projected decrease in claims and underwriting costs result in outlays that are less than anticipated.

(Dollars in Thousands)

|                                     | 1991<br><u>Actual</u> | 1992<br><u>Request</u> | 1992<br><u>Current<br/>Estimate</u> | 1993<br><u>Request</u> | Increase/<br><u>Decrease</u> |
|-------------------------------------|-----------------------|------------------------|-------------------------------------|------------------------|------------------------------|
| Policies in Force, End of Year:     |                       |                        |                                     |                        |                              |
| Number.....                         | 2,506,017             | 2,622,059              | 2,706,498                           | 2,923,018              | 216,520                      |
| Amount.....                         | \$219,346,640         | \$237,962,342          | \$244,001,621                       | \$271,428,528          | \$27,426,907                 |
| Flood Insurance Claims (amount)...  | 226,537               | 459,019                | 399,600                             | 488,828                | 49,228                       |
| Insurance Underwriting Expense...   | 207,741               | 244,276                | 233,407                             | 253,789                | 20,382                       |
| Premium Income.....                 | 598,874               | 799,604                | 685,758                             | 748,388                | 62,630                       |
| Budget Authority (appropriation)... | ...                   | ...                    | ...                                 | ...                    | ...                          |
| Budget Outlays.....                 | -202,876              | -61,024                | -101,811                            | -81,903                | 19,908                       |

- d. 1992 Program. In 1992, FEMA will:
- o Implement a policyholder service fee and other rating changes.
  - o Further develop the actuarial system to provide data for other research needs.
  - o Conduct 235 agent and 285 lender workshops throughout the country to increase awareness of the NFIP.
  - o Conduct 4 sessions of a 4 1/2-day course on the CRS for 100 Federal, state, and local personnel.

- e. 1991 Program. FEMA will continue to service policyholders, utilizing the insurance component of the NFIP to further the goal of reducing flood damage. The program will be self-supporting for the historical average loss year. Changes in deductibles and rating will be implemented. Efforts at involving the private insurance industry more directly in the NFIP will continue. FEMA will also do the following:
  - o Continue the operation of the CRS.
  - o Conduct 240 agent and 300 lender workshops throughout the country to increase awareness of the NFIP.
  - o Conduct 4 sessions of a 4 1/2-day course on the CRS for 100 Federal, state, and local personnel.
- f. Outyear Implications. The projections for making the program self-supporting for the historical average loss year assume no borrowing authority will be required for each year through 1996.
- g. Advisory and Assistance Services. None.





THURSDAY, MARCH 26, 1992.

**FEDERAL DEPOSIT INSURANCE CORPORATION**

**WITNESSES**

**WILLIAM TAYLOR, CHAIRMAN**

**LOUIS E. WRIGHT, VICE PRESIDENT, FSLIC RESOLUTION FUND RESTRUCTURING, RESOLUTION TRUST CORPORATION**

**STANLEY J. POLING, DIRECTOR, DIVISION OF ACCOUNTING AND CORPORATE SERVICES**

**ARTHUR F. LORENTZEN, ASSOCIATE DIRECTOR, FDIC'S DIVISION OF LIQUIDATION**

**J. RUSSELL CHERRY, DIRECTOR, OFFICE OF BUDGET AND CORPORATE PLANNING**

**BOBBIE JEAN NORRIS, DEPUTY DIRECTOR, OFFICE OF CONSUMER AFFAIRS**

**MAE CULP, DIRECTOR, OFFICE OF EQUAL OPPORTUNITY**

**REVIEW BY CHAIRMAN TRAXLER**

Mr. TRAXLER. We are taking your testimony this morning on the 1988-1989 Federal Savings and Loan Corporation Assistance Agreements. Under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, FIRREA, the FSLIC Resolution Fund was established to liquidate the remaining obligations of the former Federal Savings and Loan Insurance Corporation.

Due to the uncertainties of qualifying payments, you were authorized an indefinite appropriation for assistance agreement obligations. For both fiscal years 1991 and 1992 the Committee denied the indefinite appropriation requested by the administration. In fiscal year 1991 \$22 billion was appropriated and in fiscal year 1992 \$15.867 billion was appropriated.

We want to welcome, Mr. William Taylor, the new Chairman of the FDIC. We would be pleased to take your statement at this time. Before you do that, would you be good enough to introduce your staff, please?

**INTRODUCTION OF FDIC AND RTC STAFF**

Mr. TAYLOR. I certainly would. I have at the table with me, starting at the far end on the left, Art Lorentzen, from our Division of Liquidation; Mrs. Mae Culp from the Office of Equal Opportunity; seated immediately next to her is Bobbie Jean Norris from the Office of Consumer Affairs; on my immediate left is Lou Wright from the RTC; sitting next to him is Stan Poling, FDIC Director of DACS; and at the far end is Russ Cherry, Director of the Office of Budget and Corporate Planning.

Mr. TRAXLER. Well, how are things going?

Mr. TAYLOR. Well, they are interesting and busy.

Mr. TRAXLER. Does anyone ever smile over there?

Mr. TAYLOR. We keep trying, although events keep making it more difficult, but, actually, we would have to say in the last two months, probably the last three months, things have lightened up a bit. I mean, the lower rates have helped.

Mr. TRAXLER. Well, we give you whatever you ask for; don't we?

Mr. TAYLOR. That helps quite a bit. That is most important of all. Without the money, it doesn't work.

Mr. TRAXLER. This is not the Banking Committee, but let us have your statement. We are going to insert it all in the record, and you may proceed in any fashion you wish.

Mr. TAYLOR. If I may, I would abridge it, if I could.

Mr. TRAXLER. Please.

#### STATUS OF FRF APPROPRIATIONS THROUGH FISCAL YEAR 1992

Mr. TAYLOR. Mr. Chairman, and members of the Subcommittee, I am pleased to be here to address the fiscal 1993 appropriation request of \$6.772 billion to meet the continuing obligations of the former Federal Savings and Loan Insurance Corporation.

In order to manage the savings and loan crisis, the Financial Institutions Reform, Recovery, and Enforcement Act established the FSLIC Resolution Fund and the Savings Insurance Fund. All assets and liabilities of the former FSLIC were transferred to the FSLIC Resolution Fund. The assets transferred were the technical assets transferred from the closure of various failed thrifts. They totaled about \$14 billion in book value, with an estimated liquidation value of about 7.2 billion, and were assigned to the FDIC for collection.

Gross liabilities at the time totaled about \$69 billion, mostly in failed institutions, covered by 202 assistance agreements outstanding with the former FSLIC. The liabilities are discussed in detail in my written statement.

From the creation of the FSLIC Resolution Fund until today, Congress has appropriated approximately \$43 billion to cover the difference between liabilities and assets of the FSLIC Resolution Fund. To date, we have recovered 4.8 billion from the sale of assets under our control. These funds, appropriated and collected, have been used to satisfy the obligations of the FSLIC Resolution Fund and to renegotiate the assistance agreements to create an overall cost savings for the government.

From the beginning of what we call the FRF, the FSLIC Resolution Fund, until the end of fiscal year 1991, \$33.8 billion has been used to meet obligations and in the renegotiation settlement process to reduce the overall cost of the fund. For the most part, the balance will be spent during fiscal year 1992 for the same purposes.

#### FISCAL YEAR 1993 AND 1994 APPROPRIATIONS NEEDS

The \$6.7 billion we are requesting today enables the Corporation to continue to meet its obligations and responsibilities. We expect that the renegotiation process will be completed by the end of fiscal year 1992.

Although we cannot say with certainty, it appears the FSLIC Resolution Fund should be very close to self-funding in fiscal year 1994. But this depends, however, on factors that are not totally

within our control, such as the strength of the economy, and the market value and liquidity of the FSLIC Resolution Fund receivership assets. Nevertheless, any future appropriations needed should be modest in relation to past requests.

#### PROGRESS IN RENEGOTIATING FRF ASSISTANCE AGREEMENTS

In closing, I would like to report on the specific progress that the RTC has made in renegotiating the 96 separate assistance agreements for which the FSLIC Resolution Fund had a continuing obligation. Renegotiations have been completed on 43 agreements and another 19 are in process. There are 24 agreements that have expired, according to their original terms, and a final 10 remain to be addressed.

Attached to my testimony is the schedule showing the outlays expended in these activities through February 29, 1992, together with estimates of the present value savings achieved. These savings range from roughly \$1.2 billion to the government before tax benefits, to \$2.4 billion, assuming full use of tax benefits in the period generated.

Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions.

[Mr. Taylor's statement follows:]

518

TESTIMONY OF

WILLIAM TAYLOR  
CHAIRMAN  
FEDERAL DEPOSIT INSURANCE CORPORATION

ON

APPROPRIATIONS TO COVER THE GUARANTEES AND  
OBLIGATIONS OF THE FORMER FEDERAL SAVINGS  
AND LOAN INSURANCE CORPORATION

BEFORE THE

SUBCOMMITTEE ON VA, HUD AND INDEPENDENT AGENCIES  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES HOUSE OF REPRESENTATIVES

10:00 AM  
MARCH 26, 1992  
ROOM H-143.  
MAIN CAPITOL BUILDING

Mr. Chairman and members of the Subcommittee, I am pleased to have the opportunity to address the fiscal year 1993 appropriation request of \$6.772 billion to meet the continuing obligations of the former Federal Savings and Loan Insurance Corporation (FSLIC). In addition, I will briefly highlight the progress we have made toward realizing savings from expenditure of prior years' appropriations. I also will touch on aspects of the Federal Deposit Insurance Corporation Improvement Act that are subject to appropriation.

#### OVERVIEW

In order to manage the savings and loan crisis the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), among many things, established the Resolution Trust Corporation (RTC), the FSLIC Resolution Fund and the Savings Association Insurance Fund (SAIF). Generally, all assets and liabilities of the former FSLIC were transferred to the FSLIC Resolution Fund. This includes all liabilities arising under the financial assistance agreements and all FSLIC related litigation. The government's obligation for future savings association failures was transferred to the RTC. The SAIF was created to replace the FSLIC and will be the deposit insurer for savings associations beginning with the termination of the RTC on or before December 31, 1996.

The FSLIC Resolution Fund was established to cover the net liabilities of the old FSLIC. The appropriations we request

are made solely to ensure that the obligations of the Federal Government, obligations that are now several years old, are met as they come due.

Operationally, the relationship of the FSLIC Resolution Fund to the Federal Deposit Insurance Corporation is unusual and complex. Under the law, FDIC has responsibility for the fund but the Resolution Trust Corporation has the authority for renegotiating assistance agreements and notes that have come to be known as the "1988 deals."

All assistance agreements were entered into by the former FSLIC under Section 406(f) of the National Housing Act and were approved by the former Federal Home Loan Bank Board. Assistance transactions were done to facilitate the acquisition of failed or failing thrifts. The impetus for the Bank Board's use of assisted transactions was the lack of liquidity in the FSLIC insurance fund.

In sum, an assistance agreement is a contract between the FSLIC Resolution Fund and an acquirer which specifies procedures and actions the acquirer must take prior to incurring major expenses or losses that are to be reimbursed by the FSLIC Resolution Fund. Typically, these agreements would include some, but not all, of the following provisions:

- 3 -

- o Payment in cash, or with a note, to cover all or a negotiated amount of the negative net worth of the failed institution(s);
- o Capital loss coverage which provides payment for the difference between book value and net sales proceeds on "covered assets." The amount and nature of covered assets is negotiated in each agreement;
- o Yield subsidies, which ensure a defined level of return on covered assets;
- o Indemnifications to the acquirer for legal expenses in connection with lawsuits against the failed institution or other contingencies;
- o Loss-sharing arrangements in which the acquirer bears a percentage of loss upon disposition of covered assets;
- o Gain-sharing arrangements, in which a percentage of gain realized on the sale of covered assets above some benchmark, are provided as an incentive to the acquirer to obtain the maximum price for covered assets;
- o Tax benefit sharing provisions that arise from the acquirers' use of preacquisition net operating losses (NOLs) as well as other tax features of the agreements.

- o Buy out options under which the FDIC may elect to purchase covered assets;
- o Warrants which entitle the FSLIC Resolution Fund to share in any increase in value in the assisted thrift. In some instances, this also may include sharing in earnings;
- o Mark-to-market coverage which may reimburse the acquirer for the difference between book and fair market value of remaining covered assets when the agreement terminates or for goodwill established for assets that are not covered.

Under FIRREA, the physical assets acquired by FSLIC from the closure of failed thrifts were assigned to the FDIC for collection. In addition, the FDIC was assigned responsibility for the administration of 202 assistance agreements with operating institutions. The responsibility for administering the agreements was subsequently assigned by the FDIC to the Resolution Trust Corporation since it was the RTC that was required by law to renegotiate many of these transactions.

We believe we have come a long way toward winding up the obligations and liquidating the assets inherited from the FSLIC. When we acquired responsibility for these assistance



agreements in late 1989 there were 202 assistance agreements outstanding with FSLIC notes totalling nearly \$20 billion and covered assets totalling about \$58 billion. Presently there remain 131 active assistance agreements. FSLIC notes have been reduced to approximately \$2.4 billion and covered assets to about \$14 billion as of December 31, 1991.

#### ASSETS IN LIQUIDATION

The FDIC also acquired from FSLIC roughly \$14 billion in assets resulting from failed savings and loans. The volume of FSLIC Resolution Fund assets held by the FDIC has been reduced from \$14 billion to about \$8.9 billion as of December 31, 1991. The additional funds generated by FDIC asset sales, combined with assessment income from SAIF premiums, serve to reduce the size of the annual appropriation. However, SAIF premiums are no longer available to the FSLIC Resolution Fund after 1992.

#### ASSISTANCE AGREEMENTS WITH OPERATING INSTITUTIONS

In last year's testimony, we outlined five steps that would be taken in our efforts to lower the cost of the assistance agreements: (1) prepayment of FSLIC promissory notes; (2) renegotiation of the largest agreements where possible; (3) repurchase of covered assets and the placement of these

assets with other managers where cost effective; (4) buyout of smaller agreements to save administrative costs; and (5) further note prepayments and covered asset write-downs with any remaining appropriated funds.

Through the appropriation of additional funds in both fiscal years 1991 and 1992 we are pleased to report substantial progress. During fiscal year 1991 and through January 31 of fiscal year 1992 the RTC, on behalf of the FSLIC Resolution Fund, took the following cost-savings steps: 1) Prepaid notes aggregating \$16.0 billion; 2) continued to prepay the New West/American Savings Bank intercompany note at the earliest contractual opportunity; and 3) directed the write down of \$4.2 billion in covered assets through December 31, 1991.

In addition, the RTC made significant progress in renegotiating the 96 separate assistance agreements for which the FSLIC Resolution Fund had a continuing obligation. Renegotiations have been completed on 43 agreements and another 19 agreements are in process. There were 24 agreements that expired according to their original terms and a final 10 remain to be addressed. Attached is a schedule which shows the outlays expended in these activities through February 29, 1992 together with estimates of the present value savings achieved to date. These savings range from roughly \$1.2 billion to the government as a whole before tax benefits, to \$7.4 billion, assuming full use of tax benefits in the period generated.

The RTC has made substantial progress in its efforts to restructure or dispose of about \$1.1 billion of assistance transaction related capital instruments owned by the FSLIC Resolution Fund. These instruments took a variety of forms including preferred stock, subordinated debt, warrants and income capital and/or net worth certificates. Upon passage of FIRREA, these instruments no longer could be counted as core capital. As of December 1991, approximately 93% of these instruments have either been redeemed, restructured or written off. As a result, several large thrifts were able to have their capital plans approved by the Office of Thrift Supervision. This salvaged value for our investment and avoided potentially more exposure by reducing the possibility of failure of the institutions.

#### REMAINING FISCAL YEAR 1992 APPROPRIATION

For fiscal year 1992, the FSLIC Resolution Fund anticipates gross cash inflows of about \$19.0 billion. This will consist of fiscal year 1992 appropriations of \$15.9 billion and the collection proceeds from receivership assets, SAIF assessments and miscellaneous receipts of approximately \$1.8 billion, in addition to a carryover of about \$1.3 billion in obligated appropriations from fiscal year 1991.

Payments required for contractual obligations from existing agreements and administrative costs are estimated at about \$4.8

billion. During fiscal year 1992 we have expended, or have committed to spend, about \$6.0 billion to renegotiate notes and agreements. Thus, as of February 29, 1992, there remains approximately \$7.0 billion in discretionary funds available through September 30, 1992 for continuing renegotiations, modifications and restructuring of the 1988-89 FSLIC Assistance Agreements. This total does not include approximately \$1.2 billion held in reserve for potential increases in contractual obligations during the remainder of the fiscal year. While it is necessary to keep plans fluid as renegotiations continue, the anticipated uses of funds are as follows:

- o \$3.4 billion for renegotiations; and
- o \$2.5 billion for the termination of agreements with institutions under RTC control;
- o \$600 million (net) for New West intercompany note prepayments;
- o \$500 million for further directed write-downs.

The \$2.5 billion estimate of the amount necessary to terminate the agreements with institutions under RTC control will not be spent in the current fiscal year if renegotiation savings can be achieved by accelerating obligations due at

privately-held institutions. Any part of the 1992 appropriation which cannot be appropriately obligated will lapse.

#### FISCAL YEAR 1993 APPROPRIATION

Appropriations for the FSLIC Resolution Fund, unlike most, are not composed of specific line items subject to separate analysis and funding decisions. Rather, the request calls for a single line item driven by economic estimates, and a pace of doing business by, and with, holders of major assistance agreements. The required funding is the difference between other FSLIC Resolution Fund funding sources, principally collections from the sale of the Fund's assets, and the obligations due for payment during the fiscal year.

The amount of appropriations requested in the President's budget for 1993 represents the upper end of a range of possibilities that depend on how events unfold in 1992. If particular obligations can be prepaid or renegotiated in 1992 they will not need funding in 1993. Unfortunately, successful renegotiations cannot be guaranteed and therefore funding must be sufficient to provide for these obligations in 1993 should it continue to be required.

For fiscal year 1993 we anticipate total cash needs of between \$5.2 billion and \$7.0 billion including a rollover of \$500 million from the previous year. The difference largely

represents funds for termination of agreements with institutions controlled by the RTC if such agreements are not terminated in 1992. The base need of \$5.2 billion will provide for contractual obligations of ongoing agreements and optional note prepayments. We project non-appropriated cash receipts of approximately \$1.0 billion from the liquidation of assets and other sources in fiscal year 1993. This results in a projected shortfall ranging from \$4.2 billion to \$6.0 billion which will require appropriated funds. However, this estimate is highly dependent on real estate values and the general state of the economy. The Administration's request for an appropriation of \$6.772 billion would provide adequate funds for the FSLIC Resolution Fund under any scenario.

#### FUTURE FRF APPROPRIATIONS

We anticipate the process of renegotiating the "1988 FSLIC deals" should be completed in fiscal year 1992. Although we cannot say with certainty, presently it appears the FSLIC Resolution Fund should be close to self-funding in fiscal year 1994. This depends on factors that are not totally within our control -- such as the strength of the economy and the market value and liquidity of FSLIC Resolution Fund receivership assets. Nevertheless, any appropriations needed in fiscal year 1994 should be very modest in relation to past requests and the request before you for fiscal year 1993.

NEW PROVISIONS OF THE FDIC IMPROVEMENT ACT

We have been asked to comment briefly on the FDIC's plans for implementing two programs authorized by the Federal Deposit Insurance Corporation Improvement Act of 1991 but subject to appropriations. Neither of these programs -- as provided for in section 241, FDIC Affordable Housing Program and section 231, Bank Enterprise Act, were proposed by the FDIC. However, we are evaluating approaches to implementing these programs in cooperation with the other agencies involved.

FDIC AFFORDABLE HOUSING

Full implementation of an affordable housing program, as envisioned by the statute, is subject to the availability of appropriated funds. The Act envisions a separate annual appropriation of \$30 million for "losses" under the affordable housing program. We expect that "losses" will be incurred primarily from the sale of multifamily properties and low-cost financing to be offered by the FDIC at its option, as provided for under the Act. Substantial losses on the sale of single family and condominium properties are not anticipated.

On March 1, 1992, the FDIC implemented an affordable housing program that complies with many of the provisions of section 241. The remaining provisions of the section 241 will

- 12 -

require an appropriation to fully implement -- particularly provisions relating to multifamily properties. Once funds are appropriated, we anticipate little delay in implementing the balance of the program. The current estimated annual cost of personnel, and related training, travel, supplies and overhead is \$10 million.

The program we are implementing involves a dedicated staff to work closely with potential purchasers, national and state agencies and local groups to find financing, advertise our program, counsel buyers and qualify potential purchasers.

The program that became effective on March 1, 1992 includes:

1. Restricting for 180 days, the purchase of eligible single family and condominium housing to eligible individuals under the Act (except for current tenants).
2. Notifying state clearinghouses of the availability of single family properties as potential low-income housing.
3. Requiring a profit recapture on any resales within twelve months.



4. Notifying state clearinghouses of the availability of multifamily properties as potential low-income housing.
5. Contacting other agencies to learn of potential financing programs and specifics of their affordable housing programs.

#### BANK ENTERPRISE ACT

Section 231 of the FDIC Improvement Act of 1991, termed the "Bank Enterprise Act", is designed to encourage insured depository institutions to provide deposit and loan services to economically disadvantaged borrowers and communities through reductions in FDIC insurance premiums. The specific programs authorized are: (1) reduced assessment rates for insured depository institutions offering "lifeline" accounts; and, (2) community enterprise assessment credits ("CEACs") towards deposit insurance premiums for insured depository institutions making loans and taking deposits in distressed communities.

The provisions of section 231 authorizing these programs do not take effect until appropriations are provided. Although the data are not sufficient to permit a precise estimate of the costs of these programs, it may be worthwhile to illustrate how the costs may vary depending on response by consumers and depository institutions to these programs.

Approximately \$2.6 trillion is held in domestic deposits at FDIC-insured institutions, including both commercial banks and thrift institutions. For each one percent of deposits attributed to lifeline accounts, the assessments amount to \$60 million per year, based on the current deposit insurance premium of 23 basis points. With a 50 percent assessment credit, the cost of each one percent deposit share amounts to \$30 million per year. Consumer use of lifeline accounts will depend on how the accounts are defined and whether the reduced assessment is sufficient to make offering such accounts cost effective.

Community Enterprise Assessment Credits are generated from increases in loans made to low and moderate income borrowers in distressed communities. Furthermore, institutions with branches in distressed communities can earn credits for increases in any deposits taken, and any loans or other investments made within distressed communities by those branches. The amount of this credit varies depending on whether or not an institution meets the criteria to qualify as a community development organization. Without such qualification, the assessment credit is equal to 5 percent of the increase in loans made plus the increase in deposits taken, except deposits that exceed the volume of loans made are not counted. The credit is 15 percent for institutions that qualify as community development organizations. The total credit for an institution is subject to a cap of 20 percent of

total assessments or 50 percent of total assessments for a qualified community development organization.

Deposit insurance assessment credits could be powerful incentives in the early period of this program. In addition to the normal interest and fees charged, a bank could receive an additional 5 to 15 percent of the loan in the form of an assessment credit. For example, a bank that qualified as a community development organization would receive a \$15,000 credit for each \$100,000 increase in qualifying loans. If the bank also increased qualifying deposits by the same amount it would receive an additional credit of another \$15,000. No program in the past has provided similar incentives to depository institutions and the impact could be substantial. In fact, the limits imposed on total assessment credits would likely function as the binding constraint.

The FDIC is identifying needed regulatory and administrative changes so that we are positioned to move quickly should appropriations be made available for the Bank Enterprise Act. We believe that if appropriations were made by mid-year, we would be positioned to have these programs fully implemented for the first deposit insurance premium assessment period of 1993.

Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions that you may have.

FY91 and YTD FY92 ACTIVITY  
1988-89 FSLIC ASSISTANCE AGREEMENTS  
SUMMARY OF CASH EXPENDED AND SAVINGS ACHIEVED  
(\$MILLIONS)

Report Date: February 31, 1992

| Action Taken              | Cash Outlay | Present Value<br>Estimated Cost Savings |           |
|---------------------------|-------------|---|-----------|
|                           |             | Minimum*                                | Maximum** |
| FSLIC Note Prepayments    |             |   |           |
| Investor-Owned            | 7,092.9     | 503.9                                   | 1,057.7   |
| Government-Controlled     | 4,363.6     | N/A                                     | N/A       |
| Covered Asset Write-downs |             |   |           |
| Investor-Owned            | 3,985.8     | 218.8                                   | 400.9     |
| Government-Controlled     | 249.4       | N/A                                     | N/A       |
| Renegotiations            |             |   |           |
| Investor-Owned            | 3,148.5     | 172.0                                   | 609.0     |
| Government-Controlled     | 0.0         | N/A                                     | N/A       |
| Settlements               |             |   |           |
| Investor-Owned            | 458.6       | 20.3                                    | 29.3      |
| Government-Controlled     | 2,372.6     | N/A                                     | N/A       |
| Other Activities          |             |   |           |
| Investor-Owned            | 1,680.9     | 259.6                                   | 333.3     |
| Government-Controlled     | 0.0         | N/A                                     | N/A       |
| Totals                    |             |   |           |
| Investor-Owned            | 16,366.7    | 1,174.5                                 | 2,430.2   |
| Government-Controlled     | 6,983.5     | N/A                                     | N/A       |

\* Minimum Cost Savings is the present value cost savings to the Federal Government as a whole, assuming no tax benefits utilized.

\*\* Maximum Cost Savings is the present value cost savings to the Federal Government as a whole, assuming full use of tax benefits in the period generated.

## REQUEST FOR INDEFINITE APPROPRIATIONS

Mr. TRAXLER. If we can, let us clarify your budget request.

All the documents that have been submitted by the FDIC indicate that you are requesting an appropriation of \$6.7 billion. We note the President's budget indicates an indefinite appropriation is being sought for the FSLIC Resolution Fund.

Is that the case with you? Is there a request for an indefinite appropriation for 1993?

Mr. TAYLOR. We would very much like to have an indefinite appropriation. However the last time we asked for an indefinite appropriation, it was not granted. We took the amount that is indicated as the estimate in the President's fiscal 1993 budget and have made that our request.

## RESTRUCTURING FRF ASSISTANCE AGREEMENTS

Mr. TRAXLER. We note you made substantial progress with regard to the assistance agreements and that the process of renegotiating the "'88 deals" should be completed in this year; is that correct?

Mr. TAYLOR. We hope to complete them this year.

Mr. WRIGHT. That is correct.

Mr. TRAXLER. What do you estimate your outyear costs to be in connection with this? When will that work be completed?

Mr. WRIGHT. The renegotiation process includes the modification of the agreements and the exercise of unilateral rights under the contracts. Our original estimate indicated that by expending about \$22 billion early to retire obligations, savings of about \$2.2 billion could be achieved. We believe that the modification portion will be done by this September 30. The exercise of our continuing unilateral rights under the contracts will take us actually right through 1998, 10 years from the beginning of the agreements. But, this will be just a modest continuation of exercising our rights if we are unable to accelerate the obligations. Essentially, we will complete exercising our rights in 1995 and we are still confident in our original estimate that \$22 billion will save \$2.2 billion.

## REVISIONS TO THE FRF FISCAL YEAR 1993 REQUEST

Mr. TRAXLER. As you mention in your statement, the \$6.7 billion you are requesting for fiscal year 1993 is in the upper-range of what you believe to be your needs. When might you have a more precise idea as to your needs for 1993?

Mr. TAYLOR. Mid-summer.

Mr. WRIGHT. Mid-summer. The revisions to the agreements remains the key variable.

The RTC should know what it can accomplish by mid-summer because the renegotiations will be complete and we will know the timing of the obligations.

Mr. TRAXLER. We would appreciate that information either for the Senate bill or for our conference. The Senate bill—

Mr. WRIGHT. Okay.

Mr. TRAXLER. Or conference. I am not sure when the Senate will be on the Floor with their bill. We don't know. We are going to be done before them.

But we can revise those figures, either in the Senate bill or in our conference. So as those figures become more clear to you, we would appreciate your advising the staff.

Mr. TRAXLER. Could you outline some of the factors that might affect your requirements for fiscal year 1993?

Mr. TAYLOR. I think I will let Lou Wright answer specifically. It is really a question of how quickly we can get to these agreements and get them renegotiated.

Mr. WRIGHT. To get them finalized to see where we are. As of today, not reserved for, we have about \$7 billion left of the current appropriation to use in renegotiations. If we can spend that money to save money, we will. If we are not able to save money, the appropriation would lapse. That will depend upon the base of obligations coming due in fiscal year 1993 and after.

Mr. TAYLOR. So if we can successfully renegotiate, we will need the money in Fiscal 1992; if we can't, we won't.

Mr. WRIGHT. We will use the money this year and next year's needs will be far less.

#### FDIC COOPERATION WITH THE RTC INSPECTOR GENERAL

Mr. TRAXLER. We note for fiscal year 1992, Congress requested that the RTC Inspector General review your budget request. That evaluation resulted in a reduced level of funding needed by the FDIC for the fund.

Is there any cooperation going forward now with the Inspector General on your 1993 budget? Are you talking to one another?

Mr. CHERRY. Yes, sir. They are looking at our Fiscal 1993 budget. I think they have a report going to Senator Mikulski within a couple of days. Basically, they are looking at our process for estimating and so forth.

Mr. TRAXLER. Send us a copy.

Mr. CHERRY. Yes, sir.

#### LAPSE OF FISCAL YEAR 1992 APPROPRIATIONS

Mr. TRAXLER. According to the testimony as of February 29, 1992, approximately \$7 billion remained available for renegotiating, modifying, and restructuring the assistance agreements in fiscal year 1992. We are told that the amount to be lapsed in 1992 is difficult to determine due to the uncertain nature of your business. Is it possible that you will lapse more than the potential \$2.5 billion mentioned in your statement?

Mr. WRIGHT. It is possible, but I think it is probable we will spend most of the money to reduce outyear costs.

#### FSLIC RESOLUTION FUND STRATEGIC PLAN

Mr. TRAXLER. At last year's hearing we discussed the GAO report on the FDIC's oversight of the "1988 deals" and the fact that the FDIC lacked an overall strategy. We talked about your strategic plan, and Mr. Siedman stated that in his judgment not enough progress had been made in implementing that plan.

How are you coming on the implementation of that plan?

Mr. TAYLOR. Actually, I think pretty well. We are a little ahead of schedule.

Mr. WRIGHT. On the renegotiations we are doing fine. On the administration of the agreements, the GAO issued a report in November of 1991 on the same subject and their concerns were far less.

Mr. TAYLOR. We said we would save \$2.2 billion, and it appears that we are pretty much, very much on target to do that.

Mr. WRIGHT. Yes.

Mr. TAYLOR. So we feel good about the basic statement made earlier?

Mr. WRIGHT. The covered assets of which the assistance agreements protect have declined significantly.

#### OVERSIGHT OF FRF CONTRACTING

Mr. TRAXLER. According to page 4.3 of your justifications, the other services object class, which primarily consists of contracts, remains the largest single object class of the fund.

What type of oversight and monitoring of contracts is being conducted? How do you look at the performance of the contracts after they are out there?

Mr. CHERRY. The section there that you are referring to, sir, talks about expenses paid to—

Mr. TRAXLER. Contractors.

Mr. CHERRY. We constantly have a point of contact on any contract. The Inspector General follows up, as part of his normal course of business. We have three or four different groups that are constantly questioning, looking prospectively at this to determine if any of the milestones are missed or if any costs, billings, progress reports are inconsistent.

Mr. TRAXLER. Who are the groups that look into this?

Mr. CHERRY. Well, the primary group is the person contracted for the service. The other groups are our contracting organization, our accounting organization, our Inspector General organization, and my own office in a more macro sense.

So we have three or four independent parties that are questioning one another on a regular basis.

#### FDIC AFFORDABLE HOUSING

Mr. TRAXLER. Good.

Let us talk briefly about the two newly authorized programs: the FDIC Affordable Housing Program and the Bank Enterprise Act. FDIC recently implemented an Affordable Housing Program in compliance with provisions of Section 241 of the FDIC Improvement Act of 1991. In your testimony you outline those activities which are not subject to appropriation that the FDIC has undertaken.

What is your estimate of the direct and indirect costs associated with those activities?

Mr. TAYLOR. Let me ask, if I could, to have Art Lorentzen address that question.

Mr. LORENTZEN. We are implementing a single family residence program. Our estimate of administrative overhead would be somewhere around \$10 million on a gross basis. The incremental costs are somewhere around \$6.5 million, which would be the increase in salaries and clearinghouses and expenses like that.

Mr. TRAXLER. There is a separate annual appropriation of \$30 million authorized for losses under the Affordable Housing Program. Is that a reasonable sum for this type of program?

Mr. LORENTZEN. The primary area that will use those funds up will come from the sale of the multifamily buildings. \$30 million won't go very far when you have got those kinds of properties. We believe there will be a significant loss between what they will sell for in the program versus outside because of the constraints on the income you can receive.

Mr. TRAXLER. You wouldn't recommend anything less than \$30 million, then?

Mr. LORENTZEN. No.

Mr. TRAXLER. Probably want more?

Mr. LORENTZEN. That would be up to Chairman Taylor to decide.

Mr. TRAXLER. Don't pay any attention to him.

Mr. LORENTZEN. But \$30 million, in our estimate——

Mr. TRAXLER. What would you use in fiscal year 1993?

Mr. LORENTZEN. That would depend on what comes into the portfolio. Almost everything we have right now is multifamily, and I don't have the exact final number because we just sold a whole bunch of them last December that would qualify.

Mr. TRAXLER. Now that I have almost got the answer, I want you to know you always pay attention to the boss.

Mr. TAYLOR. We are going to continue to receive in pretty good quantity residential properties eligible for this.

Mr. LORENTZEN. That is correct.

Mr. TAYLOR. So there will be a continuing need well above the \$30 million.

Mr. TRAXLER. What happens to the program if the \$30 million is exhausted in the first seven or eight months? What happens then? It is a new program, and it is a starting figure.

Mr. TAYLOR. It is a starting figure and I think we really need some experience with it. The \$30 million is enough to get that experience and we can come back.

#### FDIC AFFORDABLE HOUSING PROGRAM ADMINISTRATIVE EXPENSE

Mr. TRAXLER. Good luck. We think you will spend this money in that 12-month period during the fiscal year. It is a heavy outlay for us. We are pinched for outlays.

It is going to be tough but we will try to get you the \$30 million.

You tell us in your testimony that you estimate the administrative expense of the program to be about \$10 million. How did you arrive at that number? That is a lot of money. Where did the \$10 million come from?

Mr. LORENTZEN. What we did is we went through and itemized the different expenses we would have; we have the expenses of the clearinghouses and the incremental costs of salaries. Running this program requires different kinds of people in addition to travel, supplies and equipment and training. When you add those costs up, it comes to about \$6.5 million.



There are still some other expenses we have to factor in as we get more experience with the program, and we have also been talking with RTC on their expenses, also.

Mr. TAYLOR. This is modeled somewhat after what it costs the RTC to set up the program and you are setting up a program and it is a pretty high cost for what you are going to put in the program. Ten is high relative to the 30, but it is what you need to have the critical mass to start the program.

Mr. LORENTZEN. This is a start-up number.

Mr. TRAXLER. How many people do you think you will have in the program for the \$10 million? What do you anticipate? When I say people, I mean employees and contractors. What do you see there?

Mr. LORENTZEN. We have authorized 119 employees nationwide. At the moment we probably won't fill all those positions for the one-to-four part of it. As we gain experience, we will know more about how many people we will actually need and as more properties come in.

#### BANK ENTERPRISE ACT

Mr. TRAXLER. The provisions of the Bank Enterprise Act encourage insured depository institutions to provide deposit and loan services to economically disadvantaged borrowers and communities through reduced FDIC insurance premiums.

You tell us in your testimony that a precise estimate of the cost depends on a number of variables. Can you give a ballpark figure as to what those provisions, rather, would cost?

Mr. TAYLOR. Bobbie?

Ms. NORRIS. Well, it is a pretty open-ended question. The variables we are speaking of relate to how lifeline accounts ultimately are defined.

If you are looking at deposit accounts of under \$100, there is not a large percentage. If you take that up to a larger amount, say \$1,000, over 50 percent of the accounts in 1989 would qualify.

So that is the difficulty we are having in projecting what it might cost. If one percent of domestic deposits qualify for lifeline accounts, it could be upwards of \$30 million. One percent is not a large figure.

Mr. TRAXLER. Do you have an authorized level of funding in this account?

Ms. NORRIS. No.

Mr. TAYLOR. No, there is no funding.

Ms. NORRIS. No authorized level for lifeline or the community enterprise assessment credits.

#### LEGISLATIVE OR REGULATORY CHANGES REQUIRED

Mr. TRAXLER. Do you think that program needs substantial legislative or regulatory rule changes?

Ms. NORRIS. The lifeline or both of them?

Mr. TRAXLER. Both of them.

Ms. NORRIS. I think there are some. There is room in the legislation for some gaming by the institutions to qualify for the credits,

and there are some areas that could be addressed to make it more effective for what it was intended to accomplish.

Mr. TAYLOR. Which we would be happy to suggest.

Ms. NORRIS. We would be happy to work with the staff on that.

Mr. TRAXLER. Well, we are not going to authorize. We just appropriate. But we are always curious about how a program is operating and whether any statutory changes are needed.

We are in communication with the Banking Committee. We exchange information, and if there is something they think is important appropriation-wise, they call it to our attention. We do the same legislatively with them. If you want to expand your remarks for the record, we would be pleased to take those specifically.

Mr. TRAXLER. Thank you.

Mr. TAYLOR. Thank you.

[The budget justification and questions for the record follow:]

Stokes

**Federal Deposit Insurance Corporation  
Responses to Questions Submitted by  
Congressman Louis Stokes**

**Contracting with Minority- and Women-Owned Businesses**

- Q.1. Can you tell me what your overall guidelines are for contracting with minority- and women-owned businesses to assist in these resolutions?**
- A.1. FDIC guidelines for contracting with minority- and women-owned business provide for the inclusion of these businesses, to the fullest extent practicable, in all contracts entered into by the FDIC. Attached is a copy of our implementation guidelines, "FDIC Minority and Women Outreach Program: Contracting for Goods and Services" (Attachment A). The FDIC regulation governing the Minority and Women Outreach Program also is attached (Attachment B). These new regulations will be published in the Federal Register on or before May 1, 1992.**
- Q.2. Have any bids gone out relative to contracting and, if so, do they indicate FDIC utilization of minority- and women-owned businesses? What are these bids for?**
- A.2. Yes, the FDIC specifically includes minority and women owned businesses in all solicitations that it issues. Section 1216 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) applied governmentwide rules for equal opportunity to the Federal Deposit Insurance Corporation and specifically required the FDIC to establish a minority outreach program. Subsection 1216(c) requires that regulations be promulgated to assure inclusion, to the maximum extent possible, of minority- and women-owned firms in agency contracting. Section 1216(d) of FIRREA required the FDIC to report in 180 days on compliance with these provisions.**

On March 12, 1992, the FDIC provided an updated report on our compliance with Section 1216 pursuant to a series of specific questions submitted by the Chairman of the House Banking, Finance and Urban Affairs Committee. Our report to the Congress is attached for your review (Attachment C). The report details our progress in achieving greater minority- and women-owned business participation in FDIC contracting.

As our report indicates, FDIC contracting with minority- and women-owned firms in 1991 exceeded the ten percent goal set by the Subcommittee. In calendar year 1991, 15 percent of the awards and 13 percent of the total contract dollars went to minority- and women-owned firms. The

Stokes

1991 total dollar amount (\$42,700,986) constitutes a substantial increase (\$29,952,572) over calendar year 1990, when a total \$12,748,414 in identifiable contracts went to minority- and women-owned businesses.

The report also provides substantial detail on contracting by category and FDIC initiatives to improve agency performance in this area.

- Q.3. Please provide me with any background materials relating to your resolution program as it relates to minority- and women-owned businesses. I would like a list of this material indicated in the record.
- A.3. Attached is the FDIC's policy statement entitled "Encouragement and Preservation of Minority Ownership of Financial Institutions" (Attachment D). The FDIC is committed to preserving the minority character of failing institutions in all situations where doing so represents the least costly resolution, as required by the Federal Deposit Insurance Corporation Improvement Act of 1991.
- Q.4. What are the FDIC's future plans to expand minority- and women-owned business participation in its resolution activities?
- A.4. The FDIC is committed to working with minority- and women-owned firms to help them become familiar with the resolution process. Through our regional Division of Supervision and Division of Resolutions offices, as well as through the Office of Equal Opportunity, minority- and women-owned firms are encouraged to bid to acquire failed banks.

In terms of participation in all facets of FDIC contracting, the Minority and Women Outreach Program includes a price advantage of 3 percent for minority- and women-owned firms and technical bonus points.

The FDIC has established a network of internal Minority- and Women-Owned Business Coordinators. Each of the 17 consolidated sites and 4 regional offices has designated one or more individuals to perform outreach functions for that location. Each of the regional coordinators currently oversees the consolidated office coordinators under their jurisdiction to assure consistency in disseminating policy and procedures, both internally and to the public. In addition, the Legal Division has identified 21 Minority Point Persons nationwide who communicate and share ideas for improving our outreach objectives.

Stokes

The Corporate Services Branch of our Division of Accounting and Corporate Services (DACS) is in the process of restructuring the FDIC's contract and procurement infrastructure to assure that policies and procedures relating to the Minority- and Women-Owned Business Program are implemented uniformly by each contracting office nationwide. To fulfill its responsibilities under the Program, DACS has established and filled a Senior Contracts Specialist position for the Program in Washington D.C. and soon will fill two additional positions. At the regional and consolidated office levels, DACS expects to reassign approximately 120 staff members to perform contracting and procurement functions. Each of these staff members will be provided guidance and instructions to interpret and carry out Program requirements uniformly.

ATTACHMENT A

Committee Approved 3-18-92

FEDERAL DEPOSIT INSURANCE CORPORATION  
**DIRECTIVE SYSTEM**

TYPE AND NUMBER

CONTACT

TELEPHONE NUMBER

DATE

DATE OF CANCELLATION *Business Only*

TO: All Offices

FROM: Stanley J. Poling, Director  
 Division of Accounting and Corporate Services (DACS)

SUBJECT: Minority and Women Outreach Program:  
Contracting for Goods and Services

1. Purpose. To establish implementing procedures to ensure to the fullest extent practicable that firms owned by minorities and women are given the opportunity to participate in all contracting activities that the FDIC enters into for goods and services. Legal service agreements are not covered by this directive.

2. Background. The Board of Directors established, in FDIC Circular 3320.1, an acquisition policy which encourages the inclusion of Minority and Women-Owned Businesses (MWOB's) in the purchase of supplies and services. The Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 (Title XII, Section 1216) requires the FDIC and other FIRREA agencies to prescribe regulations to establish and oversee a minority outreach program. Further, the Office of Equal Opportunity issued regulations which set forth the policy for FDIC's Minority and Women Outreach Program (MWOP).

3. Definitions. For purposes of this program, Minority and Women-Owned Businesses are defined as firms that are at least fifty-one (51) percent owned and controlled by minorities and/or women. In the case of publicly-owned companies, at least fifty-one (51) percent of the voting stock must be owned and

controlled by minorities and/or women. Additionally, the management and daily business operations must be controlled by one or more such individual if the firm is to be considered an eligible participant. The term "minority" means Black American, Native American, Hispanic American, or Asian American.

4. Responsibilities and Procedures. All contracting officials located in the Washington, Regional, and Consolidated offices are responsible for implementing the following procedures:

a. Procurement Review. All competitive procurement requests shall be reviewed prior to solicitation to ensure that MWOB firms are included in the bid process. Contracts over \$25,000 shall be reviewed by the MWOB Coordinator or the Contract Specialist assigned those duties in the Washington, Regional, and Consolidated offices. Procurement requests under \$25,000 shall be reviewed by the Contracting Official. The reviewer shall document the contract/purchase order file via memorandum on the actions taken relative to the review. The memorandum shall indicate:

- (1) that MWOB firms were on the bid list;
- (2) that MWOB firms were added to the bid list (identify companies added to the list); or
- (3) The reasons MWOB's were not solicited; and
- (4) The method of contracting recommended, i.e. targeted, fully competitive, etc.

b. Vendor Source Lists. As a part of the review process, the FDIC National Contractor System (NCS) shall be utilized to identify qualified MWOB's that can be included on bid lists. In addition, the RTC Contractor Database, the Small Business Administration's Procurement Automated Source System, city/state-published directories, and any other available directories listing MWOB's can be utilized to identify qualified firms.

c. Certification

(1) All contractors must complete either form FDIC 3700/04, Representations and Certifications, or form FDIC 3700/12, Representations and Certifications (Procurement), which shall be included in all bid/proposal packages.

(2) When targeting MWOB firms, and the project dollar value exceeds \$50,000, the firms involved in the competition must submit their articles of incorporation for verification of status. Also, all certifications on contracts with option years must be verified and updated before the option year is exercised.

d. Contracting with MWOB Firms

(1) In instances where MWOB firms have demonstrated their capability to perform, and can also be expected to provide fair and reasonable prices, the Contract Specialist has the flexibility of utilizing either of the following methods to contract for the project:



(a) Open competition; applying price advantages and or technical consideration to the MWOB's bid or proposal (see Evaluation Advantage, subparagraph e, below).

(b) Targeting MWOB's.

(2) For purchases under \$25,000, efforts should be made to establish blanket purchase agreements (BPA's) and basic ordering agreements with MWOB firms when possible.

e. Evaluation Advantage. In furtherance of the FDIC's objectives and initiatives undertaken to include MWOB's in the contracting process, offers from MWOB firms shall be given a price advantage of three (3) percent for competitively bid projects and additional technical consideration at the discretion of the Contracting Officer. To earn additional technical consideration, however, the firm's proposal must fall within the competitive range.

f. Joint Venture. Joint ventures (an agreement between two or more companies to perform a specific project) are an acceptable means of increasing contracting opportunities for MWOB's. Because of the diversity of some of FDIC's contracts, an MWOB may find it necessary to team with a majority firm(s) because the MWOB lacks the necessary capacity to perform the contract on its own. When this occurs, price advantages and technical points will be applied to the MWOB portion of the joint venture commensurate with the percentage of work to be performed

by the MWOB firm. No credits will be applied when the MWOB portion of the project is less than twenty-five (25) percent. Joint ventures between two or more MWOB firms are particularly encouraged.

g. Subcontracting

(1) A subcontracting plan is required for all contracts (except contracts with MWOB's):

- (a) that are expected to exceed \$500,000;
- (b) that have a period of performance of at least 120 days; and
- (c) that have subcontracting possibilities.

(2) The Contracting Officer is responsible for determining, in advance of solicitation or negotiation, whether subcontracting opportunities exist for MWOB's. If the project meets the thresholds outlined in subparagraph g.(1), above, the contractor shall submit a subcontracting plan acceptable to the FDIC which will ensure the inclusion of small businesses and MWOB's in the solicitation and award of subcontracts. The contractor will also be required to submit reports advising FDIC of its company's compliance with the subcontracting plan. (See FDIC Contract General Provisions.)

h. Technical Assistance. Technical assistance services are intended to promote the continuing growth and development of MWOB firms in the community. Therefore, the Contract Specialist or MWOB Coordinator will assist MWOB firms in identifying their

development needs and provide the guidance and direction necessary for the firms to become self sufficient by:

(1) Analyzing the successes and shortcomings of the MWOB firm and providing assistance and guidance to enable the firm to become fully competitive.

(2) Establishing regular performance monitoring to ensure contract performance.

(3) Debriefing, upon written request, an unsuccessful MWOB offeror on the reason(s) the firm's proposal was not selected for the contract award. The firm should be advised of the criteria used for selection of the awardee, and the weak areas within the firm's proposal should be defined.

i. Management Assistance. Personnel from DACS, Acquisition Services will conduct management reviews on the implementation of the MWOP at the Washington, Regional, and Consolidated offices. These reviews are designed to provide program policy direction, guidance, and the resources necessary to carry out the Program.

j. Records Management. Each Contracting Office will:

(1) Maintain all records and files necessary to demonstrate maximum support for the Program in accordance with the FDIC Records Retention and Disposition Schedule (FDIC Circular 1210.1).

(2) Develop reports that reflect compliance with the MWOP.

6. Additional Information. Any questions concerning the provisions of this circular should be directed to the DACS, Acquisitions Services at (202) 898-3810.

7. Forms. Forms FDIC 3700/04, Representations and Certifications, and FDIC 3700/12, Representations and Certifications (Procurement), may be obtained from the DACS, Acquisition Services.

ATTACHMENT B

**FEDERAL DEPOSIT INSURANCE CORPORATION**

12 CFR Part 361

Minority and Women Outreach Program

AGENCY: Federal Deposit Insurance Corporation "FDIC".

ACTION: Final Rule.

SUMMARY: This rule is issued to establish in regulatory form an outreach program to maximize the participation of minorities and women, and firms owned by minorities and women, in all FDIC contracts. The rule is authorized by provisions of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"). It is intended to ensure the participation of firms owned or controlled by minorities and women in contracts awarded by FDIC or its agents.

EFFECTIVE DATE: These rules are effective [insert date 30 days after publication in the Federal Register].

FOR FURTHER INFORMATION CONTACT: Paul R. Barnes, Minority and Women Owned Business Program Officer, Office of Equal Opportunity, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429 or by telephone at (202) 898-6746.

**SUPPLEMENTARY INFORMATION:**

On February 13, 1990, the FDIC adopted an interim program to ensure, to the maximum extent possible, that firms owned by minorities and women are given the opportunity to participate fully

in all contracts that the FDIC enters into for goods and services. These contracts typically cover services performed in conjunction with the FDIC's liquidation activities, administrative and legal services.

An "Interim Minority and Women Outreach Program: Contracting for Goods and Services" was published for public comment in 55 FR 10112 (March 19, 1990). No comments were received with respect to that notice.

#### Final Rule.

The final rule includes the following elements: identification of minority and women owned firms capable of providing goods and services to the FDIC; certification of identified firms; promotion of the program; guidelines for the solicitation of contracts that promote the participation of minority and women-owned firms in the FDIC contracting; and the oversight and monitoring of the program.

The provisions of the interim policy statement have been substantially retained, although several have been shortened and simplified.

#### Executive Order 12291.

This rule concerns the procurement of services for FDIC management and administrative purposes and is not a regulation or rule for the purposes of Executive Order 12291. The regulation has no significant effect beyond the internal operating procedures of the FDIC. The Director, Office of Management and Budget, by

memorandum dated December 14, 1984, withdrew certain types of regulations from an exemption of procurement regulations from Executive Order 12291. This rule does not fall within the specified types.

Regulatory Flexibility Act.

The FDIC is not required by section 553 of Title 5, United States Code, or any other law to publish a general notice of proposed rulemaking for this rule, and the FDIC is not required to prepare a regulatory flexibility analysis pursuant to the Regulatory Flexibility Act (5 U.S.C. §601 et seq.)

List of Subjects in 12 CFR Part 1507

Government Contracts, Minority Businesses, Women Businesses.

For the reasons set forth in the preamble, Chapter III of Title 12 of the Code of Federal Regulations is amended by adding new part 361 to Subchapter C to read as follows:

PART 361--MINORITY AND WOMEN OUTREACH PROGRAM--CONTRACTING

Authority: 12 U.S.C. §1833e.

§361.1 Purpose.

(a) The purpose of the Federal Deposit Insurance Corporation ("FDIC") MINORITY AND WOMEN OUTREACH PROGRAM, CONTRACTING FOR GOODS AND SERVICES ("MWOP" or "Program") is to ensure that firms owned by minorities and women are given the opportunity to participate fully in contracts entered into by the Corporation.

(b) The MWOP Regulation is issued by the Office of Equal

Opportunity ("OEO"). Authority is derived from the Financial Institutions Reform, Recovery, and Enforcement Act ("FIRREA") of 1989, Title XII, Section 1216(c), which requires the FDIC to prescribe regulations establishing and overseeing a minority outreach program ensuring inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the Corporation with public or private contractors.

#### §361.2 Policy.

It is the policy of the FDIC that minorities and women and entities owned by minorities and women shall have the maximum practicable opportunity to participate in contracts awarded by the Corporation.

#### §361.3 Definitions.

For the purposes of this Part:

(a) Minority and/or Women-Owned Business ("MWOB") - Firms at least fifty-one (51) percent owned and controlled by one or more minorities and/or women. In the case of publicly owned companies, at least fifty-one (51) percent of its voting stock must be owned and controlled by minorities and/or women. Additionally, the management and daily business operations must be controlled by one or more such individuals.

(b) Joint Venture (Non-Legal Services) - An arrangement in which



twenty-five (25) percent or more of the duties are performed by the MWOB; and the MWOB is compensated proportionally to its duties. Additionally, twenty-five (25) percent or more of the management and daily business operations must be controlled by such individuals.

(c) Co-Counseling (Legal Services) - An association between two or more attorneys or law firms for the joint provision of legal services.

(d) Legal Services - All services provided by attorneys or law firms (including services of support staff).

(e) Minority - Any Black American, Native American Indian, Hispanic American, or Asian American.

#### §361.4 Scope and Incorporation by Reference.

The MWOP applies to all contracts entered into by the Corporation, whether public or private. The MWOP is incorporated by reference into FDIC policies and guidelines governing contracting and the retention of outside services.

#### §361.5 Oversight and Monitoring.

(a) The FDIC Office of Equal Opportunity has overall responsibility for nationwide MWOP oversight, which includes, but is not limited to, the monitoring, review and interpretation of MWOP Regulation. In addition, OEO is responsible for providing the Corporation with technical assistance and guidance to facilitate the identification, registration, and solicitation of minority and women-owned businesses.

(b) Each FDIC office and division that performs contracting or outreach activities shall submit information to OEO on a quarterly basis, or upon request. Quarterly submissions will include, at a minimum, statistical information on contract awards and solicitations by designated demographic categories and related outreach activities. Additionally, for contracts requiring a subcontracting plan, the prime contractor is required to maintain statistical and outreach data and information regarding the implementation of the subcontracting plan.

§361.6 Outreach.

(a) Each regional office and consolidated site including the Legal Division, involved in contracting with the private sector will designate one or more MWOP Coordinators. The Coordinators will perform outreach activities for the Program and act as liaison between the Corporation and the public on MWOP issues. On a quarterly basis, or as requested by OEO, the Coordinators will report to OEO on their implementation of the Program.

(b) Outreach includes the identification and registration of MWOBs who can provide goods and services utilized by the Corporation. This includes distributing information concerning the MWOP and providing appropriate registration materials for use by vendors and/or contractors. The identification of MWOBs will primarily be accomplished by:

(1) obtaining various lists and directories of minority and women-owned firms maintained by other federal, state and local governmental agencies;

(2) participating in conventions, seminars and professional meetings comprised of, or attended predominately by, MWOBs;

(3) conducting seminars, meetings, workshops and other various functions to promote the identification and registration of MWOBs;

(4) placing MWOP promotional advertisements indicating opportunities with FDIC in minority and women-owned media and,

(5) monitoring to assure that FDIC staff interfacing with the contracting community are knowledgeable of, and actively promoting, the MWOP.

#### §361.7 Certification.

In order to qualify as MWOB, each vendor or contractor must either:

(a) self-certify ownership status by completing the appropriate section of the applicable registration form; or

(b) submit a valid MWOB certification received from a federal agency, designated state or authorized local agency.

Questions regarding minority and/or women ownership status will be resolved by the Corporate Services Branch, Division of Accounting and Corporate Services or, with respect to outside counsel, the FDIC Office of Inspector General, both located at 550 17th Street, NW, Washington, D.C. 20429.

#### §361.8 Solicitation of Non-Legal Services.

As part of the solicitation process, vendors and contractors, for non-legal services who submit a completed FDIC "Vendor Application," Form #3700/13, will be registered in the National Contractor System (NCS), an automated database. The NCS will be

available to all FDIC offices involved in contracting activities. The NCS will be utilized to identify qualified MWOBS for inclusion on bid lists.

To ensure that minority and women-owned firms are being included in each solicitation, the solicitation process will include:

(a) disseminating procedures and information governing FDIC's solicitation rules and policies to MWOBS;

(b) providing MWOBS technical guidance in the preparation of proposals;

(c) allowing qualified MWOBS a 3% price advantage and additional technical consideration for competitively bid services; and

(d) providing post-award technical guidance to unsuccessful MWOBS.

#### §361.9 MWOB Joint Ventures.

The FDIC encourages the formation of bonified joint ventures to assist MWOBS in gaining access to FDIC contracting opportunities.

#### §361.10 Subcontracting.

Consistent with §361.2 of this part [Supra], the contractor is required to carry out the FDIC minority and women-owned business contracting policy in the awarding of subcontracts to the fullest extent, consistent with the efficient performance of the awarded contract.

#### §361.11 Solicitation and Awards for Legal Services.

(a) The Legal Division engages outside counsel primarily to provide legal services for liquidation, conservatorship and receivership activities. Outside counsel is selected on a competitive basis, as defined in the FDIC "Guide for Outside Counsel", P-2100-002-91 ("Guide"), as amended from time to time.

(b) To be retained as outside counsel, law firms must be free of conflicting interests, unless the Legal Division waives those conflicts in writing. Outside counsel must also enter into a Legal Services Agreement with the FDIC and agree to comply with the provisions of the "Guide".

(c) The Legal Division actively seeks to engage firms owned by minorities and women, both directly and in association with other firms. The Legal Division's Minority and Outreach Office provides assistance to minority and women-owned firms, and to minority and women attorneys within other firms, with respect to registration or other matters relating to the retention of outside counsel.

FEDERAL DEPOSIT INSURANCE CORPORATION

Hoyle L. Robinson  
Executive Secretary

ATTACHMENT D

**NEWS RELEASE**

FOR IMMEDIATE RELEASE

PR-62-90 (4-9-90)

**FDIC BOARD APPROVES STATEMENT ON PRESERVING MINORITY OWNERSHIP**

The Board of Directors of the Federal Deposit Insurance Corporation has approved a policy statement emphasizing the Division of Supervision's commitment to preserve minority ownership of depository institutions whenever possible and to encourage minority participation in the management of depository institutions. As part of this policy, the Division of Supervision (DOS) works with minority groups and institutions to avoid or correct problems and, in failing bank situations, to seek solutions that recognize unique minority characteristics.

"The Division of Supervision has long recognized the value of minority-owned institutions and the wisdom of encouraging minority group participation in the financial system. We are pleased to be able to issue this written statement on the kind of assistance that we can offer," said Paul G. Fritts, Division Director.

Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act sets forth some of the particular goals that the DOS policy implements. The policy statement highlights four areas where DOS will actively consider issues of minority ownership:

- o applications for insurance and other matters received from financial institutions;
- o supervision of operating institutions in need of remedial or preventative action;
- o financial assistance to minority-owned institutions; and
- o resolution of minority-owned institutions in danger of failing.

(more)

Policy Statement  
on  
Encouragement and Preservation of Minority  
Ownership of Financial Institutions

**A. INTRODUCTION**

In recognition of the unique status of minority-owned depository institutions in the financial system, it is the policy of the Division of Supervision (DOS) to do what it can to preserve minority ownership of financial institutions and to encourage minority participation in the management of financial institutions. This policy is intended to be consistent with the Corporation's broader mission of preserving the soundness of the banking system and promoting market structures conducive to competition and community service.

For the purposes of this policy statement, the term minority-owned institution means an FDIC-insured depository institution where more than 50% of the voting stock is owned or controlled by minority individuals or organizations, or in the case of a mutual depository institution, the majority of the Board of Directors, account holders and the community which it serves are members of a minority group. The term "minority" means any black American, Native American, Hispanic American, or Asian American.

**B. STATUTORY REQUIREMENTS**

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) contains several provisions relating to the preservation of minority ownership of financial institutions. These statutes provide a framework for this policy statement.

Section 13(k) of the Federal Deposit Insurance (FDI) Act deals with emergency acquisitions of distressed savings associations. Section 13(k)(2)(B) addresses the acquisition of minority-controlled depository institutions by stating: "the Corporation shall seek an offer from other minority-controlled depository institutions before seeking an offer from other persons or entities."

Section 13(f)(12) of the FDI Act eliminates the \$500,000,000 asset cut-off for acquisition of a distressed minority-controlled bank by an out-of-state minority-controlled depository institution or depository institution holding company.

Section 308 of FIRREA sets goals to preserve minority ownership of financial institutions. These goals are set out as: 1) preserving the number of minority depository institutions; 2) preserving the minority character in cases of merger or acquisition; 3) providing technical assistance to prevent insolvency of institutions not now insolvent; 4) promoting and encouraging creation of new minority depository institutions; and 5) providing for training, technical assistance, and educational programs.

### C. DISCUSSION

The Division of Supervision becomes involved in the creation of new minority ownership through its responsibility for acting on applications for federal deposit insurance and mergers and reviewing notices of acquisition of control. For those minority applicants who are not familiar with the required laws, procedures or forms, technical expertise and assistance is available through DOS Regional Offices.

One very effective method of preserving minority ownership is to maintain the health of existing minority-owned depository institutions. In this regard, DOS is committed to a program of regular examination of all banks for which it has primary supervisory responsibility. This examination program is intended to detect and to work with management to correct deteriorating trends. Correction of any adverse trends in institutions normally is handled through regular supervisory channels. In the event that management is unable to effect correction because of a lack of resources or technical expertise, DOS will provide assistance where practical. Additionally, DOS encourages other depository institutions to be available to provide technical expertise to minority-owned institutions.

Training, education and technical assistance is available through the FDIC in such areas as call report preparation, consumer affairs and civil rights, and accounting. FDIC personnel generally are available for attendance at conferences or seminars dealing with issues of concern to minority groups.

If supervisory and training efforts are ineffective in preventing a minority-owned institution from deteriorating to a failing condition, DOS is committed to working with minority groups in the resolution of the situation. Any requests for financial assistance will be evaluated and processed expeditiously, and technical expertise will be available to assist in preparing an application. Other solutions, including non-financial assistance, also will be considered. If the chartering authority determines that the institution will fail, potential minority bidders will be provided technical assistance in preparing proposals which will receive the priorities established by law.

### D. PROCEDURES AND RELATED MATTERS

Applications - Notices of acquisition of control and applications for deposit insurance and merger from minority-owned institutions will be submitted to the appropriate regional office and processed under established procedures. Those applications which involve creation or preservation of minority ownership also will be considered in the context of the effect of the transaction on the goal of preserving minority ownership. Technical assistance in the completion of the documentation of these applications is available upon request from the regional office.



Operating Institutions in Need of Assistance - Through its normal supervision, the FDIC will be aware of institutions in need of remedial or preventative attention. Field examiners and regional office staff will make suggestions and offer assistance, which an institution is free to accept. Institutions are also urged to make their needs known to the regional directors who will do all they can to help. To the extent possible, the FDIC will consider invitations to participate in seminars, conferences and workshops directed to minority audiences.

Requests for Financial Assistance - The Division of Supervision is responsible for processing requests for assistance for operating institutions which are in danger of failure. Such requests should be submitted to the appropriate regional office and should address the pertinent points of the FDIC statements of policy and criteria on assistance. Requests from minority groups for assistance in resolving a failing minority-owned depository institution will be considered at the same time as assistance requests or failing bank bids received from non-minority groups; however, preference generally will be given to a minority group proposal. Technical assistance in preparing these applications is available upon request.

Failing Banks - In the event a minority-owned bank deteriorates into a failing condition, DOS is responsible for compiling a list of eligible bidders. Generally, preference will be given to qualified minority bidders located 1) in the same local market area, 2) in the same state, and 3) nationwide. Trade associations will be contacted for names of possible interested parties which may be contacted. Groups interested in becoming bidders must have appropriate clearance from other responsible regulatory agencies. Minority groups or institutions who desire to be placed on a list to be notified in the event of a failure should contact the appropriate regional office.

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Kaptur

**Federal Deposit Insurance Corporation  
Responses to Questions Submitted by  
Congresswoman Marcy Kaptur**

**Contracting with Minority- and Women-Owned Businesses**

- Q.1.** Last year, the Committee urged that the FDIC work toward a goal of awarding at least 10 percent of the total value of prime and subcontracts for minority- and women-owned businesses, and asked that the FDIC issue a report one year after enactment (of the Appropriations bill) outlining the FDIC's efforts to achieve that goal. Please explain progress the FDIC has made toward that goal and when we can expect the report.
- A.1.** Section 1216 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) applied governmentwide rules for equal opportunity to the Federal Deposit Insurance Corporation and specifically required the FDIC to establish a minority outreach program. Subsection 1216(c) requires that regulations be promulgated to assure inclusion, to the maximum extent possible, of minority- and women-owned firms in agency contracting. Section 1216(d) of FIRREA required the FDIC to report in 180 days on compliance with these provisions.

On March 12, 1992, the FDIC provided an updated report on our compliance with Section 1216 pursuant to a series of specific questions submitted by the Chairman of the House Banking, Finance and Urban Affairs Committee. Our report to the Congress is attached for your review. The report details our progress in achieving greater minority- and women-owned business participation in FDIC contracting. We anticipate that this report, expected to be updated annually, will satisfy the Subcommittee's request.

As our report indicates, FDIC contracting with minority- and women-owned firms in 1991 exceeded the ten percent goal set by the Subcommittee. In calendar year 1991, 15 percent of the awards and 13 percent of the total contract dollars went to minority- and women-owned firms. The 1991 total dollar amount (\$42,700,986) constitutes a substantial increase (\$29,952,572) over calendar year 1990, when a total \$12,748,414 in identifiable contracts went to minority- and women-owned businesses.

The report also provides substantial detail on contracting by category and FDIC initiatives to improve agency performance in this area.

Kaptur

## New West Federal Case

Q.2. I understand that you have already prepaid \$1.37 billion to date for the New West deal (p. 12.3) and that you plan to spend roughly \$ .7 billion net through 9/30/92 on the deal (p 12.6). Please explain more about the New West deal to which you attribute the bulk of the 148% increase in capital investment expenditures, as cited on p. 4.1. In your response, provide details on the background of the thrift's failure, the detail of the FDIC's contractual arrangement with the thrift, and the FDIC's expected expenditure for completing resolution of the thrift in 1993.

A.2. To explain the New West deal we have enclosed a copy of the RTC's review of the transaction. The first two sections of that report give an overview of the transaction and its history.

In Fiscal Year 1993, the FDIC estimated that outlays pursuant to the assistance agreement with New West will range from \$1.36 billion to \$1.56 billion. These outlays will be used by New West to make the maximum prepayments on its intercompany note held by its affiliate, American Savings. It is possible that additional outlays in Fiscal Year 1993 could be made if the RTC is successful in negotiating accelerated prepayment rights on the inter-company note.

## FSLIC Promissory Notes

Q.3. Please explain the decrease in the amount of funds required for retiring the post Fiscal Year 1986 FSLIC promissory notes, from the estimated \$3.65 Billion in 1992 to just an estimated \$389 Million in 1993.

A.3. As of September 30, 1991, the FSLIC Resolution Fund had outstanding note obligations relating to assistance agreements of \$5,591,222,000. Of this amount, approximately \$3,651,000,000 will be prepaid in Fiscal Year 1992 as part of our continuing efforts to reduce the cost of the FSLIC obligations. We can only prepay if the note terms allow and the majority of allowable prepayments should occur in Fiscal Year 1992. It is estimated that the outstanding note balance as of September 30, 1992, will be \$1,940,222,000. Of this amount, approximately \$389,000,000 will be prepaid in Fiscal Year 1993 based upon the terms of the individual note agreements.



FEDERAL DEPOSIT INSURANCE CORPORATION, Washington, DC 20429

OFFICE OF THE CHAIRMAN

March 12, 1992

Honorable Henry B. Gonzalez  
Chairman  
Committee on Banking,  
Finance and Urban Affairs  
House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter requesting an update on our compliance with sections 1216(a) and (c) of the Financial Institutions Reform, Recovery and Enforcement Act.

I am pleased to enclose our answers to your enumerated questions.

Please let us know if you need any further information.

Sincerely,

William Taylor  
Chairman

Enclosure

**Response to an Inquiry from  
The Honorable Henry B. Gonzalez**

**Q.1. With respect to the internal structure of your agency:**

**Q.1a. Please provide current staffing statistics for the FDIC showing by category the percentage of employees by race, sex, disability, and age, both for the Washington, D.C. area and by region and field office within the United States in which you conduct operations, by year, for the calendar years 1990 and 1991, and supporting documentation, broken down by service grade, including career status, exempt contract and liquidation grade employees.**

**A.1a. Attachment #1 provides staffing statistics for the FDIC's full-time permanent work force (Executive Level and GG positions) and the FDIC's temporary work force (LG positions). These statistics are not provided by Region or field office since regional designations are not identical for all FDIC divisions. The FDIC's total work force decreased by 138, from 14,142 in December 1990 to 14,004 in December 1991. The data indicate that there have been increases both in numbers and percentages for minorities and women at the GG-13 grade and above, although the totals of all grade levels indicate some decreases in minorities and women. These decreases are due in part to the transfer of FDIC's RTC Support Units staff to the RTC in 1991. Some of these employees will return to the FDIC. The attached charts indicate the following increases:**

**Grades 5 to 12 - White Women have increased from 44.9 percent in 1990 to 45.1 percent in 1991. Minority Women remain at 17.7 for 1990 and 1991.**

**Grades 13 to 14 - White Women have increased from 20.6 percent in 1990 to 22.1 percent in 1991. Minority Men have increased from 6.5 percent in 1990 to 6.7 percent in 1991.**

**Grade 15 - White Women have increased from 19.9 percent in 1990 to 22.0 percent in 1991. Minority Women have increased from 3.5 percent in 1990 to 3.8 percent in 1991.**

**Executive Level - White Women have increased from 9.9 percent in 1990 to 13.1 percent in 1991. Minority Men have remained the same at 3.7 percent in 1990 and 1991. Minority Women increased from 1.2 percent in 1990 to 1.6 percent in 1991.**

Attachment #2 demonstrates that the Age Groupings for the Corporation's LGs, GGs, and Executive Level employees who are 39 years of age and under has decreased from 8,152 in 1990 to 8,080 in 1991. For 40 years of age and older it also decreased from 6,266 in 1990 to 5,495 in 1991.

Attachment #3 shows that the number of handicapped employees as of December 1, 1991 was 616 and in 1990 it was 779. The decrease was due partly to the transfer of employees during 1991 from the FDIC's RTC Support Units that served throughout the Corporation.

Q.1b. Describe any changes in the Equal Employment Opportunity Program since your letter of January 24, 1991. What improvements have been made? What goals does the program have for 1992 - 1993?

A.1b. There have been no significant changes to the FDIC's Equal Employment Opportunity Program. In order to improve the program, in 1991, the Office of Equal Opportunity designated staff dedicated solely to assist and counsel minorities, women, and handicapped individuals in identifying positions and completing applications for federal employment. These efforts have provided more individuals from targeted groups with an equitable opportunity to compete for available vacancies.

Our Equal Opportunity Program is very comprehensive and includes not only complaints processing, the Affirmative Employment Program, Affirmative Action Programs for the handicapped and for disabled veterans, but also minority- and women-outreach activities for both employment and contracting.

The FDIC's Office of Equal Opportunity (OEO) has its own budget to assure sufficient resources to accomplish goals and objectives of the program. The budget includes resources for internal training of staff, reasonable accommodations for the handicapped work force, recruitment advertising for both employment and contracting, and participation in conferences targeted towards minorities, women and the disabled.

During 1992, the Office of Equal Opportunity will continue to pursue the goals of increasing the number and percentage of individuals from the targeted groups at the higher grades and reducing the number of complaints at the formal and informal stages.

Q.1c. Attach copies of all current policies and procedures regarding equal employment opportunity. What changes have been made during the past year?



A.1c. There have been no changes to the FDIC's equal employment opportunity policies and procedures from the ones that were submitted previously. However, the following materials were developed and/or issued during 1991:

A memorandum on the "First Anniversary of the Passage of the Americans with Disabilities Act" (Attachment #4).

A memorandum on "FDIC's Policy of Nondiscrimination Towards Handicapped Individuals and Disabled Veterans" (Attachment #5).

A booklet entitled, "FDIC Minority and Women Outreach Program" (Attachment #6).

A booklet entitled, "Career Opportunities -- The FDIC Legal Division -- Attorney Recruitment Program" (Attachment #7).

A booklet entitled, "Guide for Outside Counsel -- Federal Deposit Insurance Corporation" (Attachment #8).

A booklet entitled, "Vendor Application -- Instructions" (Attachment #9).

Revised booklet entitled, "Your Application for Federal Employment -- Standard Form-171. A large print edition and cassette tapes are available. (Attachment #10).

A memorandum on "Minority Bank Deposit Program" (Attachment #11).

A memorandum to All Legal Division Employees on "Equal Opportunity Policies" (Attachment #12).

Q.1d. Report on the results of college and high school recruiting and outreach programs, career enhancement courses, multicultural and EEO awareness seminars, and any other program implemented or planned since last year's report.

A.1d. In 1990, the FDIC had 16 Co-op students. This number has increased to 57 Co-op students in 1991 of whom 33 are in the computer field and 24 in various other positions. Included are a total of 28 males of whom 23 are white, 3 are African-American, 1 Asian-American, and 1 American Indian; and a total

of 29 females of whom 21 are white, 2 are African-American, and 6 are Asian-American. This program provides an opportunity for the FDIC to introduce minorities and females to the FDIC.

We keep in close contact with universities and organizations which have high minority and female populations for potential Co-Op students such as the North Carolina Historically Black Colleges and Universities Co-op Consortium Job Fair, Howard University, New Orleans Consortium for Special Minorities Job Fair, and the National Commission for Cooperative Education Conference.

In addition, the FDIC is a member of the National Coalition of Employers which has 35 members from both the private and public sector. The FDIC is one of only eight federal agencies that currently are members. The purpose of the Coalition is to help American Indians and Hispanic students to stay in school by encouraging both the public and private sector to develop and hire them in Co-op, internship and summer positions. The FDIC has been very active in the Coalition.

We also participate in Project Partnership, a joint effort of federal agencies and the Hispanic Association of Colleges and Universities (HACU) to increase the participation of Hispanics in all programs, including stay-in-school, cooperatives, interns, with the long range objective of increasing the permanent Hispanic representation.

The Legal Division's Student Legal Intern Program hires students for both full-time positions in the summer and part-time positions during the school year. As part of this program, the Division participates in the "Minority Clerkship Program" of the University of Texas and Tulane University law schools.

In the summer of 1990, the Legal Division hired 8 students of whom 6 were women or minorities. In the summer of 1991, the Division hired 18 students of whom 9 were women or minorities. In addition, each year, the Division hires a small group of outstanding law school graduates to participate in its "Honors Attorney Program" in the Washington, D.C. office. In 1990, the Division hired 4 graduates of whom 3 were women or minorities. In 1991, we hired 4 graduates of whom 2 were minority females, and 2 were white females.

On a regular basis, the Office of Equal Opportunity (OEO) sends job announcements to minority and women advocacy groups to solicit qualified applicants for placement in our Minority and Women Applicant Referral System which is designed to match

qualified applicants to announced vacancies. OEO has staff dedicated solely to assisting and counseling minorities, women, and disabled individuals in the types of positions for which they may qualify and providing technical assistance in completing their applications for federal employment.

During 1991, OEO kept 825 current applications on file, counseled approximately 1,100 persons (103 people with disabilities of whom 10 had targeted disabilities), and were responsible for the eventual employment of 36 people of whom 5 were white males, 13 minority males, 4 white females, and 14 minority females. Of the total, 4 were disabled veterans under the Unpaid Work Experience Program. Three were hired into permanent positions and one secured a temporary position.

The FDIC continues to strengthen its programs for individuals with disabilities to increase referrals, representation and employment opportunities. Some of our efforts include working with Gallaudet University's Experiential Program Off-Campus, Mainstream, the Department of Veterans Affairs, the Association for Retarded Citizens, the Maryland Department of Employment and Economic Development, D.C. Rehabilitation and the National Career Center.

In 1990, we sponsored 110 career enhancement courses for support staff and 153 for senior level staff. During 1991, courses for support staff increased to 243 and courses for senior level staff decreased to 75.

In 1990, OEO provided 36 EEO awareness training sessions for managers and supervisors and 6 sessions providing instruction on EEO issues as part of its personnel management training for managers and supervisors. In 1991, OEO provided 34 training sessions for supervisors and managers and 27 sessions which included instruction on EEO as part of its personnel management training for managers and supervisors. In addition, OEO has made 12 presentations on EEO issues at the request of division and regional directors. As a result of a pilot Multicultural Awareness Seminar for Managers and Supervisors sponsored in 1989, 19 sessions were sponsored in 1990 and 12 sessions in 1991. This training was provided to managers and supervisors to enhance techniques for improving their multi-cultural skills including recruitment, selection, placement, orientation, training and promotion of a culturally diverse work force.

The FDIC provides sign language interpreters for training sessions, interviews, general meetings, and counseling upon request of the hearing impaired individual or managers and supervisors.

The FDIC continually assesses barriers that may impede a disabled individual's access to facilities and/or services. We have equipped the guard stations in each building with TDDs for telephone access to hearing impaired visitors and employees.

The FDIC's new Banyan Computer System allows all employees to obtain information on the processing of complaints, an EEO counselors list, information on job openings, and to communicate with other employees. Hearing impaired employees have a special communications function that enables them to access the above information.

**Q.1e.** What staffing changes have occurred during the past year? What staffing changes do you anticipate in the coming year? Describe the current personnel and structure of the office which administers your equal employment opportunity programs. What is the current reporting structure to the Chairman's office?

**A.1e.** The current OEO staff is a model of diversity. All races are represented in the work force as well as the handicapped, veterans, and a wide range of ages. OEO is comprised of the Office of the Director, the Complaints Branch, an RTC Support Branch, Minority and Women Outreach Program and a Community Outreach Program. The above staffing (excluding the Community Outreach Program) includes 7 white females, 4 African-American males, 6 African-American females, 1 Hispanic male, 1 Hispanic female, 2 Asian-American males, 2 Asian-American females, and 1 American Indian female. The staff includes 3 veterans and 4 handicapped employees.

In addition, the Community Outreach Program consists of five positions that are set aside solely for the purpose of employing minority and handicapped students at the high school and college levels. These students are provided an opportunity to gain experience that will help them in their educational program as well as enhance their careers. These are shared positions. The statistics at the end of 1991 were: 5 African-American females, 1 African-American male, 3 Hispanic females, and 1 American Indian female.

Attachment #13 is an organizational chart which illustrates the reporting structure to the Chairman's office. Beginning in December 1991, the RTC Minority and Women Outreach Program and the RTC Affirmative Action Support Branch were transferred to the RTC and our staff was reduced by 8. However, a new unit will be established to handle RTC complaints and it will be staffed by 4 persons. In addition, 3 positions will be added to the FDIC Minority and Women Outreach Program, bringing our total OEO staff to 30.

**Q.1f. Do you anticipate any changes regarding the implementation of the Executive Order in the future?**

**A.1f. FDIC priorities for implementing these programs do not differ substantially from those outlined in our responses for prior years and elsewhere in this report.**

**Q.2. With respect to complaints based on Executive Order 11478, or any other applicable equal employment opportunity or pertinent civil rights laws, and your complaints resolutions programs:**

**Q.2a. How many complaints and pre-complaints were filed against management and supervisors in your agency (i) for the Washington, D.C. area, and (ii) by region and field office within the United States, for each calendar year, 1990 and 1991?**

**A.2a. Attachment #14 reflects a total of 70 complaints in 1990 and 88 complaints in 1991.**

**Attachment #15 reflects 176 pre-complaints in 1990 and 180 in 1991. Of the 176 pre-complaints in 1990, 106 were resolved. Of the 180 pre-complaints in 1991, 91 were resolved. These attachments provide information for each division's regional offices.**

**Q.2b. For each of these categories (a(i) and (ii) above), please give a break-down of the grounds alleged for discrimination by category, whether race, color, religion, sex, national origin, disability, or age, and the resolution of the complaint.**

**A.2b. Attachment #16 provides the number and bases for both pre-complaint counseling and formal complaints during 1990 and 1991.**

**Q.3. Provide an update of your minority and women contract outreach program. Include and attach all relevant documents, including but not limited to memoranda, policy statements and program guidelines. Describe specifically the number of contracts which are in place with (i) minorities, or minority-owned entities, and with (ii) women, or women-owned entities, which provide (a) financial services, (b) investment banking, (c) underwriting, (d) accounting, (e) legal services, (f) management of institutions, (g) asset management, (h) asset disposition.**

**A.3. The FDIC's contracting activities predate the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) and originally were decentralized to allow each office to**

structure its outreach program in accordance with its unique needs, within certain established parameters. The FDIC's program is in the midst of a multi-phase restructuring to convert each consolidated and regional office to one set of administrative and working guidelines for all contracting functions. This involves reassigning or hiring approximately 120 staff members nationwide, and allocating additional hardware and software to implement a contractor database that will be accessible to each contracting office nationwide.

In 1991, the FDIC established an interim database for our National Contract System which is due to go on-line in April 1992. To have a viable database, the FDIC developed and initially distributed 43,000 contractor registration forms. Subsequently, we distributed an additional 15,000 forms. To maintain the database, the FDIC established a new Data Analysis Unit to assure the integrity of the system nationwide.

During 1991, each consolidated and regional office of the Division of Liquidation, the Division of Accounting and Corporate Services, the Legal Division, and the Office of Equal Opportunity made a substantial number of presentations before state, local and national minority professional and trade organizations. Information and materials about the FDIC's commitment to the Minority and Women Owned Business Outreach Program and contracting opportunities were disseminated extensively. Please see Attachments 6, 8, 9, 11 and 12 for materials developed or issued during 1991. All memoranda, policy statements and program guidelines previously issued and submitted to the Committee are still in effect.

The FDIC is committed fully to the success of our minority and women outreach efforts. For example, our Division of Liquidation allocated \$300,000 for advertising exclusively in minority- and women-owned media. Also, the FDIC has held open houses to facilitate contracting with minorities and women, including technical assistance for increased contracting and employment opportunities.

The FDIC's non-legal contract statistics for calendar year 1991, through December 15, show that 10,835 contracts were awarded to women-owned companies, totaling \$25,139,176. For minority-owned companies, 5,764 contracts were awarded for a total of \$17,561,810.

Overall, FDIC contracting with minority- and women-owned businesses in 1991 represented 15 percent of the awards and 13 percent of the total contract dollars. Thus, the 1991 total dollar amount (\$42,700,986) constitutes a substantial increase (\$29,952,572) over calendar year 1990, when a total of \$12,748,414 in identifiable contracts went to minority- and women-owned businesses.

The Legal Division has also increased the number of minority- and women-owned law firms that are retained. By the end of 1991, 198 of the firms on the Division's List of Counsel Available which had Legal Services Agreements were minority-owned, and 143 were women-owned. Thus, the 1991 total number of such firms (341) represents an increase of 224 over the number on the list at the end of 1990 (117) -- a 191 percent increase in one year. These minority- and women-owned firms represent 21 percent of the more than 1,600 law firms that were under contract to us at year-end 1991.

The Legal Division's Liquidation Branch referred about 4,200 matters to outside counsel during 1991. About 25.5 percent, or almost 1,100 matters, were referred to minority- and women-owned law firms, compared with 368, or 23 percent of all matters, during the last half of 1990, when we first started to gather such information. The Division's Professional Liability Section, which is responsible for some of our most demanding matters, has employed minority- and women-owned firms in 30 lawsuits, 9 percent of its pending caseload. One-third of those referrals were made in the last quarter of 1991.

In addition, the Legal Division separately tracks invoices submitted by, and fees paid to, minority- and women-owned firms. We require all non-minority firms to report billable hours and fees attributable to minority and women lawyers in their firms. In early 1991, we announced our "cap policy," which requires our lawyers to assign work to a larger number of law firms, especially minority- and women-owned firms. In practice, less work goes to firms which had the largest billings in the past. The policy has led "capped" firms to be more receptive to working with minority- and women-owned firms in joint-venture arrangements. Some of these efforts are coordinated by the Division's Outside Counsel Section which reports directly to the Deputy General Counsel and works closely with all regional and consolidated field staff attorneys.

The Legal Division's preliminary statistics for calendar 1991 indicate that legal fees totaling \$6,840,628 were paid to minority- and women-owned firms. This figure represents 3.17 percent of the total dollar amount spent, as compared with the 1 percent spent in calendar 1990.

Q.4. Section 1216(c) requires the FDIC to prescribe regulations to implement the contract outreach program. Please describe and attach all current and proposed regulations and any supporting documentation which you use to implement provisions set out in section 1216(c). Describe all changes and modifications to the program previously reported, including any technical factor adjustments and price advantages provided.

Include any information pertaining to the creation of executive level positions to administer or oversee minority and women contracting programs. What is the current reporting structure to the Chairman's office?

A.4. The interim Minority and Women Outreach Program Policy, which was previously provided to the Committee and remains in effect, includes a price advantage of 3 percent for minority- and women-owned firms and technical bonus points. Staff is finalizing policy recommendations and regulations which will be presented to the Board of Directors within the next 90 days.

The FDIC has established a network of internal Minority and Women Owned Business Coordinators. Each of the 17 consolidated sites and 4 regional offices has designated one or more individuals to perform outreach functions for that location. Each of the regional coordinators currently oversees the consolidated office coordinators under their jurisdiction to insure consistency in the dissemination of policy and procedures, both internally and to the public. In addition, the Legal Division has identified 21 Minority Point Persons nationwide who are able to communicate and share ideas for improving our outreach objectives.

The Corporate Services Branch of our Division of Accounting and Corporate Services (DACS) is in the process of restructuring FDIC's contract and procurement infrastructure to assure that policies and procedures relating to the Minority and Women Owned Business Program are implemented uniformly by each contracting office nationwide. To fulfill its responsibilities under the Program, DACS has established and filled a Senior Contracts Specialist position for the Program in Washington D.C. and soon will fill two additional positions. At the regional and consolidated office level, DACS expects to reassign or hire approximately 120 staff members to perform contracting and procurement functions. Each of these staff persons will be provided guidance and instructions to interpret and carry out Program requirements uniformly.

As of December 31, 1991, the Office of Equal Opportunity had one executive level position, the Director, which was elevated from E-1 to E-2 in 1991. In 1992, a GG-15 position will be added to manage the Minority and Women Outreach Program. The position will report to the Director. Please see Attachment #13 for the reporting structure to the Chairman's office.

Q.5a. Describe your contacts with each of the other agencies listed in section 1216(c) in regards to this program, with particular and specific emphasis on how your agency shares information on such contractors so that minority and women contractors for financial services will be known to each of the agencies.



A.5a. The FDIC meets with representatives of the other FIRREA agencies to share information on outreach activities for contracting and employment as well as to share information on available minority- and women-owned firms which could be potential contractors for the FIRREA agencies. Meetings are conducted quarterly and communications are ongoing.

Q.5b. Update the minority certification process reported in your January 24, 1991 letter. Do the FDIC and RTC share one certification process?

A.5b. No changes have been implemented since the FDIC's last report. Currently, the FDIC allows firms to self-certify their minority- or women-owned status. We encourage firms, if possible, to provide certification from other state, local or federal agencies, including the RTC. However, the absence of such other certifications will not preclude minority and women owned firms from receiving the price advantage or technical consideration.

Q.6. Section 1204 of FIRREA requires the Secretary of the Treasury to consult with the federal banking agencies and the National Credit Union Administration Board on increasing the use of minority banks, women's banks, and limited income credit unions as depositories or financial agents of federal agencies. Update (1) your agency's use of such institutions for each of the years 1990 and 1991, if any, and (2) current programs or policies designed to increase the use of such institutions.

A.6. The FDIC has initiated a policy of utilizing minority- and women-owned or controlled financial institutions as depositories whenever possible, for such purposes as escrow accounts for disputed assessments, housing funds held in escrow from failed institutions, banking services for subsidiaries acquired from failed institutions and FDIC office operating accounts. The Division of Accounting and Corporate Services has overall responsibility for use of such institutions for deposit of funds, and has distributed to all regional financial officers and field accounting officers a list of institutions participating in the federal government's Minority Bank Deposit Program. (See Attachment 11.) DACS strongly encourages all of our subdivisions to use minority- and women-owned institutions to the maximum extent possible. Interested minority- and women-owned institutions have been encouraged to contact their nearest DACS office. We currently use a minority-owned institution in Chicago to house funds held in escrow from a failed institution, a minority-owned institution in Dallas for the region's discretionary petty cash fund and a women-owned institution in Denver for the office's petty cash fund.

Additionally, accounts were opened for subsidiaries of University Bank at the only Massachusetts institution that participates in the Minority Bank Deposit Program.

McDade

**Federal Deposit Insurance Corporation  
Responses to Questions Submitted by  
Congressman Joseph M. McDade**

**Incentives For Lending in Distressed Areas**

- Q.1. In your experience with margins associated with banking, is a 5 percent rebate (for incremental lending) going to leverage additional bank lending activity in underserved neighborhoods? Would this rebate be a token reward or a significant incentive? Is the 15 percent rebate going to cause more banks to create Community Development Corporations and Community Development banks?
- A.1. The size of the assessment credits may have a considerable influence on both lending patterns and the number of institutions creating Community Development Corporations (CDC) and Community Development Banks (CDB). However, basing the credit on the incremental lending activity may counteract any positive influence to the incentives provided. An institution would be eligible for assessment credits based upon the increase in their lending and deposits from eligible areas from the previous six months (i.e., prior assessment period). This could have the effect of penalizing institutions which currently are serving the community with active lending programs and therefore would not realize large increases in performance. Conversely, it would reward the institutions which currently have little or no activity, but respond to the possible credits by increasing loans and deposits. The result would be that institutions which are now performing at a high level may cut back on loans and other services in order to establish a lower baseline.

The Bank Enterprise Act provides incentives for creating Community Development Corporations and Community Development Banks by extending assessment credits to financial institutions which either form CDCs or CDBs or invest in multi-bank CDCs. However, it should be noted that current federal law does not authorize expressly direct investment by state chartered banks which are members of the Federal Reserve System in CDCs or CDBs.

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Consumer and Community Reinvestment Act Compliance

- Q.2. I understand that the FDIC has not traditionally dealt with consumer lending policy or anti-redlining policy -- these policies have been more the focus of the Federal Reserve and the Office of the Comptroller of the Currency. But are all neighborhoods equally well-served by our nation's banks, in your judgment?
- A.2. Since enactment of the Community Reinvestment Act (CRA) in 1977, the FDIC has enforced actively the CRA mandate. That mandate requires us to encourage state-chartered, nonmember banks to help meet local community credit needs, including those of low- and moderate-income neighborhood residents, consistent with the safe and sound operation of those banks. The FDIC performs its role primarily through effective bank supervision and enforcement. We administer a compliance examination program by which FDIC-supervised banks are regularly examined, evaluated and rated as to compliance with fair lending laws, including the CRA, and other consumer protection laws. This program is carried out according to comprehensive, specific and detailed examination procedures used by each of the federal financial institution regulatory agencies. Based upon CRA and composite compliance ratings, the great majority of FDIC-supervised institutions are in satisfactory or better compliance with the fair lending laws.

Over the past five years, we have made a number of significant changes in our consumer compliance program with the goal of further improving its effectiveness. These changes include establishing an Office of Consumer Affairs (an independent office reporting directly to the Chairman) and implementing new efforts at community outreach by establishing a Community Affairs officer (CAO) program. The program provides for a CAO in each of our eight Regional Offices. The CAO's report to the Office of Consumer Affairs and primarily are responsible for making contact and meeting with consumer and community groups, government and industry organizations, and others regarding community needs and the lending practices of institutions within their communities. The CAOs work independently of the compliance examiners; however, they provide information and data to the examination staff to assist them in evaluating the fair lending performance of FDIC-supervised institutions. We also have established a new consumer compliance examination program and increased consumer protection training efforts. The specialized consumer compliance examiners have career paths separate and distinct from safety and soundness examiners.

McDade

## Inner-City Lending

- Q.3. The New York Times had a front page article on March 14, and a banker in reference to inner-city lending is quoted, "there's a lot of business to be had. About 60 percent of American households have an annual income of less than \$25,000. It's huge market that is absolutely underbanked and there are not many underbanked markets out there." Is this statement generally true?
- A.3. According to the United States Bureau of the Census' Current Population Reports, only 34.7 percent of families in the country had annual incomes below \$25,000 in 1989. However, specific numerical data are not readily available to determine to what extent there may or may not be a "huge market that is absolutely underbanked." The FDIC evaluates inner city lending primarily through bank supervision and enforcement, including examination for compliance with the CRA. However, consumer compliance supervision entails the Community Affairs Officers contacting groups representing the public to ascertain the lending needs and practices in the communities. The examination is an assessment of the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods. Institutions examined are assigned a rating: Outstanding, Satisfactory, Needs to Improve, or Substantial Noncompliance. Since July 1, 1990, individual institution ratings and CRA Performance Evaluations have been made public. Of the financial institutions examined by the FDIC for CRA between July 1, 1990 and December 31, 1991, 91% received satisfactory or outstanding ratings. The FDIC is committed to doing its part to ensure that FDIC-supervised institutions serve the needs of the communities in which they are located, consistent with the CRA and safe and sound banking practices.

## Bank Enterprise Act Funding

- Q.4. Is the kind and type of lending envisioned by the Bank Enterprise Act going to be unprofitable for banks? Will this program threaten the safety and soundness of banks? Are the percentage rebate caps in the bill higher than needed to stimulate bank lending in distressed areas? What level of funding should be provided, and should such funding if made available be limited to lifeline deposits or low-income lending?
- A.4. The type of lending envisioned by the Bank Enterprise Act is not inherently unprofitable nor would it threaten the safety and soundness of banks. However, it may require a

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level of expertise not currently available in all lending institutions. Institutions will have to be careful not to compromise appropriate underwriting standards in an effort to obtain the short-term gains of the assessment credits. As no program in the past has provided similar incentives to depository institutions, it is impossible to determine how institutions will respond to the programs. Consequently, precise estimates of the level of funding that would be required to make the programs effective are not available.

Estimating the costs of the reduced assessments for lifeline accounts is problematic for several reasons. The program may have little effect on the number of institutions that might offer lifeline accounts with low minimum balance requirements because the reduction in assessments would have a negligible impact on the cost of maintaining the accounts. Higher minimum balances or fees, alternatively, could discourage many low-income households from using banking services, which is the primary purpose of lifeline accounts. Regardless of the impact of the reduced assessments on the supply of new accounts, information on how many accounts would currently qualify under any specific definition of lifeline accounts is not available. Further, the total cost of the program also is a function of the assessment rate, which is likely to change over time.

Another facet of the Bank Enterprise Act, community enterprise assessment credits, may induce changes in lending patterns. However, the extent of funds needed for the community enterprise assessment credits depends largely on whether institutions have offices within distressed communities and whether they qualify as a community development organization. Further the volume of lending in distressed communities may be increased to the extent that more areas qualify as distressed communities. The costs of this program are also sensitive to changes in assessment rates, which affect the limits on the total assessment credits that may be earned by each institution.

#### FDIC Appraisal Policy

- Q.5. FDIC policy on residential appraisal threshold. What is the rationale which is consistent with safe and sound bank lending practices and good underwriting judgment for the FDIC to increase the threshold limit from \$50,000 to \$100,000 on single family home loans that will require the appraisal to be conducted by a licensed appraiser?
- A.5. Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 required the FDIC to adopt regulations regarding the use of state licensed

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and certified appraisers in connection with certain real estate transactions by FDIC-supervised financial institutions. Pursuant to the statute, the FDIC published an appraisal rule in August 1990. In September 1991, the FDIC published a proposal to amend its appraisal regulation in response to issues raised by banks and others concerned about the cost of compliance. Under previous rules adopted in 1990, real estate transactions of \$50,000 or more were subject to documentation requirements, enforcement penalties and other provisions of the FDIC's appraisal regulations. In the proposal to increase the threshold from \$50,000 to \$100,000, the FDIC requested comments including specific information about the losses sustained on loans by size category. Approximately 575 banks provided loss information which indicated that larger loans experience a higher loss ratio than smaller loans. When dividing aggregate loss by the total number of loans in each category, loans greater than \$100,000 average \$5,498 of loss per loan while loans less than \$100,000 average \$98 per loan.

Losses cannot be completely eliminated by a regulation because poor quality appraisals are not the sole cause of real estate loan losses. Unexpected declines in local real estate values, inadequate underwriting standards and deficient credit analyses continue as major causes for real estate charge-offs. For loans less than \$100,000, it is probable that any reduction in average loss per loan that could be achieved through the appraisal regulation would be less than the cost of requiring an appraisal that met all the regulatory requirements.

In addition, transactions below the threshold continue to be subject to active federal supervision. Any transaction not covered by the regulation would be supported by an appropriate estimate of value prepared in accordance with FDIC guidelines.

In March 1992, the FDIC amended Part 323 of its regulations governing real estate appraisals to increase the threshold level for both commercial and residential real estate loans to \$100,000 and to exempt certain other transactions. The FDIC Board of Directors has made a cost-benefit judgment that all of the technicalities of a regulation and particularly the fear of the potential sanctions are not needed for real estate loans under \$100,000 and that traditional general rules of competence and bank safety and soundness are sufficient.

**FSLIC RESOLUTION FUND**

**FY 1993  
Explanatory Information**

**FEBRUARY 1992**

## Foreword

This document is provided as a tool for the House and Senate Appropriation Committees to use in understanding the complexities of the FSLIC Resolution Fund (FRF). This document is provided as supplemental information to the FY 1993 Budget of the U.S. Government which requested a FRF appropriation of \$6.772 billion for the period.

As the reader reviews this document it is important to recognize that actions to execute the FY 1993, the current and past FRF appropriations occur simultaneously in two separate agencies, the FDIC and the RTC. Although the FDIC has management responsibility for obtaining and accounting for the FRF, FIRREA gave the RTC the authority to renegotiate the major assistance agreements (a.k.a. the 1988-89 deals) that consume the majority of the FRF budget authority. The RTC serves as the FDIC's "agent" in managing the day to day aspects of those agreements. The FDIC's role, in addition to accounting and budgeting for the FRF, is to liquidate the residual assets of the FSLIC and to maximize recoveries. The carrying value of those assets was approximately \$9 billion at the end of calendar year 1991. The FDIC and RTC accounting groups maintain close liaison to ensure that no obligation in excess of available funding occurs.

This document is divided into three parts. The first part (sections 3-5) provides general information about the FRF and clarifies some of the numbers contained within the President's 1993 budget. The second part (sections 6-8) provides summary accounting information on the assets being liquidated by the FDIC Division of Liquidation. The third part (sections 9-13) addresses the organization and the work of the RTC in the management and renegotiation of the FRF assistance agreements.

As mentioned above, the FRF is a complex appropriation and the work it provides for is expensive, far reaching, time consuming and subject to change (particularly the assistance agreement renegotiation process) in many ways. In your review of the FY 1993 request you may have questions. These should be directed to either Alice Goodman at the FDIC Office of Legislative Affairs (898-8730) or Russ Cherry at the FDIC Office of Budget and Corporate Planning (898-6575).



## CONTENTS

**SECTION**

- 1 Foreword
- 2 Contents
- 3 FRF Legislative Authority  
(This section outlines the legislation and amendments that created the FRF and authorize its existence.)
- 4 Account Clarifications  
(This section highlights and explains selected elements of the FY 93 FRF request contained in the President's budget.)
- 5 Benefits to the Tappayer  
(This section discusses the necessity for a yearly FRF appropriation of a size adequate to meet payment schedules for obligations coming due as well as funding to renegotiate or prepay financial obligations of the FRF to the extent that they reduce the overall cost to the fund.)
6. FRF Assets in Liquidation - Category  
(This section contains a table highlighting the category and year end balances of FRF assets being liquidated by the FDIC Division of Liquidation.)
7. FRF Assets in Liquidation - Institution  
(This section contains a table highlighting the the financial institution balances at year end of FRF assets being liquidated by the FDIC Division of Liquidation.)

8. **FRF Asset Collections For 1991**

(This section highlights FDIC collections on FRF assets by institution and by calendar quarter during 1991. It is followed by a table matching financial institution numbers (FIN) to the name of the institution.)

9. **FRF Assistance Agreement Management**

(This section explains the RTC organizational structure as it relates to the management of the assistance agreements requiring FRF appropriated funding.)

10. **Mission Statement and Policy Guidance**

(This section contains specific guidance from the FDIC Board of Directors to the RTC for executing their role as FDIC agents/managers of the FRF assistance agreements.)

11. **RTC Program Activity**

(This section describes the 1991 and current activities of the RTC as managers of the FRF assistance agreements.)

12. **Status Report on the 1988-89 FSLIC Assistance Agreements**

(This section provides a narrative discussion and a financial summary of the assistance agreement status at the end of calendar year 1991 as well as insight into future actions planned.)

13. **RTC - FRF Assistance Transaction Summary**

(This section identifies the size of each assistance transaction at takeover and provides current status measures and projected additional cost to FRF as of 9/30/91.)

FSLIC RESOLUTION FUND  
LEGISLATIVE AUTHORITY

By amending the Federal Deposit Insurance Act, Section 215 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 established a separate FSLIC Resolution Fund (FRF) to be managed by the Federal Deposit Insurance Corporation (Section 11A of the FDI Act and 12 USC 1821A).

Section 11A(a)(2) transfers all of the assets and liabilities of the FSLIC on the day before enactment, August 9, 1989, to the FSLIC Resolution Fund. Further, Section 11A(a)(3) requires that the FSLIC Resolution Fund (FRF) be separate and not commingled with the assets and liabilities of the Bank Insurance Fund and the Savings Association Insurance Fund for accounting, reporting and any other purposes.

Section 11A(b) of the FDI Act, as amended by the "Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991" (P.L. 102-233) lists the sources of funds for the FRF on a priority basis. The sources are: 1) income earned on FRF assets; 2) liquidating payments and payments made on claims received by the FRF from receiverships to the extent such funds are not required by the Resolution Funding Corporation; and 4) until December 31, 1992, any amounts of Savings Association Insurance Fund Assessments not required by the Financing Corporation or by the Resolution Trust Corporation. Section 11A(c) provides that if the amounts described in subsections (a) and (b) are insufficient to satisfy the liabilities of the FRF, the Secretary of the Treasury shall pay to the fund such amounts as may be necessary as determined by the Secretary. Further, Section 11A(c) authorizes to be appropriated to the Secretary of the Treasury, without fiscal year limitation, such sums as may be necessary.

Section 11A(d) limits any judgment from a legal proceeding against the FRF to FRF assets. Section 11A(e) requires the FRF to transfer any net proceeds from the sale of assets acquired from the Resolution Trust Corporation (RTC) to the Resolution Funding Corporation upon the termination of the RTC. Section 11A(f) provides that the FRF shall be dissolved upon satisfaction of all debts and liabilities and the sale of all assets. Further, it provides that any remaining funds be paid into the Treasury and that any administrative facilities and supplies be transferred to the FDIC for use as assets of the Savings Association Insurance Fund.

ACCOUNT CLARIFICATIONS  
FY 1993 BUDGET (APPENDIX) SCHEDULES  
SUMMARY OF SIGNIFICANT CHANGES  
FEDERAL DEPOSIT INSURANCE CORPORATION  
FSLIC RESOLUTION FUND (FRF)

**PROGRAM AND FINANCING:**

**Operating Expenses** - This category includes Administrative expenses, Object Classification 11.1 through 44.0. The decline in administrative expenses after FY 1992 is due to the reduction in other outside services, primarily other professional services, and the termination, September 30, 1992, of FRF's responsibility, for funding the administrative expenses, approximately \$48 million, of SAVINGS ASSOCIATION INSURANCE FUND (SAIF).

**Capital Investment** - The increase from 1992 to \$7.9 billion in FY 1993 is primarily due to the prepayment of New West intercompany note. OMB and the RTC now feel that there is a reasonable probability that this transaction will not occur in FY 1992 as had been anticipated. The majority of the 1992 and remaining 1993 balance represents payment for accelerated settlement of five failed thrift institutions that were placed in interim settlement status ("stabilized") by the former Federal Home Loan Bank Board in 1988. Principal among these institutions is Sunbelt Savings, Federal Savings Bank of Dallas, Texas. Informationally, \$16 million of this \$7.9 billion is for the repayment of pre-fiscal year 1987 FSLIC promissory notes that were not scored as budgetary outlays at the time they were issued.

The 1993 capital investment of \$7.9 also represents claim payments on 138 assistance agreements and repayment of pre-fiscal year 1987 promissory notes.

**Unobligated Balance Expiring** - Due to the uncertainty of the New West item described above, OMB feels it likely that \$5.6 billion of the FY 1992 appropriation may expire at year end. The FY 93 request reflects this uncertainty.

**Redemption of Debt** - Reflects the retirement and estimated principal amount of post-fiscal year 1986 FSLIC promissory notes.

**Portion Applied to Debt Reduction** - Cost-saving, accelerated payments such as asset write-downs and asset purchases resulting from efforts to restructure the assistance agreement obligations incurred in prior years. The \$6.4 billion in 1992 is the balance of previously scored assistance obligations with the remaining 1992 and future years' outlays for assistance agreements being shown as capital investment obligations in the year of the cash outlay.

**Adjustments to Budget Authority and Outlays** - Non-federal sources

of funds include: (1) other receipts such as recoveries from litigation and forfeitures of deposits; (2) corporate assets include sales of assets owned outright by the FSLIC Resolution Fund and not by a specific receivership; and (3) liquidation collections/dividends are receipts coming to the fund from the proceeds of the sale of assets owned by the receiverships in which we participate. At year end 1991 the book value of the assets comprising the source of items (2) and (3) was approximately \$8.9 billion.

Insurance Assessments - Savings Association Insurance Fund (SAIF) insurance premiums coming to FRF. The proceeds are net of payments for Financing Corporation (FICO) bonds interest expense, principal payments on Resolution Funding Corporation (REFCORP) bonds, repayment of FSLIC's Secondary Reserve and SAIF administrative and operating expenses. After FY 1992, all net insurance premiums go to SAIF.

Outlays (net) - The outlays are below the appropriated amounts because the promissory notes scheduled for prepayment this fiscal year were scored as budgetary outlays when issued in prior years.

#### OBJECT CLASS ANALYSIS:

The expenses reported in the object class analysis are presented gross. An estimated 70% of all direct expenses are charged back to, and recoverable from, receiverships. The recovery amount is reported as refunds in object classification 44. The Savings Association Insurance Fund administrative expenses of \$48 and \$47 million, for fiscal years 1992 and 1991 respectively, are included in the undistributed object classification #92.

#### OBJECT CLASS

- 11.0 Personnel compensation as a whole will remain essentially static through 1992, with a 13 per cent decrease in 1993. The savings from the replacement of career FRF employees with temporary non-career staff will partially be offset by projected cost of living increases.  
FY 1991: \$72 million; FY 1992: \$74 million; FY 1993: \$67 million
- 12.0 Personnel benefits are projected to rise by 2 to 3 percent. Although this is a composite calculation, the drivers are health insurance and FERS increases, offset slightly by an expected 13 per cent decline in career staffing and the anticipated replacement with staff at less expensive field locations.  
FY 1991: \$15 million; FY 1992: \$15 million; FY 1993: \$14 million
- 21.0 Travel and transportation of persons declines by nearly

14% in FY 1993. The primary element of travel is for asset inspection and contractors conferences, which will continue to decline due to program maturity, prepayment/re negotiations of 1988 deals and overall staff reductions.

FY 1991: \$4.2 million; FY 1992: \$4.3 million; FY 1993: \$3.7 million

- 23.2 Rental payments, communications and utilities represent the cost of equipping staff, the sizeable cost of supporting liquidators nationwide, disposing of receivership and corporate owned assets and SAIF examiners (in 1991 and 1992) examining savings associations. Utilities, phone and postage/shipping follow the same general support pattern as rent.

FY 1991: \$18.2 million; FY 1992: \$18.8 million; FY 1993: \$19.1 million

- 24.0 Printing and reproduction expenses for reports to external reviewers reflect inflation's effect on printing supplies and the continued distribution of sales literature, contract documentation and status reports. The decrease in 1993 is a result of program maturity and prepayment renegotiation of 1988 deals.

FY 1991: \$175 thousand; FY 1992: \$180 thousand; FY 1993: \$170 thousand

- 25.0 Other services continue to be the largest single object classification of the FRF. For 1992 we estimate the direct charges for this object class to include \$8.101 million for outside legal fees and services, \$1.163 million for accounting services, \$115 thousand for systems analysis and computer services, \$14.104 million for a combination of asset maintenance and sales fees, commissions, management contracts and appraisals and another \$181 thousand is estimated for advertising. The balance driven from a variety of FDIC apportioned overhead items. In reviewing this account, it's again important to recognize that these outyear estimates are driven by historic FRF shares of expense categories for the entire FDIC. The revenue items in the budget for corporate asset sales and liquidation collections/dividends are achievable at their magnitude due to many of these expenses.

FY 1991: \$42.7 million; FY 1992: \$53.3 million; FY 1993: \$24.7 million

- 26.0/31.0 The categories of supplies, equipment and land decline from 1991 due to maturity of the program, the need for fewer one-time and start-up purchases and the reconcentration of staff at less expensive sites.

FY 1991: \$14.4 million; FY 1992: \$14.8 million; FY 1993: \$15.1

## 53. OTHER INDEPENDENT AGENCIES

SAVINGS ASSOCIATION INSURANCE—Continued  
Federal Funds—Continued

Appendix One-963

## Object Classification (in thousands of dollars)

| classification code | 51-4065-6-3-373     | 1991 actual | 1992 est.  | 1993 est. |
|---------------------|---------------------|-------------|------------|-----------|
| 11.1                | Full-time personnel |             |            | 50,000    |
| 92.0                | Undistributed       | 81,265,709  | 85,082,262 |           |
| 99.9                | Total obligations   | 81,265,709  | 85,132,262 |           |

## FSLIC Resolution Fund

For payment of expenditures, in fiscal year [1992] 1993, of the FSLIC Resolution Fund, for which other funds available to the FSLIC Resolution Fund as authorized by Public Law 101-73 are insufficient, [815,876,000,000,] such sums as may be necessary, (Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993.)

## Program and Financing (in thousands of dollars)

| classification code    | 51-4065-6-3-373    | 1991 actual | 1992 est. | 1993 est. |
|------------------------|--------------------|-------------|-----------|-----------|
| Program by activities: |                    |             |           |           |
| 20.01                  | Operating expenses | 90,363      | 102,982   | 37,488    |
| 20.02                  | Capital investment | 3,299,565   | 3,184,581 | 7,895,529 |
| 10.00                  | Total obligations  | 3,299,928   | 3,287,463 | 7,933,000 |

|            |  |            |            |           |
|------------|--|------------|------------|-----------|
| Financing: |  |            |            |           |
| 21.90      | Unobligated balance available, start of year |            |            | -500,000  |
| 21.91      | U.S. securities, Per value                   | -696,393   | -932,199   |           |
| 24.90      | Unobligated balance available, end of year   |            |            | 500,000   |
| 24.91      | U.S. securities, Per value                   | 932,199    | 5,628,199  |           |
| 25.00      | Unobligated balance expiring                 |            | 3,651,900  | 389,000   |
| 31.00      | Redemption of debt                           | 13,215,000 |            |           |
| 30.00      | Budget authority (gross)                     | 16,750,734 | 12,134,483 | 8,322,000 |

|                   |                                   |            |            |           |
|-------------------|-----------------------------------|------------|------------|-----------|
| Budget authority: |                                   |            |            |           |
| Current:          |                                   |            |            |           |
| 40.00             | Appropriation                     | 22,000,000 | 15,067,000 | 6,772,000 |
| 40.07             | Portion applied to debt reduction | -8,913,268 | -6,408,517 |           |
| 43.00             | Appropriation (total)             | 13,086,732 | 9,658,483  | 6,772,000 |

|            |  |           |           |           |
|------------|--|-----------|-----------|-----------|
| Permanent: |  |           |           |           |
| 40.00      | Spending authority from offsetting collections (new) | 3,664,000 | 2,676,000 | 1,550,000 |

|   |   |            |           |           |
|---|---|------------|-----------|-----------|
| Reconciliation of obligations to outlays: |   |            |           |           |
| 71.00                                     | Total obligations                           | 3,299,928  | 3,287,463 | 7,933,000 |
| 72.07                                     | Obligated balance available, start of year: |            |           |           |
| 72.01                                     | Authority to borrow                         | 15,122,787 | 6,401,665 |           |
| 72.01                                     | U.S. securities, Per value                  | 265,996    | 6,852     |           |
| 74.07                                     | Obligated balance available, end of year:   |            |           |           |
| 74.01                                     | Authority to borrow                         | -6,401,665 |           |           |
| 74.01                                     | U.S. securities, Per value                  | -6,852     |           |           |
| 97.00                                     | Outlays (gross)                             | 12,228,194 | 9,866,000 | 7,933,000 |

|  |   |            |            |            |
|--|---|------------|------------|------------|
| Adjustments to budget authority and outlays: |   |            |            |            |
| Deductions for offsetting collections:       |   |            |            |            |
| 80.20  | Federal funds, interest on Treasury securities, non-Federal sources | -34,000    | -40,000    | -34,000    |
| 80.40  | Other receipts  | -378,000   | -264,000   | -264,000   |
| 80.40  | Corporate assets  | -424,000   | -388,000   | -292,000   |
| 80.40  | Liquidation collections/dividends                                   | -1,677,000 | -1,110,000 | -960,000   |
| 80.40  | Insurance assessments   | -1,151,000 | -873,000   |            |
| 80.90  | Total, offsetting collections                                       | -3,664,000 | -2,676,000 | -1,550,000 |
| 89.00  | Budget authority (net)  | 13,086,734 | 9,458,483  | 6,772,000  |
| 90.00  | Outlays (net)   | 8,556,194  | 7,020,000  | 6,383,000  |

## Status of Direct Loans (in thousands of dollars)

| classification code                              | 51-4065-6-3-373                                | 1991 actual | 1992 est. | 1993 est. |
|--|--|-------------|-----------|-----------|
| Cumulative balances of direct loans outstanding: |  |             |           |           |
| 1210   | Outstanding, start of year                     | 1,808,084   | 922,001   | 922,001   |
| 1264   | Write-offs for default, other adjustments, net | -888,383    |           |           |
| 1290   | Outstanding, end of year                       | 922,001     | 922,001   | 922,001   |

## Status of Guaranteed Loans (in thousands of dollars)

| classification code                                  | 51-4065-6-3-373                     | 1991 actual | 1992 est. | 1993 est. |
|--|-------------------------------------|-------------|-----------|-----------|
| Cumulative balances of guaranteed loans outstanding: |                                     |             |           |           |
| 2210   | Outstanding, start of year          | 304,000     |           |           |
| 2264   | Adjustments, Other adjustments, net | -304,000    |           |           |

The FSLIC Resolution Fund (FRF) is the successor to FSLIC assets and liabilities from resolved cases. The Resolution Trust Corporation (RTC), assumes responsibility for the FSLIC's unresolved cases.

Funds for FRF operations come from: income earned on its assets; liquidation proceeds from receiverships established prior to January 1, 1989; the proceeds of the sale of bonds by the Financing Corporation; and a portion of insurance premiums paid by SAIF members. The Act authorizes appropriations to make up any shortfall. FRF will terminate upon the disposition of all its assets, and any net proceeds would be paid to the Treasury.

The estimate for 1992 assumes the FSLIC Resolution Fund will complete the bulk of restructuring agreements, thereby significantly reducing outlays in 1993 and beyond.

## Revenue and Expense (in thousands of dollars)

| classification code | 51-4065-6-3-373                                       | 1991 actual | 1992 est.  | 1993 est.  |
|---------------------|---|-------------|------------|------------|
| 0101                | Income from U.S. securities                           | 32,310      | 40,000     | 34,200     |
| 0101                | Insurance assessments                                 | 908,700     | 873,000    |            |
| 0101                | Other revenue   | 286,237     | 195,000    | 146,200    |
| 0102                | Administrative and operating expenses                 | -116,307    | -102,982   | -171,190   |
| 0102                | Expenses incurred in protecting depositors in thrifts | -3,183,621  | -8,171,581 | -2,908,519 |
| 0109                | Net loss  | -2,074,873  | -7,766,483 | -2,766,200 |
| 0191                | Subtotal, revenue                                     | 1,225,255   | 1,108,000  | 80,200     |
| 0192                | Subtotal, expenses                                    | -3,299,928  | -8,274,481 | -3,146,200 |

## Financial Condition (in thousands of dollars)

| classification code                  | 51-4065-6-3-373                               | 1990 actual | 1991 actual | 1992 est. | 1993 est. |
|--------------------------------------|---|-------------|-------------|-----------|-----------|
| Assets:                              |   |             |             |           |           |
| Fund balance with Treasury and cash: |   |             |             |           |           |
| 1000                                 | Fund balance with Treasury                    |             | 324,851     | 500,000   | -90,200   |
| 1010                                 | Cash  | 178,906     | 48,271      | 49,173    | 49,173    |
| 1099                                 | Subtotal, fund balance with Treasury and cash | 178,906     | 373,122     | 549,173   | 549,173   |
| 1110                                 | Accounts receivable, Public investments:      |             |             |           |           |
| 1400                                 | Treasury securities, per                      | 902,380     | 939,951     |           |           |
| 1450                                 | Other   | 563,685     |             |           |           |
| 1499                                 | Subtotal, investments                         | 1,466,074   | 939,951     |           |           |
| 1740                                 | Other assets, Other                           | 6,631,748   | 3,295,537   | 2,847,537 | 344,522   |
| 1799                                 | Subtotal, other assets                        | 6,631,748   | 3,295,537   | 2,847,537 | 344,522   |
| 1999                                 | Total assets                                  | 8,717,518   | 5,223,863   | 3,078,843 | 414,148   |
| Liabilities:                         |   |             |             |           |           |
| Accounts payable:                    |   |             |             |           |           |
| 2000                                 | Federal agencies                              |             | 21,251      | 21,251    | 21,251    |
| 2010                                 | Public  | 50,136      | 768,790     | 347,692   | 49,173    |
| 2099                                 | Subtotal, accounts payable                    | 50,136      | 790,041     | 368,943   | 70,424    |
| Other liabilities:                   |   |             |             |           |           |
| 2810                                 | Notes issued after FY 1988                    | 20,344,700  | 6,076,813   | 2,475,813 | 176,813   |
| 2810                                 | Other notes payable                           | 240,576     | 736,535     | 720,535   | 24,125    |
| 2810                                 | Estimated loss allowances                     | 13,916,589  | 9,702,814   | 3,118,814 | 1,138,414 |
| 2810                                 | Other liabilities                             |             | 2,929,623   | 2,929,623 | 8         |
| 2899                                 | Subtotal, other liabilities                   | 34,501,871  | 19,445,785  | 6,344,985 | 1,169,357 |
| 2999                                 | Total liabilities                             | 34,552,007  | 20,235,826  | 9,363,768 | 1,240,171 |

## Appendix One-964

SOURCES: APPROPRIATIONS INFORMATION—Continued  
Federal Funds—Continued

THE BUDGET FOR FISCAL YEAR 1993

## Public enterprise funds—Continued

## FSLIC Resolution Funds—Continued

## Financial Condition (in thousands of dollars)—Continued

| Classification code 51-4065-0-3-373   | 1991 actual | 1991 est.   | 1992 est.  | 1993 est. |
|---------------------------------------|-------------|-------------|------------|-----------|
| <b>Equity</b>                         |             |             |            |           |
| Resolving fund equity                 |             |             |            |           |
| Unallocated balance                   | 1,106,374   | 932,199     | 500,000    | 500,000   |
| Invested capital and loans            | -25,942,863 | -15,944,162 | -6,184,865 | -295,343  |
| 3290 Subtotal, resolving fund balance | -25,834,489 | -15,011,963 | -5,684,865 | 204,656   |
| 3999 Total equity                     | -25,834,489 | -15,011,963 | -5,684,865 | 204,656   |

## Object Classification (in thousands of dollars)

| Classification code 51-4065-0-3-373              | 1991 actual | 1992 est. | 1993 est. |
|--|-------------|-----------|-----------|
| 11.1 Personnel compensation: Full-time permanent | 72,368      | 74,168    | 67,493    |
| 12.1 Civilian personnel benefits                 | 14,866      | 15,232    | 13,829    |
| 21.0 Travel and transportation of persons        | 4,154       | 4,256     | 3,662     |
| 22.0 Transportation of things                    | 77          | 80        | 82        |
| 23.2 Rental payments to others                   | 18,217      | 18,250    | 19,064    |
| 24.0 Printing and reproduction                   | 175         | 180       | 170       |
| 25.0 Other services                              | 42,651      | 53,328    | 24,718    |
| 26.0 Supplies and materials                      | 2,871       | 2,958     | 2,999     |
| 31.0 Government                                  | 11,518      | 11,865    | 12,173    |
| 32.0 Land and structures                         | 390         | 314       | 325       |
| 43.0 Interest and dividends                      | 9           | 13        | 14        |
| 44.0 Refunds                                     | -124,124    | -127,000  | -107,000  |
| 52.0 Undistributed                               | 3,254,753   | 3,233,344 | 7,895,520 |
| 99.9 Total obligations                           | 3,299,928   | 3,287,483 | 7,933,000 |

## Personnel Summary

|  |     |     |     |
|--|-----|-----|-----|
| Total compensated workers: Full-time equivalent employment | 826 | 927 | 848 |
|--|-----|-----|-----|

## FEDERAL ELECTION COMMISSION

## Federal Funds

## General and special funds:

## SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, as amended; [\$18,808,000] \$21,031,000, of which not to exceed \$5,000 shall be available for reception and representation expenses. (Independent Agencies Appropriations Act, 1992.)

## Program and Financing (in thousands of dollars)

| Classification code 95-1600-0-1-000             | 1991 actual | 1992 est. | 1993 est. |
|---|-------------|-----------|-----------|
| <b>Program by activities</b>                    |             |           |           |
| 10.00 Total obligations                         | 17,142      | 18,795    | 21,031    |
| <b>Financing</b>                                |             |           |           |
| 25.00 Unallocated balance carrying              | 0           | 13        |           |
| 40.00 Budget authority (appropriations)         | 17,139      | 18,880    | 21,031    |
| <b>Reconciliation of obligations to outlays</b> |             |           |           |
| 71.00 Total obligations                         | 17,142      | 18,795    | 21,031    |
| 72.00 Obligated balances, end of year           | 1,616       | 2,151     | 2,948     |
| 74.00 Obligated balances, end of year           | -7,151      | -2,948    | -1,852    |
| 77.00 Adjustments in reported accounts          | -15         |           |           |
| 99.00 Outlays                                   | 16,766      | 18,880    | 20,119    |

Note.—The obligated balance carrying at 1992 represents the amount available for obligation payment to match 525a of the Federal Election Campaign Act and General Government Appropriations Act, 1992.

The Commission administers the disclosure of campaign finance information, enforces limitations on contributions and expenditures, supervises the public funding of Presidential

elections, and performs other tasks related to Federal elections.

The Commission is authorized to submit budget estimates to the President and concurrently to Congress.

## Object Classification (in thousands of dollars)

| Classification code 95-1600-0-1-000                    | 1991 actual | 1992 est. | 1993 est. |
|--|-------------|-----------|-----------|
| <b>Personnel compensation:</b>                         |             |           |           |
| 11.1 Full-time permanent                               | 10,063      | 11,077    | 11,818    |
| 11.2 Other than full-time permanent                    | 71          | 152       | 36        |
| 11.5 Other personnel compensation                      | 133         | 115       | 30        |
| 11.8 Special pay and services payments                 | 1           | 2         | 5         |
| 11.9 Total personnel compensation                      | 10,268      | 11,346    | 11,889    |
| 12.1 Civilian personnel benefits                       | 1,960       | 2,191     | 2,122     |
| 13.0 Benefits for former personnel                     | 6           | 10        | 25        |
| 21.0 Travel and transportation of persons              | 214         | 235       | 284       |
| 22.0 Transportation of things                          | 5           | 5         | 5         |
| 23.2 Rental payments to others                         | 1,751       | 1,918     | 2,122     |
| 23.3 Communications, postage, and reproduction charges | 549         | 764       | 99        |
| 24.0 Printing and reproduction                         | 317         | 420       | 416       |
| 25.0 Other services                                    | 1,107       | 1,117     | 1,115     |
| 26.0 Supplies and materials                            | 386         | 406       | 412       |
| 31.0 Government  | 413         | 338       | 393       |
| 99.9 Total obligations                                 | 17,142      | 18,795    | 21,031    |

## Personnel Summary

|  |     |     |     |
|--|-----|-----|-----|
| Total compensated workers: Full-time equivalent employment | 254 | 256 | 276 |
|--|-----|-----|-----|

## FEDERAL EMERGENCY MANAGEMENT AGENCY

## Federal Funds

## General and special funds:

## DISASTER RELIEF

For necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), [\$185,000,000] \$222,095,000, of which not to exceed \$541,000] \$30,000,000 are available for hazard mitigation grants under section 404 of the Act in FY 1993, and of which not to exceed \$95,000 may be transferred to the Disaster Assistance Direct Loan Program account for administrative expenses and subsidies for direct loans provided under Section 319 of such Act, to remain available until expended. (Departments of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriation Act, 1992.)

[For emergency disaster assistance payments necessary to provide for expenses in presidentially-declared disasters under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, an additional amount for "Disaster relief" \$948,000,000, to remain available until expended, of which \$143,000,000 shall be available only after submission to the Congress of a formal budget request by the President designating the \$143,000,000 as an emergency. Provided, That up to \$1,250,000 of the funds made available under this heading may be transferred to, and merged with, amounts made available to the Federal Emergency Management Agency under the heading "Salaries and expenses" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992 (Public Law 102-139): Provided further, That hereafter beginning in fiscal year 1993, and in each year thereafter, notwithstanding any other provision of law, all amounts appropriated for disaster assistance payments under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) that are in excess of either the historical annual average obligation—\$320,000,000, or the amount submitted in the President's initial budget request, whichever is lower, shall be considered as "emergency requirements" pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985, and such amounts shall hereafter be so designated.] (Disaster Emergency Supplemental Appropriations Act, 1991.)



**BENEFITS TO THE TAXPAYER**

Appropriations to the FSLIC Resolution Fund (FRF) allow the FRF, which is the legislatively created mechanism for resolving the outstanding liabilities of the former FSLIC, to meet its contractual obligations. These obligations consist of: 1) promissory notes, generally in the amount of the aggregate negative net worth of the acquired institutions, with interest thereon; and 2) various forms of financial assistance provided under the terms of the assistance agreements. The major categories of assistance and amounts paid to date for each, by institution, are contained in the Report of Assistance Transactions provided later in this report.

Available funds which exceed the basic annual contractual ("maintenance") obligations under the notes and agreements are, and will continue to be, used for two specific purposes: 1) to exercise existing contractual provisions allowing for the prepayment of notes and the write-down and repurchase of covered assets; and 2) as leverage to renegotiate the terms of certain agreements to achieve for the FRF more favorable guaranteed rates, enhanced disposition incentives, an increased share of tax benefits (should they still be available), and the modification of other terms which will reduce costs.

The primary benefit to the taxpayers of meeting and minimizing costs to the FRF derives from the private sector confidence in the government that is generated when the government is perceived as being committed to meeting its contractual obligations. To the extent the government is perceived as being committed to meeting its obligations, confidence in the government and in the banking system is promoted. These obligations include: those arising under the financial assistance agreements; the continuing obligation to depositors of Federally insured, insolvent financial institutions; and those resulting from any other contractual arrangement in which the Federal government is a party -- including all FDIC and RTC arrangements to dispose of insolvent financial institutions and their assets.

To the extent the government is perceived as lacking the commitment and/or wherewithal to meet its contractual obligations in these and other areas, confidence in the government will wane resulting in a number of closely related and detrimental consequences. First, private industry will be increasingly reluctant to do business with the FDIC or RTC. This will mean that disposing of failed financial institutions and their assets will become increasingly difficult. Second, as the sale of failed financial institutions and their assets becomes more difficult, the incidence of liquidations and reduced market value will rise. As liquidations rise, the premiums received for the sale of core deposits, branches, and

franchise value will decrease and the immediate need for cash with which to pay off insured depositors will increase. As asset market values decrease, losses will mount. Third, as the premiums the FDIC and RTC receive for the sale of failed financial institutions and the market value they receive for assets decrease, the cost to the taxpayers goes up. Every dollar that can be recovered in the sales process is a dollar the taxpayers will not have to provide.

Thus, the relative success or failure of the FDIC and RTC in selling failed financial institutions and their assets bears directly on whether the loss imbedded in these insolvent institutions will be exacerbated and on how much of that loss will be borne by the taxpayers. To the extent that this sales process is hindered because private industry does not trust the government to abide by the terms of the contractual arrangements it enters into, costs will rise and additional funding -- whether in the form of increased insurance assessments and loans from the industry in the case of the FDIC, or in the form of increased appropriations in the case of the RTC -- will be needed. It has already been publicly postulated that the contractual terms offered by the government for disposing of failed institutions and their assets will have to become increasingly generous to buyers (see American Banker, "RTC and FDIC Find a Buyer's Market for Failed Institutions," March 27, 1991).

In addition, a perceived lack of government commitment to its lawful obligations could generally increase the government's cost of borrowing thus increasing the deficit and further exacerbating the confidence problem and placing increased strain on the economy.

**FEDERAL DEPOSIT INSURANCE CORPORATION  
DIVISION OF ACCOUNTING & CORPORATE SERVICES  
ASSETS IN LIQUIDATION – FSLIC RESOLUTION FUND**

| <b>TYPE</b>              | <b>ASSETS IN<br/>LIQUIDATION<br/>01/01/90</b> | <b>ASSETS IN<br/>LIQUIDATION<br/>01/01/91</b> | <b>ASSETS IN<br/>LIQUIDATION<br/>01/01/92</b> |
|--------------------------|---|---|---|
| <b>LOANS</b>             | <b>1,533,960,002</b>                          | <b>854,419,642</b>                            | <b>1,273,100</b>                              |
| <b>SECURITIES</b>        | <b>299,932,007</b>                            | <b>254,173,914</b>                            | <b>162,877</b>                                |
| <b>MORTGAGES</b>         | <b>5,654,002,618</b>                          | <b>6,697,112,198</b>                          | <b>3,134,713</b>                              |
| <b>OWNED ASSETS</b>      | <b>4,338,799,955</b>                          | <b>3,233,185,345</b>                          | <b>2,261,034</b>                              |
| <b>OTHER / JUDGMENTS</b> | <b>2,571,811,477</b>                          | <b>1,834,006,296</b>                          | <b>1,473,282</b>                              |
| <b>BOWEST **</b>         | <b>0</b>                                      | <b>0</b>                                      | <b>587,357</b>                                |
| <b>TOTAL</b>             | <b>14,398,506,939</b>                         | <b>12,872,977,395</b>                         | <b>8,892,443</b>                              |

\*\* BOWEST services performing mortgages that were previously contained in the mortgage line.

**FRF ASSETS IN LIQUIDATION - INSTITUTION**

The following pages highlight the 1990 - 1992 starting asset balances of FRF receiverships. In cases where asset balances grow, rather than decline, from year to year either a "put back" has occurred or an assistance agreement has been terminated.

As part of the FSLIC asset sales process the acquirers of FRF assets were sometimes given extended periods of time to put back assets to the receivership for a variety of contractually specified reasons. When assistance agreements are terminated, as we have been trying to do for the last year, unsold assets return to the FDIC for subsequent sales efforts. In this way no additional guaranteed yield payment from FRF is required while the asset sits in inventory awaiting sale.

**FEDERAL DEPOSIT INSURANCE CORPORATION  
DIVISION OF ACCOUNTING & CORPORATE SERVICES  
ASSETS IN LIQUIDATION - FSLIC RESOLUTION FUND**

| PIN  | INSTITUTION                       | ASSETS IN<br>LIQUIDATION<br>01/01/90 | ASSETS IN<br>LIQUIDATION<br>01/01/91 | ASSETS IN<br>LIQUIDATION<br>01/01/92 |
|------|-----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 7603 | PACIFIC SW                        | 126,736,890                          | 150,314,038                          | 87,293,894                           |
| 7604 | RANCHERS                          | 24,144,481                           | 19,813,120                           | 7,919,259                            |
| 7605 | AM FED/OHIO VALLEY                | 102,291,425                          | 96,269,386                           | 48,499,364                           |
| 7606 | NULONBY                           | 117,733,754                          | 112,026,916                          | 53,579,472                           |
| 7607 | FRANKLIN FEDERAL                  | 175,381,475                          | 179,815,370                          | 112,682,958                          |
| 7608 | FIRST NATIONAL                    | 55,797,090                           | 54,853,696                           | 23,624,370                           |
| 7609 | HIGHTS PO TEXAS, SSB              | 0                                    | 32,561,294                           | 19,114,626                           |
| 7650 | TERMINATED RECEIVERSHIPS - DALLAS | 0                                    | 33,000                               | 39,187                               |
| 7651 | COLUMBUS                          | 0                                    | 0                                    | 4,756,182                            |
| 7652 | WESTERN FEDERAL                   | 0                                    | 0                                    | 12,258,786                           |
| 7653 | FIRST FEDERAL                     | 0                                    | 0                                    | 849,368                              |
| 7654 | LONG ISLAND SB                    | 0                                    | 0                                    | 42,720,193                           |
| 7655 | MIDWEST FEDERAL                   | 0                                    | 0                                    | 256,329                              |
| 7656 | SECURITY FEDERAL                  | 0                                    | 0                                    | 168,073                              |
| 7657 | CITICORP                          | 0                                    | 0                                    | 17,143,867                           |
| 7660 | MAGIC VALLEY                      | 0                                    | 0                                    | 344,149                              |
| 7661 | FIRST FEDERAL - ROANOKE           | 0                                    | 0                                    | 6,235,283                            |
| 7662 | STANDARD FEDERAL                  | 0                                    | 0                                    | 1,390,866                            |
| 7663 | FIRST FSLA - RAPID CITY           | 0                                    | 0                                    | 10,730                               |
| 7664 | HANSEN SB                         | 0                                    | 0                                    | 0                                    |
| 7665 | FIRST FEDERAL                     | 0                                    | 0                                    | 0                                    |
| 7667 | EUREKA                            | 0                                    | 0                                    | 8,170,310                            |
| 7668 | FIRST FEDERAL CHICAGO             | 0                                    | 0                                    | 921,144                              |
| 7669 | FIDELITY                          | 0                                    | 0                                    | 14,215,335                           |
| 7670 | AMERICAN FEDERAL                  | 0                                    | 0                                    | 250,000                              |
| 7671 | MARINER FEDERAL                   | 0                                    | 0                                    | 6,155,077                            |
| 7672 | TRANSOHIO                         | 0                                    | 0                                    | 0                                    |
| 6932 | CARVER SLA                        | 279,639,675                          | 135,722,807                          | 65,425,440                           |
| 6933 | MANHATTAN BEACH SAVINGS           | 34,773,608                           | 23,683,345                           | 11,490,373                           |
| 6934 | SIGNAL SLA                        | 55,768,043                           | 38,795,520                           | 25,711,884                           |
| 7502 | VALLEY FIRST/HOME FSLA            | 648,213                              | (7,513)                              | 0                                    |
| 7506 | STATH OF CLOVIS                   | 26,884,431                           | 23,280,870                           | 13,864,660                           |
| 7514 | SAN MARION/HOME OF TUCSON         | 151,702,730                          | 144,701,813                          | 121,723,038                          |
| 7531 | SHAPPOINT/MONTHLY PARK            | 2,935,956                            | 0                                    | 0                                    |
| 7537 | SUN SAVINGS/FLAGSHIP FEDERAL      | 89,863,898                           | 75,257,447                           | 56,745,287                           |

FEDERAL DEPOSIT INSURANCE CORPORATION  
DIVISION OF ACCOUNTING & CORPORATE SERVICES  
ASSETS IN LIQUIDATION - FSLIC RESOLUTION FUND

| FIN  | INSTITUTION                        | ASSETS IN<br>LIQUIDATION<br>01/01/90 | ASSETS IN<br>LIQUIDATION<br>01/01/91 | ASSETS IN<br>LIQUIDATION<br>01/01/92 |
|------|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 7618 | ORLANDO CONSOLIDATED FRP CP        | 0                                    | 0                                    | 1,660,000                            |
| 6930 | SOUTHERN FEDERAL                   | 70,916,352                           | 57,067,073                           | 33,661,072                           |
| 6931 | FIRST FINANCIAL                    | 14,828,232                           | 10,197,607                           | 7,826,373                            |
| 7522 | ALLIANCE/BAY SAVINGS BANK          | 90,495,345                           | 127,520,238                          | 105,096,423                          |
| 7526 | INTERCAPITAL/GREAT WESTERN         | 27,751,515                           | 18,419,527                           | 13,716,431                           |
| 7543 | SUNRISE/BEACH FEDERAL              | 622,101,995                          | 742,678,159                          | 541,421,485                          |
| 7545 | FIRST SOUTH/RIVERSIDE FEDERAL      | 968,896,052                          | 891,452,624                          | 524,346,111                          |
| 7551 | FIRST SOUTHERN/MAGNOLIA            | 20,832,233                           | 18,777,146                           | 12,404,331                           |
| 7586 | CYPRESS SA/SECOR BANK              | 175,791,136                          | 151,943,857                          | 100,970,709                          |
| 7587 | TWIN CITY/SECOR ABNK               | 117,321,834                          | 144,173,610                          | 102,802,353                          |
| 7588 | CENTURY ARKANSAS/FIRST FSLA        | 5,036,961                            | 4,080,914                            | 1,053,071                            |
| 7544 | HOMESTEAD/MIDFIRST SLA             | 80,634,494                           | 74,717,520                           | 65,310,122                           |
| 7564 | TERRITORY SLA/COMMERCIAL           | 24,630,656                           | 20,096,611                           | 12,552,222                           |
| 7569 | INVESTORS SLA/MIDWEST FEDERAL      | 59,546,497                           | 53,583,602                           | 37,607,119                           |
| 7570 | UNITED FSLA/MIDWEST FEDERAL        | 81,901,555                           | 71,779,806                           | 54,737,211                           |
| 7571 | FIRST FEDERAL SLA                  | 87,970,561                           | 86,301,653                           | 60,344,847                           |
| 7579 | VICTORIA/CIMMARON                  | 244,736,029                          | 186,937,100                          | 154,390,572                          |
| 7580 | AMERICAN FEDERAL/MID 1ST           | 67,435,643                           | 52,353,329                           | 31,657,666                           |
| 7581 | UNIVERSAL SA                       | 39,587,165                           | 30,589,063                           | 23,505,092                           |
| 7642 | TERMINATED RECEIVERSHIPS - ADDISON | 0                                    | 0                                    | 2,806,585                            |
| 7679 | AMERICITY                          | 0                                    | 0                                    | 158,464,130                          |
| 7507 | METRO                              | 226,524                              | 970,126                              | 0                                    |
| 7508 | EMPIRE                             | 129,423,106                          | 237,532,596                          | 181,109,577                          |
| 7509 | AMERICAN/SECURITY                  | 34,747                               | 0                                    | 0                                    |
| 7520 | BELL SAVINGS                       | 90,749,616                           | 102,595,945                          | 40,279,945                           |
| 7529 | MAINLAND                           | 410,583,633                          | 427,141,235                          | 233,882,694                          |
| 7547 | FIRST SLA/COLONIAL                 | 179,853,557                          | 225,560,336                          | 145,650,123                          |
| 7556 | LIBERTY SLA                        | 58,666,156                           | 81,797,009                           | 64,223,033                           |
| 7561 | VERNON FSLA/MONTFORT SA            | 974,955,805                          | 961,115,240                          | 563,394,643                          |
| 7563 | FIRST SA OF EAST TEXAS             | 69,724,079                           | 69,501,693                           | 31,184,844                           |
| 7584 | LIBERTY FEDERAL                    | 95,580,262                           | 66,498,095                           | 52,217,085                           |
| 7589 | KEY SLA/COMMERCIAL FEDERAL         | 102,390,768                          | 81,416,858                           | 50,108,258                           |
| 7595 | DALLAS FRP CP                      | 612,506,109                          | 308,293,349                          | 153,723,190                          |
| 7600 | STATE LAJBROCK                     | 343,112,074                          | 440,739,771                          | 272,464,972                          |
| 7601 | SUNBELT                            | 1,253,214,361                        | 1,416,306,342                        | 834,834,245                          |

FEDERAL DEPOSIT INSURANCE CORPORATION  
DIVISION OF ACCOUNTING & CORPORATE SERVICES  
ASSETS IN LIQUIDATION - FBIC RESOLUTION FUND

| FIN  | INSTITUTION                       | ASSETS IN<br>LIQUIDATION<br>01/01/90 | ASSETS IN<br>LIQUIDATION<br>01/01/91 | ASSETS IN<br>LIQUIDATION<br>01/01/92 |
|------|-----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 6935 | MID STATE SLA/KANKAKEE            | 20,875,437                           | 15,597,433                           | 8,674,800                            |
| 6936 | VALLEY FED                        | 10,333,965                           | 4,456,172                            | 3,115,971                            |
| 7500 | ECONOMY SLA                       | 364,307                              | 317,479                              | 0                                    |
| 7503 | MANNING/ST PAUL SLA               | 6,509,926                            | 1,419,975                            | 577,437                              |
| 7504 | ANTIOCH/GREAT AMERICAN            | 1,428,183                            | 650,164                              | 449,009                              |
| 7510 | SAVANNAH/NEW CHARTER              | 210,840                              | 210,390                              | 263,412                              |
| 7511 | JOHN SEVIER/NEW/CHARTER           | 4,810,690                            | 4,539,416                            | 2,851,649                            |
| 7512 | EAST TENN/NEW/CHARTER             | 924,850                              | 455,613                              | 0                                    |
| 7513 | AMERICAN/NEW/CHARTER              | 2,625,514                            | 2,609,400                            | 5,409,474                            |
| 7517 | KNOX FELA/NBW/CHARTER             | 4,906,337                            | 4,085,426                            | 2,890,875                            |
| 7518 | COMMUNITY/NEW COMMUNITY           | 878,558                              | 878,558                              | 0                                    |
| 7519 | CENTURY/HOUSEHOLD BANK            | 248,940                              | 104,960                              | 0                                    |
| 7524 | GUARANTY/GUARANTY FSLA            | 83,252,281                           | 69,700,178                           | 49,230,902                           |
| 7530 | MAJOR FEDERAL/BACON FEDERAL       | 604,190                              | 530,917                              | 0                                    |
| 7539 | CENTRAL ILLINOIS                  | 34,017,237                           | 33,427,623                           | 31,365,004                           |
| 7549 | FIRST FEDERAL/HOME SA             | 186,193,566                          | 156,110,224                          | 130,110,537                          |
| 7550 | FIRST FEDERAL/HOME SA             | 25,749,204                           | 31,609,015                           | 33,143,649                           |
| 7552 | FIRST FEDERAL MD/COLUMBIA 1ST     | 33,576,143                           | 24,575,709                           | 21,003,103                           |
| 7560 | TRI COUNTY SLA                    | 15,266,735                           | 9,450,496                            | 9,100,849                            |
| 7562 | BOHEMIAN SLA                      | 62,991,736                           | 31,401,644                           | 24,670,571                           |
| 7568 | FIRST FELA/SECURITY               | 90,661,691                           | 77,315,705                           | 51,758,821                           |
| 7572 | AMERICAN/FSLA/COLONIAL            | 93,375,609                           | 81,200,537                           | 50,406,183                           |
| 7573 | CARDINAL SE/UNITED FEDERAL        | 47,366,039                           | 24,486,823                           | 22,164,550                           |
| 7574 | CAPITOL FEDERAL/MIDWEST FEDERAL   | 95,249,329                           | 57,328,088                           | 43,678,832                           |
| 7575 | LAUREL FEDERAL SLA                | 5,936,562                            | 5,104,720                            | 3,742,709                            |
| 7582 | ULTIMATE SE/CN/IZENS FEDERAL      | 123,235,700                          | 102,821,624                          | 52,853,305                           |
| 7585 | REGENCY SE/GREAT LAKES            | 130,395,745                          | 100,666,730                          | 67,003,000                           |
| 7590 | O'HARE CONSOLIDATED PRP CP        | 0                                    | 0                                    | 2,972,677                            |
| 7675 | TERMINATED RECEIVERSHIPS - O'HARE | 0                                    | 0                                    | 14,592,300                           |
| 7530 | SUNBELT/HORIZON FEDERAL           | 103,678,721                          | 110,900,706                          | 57,178,510                           |
| 7532 | CRISHTN/HORIZON FEDERAL           | 49,302,930                           | 59,519,045                           | 51,335,514                           |
| 7533 | COMMUNITY/HORIZON FEDERAL         | 21,059,684                           | 15,791,571                           | 4,829,421                            |
| 7534 | NORTH LAKR/HORIZON FEDERAL        | 86,099,353                           | 80,306,933                           | 63,232,414                           |
| 7535 | AUDUBON FINANCIAL                 | 125,026,170                          | 91,645,279                           | 85,437,633                           |
| 7536 | NEW ORLEANS/HORIZON FEDERAL       | 72,518,427                           | 57,003,857                           | 47,376,360                           |

FEDERAL DEPOSIT INSURANCE CORPORATION  
DIVISION OF ACCOUNTING & CORPORATE SERVICES  
ASSETS IN LIQUIDATION - FSLIC RESOLUTION FUND

| FIN  | INSTITUTION                  | ASSETS IN<br>LIQUIDATION<br>01/01/90 | ASSETS IN<br>LIQUIDATION<br>01/01/91 | ASSETS IN<br>LIQUIDATION<br>01/01/92 |
|------|------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 7542 | CONSOLIDATED SB              | 32,265,075                           | 25,750,858                           | 39,079,273                           |
| 7553 | EQUITABLE SLA/EMPIRE         | 12,838,564                           | 10,743,590                           | 10,163,246                           |
| 7559 | SIBERRA SLA/NEVADA SLA       | 7,079,809                            | 4,452,722                            | 1,616,443                            |
| 7566 | MT. WHITNEY/GUARDIAN FEDERAL | 36,363,006                           | 19,798,096                           | 13,075,236                           |
| 7567 | RAMONA FSLA/MIDWEST FSLA     | 25,914,958                           | 2,542,472                            | 5,001,093                            |
| 7576 | AMERICAN DIVERSIFIED         | 521,003,195                          | 275,092,030                          | 344,201,012                          |
| 7577 | NORTH AMERICAN SLA           | 112,501,530                          | 83,753,704                           | 46,429,007                           |
| 7592 | CENTRAL SAVINGS              | 8,276,215                            | 0                                    | 0                                    |
| 7596 | IRVINE CONSOLIDATED FRF/CP   | 0                                    | 0                                    | 50,782                               |
| 7527 | SIBERRA/COMMERCIAL FEDERAL   | 13,110,777                           | 9,250,271                            | 8,291,370                            |
| 7546 | GUARANTY FEDERAL             | 44,100,420                           | 16,537,122                           | 13,464,724                           |
| 7590 | SILVERADO/MILE HIGH          | 1,440,325,668                        | 1,283,790,509                        | 1,076,850,145                        |
| 7515 | WESTERN COMM/PIRST UNITED    | 13,097,671                           | 2,542,119                            | 648,479                              |
| 7516 | STATE SLA/SANDIA FSLA        | 140,277,274                          | 36,610,214                           | 60,678,707                           |
| 7521 | MONTANA FSB                  | 10,174,033                           | 7,636,450                            | 5,127,922                            |
| 7523 | WESTSIDE/MARINER FSLA        | 35,427,997                           | 17,429,506                           | 10,102,367                           |
| 7525 | STATE/FREEDOM FEDERAL        | 94,737,953                           | 85,065,279                           | 93,102,639                           |
| 7528 | GUARANTY/OLYMPIC FEDERAL     | 2,566,216                            | 1,476,003                            | 1,266,274                            |
| 7540 | UNIQUE SLA                   | 41,850,035                           | 24,206,010                           | 0,924,005                            |
| 7554 | FUTURE SLA/WILLIAMSBURG      | 40,824,743                           | 35,682,123                           | 10,544,990                           |
| 7555 | SUMMIT SLA/UNITED SLA        | 63,397,547                           | 44,519,706                           | 34,437,840                           |
| 7557 | CENTENNIAL/CITIZENS FEDERAL  | 92,307,303                           | 76,000,420                           | 45,090,406                           |
| 7565 | CITIZENS SLA/FREEDOM FEDERAL | 120,466,346                          | 50,213,004                           | 46,137,203                           |
| 7578 | FARMERS SLA                  | 171,305,220                          | 94,005,339                           | 70,540,711                           |
| 7583 | PEOPLES SLA/PIONEER FSLA     | 21,600,501                           | 26,541,434                           | 13,533,628                           |
| 7621 | SAN JOSE CONSOLIDATED FRF/CP | 0                                    | 0                                    | 5,201,005                            |
| 7540 | PENINSULA SLA/1ST FEDERAL    | 10,000,400                           | 13,023,111                           | 10,353,400                           |
| 7558 | FRONTIER/1ST FEDERAL         | 4,990,651                            | 2,906,701                            | 029,703                              |
|      |                              | 14,390,504,930                       | 12,072,977,395                       | 0,092,445,439                        |

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Balances related to FINs 7651 through 7671 represent assets acquired from assistance agreements.



02/09/92

DIVISION OF ACCOUNTING & CORPORATE SERVICES  
COLLECTIONS- FUND CODES 9977 (FRF)  
THROUGH DECEMBER 31, 1991  
INCLUDES BOTH PRINCIPAL AND INTEREST EXCLUDES ACCOUNT 3782  
BASED ON WASHINGTON COLLECTION GUIDELINES

PAGE 1

| FIN  | LOC | 1ST<br>QTR   | 2ND<br>QTR   | 3RD<br>QTR               | 4TH<br>QTR   | TOTAL                    |
|------|-----|--------------|--------------|--------------------------|--------------|--------------------------|
| 1641 | 001 | 671.63       | 798.96       | 473.71                   | 400.00       | 2,344.30                 |
| 1667 | 001 |              |              |                          | 600,000.00   | 600,000.00               |
| 1691 | 001 |              |              |                          |              |                          |
| 1775 | 001 |              |              |                          | 4,487.30     | 4,487.30                 |
| 1795 | 001 |              | 1,638,673.56 |                          |              | 1,638,673.56             |
| 1799 | 001 |              |              |                          | 288,127.19   | 288,127.19               |
| 1812 | 001 |              |              |                          | 850,910.69   | 850,910.69               |
| 1814 | 001 |              |              |                          | 1,719.60     | 1,719.60                 |
| 7598 | 200 | 671.63       | 1,639,472.62 | 473.71<br>6,500.00       | 1,745,844.78 | 3,386,262.64<br>6,500.00 |
| 6935 | 201 | 684,829.43   | 421,664.92   | 6,500.00<br>3,638,676.76 | 1,465,957.10 | 6,500.00<br>6,209,128.21 |
| 6936 | 201 |              | 5,104,805.06 | 555,897.02               | 291,488.46   | 5,951,990.54             |
| 7500 | 201 | 59,783.82    | 309,796.98   | 36,661.95                | 5.73         | 406,248.48               |
| 7501 | 201 | 39.37        | 81.69        | 82.12                    | 50.72        | 253.90                   |
| 7503 | 201 | 204,395.65   | 83,145.43    | 230,085.77               | 37,417.65    | 555,044.50               |
| 7504 | 201 | 322,893.91   | 83,120.77    | 16,908.56                | 35,908.67    | 458,831.93               |
| 7505 | 201 | 19,995.11    | 908.68       | 451.10                   | 31.41        | 21,323.48                |
| 7510 | 201 | 10,349.67    | 1,965.18     | 1,789.62                 | 6,747.20     | 20,851.62                |
| 7511 | 201 | 300,842.63   | 158,171.34   | 592,632.02               | 51,555.63    | 1,103,201.62             |
| 7512 | 201 | 51,657.68    | 23,905.54    | 12,961.15                | 352,585.88   | 441,105.25               |
| 7513 | 201 | 150,667.29   | 174,901.81   | 9,565.02                 | 38,264.60    | 373,388.72               |
| 7517 | 201 | 151,908.52   | 155,957.15   | 161,336.01               | 324,155.40   | 793,357.08               |
| 7518 | 201 | 1,287,667.66 | 33,532.69    | 22,140.20                | 1,310.65     | 1,342,029.90             |
| 7519 | 201 | 16,472.52    | 104,409.34   | 80,582.18                | 23,228.94    | 224,692.98               |

2.1

603

02/09/92

DIVISION OF ACCOUNTING & CORPORATE SERVICES  
COLLECTIONS- FUND CODES 9977 (FRF)  
THROUGH DECEMBER 31, 1991  
INCLUDES BOTH PRINCIPAL AND INTEREST EXCLUDES ACCOUNT 3782  
BASED ON WASHINGTON COLLECTION GUIDELINES

PAGE 2

| FIN  | LOC | 1ST<br>QTR    | 2ND<br>QTR    | 3RD<br>QTR    | 4TH<br>QTR    | TOTAL         |
|------|-----|---------------|---------------|---------------|---------------|---------------|
| 7524 | 201 | 3,207,772.92  | 1,414,391.69  | 952,922.77    | 1,240,055.65  | 6,815,143.03  |
| 7526 | 201 |               | 939.64        | 439.40        | 326.07        | 1,705.31      |
| 7534 | 201 |               | 518.48        | 73.51         | 24.58         | 616.55        |
| 7538 | 201 | 223,824.86    | 395,222.73    | 8,733.70      | 533.12-       | 627,248.17    |
| 7539 | 201 | 1,076,167.43  | 633,556.45    | 1,537,051.90  | 6,173,959.43  | 9,420,735.21  |
| 7543 | 201 |               | 557.48        | 64.22         | 21.47         | 643.17        |
| 7545 | 201 |               | 143,046.35    | 1,684.32      | 563.31        | 145,293.98    |
| 7549 | 201 | 9,486,332.87  | 5,385,319.72  | 5,635,002.87  | 6,085,414.19  | 26,592,069.65 |
| 7550 | 201 | 813,062.42    | 667,445.25    | 294,892.76    | 508,931.26    | 2,284,331.69  |
| 7552 | 201 |               | 3,726,115.23  | 10,866.92     | 135,636.16    | 3,872,718.31  |
| 7560 | 201 |               | 4,272,884.45  | 590,242.48    | 313,123.81    | 5,176,250.74  |
| 7561 | 201 |               | 1,080,615.35  | 19,336.11     | 12,435.68     | 1,112,387.14  |
| 7562 | 201 |               | 60,710,498.56 | 2,462,705.56  | 916,865.06    | 64,090,179.20 |
| 7568 | 201 | 3,527,922.59  | 4,553,896.04  | 7,607,699.60  | 8,330,027.55  | 24,019,545.78 |
| 7569 | 201 |               |               |               |               |               |
| 7572 | 201 | 5,918,596.81  | 3,395,292.86  | 13,889,561.11 | 2,014,589.48  | 25,218,040.26 |
| 7573 | 201 |               | 15,487,205.85 | 10,502,794.40 | 1,230,481.00  | 27,220,481.25 |
| 7574 | 201 | 3,717,773.66  | 2,797,633.80  | 1,917,502.62  | 1,366,709.23  | 9,799,519.21  |
| 7575 | 201 | 240,873.84    | 434,189.78    | 541,333.88    | 234,190.64    | 1,450,588.14  |
| 7582 | 201 |               | 51,675,014.00 | 5,678,213.99  | 12,513,945.60 | 69,867,173.59 |
| 7584 | 201 |               | 119.42        | 111.14        | 18.54         | 249.10        |
| 7585 | 201 | 15,624,145.71 | 3,329,269.37  | 9,971,931.67  | 12,425,352.87 | 41,350,699.62 |
| 7586 | 201 |               | 104.25        | 97.48         | 428,409.57    | 428,611.40    |
| 7587 | 201 |               | 77,531.23     | 1,231,461.94  | 139,869.97    | 1,448,863.14  |

8.2

604

02/09/92

DIVISION OF ACCOUNTING & CORPORATE SERVICES  
COLLECTIONS- FUND CODES 9977 (FRF)  
THROUGH DECEMBER 31, 1991

PAGE 3

INCLUDES BOTH PRINCIPAL AND INTEREST EXCLUDES ACCOUNT 3782  
BASED ON WASHINGTON COLLECTION GUIDELINES

| FIN  | LOC | 1ST<br>QTR    | 2ND<br>QTR     | 3RD<br>QTR    | 4TH<br>QTR    | TOTAL          |
|------|-----|---------------|----------------|---------------|---------------|----------------|
| 7593 | 201 |               |                |               |               |                |
| 7595 | 201 | 414,017.69    | 628,488.61     | 290,452.63    | 546,396.30    | 1,879,355.23   |
| 7598 | 201 |               | 751,646.49     | 20,493.33     | 2,500.00      | 774,639.82     |
| 7657 | 201 |               |                |               | 17,314.55     | 17,314.55      |
| 7668 | 201 |               |                |               | 2,600,000.00  | 2,600,000.00   |
| 7675 | 201 | 485.66        | 2,178.10       | 275,099.67    | 646,288.28    | 924,051.71     |
|      |     | 47,482,474.57 | 168,219,747.96 | 68,798,729.48 | 60,509,001.15 | 345,009,953.16 |
| 7530 | 205 |               | 12,477.15      | 21,024,307.17 | 2,183,366.93  | 23,220,151.25  |
| 7532 | 205 |               | 5,961.44       | 8,495,153.66  | 1,034,100.03  | 9,535,215.13   |
| 7533 | 205 |               | 1,923.18       | 3,326,475.93  | 358,405.19    | 3,686,804.30   |
| 7534 | 205 |               | 8,926.19       | 8,179,567.16  | 1,137,963.20  | 9,326,456.55   |
| 7535 | 205 |               | 21,108.13      | 16,930,253.44 | 4,318,985.30  | 21,270,346.87  |
| 7536 | 205 |               | 11,863.64      | 11,754,743.37 | 265,255.03    | 11,501,151.98  |
| 7545 | 205 |               | 19,668.55      | 35,764.54     | 19,837.07     | 75,270.16      |
| 7556 | 205 |               | 25,395.94      | 294.64        | 98.54         | 25,789.12      |
| 7584 | 205 |               |                | 8,094.45      | 20.71         | 8,115.16       |
| 7589 | 205 |               | 11,924.71      | 487,059.24    | 6,110.58      | 505,094.53     |
| 7595 | 205 |               |                |               | 4,550.21      | 4,550.21       |
| 7600 | 205 |               |                |               | 3,950.00      | 3,950.00       |
| 7610 | 205 | 7.23          | 12.16          | 19.29         | 14,543.83     | 14,582.51      |
| 7673 | 205 |               |                |               | 14,600.00     | 14,600.00      |
|      |     | 7.23          | 119,061.09     | 70,241,732.89 | 8,831,276.56  | 79,192,077.77  |
| 6936 | 207 | 2,934,091.24  | 2,818,225.20   |               |               | 115,866.04     |
| 7526 | 207 | 32.99         | 32.99          |               |               |                |
| 7534 | 207 | 8.78          | 8.78           |               |               |                |

8.3

605

02/09/92

DIVISION OF ACC. TING & CORPORATE SERVICES  
COLLECTIONS- FUND CODES 8977 (FRF)

PAGE 4

THROUGH DECEMBER 31, 1991  
INCLUDES BOTH PRINCIPAL AND INTEREST EXCLUDES ACCOUNT 3782  
BASED ON WASHINGTON COLLECTION GUIDELINES

| FIN  | LOC | 1ST<br>QTR     | 2ND<br>QTR                      | 3RD<br>QTR   | 4TH<br>QTR   | TOTAL                      |
|------|-----|----------------|---------------------------------|--------------|--------------|----------------------------|
| 7543 | 207 | 417.01         | 417.01-                         |              |              |                            |
| 7545 | 207 | 121,840.78     | 121,840.78-                     |              |              |                            |
| 7549 | 207 | 7,891.75       | 7,891.75-                       |              |              |                            |
| 7552 | 207 | 3,718,154.42   | 3,718,154.42-                   |              |              |                            |
| 7560 | 207 | 3,949,262.37   | 3,949,262.37-                   |              |              |                            |
| 7561 | 207 | 1,081,343.15   | 1,081,343.15-                   |              |              |                            |
| 7562 | 207 | 59,805,633.61  | 59,805,633.61-                  |              |              |                            |
| 7573 | 207 | 13,803,402.82  | 13,803,402.82-                  |              |              |                            |
| 7582 | 207 | 26,952,398.65  | 26,952,398.65-                  |              |              |                            |
| 7584 | 207 | 28.94          | 28.94-                          |              |              |                            |
| 7586 | 207 | 12.59          | 12.59-                          |              |              |                            |
| 7587 | 207 | 24,749.70      | 24,749.70-                      |              |              |                            |
| 7529 | 208 | 112,179,268.78 | 112,063,402.74-<br>1,158,912.15 | 15,197.78    | 12,821.56    | 115,866.04<br>1,186,931.49 |
| 7534 | 208 | 46.33-         | .62                             | .56          | 47.45        | 2.30                       |
| 7536 | 208 |                | 14.46                           | 15.73        | 262.48       | 292.67                     |
| 7539 | 208 | 599.55         | 1,151.37                        | 206,405.77   | 67,631.20    | 275,787.89                 |
| 7543 | 208 | 455,956.71     | 5,145,280.16                    | 5,007,477.54 | 2,511,783.19 | 13,120,497.60              |
| 7545 | 208 | 51,283.96      | 145,986.09                      | 31,582.42    | 374,350.79   | 603,183.26                 |
| 7561 | 208 |                | 348.52                          | 5,389.85     | 751,298.47   | 757,036.84                 |
| 7562 | 208 | 311,532.41     | 80,138.10                       | 4,148.65     | 569,579.08   | 965,398.24                 |
| 7584 | 208 | 13.17          | 177.01                          | 316.66       | 331.39       | 838.23                     |
| 7585 | 208 | 5.19           | 909.47                          | 124,740.19   | 1,036,574.29 | 1,162,229.14               |
| 7586 | 208 | 2,336.54-      | 58,746.66                       | 51,602.00    | 212,826.79   | 320,837.91                 |

8.4

905

02/09/92

## DIVISION OF ACCOUNTING &amp; CORPORATE SERVICES

PAGE

5

COLLECTIONS- FUND CODES 9977 (FRF)

THROUGH DECEMBER 31, 1991

INCLUDES BOTH PRINCIPAL AND INTEREST EXCLUDES ACCOUNT 3782

BASED ON WASHINGTON COLLECTION GUIDELINES

| FIN  | LOC | 1ST<br>QTR                 | 2ND<br>QTR                   | 3RD<br>QTR                   | 4TH<br>QTR                   | TOTAL                          |
|------|-----|----------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|
| 7595 | 208 |                            | 933,500.00                   | 8.00                         | 275.22                       | 933,783.22                     |
| 7657 | 208 |                            |                              |                              | 896,823.20                   | 896,823.20                     |
| 6930 | 212 | 817,008.12<br>7,103,645.63 | 7,525,143.61<br>4,262,407.65 | 5,446,885.15<br>4,410,682.25 | 6,434,605.11<br>2,682,043.84 | 20,223,841.99<br>18,458,779.37 |
| 6931 | 212 | 427,592.14                 | 1,288,397.18                 | 287,957.61                   | 208,124.95                   | 2,212,071.88                   |
| 7522 | 212 | 510,117.89                 | 2,519,429.05                 | 2,973,760.02                 | 363,398.25                   | 6,366,705.21                   |
| 7526 | 212 | 3,581,677.33               | 5,391.11                     | 5,625,446.82                 | 98,851.44                    | 9,309,366.70                   |
| 7530 | 212 | 3,328,985.09               | 2,536,055.00                 | 19,424,343.92-               | 2,595,284.23                 | 10,966,019.60-                 |
| 7532 | 212 | 1,339,007.25               | 1,790,184.62                 | 7,879,101.17-                | 2,143,010.83                 | 2,606,898.47-                  |
| 7533 | 212 | 557,426.80                 | 187,741.02                   | 3,198,206.51-                |                              | 2,453,038.69-                  |
| 7534 | 212 | 3,023,149.47               | 2,256,212.56                 | 7,303,030.67-                | 885,868.94                   | 1,137,799.70-                  |
| 7535 | 212 | 2,909,689.24               | 5,291,615.65                 | 15,458,654.92-               | 1,212,286.56                 | 6,045,063.47-                  |
| 7536 | 212 | 2,829,333.10               | 1,645,499.70                 | 10,834,008.61-               | 5,000.00                     | 6,354,175.73-                  |
| 7543 | 212 | 45,994,135.58              | 4,550,157.21                 | 12,146,039.74                | 10,474,851.39                | 73,165,183.92                  |
| 7545 | 212 | 18,087,763.00              | 25,442,412.40                | 19,382,237.60                | 19,735,553.00                | 82,647,966.00                  |
| 7551 | 212 | 357,117.06                 | 746,822.70                   | 1,225,370.28                 | 455,947.63                   | 2,785,257.67                   |
| 7553 | 212 | 1,361,125.79               | 10,324.88                    | 208.78                       | 289,633.35                   | 1,661,292.80                   |
| 7561 | 212 |                            | 29.27                        | 110.91                       | 3,242.37                     | 3,382.55                       |
| 7578 | 212 | 61,591.35                  | 116,519.72                   | 14,855.53                    | 14,152.63                    | 207,119.23                     |
| 7579 | 212 |                            |                              |                              | 17,822.82                    | 17,822.82                      |
| 7582 | 212 |                            |                              | 86.51                        | 21,046.76                    | 21,133.27                      |
| 7584 | 212 |                            | 2,807.67                     | 2,633.17                     | 415,462.69                   | 420,903.53                     |
| 7586 | 212 | 8,891,315.83               | 4,251,881.59                 | 21,356,851.01                | 4,650,082.57                 | 39,150,131.00                  |
| 7587 | 212 | 1,792,082.45               | 3,338,290.38                 | 2,059,423.82                 | 3,312,673.16                 | 10,502,469.81                  |

8.5

607

02/09/92

DIVISION OF ACCOUNTING & CORPORATE SERVICES  
COLLECTIONS- FUND CODES 0977 (FRF)  
THROUGH DECEMBER 31, 1991  
INCLUDES BOTH PRINCIPAL AND INTEREST EXCLUDES ACCOUNT 3782  
BASED ON WASHINGTON COLLECTION GUIDELINES

PAGE 6

| FIN  | LOC | 1ST<br>QTR                     | 2ND<br>QTR                    | 3RD<br>QTR                    | 4TH<br>QTR                    | TOTAL                          |
|------|-----|--------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| 7588 | 212 | 632,755.31                     | 2,098,297.04                  | 276,640.33                    | 86,958.61                     | 3,094,651.29                   |
| 7595 | 212 |                                | 358,899.76                    | 1,279,601.27                  | 598,476.17                    | 2,234,977.20                   |
| 7599 | 212 | 5,021,340.41                   | 6,227,884.19                  | 6,108,465.82                  | 171.50                        | 17,357,861.92                  |
| 7600 | 212 |                                | 103,348.60-                   |                               | 133,348.60                    | 30,000.00                      |
| 7605 | 212 |                                |                               | 325,971.42                    | 171,510.87                    | 497,482.29                     |
| 7608 | 212 | 26,139.07                      | 1,946,136.44                  | 766,095.92                    | 1,355,831.65                  | 4,094,203.08                   |
| 7654 | 212 |                                |                               | 325,054.28                    | 801,673.88                    | 1,126,828.14                   |
| 7659 | 212 |                                |                               |                               | 97.50                         | 97.50                          |
| 7544 | 401 | 107,833,989.79<br>2,261,701.44 | 70,770,048.27<br>1,983,936.48 | 14,470,147.29<br>2,796,690.22 | 52,728,308.17<br>1,084,896.11 | 245,802,491.52<br>8,127,224.25 |
| 7561 | 401 |                                |                               | 69.27                         | 48.11                         | 117.38                         |
| 7564 | 401 | 646,583.55                     | 1,207,182.37                  | 4,152,041.21                  | 877,536.86                    | 6,883,343.99                   |
| 7569 | 401 | 3,261,974.87                   | 1,083,832.16                  | 3,329,244.85                  | 2,176,474.31                  | 9,851,526.19                   |
| 7570 | 401 | 4,222,017.78                   | 1,143,185.83                  | 4,554,582.26                  | 2,304,337.35                  | 12,224,123.22                  |
| 7571 | 401 | 5,062,439.39                   | 1,666,871.34                  | 12,420,467.42                 | 4,804,435.14                  | 23,954,213.29                  |
| 7572 | 401 |                                |                               | 30.92                         | 1,082,016.16                  | 1,082,047.08                   |
| 7579 | 401 | 9,312,093.61                   | 1,279,668.54-                 | 22,599,540.37                 | 9,717,807.74                  | 40,349,873.18                  |
| 7580 | 401 | 3,953,312.78                   | 1,206,763.74                  | 4,369,683.20                  | 1,737,729.65                  | 11,267,489.37                  |
| 7581 | 401 | 1,318,471.57                   | 1,841,787.77                  | 2,273,310.87                  | 2,822,744.19                  | 8,256,314.40                   |
| 6931 | 404 | 30,038,594.99                  | 8,853,991.15                  | 58,495,660.59<br>.42-         | 26,608,025.62<br>2.87         | 121,998,272.35<br>2.45         |
| 7507 | 404 | 113.94                         | 161.92                        | 90,116.91                     | 185.43-                       | 90,207.34                      |
| 7508 | 404 | 434.69                         | 68,483.20                     | 945,205.66                    | 16,775.46                     | 1,030,899.01                   |
| 7520 | 404 | 10,124.40                      | 35,303.09                     | 19,772.23                     | 128,270.15                    | 193,469.87                     |
| 7529 | 404 | 115,415.81                     | 160,835.82                    | 269,897.50                    | 114,259.92                    | 660,209.05                     |

0.8

608

02/09/92

DIVISION OF ACCOUNTING & CORPORATE SERVICES  
COLLECTIONS- FUND CODES 9977 (FRF)

PAGE 7

THROUGH DECEMBER 31, 1991  
INCLUDES BOTH PRINCIPAL AND INTEREST EXCLUDES ACCOUNT 3782  
BASED ON WASHINGTON COLLECTION GUIDELINES

| FIN  | LOC | 1ST<br>QTR   | 2ND<br>QTR             | 3RD<br>QTR              | 4TH<br>QTR              | TOTAL                     |
|------|-----|--------------|------------------------|-------------------------|-------------------------|---------------------------|
| 7545 | 404 |              |                        | 26.29                   | 23.54                   | 49.83                     |
| 7547 | 404 | 62,902.07    | 196,378.48             | 316,795.77              | 878,232.57              | 1,454,308.89              |
| 7550 | 404 |              | 3,196.84               | 2,184.92                | 7,039.78                | 12,421.34                 |
| 7556 | 404 | 37,083.61    | 551,153.82             | 317,874.80              | 224,985.03              | 1,130,897.26              |
| 7561 | 404 | 109,314.43   | 1,171,679.29           | 2,646,439.51            | 740,746.12              | 4,668,179.35              |
| 7563 | 404 | 312,610.89   | 320,563.57             | 2,395,231.13            | 888,518.80              | 3,916,924.39              |
| 7584 | 404 | 107,996.08   | 495,217.82             | 1,972,199.52            | 2,877,103.88            | 5,452,517.40              |
| 7589 | 404 | 224,470.90   | 165,258.58             | 419,779.04              | 674,341.78              | 1,483,850.30              |
| 7595 | 404 | 2,427,319.51 | 4,342,826.87           | 12,261,186.51           | 3,300,841.25            | 22,332,174.14             |
| 7600 | 404 | 1,666.00     | 18,663.45              | 608,821.64              | 49,045.05               | 676,196.14                |
| 7602 | 404 |              | 55,000.12              | 216,800.00              | 212,133.51              | 483,933.63                |
| 7603 | 404 |              |                        | 7,456.58                |                         | 7,456.58                  |
| 7604 | 404 |              |                        |                         | 1,075.35                | 1,075.35                  |
| 7605 | 404 | 166,415.53   | 1,015,903.07           | 734,343.99              | 455,448.06              | 2,372,110.65              |
| 7607 | 404 | 1,375.00     | 45,104.23              | 177,833.54              | 135,240.11              | 359,552.88                |
| 7609 | 404 |              | 9,174.70               | 75,040.72               | 53,424.87               | 137,640.29                |
| 7642 | 404 |              |                        | 1,142.90                | 663.35                  | 1,806.25                  |
| 7651 | 404 |              |                        | 600.00                  |                         | 600.00                    |
| 7656 | 404 |              |                        |                         | 1,907.81                | 1,907.81                  |
| 7660 | 404 |              |                        | 12,441.82               | 20,000.59               | 32,442.41                 |
| 7668 | 404 |              |                        | 3,632.94                | 3,826.25                | 7,459.19                  |
| 7672 | 404 |              |                        | 110,492.70              | 615,906.77              | 726,399.47                |
| 7520 | 405 | 3,577,242.86 | 8,654,704.77<br>671.81 | 23,603,116.20<br>774.84 | 11,399,677.44<br>102.61 | 47,234,691.77<br>1,549.26 |

8.7

609

02/09/92

## DIVISION OF ACCOUNTING &amp; CORPORATE SERVICES

PAGE

8

COLLECTIONS- FUND CODES 9977 (FRF)

THROUGH DECEMBER 31, 1991

INCLUDES BOTH PRINCIPAL AND INTEREST EXCLUDES ACCOUNT 3782

BASED ON WASHINGTON COLLECTION GUIDELINES

| FIN  | LOC | 1ST<br>QTR | 2ND<br>QTR   | 3RD<br>QTR   | 4TH<br>QTR   | TOTAL         |
|------|-----|------------|--------------|--------------|--------------|---------------|
| 7529 | 405 | 16,350.00  | 2,233,482.26 | 630,468.54   | 2,064,722.91 | 4,945,023.71  |
| 7532 | 405 |            | 1,901.56     | 2,396.69     | 608.71       | 4,906.96      |
| 7534 | 405 |            | 6,006.04     | 7,729.73     | 1,775.82     | 15,511.59     |
| 7535 | 405 |            | 6,006.04     | 7,730.97     | 1,771.44     | 15,508.45     |
| 7543 | 405 |            | 175,216.17   | 407,093.76   | 407,385.43   | 989,695.36    |
| 7545 | 405 |            | 592.63       | 600.64       | 193.91       | 1,387.18      |
| 7556 | 405 |            | 638.52       | 733.06       | 817.97       | 2,187.55      |
| 7561 | 405 |            | 638.09       | 706.13       | 214.62       | 1,558.84      |
| 7563 | 405 | 26,706.83  | 56,630.33    | 45,180.36    | 685,353.56   | 813,871.08    |
| 7568 | 405 |            | 314.76       | 142,035.45   | 50,314.22    | 192,664.43    |
| 7587 | 405 |            | 46,890.35    | 21,757.59    | 24,324.95    | 92,972.89     |
| 7589 | 405 |            | 35,902.96    | 4,169.88     | 13,723.84    | 45,456.92     |
| 7595 | 405 |            | 95,266.26    | 32,614.83    |              | 127,881.09    |
| 7600 | 405 |            | 145,855.65   | 48,755.05    | 542,059.61   | 736,670.31    |
| 7602 | 405 |            | 186,994.60   | 146,692.32   | 605,994.14   | 939,681.06    |
| 7607 | 405 |            |              | 292,950.49   | 29,884.77    | 322,835.26    |
| 7609 | 405 |            | 637.67       | 306.95       | 55.74        | 1,000.36      |
| 7652 | 405 |            |              | 86,110.23    | 2,105,134.44 | 2,191,244.67  |
| 6931 | 411 | 43,056.83  | 2,993,643.70 | 1,870,467.75 | 6,534,438.69 | 11,441,606.97 |
|      |     | 425.26     | 273,470.05   | 3,703.14     | 1,238.45     | 278,836.90    |
| 6933 | 411 |            |              | 228,680.48   | 186,463.23   | 415,143.71    |
| 7507 | 411 | 49,451.66  | 14,883.72    | 878,860.39   | 28,989.76    | 972,185.53    |
| 7508 | 411 | 184,600.13 | 1,066,428.42 | 242,529.18   | 186,165.42   | 1,679,723.15  |
| 7509 | 411 | 3,813.12   | 3,813.12     |              |              |               |

610



02/09/92

DIVISION OF ACCOUNTING & CORPORATE SERVICES  
 COLLECTIONS- FUND CODES 9977 (FRF)  
 THROUGH DECEMBER 31, 1991  
 INCLUDES BOTH PRINCIPAL AND INTEREST EXCLUDES ACCOUNT 3782  
 BASED ON WASHINGTON COLLECTION GUIDELINES

PAGE 9

| FIN  | LOC | 1ST<br>QTR    | 2ND<br>QTR    | 3RD<br>QTR    | 4TH<br>QTR    | TOTAL          |
|------|-----|---------------|---------------|---------------|---------------|----------------|
| 7514 | 411 |               | 58,799.37     | 114,557.18    | 200,024.54    | 373,381.09     |
| 7520 | 411 | 521,999.17    | 627,975.34    | 230,007.68    | 126,566.45    | 1,506,548.64   |
| 7524 | 411 |               | 70,495.28     | 19,875.95     | 143,505.09    | 233,876.32     |
| 7525 | 411 |               |               | 639.72        | 239,550.69    | 240,190.41     |
| 7529 | 411 | 11,726,648.95 | 8,983,100.71  | 10,671,981.28 | 5,138,612.52  | 36,520,343.46  |
| 7530 | 411 | 8.75          | 197,464.25    | 1,640,674.33  | 93,862.70     | 1,744,284.63   |
| 7534 | 411 | 5.06          | 19,646.65     | 5,209.10      | 199,361.98    | 224,222.79     |
| 7536 | 411 | 1,200,569.96  | 16,831.12     | 16,610.39     | 5,553.48      | 1,239,584.95   |
| 7537 | 411 |               |               | 99,683.56     | 1,425,587.72  | 1,525,271.28   |
| 7543 | 411 | 3,977,710.81  | 3,694,923.41  | 2,706,872.84  | 467,335.87    | 10,846,842.93  |
| 7545 | 411 | 10,658,010.04 | 11,595,335.20 | 4,155,407.15  | 3,961,208.66  | 30,369,961.05  |
| 7547 | 411 | 1,267,685.67  | 756,569.01    | 957,753.09    | 87,695.97     | 2,894,291.80   |
| 7550 | 411 | 45.58         | 445,516.81    | 2,859,476.90  | 534,906.15    | 3,839,945.44   |
| 7552 | 411 |               |               |               | 1,078,851.11  | 1,078,851.11   |
| 7555 | 411 |               | 31.64         | 130,288.72    | 77,012.96     | 207,333.32     |
| 7556 | 411 | 626,861.03    | 125,555.50    | 317,697.80    | 225,378.87    | 844,735.46     |
| 7561 | 411 | 16,817,007.45 | 47,546,132.23 | 42,072,304.99 | 14,191,412.42 | 120,626,857.09 |
| 7563 | 411 | 419,642.95    | 1,526,662.57  | 2,539,786.44  | 1,645,062.44  | 6,131,134.40   |
| 7576 | 411 |               |               | 215,428.48    | 142,843.36    | 358,271.84     |
| 7583 | 411 |               |               | 999.13        | 44,660.37     | 45,659.50      |
| 7584 | 411 | 2,306,770.38  | 434,628.16    | 240,045.89    | 375,275.75    | 3,356,720.18   |
| 7586 | 411 | 226.92        | 151,131.83    | 127,740.68    | 63,907.65     | 343,007.08     |
| 7587 | 411 | 31.07         | 26,595.95     | 3,616.98      | 25,067.39     | 55,311.39      |
| 7589 | 411 | 1,442,435.66  | 2,312,351.37  | 611,459.09    | 38,924.21     | 4,405,170.33   |

8-9

611

02/09/92

DIVISION OF ACCOUNTING & CORPORATE SERVICES  
COLLECTIONS- FUND CODES 9977 (FRF)  
THROUGH DECEMBER 31, 1991  
INCLUDES BOTH PRINCIPAL AND INTEREST EXCLUDES ACCOUNT 3782  
BASED ON WASHINGTON COLLECTION GUIDELINES

PAGE 10

| FIN  | LOC | 1ST<br>QTR                      | 2ND<br>QTR     | 3RD<br>QTR     | 4TH<br>QTR     | TOTAL                           |
|------|-----|---------------------------------|----------------|----------------|----------------|---------------------------------|
| 7595 | 411 | 19,402,748.16                   | 14,718,623.89  | 4,337,025.88   | 8,338,373.80   | 46,796,771.73                   |
| 7600 | 411 | 2,319,299.11                    | 7,754,756.95   | 23,292,490.46  | 9,287,792.64   | 42,654,339.16                   |
| 7601 | 411 | 13,286,014.71                   | 15,397,145.97  | 14,513,635.60  | 20,328,983.21  | 63,526,779.49                   |
| 7602 | 411 | 25,110,409.88                   | 35,516,624.20  | 118,447,021.06 | 24,926,352.70  | 204,000,407.84                  |
| 7603 | 411 | 3,963,114.61                    | 3,942,334.33   | 667,737.45     | 2,631,846.50   | 11,205,032.79                   |
| 7604 | 411 | 84,200.69                       | 197,640.13-    | 26,161.85      | 567,728.91     | 480,541.22                      |
| 7605 | 411 | 640,280.30                      | 3,420,770.66   | 1,274,966.95   | 384,676.25     | 5,720,694.16                    |
| 7606 | 411 | 529,378.03                      | 540,272.18     | 745,818.84     | 117,643.02     | 1,233,112.07                    |
| 7607 | 411 | 7,394,230.65                    | 2,398,655.44   | 1,511,856.17   | 1,006,554.16   | 12,311,296.42                   |
| 7608 | 411 | 2,509,561.20                    | 1,758,225.33   | 192,142.34     | 1,292,009.04   | 5,751,937.91                    |
| 7609 | 411 | 7,892.14                        | 1,026,268.71   | 1,398,226.80   | 255,225.96     | 2,687,613.61                    |
| 7616 | 411 | 2,823,824.26                    | 20,158,479.73  | 2,967,818.49   | 5,600,589.82   | 31,550,712.30                   |
| 7650 | 411 |                                 |                | 1,224.38       | 860,922.02     | 862,146.40                      |
| 7651 | 411 |                                 |                |                | 3,513,899.95   | 3,513,899.95                    |
| 7653 | 411 |                                 |                | 67,456.54      | 67,212.37      | 134,668.91                      |
| 7654 | 411 |                                 |                | 6,148.00       |                | 6,148.00                        |
| 7657 | 411 |                                 |                |                | 2,000.00       | 2,000.00                        |
| 7667 | 411 |                                 |                | 8,706.26       | 30,333.33      | 39,039.59                       |
| 7672 | 411 |                                 |                | 7,569.45       | 7,569.45-      |                                 |
| 6936 | 503 | 129,274,903.16<br>2,780,036.20- | 186,375,332.73 | 239,857,867.08 | 109,325,924.36 | 664,834,027.33<br>2,780,036.20- |
| 7543 | 503 |                                 |                |                |                |                                 |
| 7545 | 503 |                                 |                |                |                |                                 |
| 7549 | 503 |                                 |                |                |                |                                 |

8.10

612

02/09/92

DIVISION OF ACCOUNTING & CORPORATE SERVICES  
COLLECTIONS- FUND CODES 9977 (FRF)  
THROUGH DECEMBER 31, 1991

PAGE

11

INCLUDES BOTH PRINCIPAL AND INTEREST EXCLUDES ACCOUNT 3782  
BASED ON WASHINGTON COLLECTION GUIDELINES

| FIN  | LOC | 1ST<br>QTR             | 2ND<br>QTR   | 3RD<br>QTR   | 4TH<br>QTR   | TOTAL                   |
|------|-----|------------------------|--------------|--------------|--------------|-------------------------|
| 7552 | 503 | 3,211,109.18-          |              |              |              | 3,211,109.18-           |
| 7560 | 503 | 3,463,129.77-          |              |              |              | 3,463,129.77-           |
| 7561 | 503 |                        |              |              |              |                         |
| 7562 | 503 | 58,294,676.71-         |              |              |              | 58,294,676.71-          |
| 7573 | 503 | 13,340,331.39-         |              |              |              | 13,340,331.39-          |
| 7582 | 503 | 21,038,074.70-         |              |              |              | 21,038,074.70-          |
| 7584 | 503 |                        |              |              |              |                         |
| 7587 | 503 |                        |              |              |              |                         |
| 7617 | 503 |                        |              |              |              |                         |
| 7534 | 504 | 102,127,257.95-        |              |              |              | 102,127,257.95-         |
| 7539 | 504 |                        |              |              |              |                         |
| 7543 | 504 | 5,481.92-              |              |              |              | 5,481.92-               |
| 7545 | 504 |                        |              |              |              |                         |
| 7562 | 504 |                        |              |              |              |                         |
| 7585 | 504 |                        |              |              |              |                         |
| 7586 | 504 |                        |              |              |              |                         |
| 7618 | 504 |                        |              |              |              |                         |
| 7590 | 505 | 5,481.92-<br>73,461.07 | 67,766.15    | 67,723.57    | 22,648.95    | 5,481.92-<br>231,599.74 |
| 7620 | 510 | 73,461.07              | 67,766.15    | 67,723.57    | 22,648.95    | 231,599.74              |
| 6932 | 601 | 62,173,899.29          | 9,643,130.14 | 7,205,983.42 | 8,253,962.19 | 87,276,975.04           |
| 6933 | 601 | 3,495,905.14           | 1,454,058.51 | 703,573.99   | 2,958,044.16 | 8,611,581.80            |
| 6934 | 601 | 3,762,769.36           | 3,200,088.93 | 811,275.23   | 1,541,278.84 | 9,315,412.36            |

8.11

613

02/09/92

DIVISION OF ACCOUNTING & CORPORATE SERVICES  
COLLECTIONS- FUND CODES 9977 (FRF)  
THROUGH DECEMBER 31, 1991  
INCLUDES BOTH PRINCIPAL AND INTEREST EXCLUDES ACCOUNT 3782  
BASED ON WASHINGTON COLLECTION GUIDELINES

PAGE 12

| FIN  | LOC | 1ST<br>QTR   | 2ND<br>QTR   | 3RD<br>QTR   | 4TH<br>QTR   | TOTAL        |
|------|-----|--------------|--------------|--------------|--------------|--------------|
| 7502 | 601 | 9,574.87     | 8,613.86     | 8,556.32     | 10,427.61    | 37,172.66    |
| 7506 | 601 | 1,048,366.16 | 4,416,638.46 | 3,373,235.08 | 461,314.04   | 9,288,543.74 |
| 7514 | 601 | 734,873.71   | 1,903,628.75 | 735,590.97   | 298,165.40   | 3,670,258.83 |
| 7516 | 601 | 265,812.44   | 10,774.72    | 172,653.14   | 71,649.00    | 520,889.30   |
| 7521 | 601 | 66,621.69    | 286,566.54   | 106,598.08   | 383,772.74   | 843,559.05   |
| 7522 | 601 |              |              | 68.09        | 198.93       | 267.02       |
| 7523 | 601 | 44,332.41    | 381,959.53   | 125,241.29   | 320,347.36   | 871,880.59   |
| 7524 | 601 |              | 178.62       | 243.53       | 63.23        | 485.38       |
| 7526 | 601 | 4,066,795.27 | 49,149.32    | 27,914.13    | 84,426.26    | 4,227,284.98 |
| 7528 | 601 | 69,066.55    | 9,383.24     | 1,063.82     | 304.73       | 79,818.34    |
| 7531 | 601 | 477.65       | 427.28       | 11,598.79    | 411.10       | 12,914.82    |
| 7537 | 601 | 1,697,339.57 | 713,416.60   | 706,072.45   | 1,881,071.49 | 4,997,900.11 |
| 7539 | 601 | 10.92        | .09          | .08          | .05          | 11.14        |
| 7541 | 601 | 3,907,797.15 | 1,040,194.71 | 2,126,716.30 | 906,793.30   | 7,981,501.46 |
| 7542 | 601 | 238,203.28   | 1,869,870.51 | 61,496.58    | 62,166.38    | 2,231,736.75 |
| 7543 | 601 | 1,136.64     | 735,237.44   | 8,161.94     | 1,359.88     | 745,895.90   |
| 7545 | 601 | 116,555.86   | 90,062.82    | 1,349,845.41 | 177,018.65   | 1,733,482.74 |
| 7548 | 601 | 801,594.72   | 439,805.64   | 105,924.51   | 21,695.14    | 1,369,020.01 |
| 7552 | 601 | 2,409.87     | 227,999.54   | 171,208.48   | 188,945.06   | 590,562.95   |
| 7553 | 601 | 80,380.04    | 121,940.75   | 88,391.34    | 102,971.28   | 393,683.41   |
| 7554 | 601 | 291,750.46   | 1,809,739.85 | 531,142.25   | 257,048.81   | 2,889,681.37 |
| 7555 | 601 | 1,377,126.58 | 371,445.08   | 322,702.82   | 36,992.17    | 2,108,266.65 |
| 7557 | 601 | 2,437,469.71 | 1,350,115.33 | 32,676.91    | 396,739.35   | 4,217,001.30 |
| 7558 | 601 | 1,089.19     | 1,503.70     | 1,006.52     | 17.72        | 3,617.13     |

3.12

614

02/09/92

## DIVISION OF ACCOUNTING &amp; CORPORATE SERVICES

PAGE 13

COLLECTIONS- FUND CODES 9977 (FRF)

THROUGH DECEMBER 31, 1991

INCLUDES BOTH PRINCIPAL AND INTEREST EXCLUDES ACCOUNT 3782

BASED ON WASHINGTON COLLECTION GUIDELINES

| FIN  | LOC | 1ST<br>QTR     | 2ND<br>QTR              | 3RD<br>QTR              | 4TH<br>QTR              | TOTAL                    |
|------|-----|----------------|-------------------------|-------------------------|-------------------------|--------------------------|
| 7559 | 601 | 253,852.17     | 247,105.77              | 851,518.63              | 35,732.20               | 1,388,208.77             |
| 7561 | 601 | 108,818.01     | 8,278,828.48            | 3,564,988.61            | 611,129.78              | 12,563,764.88            |
| 7565 | 601 | 1,829,309.82   | 1,054,659.44            | 1,118,423.34            | 1,082,078.05            | 5,084,470.65             |
| 7566 | 601 | 507,903.48     | 3,809,857.75            | 729,585.72              | 1,644,035.11            | 6,691,182.04             |
| 7567 | 601 | 1,139,855.93   | 57,873.10               | 208,852.78              | 349,337.53              | 1,755,919.34             |
| 7572 | 601 |                | 603.71                  | 610.83                  | 197.55                  | 1,412.09                 |
| 7575 | 601 |                | 648.55                  | 772.06                  | 258.28                  | 1,678.89                 |
| 7576 | 601 | 8,042,985.60   | 9,103,437.23            | 59,480,778.72           | 41,339,962.62           | 117,967,164.17           |
| 7577 | 601 | 4,090,033.40   | 17,583,850.81           | 8,452,988.34            | 5,010,336.81            | 35,137,208.96            |
| 7578 | 601 | 1,407,801.79   | 590,114.78              | 471,501.19              | 6,237,709.21            | 8,707,126.95             |
| 7583 | 601 | 537,988.69     | 32,570.00               | 406,780.35              | 10,427.09               | 987,766.13               |
| 7584 | 601 | 274.06         | 98,440.83               | 17,600.81               | 239,771.13              | 356,086.83               |
| 7585 | 601 | 250.54         | 101,583.83              | 295,133.50              | 186,821.57              | 583,789.44               |
| 7592 | 601 | 149,551.67     | 137,396.05              | 371,416.69              | 142,641.53              | 801,005.94               |
| 7595 | 601 |                |                         |                         | 11,701.69               | 11,701.69                |
| 7598 | 601 | 371,658.77     | 43,169.14               | 445,200.43              |                         | 860,028.34               |
| 7600 | 601 |                | 250,000.00              |                         |                         | 250,000.00               |
| 7605 | 601 |                |                         |                         | 462,628.60              | 462,628.60               |
| 7667 | 601 |                |                         | 598,728.36              | 152,622.93              | 751,351.29               |
| 7672 | 601 |                |                         | 172,856.03              | 11,059.65               | 183,915.68               |
| 7677 | 601 | 49,037.50      | 151,636.51              | 163,900.96              | 179,485.00              | 534,039.97               |
| 7514 | 603 | 105,179,669.94 | 71,676,505.72<br>191.51 | 96,130,578.82<br>189.59 | 76,123,100.98<br>145.89 | 349,109,855.46<br>528.99 |
| 7523 | 603 | 1.87           | 265,775.60              | 641.66                  | 148.62                  | 266,567.75               |

615

8.13

02/09/92

DIVISION OF ACCOUNTING & CORPORATE SERVICES  
COLLECTIONS- FUND CODES 9977 (FRF)

PAGE 14

THROUGH DECEMBER 31, 1991

INCLUDES BOTH PRINCIPAL AND INTEREST EXCLUDES ACCOUNT 3782

BASED ON WASHINGTON COLLECTION GUIDELINES

| FIN  | LOC | 1ST<br>QTR                  | 2ND<br>QTR                  | 3RD<br>QTR                  | 4TH<br>QTR                  | TOTAL                        |
|------|-----|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| 7527 | 603 | 176,063.03                  | 245,806.53                  | 168,984.74                  | 92,962.55                   | 683,816.85                   |
| 7537 | 603 | 42.51                       | 771.65                      | 666,628.55                  | 562,551.79                  | 1,229,994.50                 |
| 7539 | 603 | 82.48                       | 15.54                       | 1.47                        | .48                         | 99.97                        |
| 7542 | 603 |                             |                             | 14.70                       | 24.07                       | 38.77                        |
| 7543 | 603 |                             | 329,807.03                  | 4,871.19                    | 1,629.10                    | 336,307.32                   |
| 7544 | 603 | 8,025.67                    | 1,748.30                    | 6,448.28                    | 499,396.31                  | 515,618.56                   |
| 7546 | 603 | 1,319,317.67                | 516,673.37                  | 569,738.08                  | 447,149.63                  | 2,852,878.95                 |
| 7552 | 603 | 140.15                      | 642.83                      | 508.34                      | 347.75                      | 1,639.07                     |
| 7554 | 603 | 4.55-                       | 42.67-                      | 93,096.21                   | 291,381.57                  | 384,430.16                   |
| 7555 | 603 |                             | 12.94                       | 71.50                       | 51,308.26                   | 51,389.70                    |
| 7569 | 603 | 4,601.51                    | 573.07                      | 445.45                      | 135.05                      | 5,755.08                     |
| 7570 | 603 | 2,562.52                    | 501.17                      | 337.94                      | 110.29                      | 3,511.92                     |
| 7571 | 603 | 4,385.04                    | 628.71                      | 8,202.90                    | 265.31                      | 13,481.96                    |
| 7572 | 603 | 1,520.37                    | 28,535.43                   | 841,657.56                  | 41,517.48                   | 913,230.84                   |
| 7576 | 603 |                             |                             | 129,745.30                  | 189,593.02                  | 319,338.32                   |
| 7578 | 603 |                             |                             | 30,132.95                   | 133.19                      | 30,266.14                    |
| 7584 | 603 | 16.19                       | 92.37-                      | 6,939.64                    | 718,118.42                  | 722,979.88                   |
| 7589 | 603 | 805.35                      | 377,659.92                  | 642,466.63                  | 3,012,481.27                | 4,033,413.17                 |
| 7590 | 603 | 24,137,395.50               | 81,183,402.18               | 38,413,280.65               | 74,758,463.07               | 218,492,541.40               |
| 7597 | 603 |                             |                             |                             | 950,000.00                  | 950,000.00                   |
| 7603 | 603 |                             |                             |                             | 23.09                       | 23.09                        |
| 7515 | 604 | 25,654,954.91<br>213,422.91 | 82,952,610.74<br>269,715.26 | 41,584,403.33<br>233,338.41 | 81,615,881.41<br>178,886.88 | 231,807,850.39<br>895,363.46 |
| 7516 | 604 | 5,252,105.86                | 1,881,583.95                | 28,335,802.75               | 2,759,078.38                | 38,228,570.92                |

3.14

616

02/09/92

DIVISION OF ACCOUNTING & CORPORATE SERVICES  
COLLECTIONS- FUND CODES 9977 (PRF)

PAGE 15

THROUGH DECEMBER 31, 1991  
INCLUDES BOTH PRINCIPAL AND INTEREST EXCLUDES ACCOUNT 3782  
BASED ON WASHINGTON COLLECTION GUIDELINES

| FIN  | LOC | 1ST<br>QTR     | 2ND<br>QTR     | 3RD<br>QTR             | 4TH<br>QTR                  | TOTAL                        |
|------|-----|----------------|----------------|------------------------|-----------------------------|------------------------------|
| 7521 | 604 | 424,117.88     | 70,835.18      | 55,188.98              | 42,912.79                   | 593,054.81                   |
| 7523 | 604 | 137,744.24     | 546,842.80     | 219,501.32             | 844,812.33                  | 1,748,900.69                 |
| 7525 | 604 | 1,320,022.85   | 89,574.82      | 449,302.30             | 162,023.45                  | 2,020,923.12                 |
| 7528 | 604 | 58,441.11      | 403.01-        | 114,758.08             | 238,380.67                  | 409,188.82                   |
| 7548 | 604 | 1,568,558.09   | 1,151,783.47   | 2,811,540.24           | 911,844.86                  | 6,441,524.66                 |
| 7554 | 604 | 598,482.70     | 1,947,680.89   | 893,478.85             | 828,827.26                  | 4,068,479.70                 |
| 7555 | 604 | 751,857.00     | 728,834.95     | 3,889,695.48           | 1,018,818.58                | 6,384,806.01                 |
| 7557 | 604 | 12,931,443.24  | 3,386,802.80   | 3,539,831.49           | 4,846,452.30                | 24,704,529.83                |
| 7565 | 604 | 2,953,247.86   | 7,061,424.54   | 11,168,264.67          | 2,834,544.78                | 24,017,481.85                |
| 7578 | 604 | 818,955.00     | 7,822,747.08   | 18,367,584.99          | 3,409,953.41                | 30,219,240.48                |
| 7583 | 604 | 630,868.04     | 1,537,738.34   | 1,653,826.08           | 406,139.05                  | 4,228,371.51                 |
| 7595 | 604 |                |                |                        | 100,000.00                  | 100,000.00                   |
| 7621 | 604 | 6,518,890.01   | 5,582,679.42   | 651,427.70             | 44,057.42                   | 12,797,054.55                |
| 7525 | 605 | 34,173,954.29  | 31,875,650.27  | 72,183,341.29<br>31.19 | 18,624,542.14<br>832,999.85 | 156,857,487.99<br>833,031.04 |
| 7540 | 605 | 362,918.38     | 805,735.12     | 1,066,270.44           | 95,265.50-                  | 2,139,856.44                 |
| 7558 | 605 | 551,184.83     | 156,916.92     | 438,621.40             | 114,057.51                  | 1,258,780.66                 |
| 7577 | 605 |                |                | 1,824,799.72           | 717,198.31                  | 2,541,998.03                 |
| 7585 | 605 |                | 39.59          | 47.05                  | 15.59                       | 102.23                       |
| 7595 | 605 |                |                |                        | 10,432.71                   | 10,432.71                    |
|      |     | 914,101.21     | 962,691.63     | 3,327,769.80           | 1,579,438.47                | 6,784,001.11                 |
|      |     | 495,110,619.51 | 530,622,967.57 | 694,085,396.95         | 462,082,461.83              | 2,181,901,445.86             |

617

## FRF FINANCIAL INSTITUTION NUMBERS

9.10 WEDNESDAY, FEBRUARY 12, 1992 1

| BANK | NAME                         |      |
|------|------------------------------|------|
| CM80 | FIRST FS&LA OF ROCHESTER     | 9977 |
| 1600 | MIDAMERICA - C82             | 9977 |
| 1601 | ASTORIA - C96                | 9977 |
| 1602 | FARM & HOME - C97            | 9977 |
| 1603 | HOME FSLA - C98              | 9977 |
| 1604 | LAND LINCOLN - C101          | 9977 |
| 1605 | STANDARD FSLA - C105         | 9977 |
| 1606 | AVONDALE - C109              | 9977 |
| 1607 | ANCHOR FSB - C110            | 9977 |
| 1608 | LAND OF LINCOLN - C112       | 9977 |
| 1609 | ANCHOR - C113                | 9977 |
| 1610 | INDEPENDENCE - C114          | 9977 |
| 1611 | METRO OF BETHESDA - C117     | 9977 |
| 1612 | FIRST NATIONWIDE - C119      | 9977 |
| 1613 | FIRST FSLA - C120            | 9977 |
| 1614 | UNITED POSTAL - C121         | 9977 |
| 1615 | FIRST FEDERAL SAVINGS - C123 | 9977 |
| 1616 | GLENDALE - C 124             | 9977 |
| 1617 | EMPIRE OF AMERICA - C126     | 9977 |
| 1618 | CITY FSLA - C128             | 9977 |
| 1619 | HOME SAVINGS - C129          | 9977 |
| 1620 | HOME SAVINGS - C130          | 9977 |
| 1621 | CITY FSLA - C131             | 9977 |
| 1622 | FIRST MUTUAL - C134          | 9977 |
| 1623 | ILLINOIS SERVICE - C136      | 9977 |
| 1624 | NORTHEAST - C138             | 9977 |
| 1625 | CARVER - C147                | 9977 |
| 1626 | EMPIRE OF AMERICA - C 148    | 9977 |
| 1627 | SECURITY - C150              | 9977 |
| 1628 | INVESTORS SAVINGS - C152     | 9977 |
| 1629 | BAYSIDE - C157               | 9977 |
| 1630 | CITICORP - C159              | 9977 |
| 1631 | SUN COUNTRY - C161           | 9977 |
| 1632 | LANDMARK - C162              | 9977 |
| 1633 | NORTHEAST - C163             | 9977 |
| 1634 | EMPIRE OF AMERICA - C168     | 9977 |
| 1635 | HORIZON - C170               | 9977 |
| 1636 | GREAT AMERICAN FSLA - C172   | 9977 |
| 1637 | DEPOSITORS - C173            | 9977 |
| 1638 | COMMUNITY - C177             | 9977 |
| 1639 | GEM - C178                   | 9977 |
| 1640 | ROOSEVELT - C183             | 9977 |
| 1641 | HORIZON - C184               | 9977 |
| 1642 | ANCHOR - C186                | 9977 |
| 1643 | MID SOUTH - C188             | 9977 |
| 1644 | HOME FSLA - C189             | 9977 |
| 1645 | RCF BANK - C190              | 9977 |
| 1646 | ATLANTIC FIN - C192          | 9977 |
| 1647 | GUARANTY - C193              | 9977 |
| 1648 | CROSSLAND - C194             | 9977 |
| 1649 | LONG ISLAND FSB - C196       | 9977 |
| 1650 | ANCHOR SB - C197             | 9977 |
| 1651 | INSIGN - C199                | 9977 |
| 1652 | CITICORP IL - C207           | 9977 |
| 1653 | CITICORP IL - C208           | 9977 |



| BANK | NAME                        |      |
|------|-----------------------------|------|
| 1654 | MIDWEST - C210              | 9977 |
| 1655 | FIRST LSA - C213            | 9977 |
| 1656 | UNITED FSB - C213           | 9977 |
| 1657 | GIBRALTAR OF WASH - C214    | 9977 |
| 1658 | HOME SAVINGS - C216         | 9977 |
| 1659 | HOUSEHOLD - C217            | 9977 |
| 1660 | UNION FSB - C219            | 9977 |
| 1661 | DOLLAR FSB - C220           | 9977 |
| 1662 | CAGUAS FSLA - C222          | 9977 |
| 1663 | OLD STONE - C223            | 9977 |
| 1664 | ATLANTIC FINANCIAL - C228   | 9977 |
| 1665 | HOUSEHOLD BANK - C230       | 9977 |
| 1666 | MERITOR - C231              | 9977 |
| 1667 | HOME OF AMERICA - C233      | 9977 |
| 1668 | MISSISSIPPI FSB - C235      | 9977 |
| 1669 | HOUSEHOLD BANK - C236       | 9977 |
| 1670 | BENJAMIN FRANKLIN - C241    | 9977 |
| 1671 | COLUMBIA FIRST - C250       | 9977 |
| 1672 | SECURITY FSLA - C251        | 9977 |
| 1673 | HOMEOWNERS FSLA - C252      | 9977 |
| 1674 | SECURITY SLA - C254         | 9977 |
| 1675 | STERLING SA - C258          | 9977 |
| 1676 | METROPOLITAN - C258         | 9977 |
| 1677 | REPUBLIC - C259             | 9977 |
| 1678 | OLD STONE BANK - C263       | 9977 |
| 1679 | ANCHOR SAVINGS - C267       | 9977 |
| 1680 | GREAT AMERICAN FIRST - C271 | 9977 |
| 1681 | UNITED SAVINGS - C272       | 9977 |
| 1682 | LONG ISLAND SAVINGS - C274  | 9977 |
| 1683 | HORIZON FSLA - C275         | 9977 |
| 1684 | GERMANIA - C278             | 9977 |
| 1685 | PACIFIC FIRST - C277        | 9977 |
| 1686 | CARTERET SB - C278          | 9977 |
| 1687 | CITIZENS FSLA - C279        | 9977 |
| 1688 | FIRST NATIONWIDE - C280     | 9977 |
| 1689 | EMPIRE OF AMERICA - C281    | 9977 |
| 1690 | SECURITY PACIFIC - C283     | 9977 |
| 1691 | CITICORP SAVINGS - C285     | 9977 |
| 1692 | COMMERCIAL FSLA - C286      | 9977 |
| 1693 | TRANSOHIO - C287            | 9977 |
| 1694 | MIDCONTINENT - C288         | 9977 |
| 1695 | CHARTER BANK - C290         | 9977 |
| 1696 | POUGHKEEPSIE SAVINGS - C292 | 9977 |
| 1697 | HERITAGE FSB - C293         | 9977 |
| 1698 | MONYOR - C295               | 9977 |
| 1699 | FIRST NATIONWIDE/ST - C296  | 9977 |
| 1700 | FIRST NATIONWIDE/LIN - C297 | 9977 |
| 1701 | SAN ANTONIO - C299          | 9977 |
| 1702 | STANDARD PACIFIC - C300     | 9977 |
| 1703 | INTERWEST SAVINGS - C301    | 9977 |
| 1704 | FIRST FEDERAL FSB - C303    | 9977 |
| 1705 | CHARTER OAK - C305          | 9977 |
| 1706 | COAST SLA - C308            | 9977 |
| 1707 | SOCAL - C307                | 9977 |
| 1708 | ENSIGN BANK - C308          | 9977 |

## FRF FINANCIAL INSTITUTION NUMBERS

9:10 WEDNESDAY, FEBRUARY 12, 1992 3

| BANK | NAME                           |      |
|------|--------------------------------|------|
| 1708 | WASHINGTON FSLA - C309         | 9977 |
| 1710 | GLOBE FSB - C310               | 9977 |
| 1711 | FIRST FSLA - C311              | 9977 |
| 1712 | GULF FEDERAL - C312            | 9977 |
| 1713 | HOME SA - C314                 | 9977 |
| 1714 | SULPHUR SPRINGS - C315         | 9977 |
| 1715 | UNITED SAL - C316              | 9977 |
| 1716 | UNION FEDERAL - C317           | 9977 |
| 1717 | PELICAN HOMESTEAD - C318       | 9977 |
| 1718 | SECOR BANK/ALABAMA FSLA - C319 | 9977 |
| 1719 | CHAMPION FSLA - C320           | 9977 |
| 1720 | COREAST SB - C321              | 9977 |
| 1721 | HOME FSLA - C322               | 9977 |
| 1722 | ATLANTIC FINANCIAL - C323      | 9977 |
| 1723 | GREAT WEST SAVINGS - C324      | 9977 |
| 1724 | STATESMAN BANK - C325          | 9977 |
| 1725 | STERLING SA - C326             | 9977 |
| 1726 | LEMONT FSB - C327              | 9977 |
| 1727 | HOME FSLA - C328               | 9977 |
| 1728 | HANSFN SB - C329               | 9977 |
| 1729 | AMERICA FIRST - C330           | 9977 |
| 1730 | FIRST FEDERAL SB - C331        | 9977 |
| 1731 | SECURITY FIRST FSB - C332      | 9977 |
| 1732 | MUSKEGON - C333                | 9977 |
| 1733 | EUREKA FSLA - C334             | 9977 |
| 1734 | WORLD SLA - C335               | 9977 |
| 1735 | RIVER VALLEY FSB - C336        | 9977 |
| 1736 | RIVER VALLEY SB - C337         | 9977 |
| 1737 | FIRST FSB - C338               | 9977 |
| 1738 | UNITED SAVING BANK - C339      | 9977 |
| 1739 | STANDARD FSLA - C340           | 9977 |
| 1740 | FIRST FSLA - C341              | 9977 |
| 1741 | METROPOLITAN FINANCIAL - C342  | 9977 |
| 1742 | WASHINGTON FSLA - C343         | 9977 |
| 1743 | OLD STONE BANK - C344          | 9977 |
| 1744 | SECURITY TRUST - C345          | 9977 |
| 1745 | FIRST FSB & TRUST - C346       | 9977 |
| 1746 | FIRST FSB - C347               | 9977 |
| 1747 | UNITED SAVINGS - C349          | 9977 |
| 1748 | SECOR BANK FSB - C350          | 9977 |
| 1749 | WASHINGTON FSLA - C351         | 9977 |
| 1750 | WESTERN FSLA - C352            | 9977 |
| 1751 | HOME FEDERAL - C353            | 9977 |
| 1752 | UNION FSB/INDIANAPOLIS - C354  | 9977 |
| 1753 | UNION FSB/FRANKTON - C355      | 9977 |
| 1754 | BUTTERFIELD - C356             | 9977 |
| 1755 | FIRST FEDERAL - C357           | 9977 |
| 1756 | AMERICAN SB - C358             | 9977 |
| 1757 | TRACY SAVINGS - C359           | 9977 |
| 1758 | FIRST FSB OF INDIANA - C360    | 9977 |
| 1759 | REPUBLIC.O SB - C361           | 9977 |
| 1760 | NEW PEOPLE FSB - C362          | 9977 |
| 1761 | CROSSLAND - C363               | 9977 |
| 1762 | FIRST NATIONWIDE - C364        | 9977 |
| 1763 | FLAGSHIP FSLA - C365           | 9977 |

8.18

620

| BANK | NAME                              |      |
|------|-----------------------------------|------|
| 1764 | SOUTHSIDE SB - C366               | 9977 |
| 1765 | MID AMERICA - C367                | 9977 |
| 1766 | FIRST WESTERN - C368              | 9977 |
| 1767 | PACIFIC BANK - C369               | 9977 |
| 1768 | FIRST FSLA - C370                 | 9977 |
| 1769 | WORLD SLA OF OHIO - C371          | 9977 |
| 1770 | FIRST NATIONWIDE FSB - C372       | 9977 |
| 1771 | CITICORP SAVINGS - C373           | 9977 |
| 1772 | NVR FEDERAL - C374                | 9977 |
| 1773 | VIRGINIA FEDERAL - C375           | 9977 |
| 1774 | ROCKY MOUNTAIN - C376             | 9977 |
| 1775 | BARNETT FSB - C377                | 9977 |
| 1776 | NEW WEST FSLA - C379              | 9977 |
| 1777 | CITIZENS FEDERAL - C380           | 9977 |
| 1778 | JACKSON FSLA - C381               | 9977 |
| 1779 | NORTHWEST FSB - C382              | 9977 |
| 1780 | FIRST NATIONWIDE - C383           | 9977 |
| 1781 | METROPOLITAN - C384               | 9977 |
| 1782 | WESTERN FSLA - C385               | 9977 |
| 1783 | HOME FSLA - C386                  | 9977 |
| 1784 | FIRST OF JACKSONVILLE - C387      | 9977 |
| 1785 | NEW METROPOLITAN/BEACH - C388     | 9977 |
| 1786 | SUPERIOR BANK/LYONS - C389        | 9977 |
| 1787 | FIRST HERWORK - C390              | 9977 |
| 1788 | RIVER VALLEY - C391               | 9977 |
| 1789 | CALIFORNIA FSLA - C392            | 9977 |
| 1790 | MICHIGAN NATIONAL - C393          | 9977 |
| 1791 | HOME FEDERAL - C394               | 9977 |
| 1792 | FIRST COOK BANK - C395            | 9977 |
| 1793 | FIRST TROPICAL - C396             | 9977 |
| 1794 | COASTAL BANK - SW001              | 9977 |
| 1795 | SOUTHWEST SAVINGS - SW002         | 9977 |
| 1796 | MERABANK - SW003                  | 9977 |
| 1797 | AMERICAN FEDERAL - SW004          | 9977 |
| 1798 | SINBELT - SW005                   | 9977 |
| 1799 | MERABANK/LUBBOCK - SW006          | 9977 |
| 1800 | CIMMARRON - SW007                 | 9977 |
| 1801 | RED RIVER - SW008                 | 9977 |
| 1802 | CHISOLM - SW010                   | 9977 |
| 1803 | HEARTLAND - SW011                 | 9977 |
| 1804 | HIGHTS OF TEXAS - SW013           | 9977 |
| 1805 | FIRST HEIGHTS - SW014             | 9977 |
| 1806 | GUARANTY - SW015                  | 9977 |
| 1807 | FRANKLIN FEDERAL - SW016          | 9977 |
| 1808 | DIN V S&L - SW017                 | 9977 |
| 1809 | AMERICAN FEDERAL - SW018          | 9977 |
| 1810 | BLUBONNET SAVINGS BANK, FSB-SW020 | 9977 |
| 1811 | FIRST GIBRALTAR - SW021           | 9977 |
| 1812 | PACIFIC SOUTHWEST - SW022         | 9977 |
| 1813 | TEXAS TRUST - SW023               | 9977 |
| 1814 | AMERICAN BANK - SW024             | 9977 |
| 1815 | UNITED SA OF TEXAS - SW025        | 9977 |
| 1816 | EQUITY - SW026                    | 9977 |
| 1817 | JEFFERSON FSLA - C092             | 9977 |
| 1818 | FIDELITY - C156                   | 9977 |

## FRF FINANCIAL INSTITUTION NUMBERS

9:10 WEDNESDAY, FEBRUARY 12, 1992 5

| BANK | NAME                            |      |
|------|---------------------------------|------|
| 1819 | AMERICAN FEDERAL - C191         | 9977 |
| 1820 | BOHEMIAN - C204                 | 9977 |
| 1821 | FIRST FINANCIAL - C211          | 9977 |
| 1822 | SECURITY SLA - C215             | 9977 |
| 1823 | FIDELITY NEW YORK - C224        | 9977 |
| 1824 | FIRST SLA OF CENTRAL IN         | 9977 |
| 1825 | MUTUAL SLA                      | 9977 |
| 1826 | FUTURE FSB                      | 9977 |
| 1827 | PEERLESS FSLA                   | 9977 |
| 1828 | CHARLESTON FSLA                 | 9977 |
| 1829 | OLYMPIC FSLA                    | 9977 |
| 1830 | FAIRMONT FSLA                   | 9977 |
| 1831 | STATE FSLA                      | 9977 |
| 1832 | HOME FSLA                       | 9977 |
| 1833 | FIRST FSLA OF MONTCLAIR         | 9977 |
| 1834 | FULTON FSLA                     | 9977 |
| 1835 | GEM CITY SLA                    | 9977 |
| 1836 | SHAWNEE FSLA                    | 9977 |
| 1837 | ST LOUIS CO FSLA                | 9977 |
| 1838 | HORIZON FSB                     | 9977 |
| 1839 | SUMMIT FIRST FSLA               | 9977 |
| 1840 | HOME FSLA OF HARLAN             | 9977 |
| 1841 | FIRST FSLA OF WINNFIELD         | 9977 |
| 1842 | MIDWEST FSLA                    | 9977 |
| 1843 | CHILLICOTHE FSLA                | 9977 |
| 1844 | ENTERPRISE SB                   | 9977 |
| 1845 | FLATBUSH FSLA                   | 9977 |
| 1846 | HOMESTEAD SAVINGS               | 9977 |
| 1847 | AMERICAN CHARTER FSLA           | 9977 |
| 1848 | CENTRAL FED SAVINGS             | 9977 |
| 1849 | MILFORD FSLA                    | 9977 |
| 1850 | SECURITY SLA                    | 9977 |
| 1851 | FIRST FSLA OF COFFEYVILLE       | 9977 |
| 1852 | FIRST FSLA OF MERRILLVILLE      | 9977 |
| 1853 | SHADOW LAWN SLA                 | 9977 |
| 1854 | NORTH JERSEY SLA                | 9977 |
| 1855 | SOUTHWEST SLA                   | 9977 |
| 1856 | COLONIAL FSLA                   | 9977 |
| 1857 | METROPOLITAN FSLA               | 9977 |
| 1858 | PATHWAY FINANCIAL               | 9977 |
| 1859 | NILE VALLEY FSLA                | 9977 |
| 1860 | MARION CO MUTUAL                | 9977 |
| 1861 | HERITAGE FSLA                   | 9977 |
| 1862 | FIRST FSLA OF MACON CO.         | 9977 |
| 1863 | CITIZENS FEDERAL BANK           | 9977 |
| 1864 | BOONSLICK SLA                   | 9977 |
| 1865 | HOME FSLA OF JOLIET             | 9977 |
| 1866 | OLNEY SLA                       | 9977 |
| 1867 | FIRST FSLA OF LARGO             | 9977 |
| 1868 | TERREBONNE SLA                  | 9977 |
| 1869 | JEFFERSON SLA                   | 9977 |
| 1870 | CITY FSLA                       | 9977 |
| 1871 | FOUNDERS SLA                    | 9977 |
| 1872 | HOME FEDERAL SB - P+D SLK       | 9977 |
| 1874 | HILL PLAINS S&I (SILOAN OSBOHN) | 9977 |

8.20

622

| BANK | NAME                              |            |
|------|-----------------------------------|------------|
| 1875 | LINCOLN SLA, LOS ANGELES, CA      | 9977       |
| 1876 | MONTFORT SAVINGS ASSOCIATION, FSB | 9977       |
| 1877 | FADA STOCK                        | 9977       |
| 1878 | ATLANTIC FIN SVGS - C270          | 9977       |
| 1879 | GREAT AMERICAN FIRST - C302       | 9977       |
| 1880 | CROSSLAND SVGS FSB - C304         | 9977       |
| 1881 | CITIZENS S & LA, FSLA             | 9977       |
| 1882 | FARMERS SAVINGS, FSLA             | 9977       |
| 1883 | CENTENNIAL/CITIZENS FEDERAL       | 9977       |
| 1884 | TERRITORY SLA/COMMERCIAL          | 9977       |
| 1885 | FIRST FS&LA                       | 9977       |
| 6930 | SOUTHERN FEDERAL                  | DTSNM 9977 |
| 6931 | FIRST FINANCIAL                   | DTSNM 9977 |
| 6932 | CARVER SLA                        | DPSNM 9977 |
| 6933 | MANHATTAN BEACH SAVINGS           | DPSNM 9977 |
| 6934 | SIGNAL SLA                        | POSNN 9977 |
| 6935 | MID STATE SLA/KANKAKEE            | DPNNN 9977 |
| 6936 | VALLEY FSB                        | POSNN 9977 |
| 7500 | ECONOMY SLA                       | 9977       |
| 7501 | NORTH KANSAS                      | 9977       |
| 7502 | VALLEY FIRST/HOME FSLA            | 9977       |
| 7503 | MANNING/ST. PAUL FSLA             | 9977       |
| 7504 | ANTIOCH/GREAT AMERICAN            | 9977       |
| 7505 | CLEVELAND COMM/SUPERIOR           | 9977       |
| 7506 | STATE OF CLOVIS                   | 9977       |
| 7507 | METRO                             | 9977       |
| 7508 | EMPIRE                            | 9977       |
| 7509 | AMERICAN/SECURITY                 | 9977       |
| 7510 | SAVANNAH/NEW/CHARTER              | 9977       |
| 7511 | JOHN SEVIER/NEW/CHARTER           | 9977       |
| 7512 | EAST TENN/NEW/CHARTER             | 9977       |
| 7513 | AMERICAN/NEW/CHARTER              | 9977       |
| 7514 | SAN MARINO/HOME OF TUCSON         | 9977       |
| 7515 | WESTERN COMM/FIRST UNITED         | 9977       |
| 7516 | STATE SLA/SANDIA FSLA             | 9977       |
| 7517 | KNOX FSLA/NEW/CHARTER             | 9977       |
| 7518 | COMMUNITY/NEW COMMUNITY           | 9977       |
| 7519 | CENTURY/HOUSEHOLD BANK            | 9977       |
| 7520 | BELL SAVINGS BANK                 | 9977       |
| 7521 | MONTANA FSB                       | 9977       |
| 7522 | ALLIANCE/BAY SAVINGS BANK         | 9977       |
| 7523 | WESTSIDE/MARINER FSLA             | 9977       |
| 7524 | GUARANTY/GUARANTY FSLA            | 9977       |
| 7525 | STATE/FREEDOM FEDERAL             | 9977       |
| 7526 | INTERCAPITAL/GREAT WESTERN        | 9977       |
| 7527 | SIERRA/COMMERCIAL FEDERAL         | 9977       |
| 7528 | GUARANTY/OLYMPIC SAVINGS BANK     | 9977       |
| 7529 | MAINLAND                          | 9977       |
| 7530 | SUNBELT/HORIZON FEDERAL           | 9977       |
| 7531 | SEAPointe/Monterey Park           | 9977       |
| 7532 | CRESENT/HORIZON FINANCIAL         | 9977       |
| 7533 | COMMUNITY/HORIZON FINANCIAL       | 9977       |
| 7534 | NORTHLAKE/HORIZON FED             | 9977       |
| 7535 | AUDUBON FINANCIAL                 | 9977       |
| 7536 | NEW ORLEANS/HORIZON FEDERAL       | 9977       |

## FRF FINANCIAL INSTITUTION NUMBERS

9:10 WEDNESDAY, FEBRUARY 12, 1992 7

| BANK | NAME                             |      |
|------|----------------------------------|------|
| 7537 | SUN SAVINGS/FLAGSHIP FEDERAL     | 9977 |
| 7538 | MAJOR FEDERAL/BEACON FED         | 9977 |
| 7539 | CENTRAL ILLINOIS                 | 9977 |
| 7540 | PENINSULA SAL/1ST FEDERAL        | 9977 |
| 7541 | PRESIDIO FSLA                    | 9977 |
| 7542 | CONSOLIDATED S3                  | 9977 |
| 7543 | SUNRISE/BEACH FEDERAL            | 9977 |
| 7544 | HOMESTEAD/MIDFIRST SLA           | 9977 |
| 7545 | FIRST SOUTH/RIVERSIDE FEDERAL    | 9977 |
| 7546 | GUARANTY FEDERAL                 | 9977 |
| 7547 | FIRST SLA/COLONIAL               | 9977 |
| 7548 | UMPOVA SLA                       | 9977 |
| 7549 | LIFE SAVINGS/TCF BANKING         | 9977 |
| 7550 | FIRST FEDERAL/HOME SA            | 9977 |
| 7551 | FIRST SOUTHERN/MAGNOLIA          | 9977 |
| 7552 | FIRST FEDERAL MD/COLUMBIA 1ST    | 9977 |
| 7553 | EQUITABLE SLA/EMPIRE             | 9977 |
| 7554 | FUTURE SLA/WILLIAMSBURG          | 9977 |
| 7555 | SUMMIT SLA/UNITED SLA            | 9977 |
| 7556 | LIBERTY SLA                      | 9977 |
| 7557 | CENTENNIAL/CITIZENS FEDERAL      | 9977 |
| 7558 | FRONTIER/1ST FEDERAL             | 9977 |
| 7559 | SIERRA SLA/NEVADA SLA            | 9977 |
| 7560 | TRI-COUNTY SLA                   | 9977 |
| 7561 | VERNON FSLA/MONTFORT SA          | 9977 |
| 7562 | BOHEMIAN SLA                     | 9977 |
| 7563 | FIRST SA OF EAST TEXAS           | 9977 |
| 7564 | TERRITORY SLA/COMMERCIAL         | 9977 |
| 7565 | CITIZENS SLA/FREEDOM FEDERAL     | 9977 |
| 7566 | MT. WHITNEY/GUARDIAN SLA         | 9977 |
| 7567 | RAMONA FSLA/MIDWEST FSLA         | 9977 |
| 7568 | FIRST FSLA/SECURITY              | 9977 |
| 7569 | INVESTORS SLA/MIDWEST FED        | 9977 |
| 7570 | UNITED FSLA/MIDWEST FEDERAL      | 9977 |
| 7571 | FIRST FEDERAL SLA                | 9977 |
| 7572 | AMERICAN/FSLA/COLONIAL           | 9977 |
| 7573 | CARDINAL SB/UNITED FEDERAL       | 9977 |
| 7574 | CAPITOL FEDERAL/MIDWEST FEDERAL  | 9977 |
| 7575 | LARUE FEDERAL SLA                | 9977 |
| 7576 | AMERICAN DIVERSIFIED             | 9977 |
| 7577 | NORTH AMERICAN SLA               | 9977 |
| 7578 | FARMERS SLA                      | 9977 |
| 7579 | VICTOR/CIMMARON                  | 9977 |
| 7580 | AMERICAN FEDERAL/MID 1ST         | 9977 |
| 7581 | UNIVERSAL SA                     | 9977 |
| 7582 | ULTIMATE SB/CITIZENS FEDERAL     | 9977 |
| 7583 | PEOPLES SLA/PIONEER FSLA         | 9977 |
| 7584 | LIBERTY FEDERAL                  | 9977 |
| 7585 | REGENCY SB/GREAT LAKES           | 9977 |
| 7586 | CYPRESS SA/SECOR BANK            | 9977 |
| 7587 | TWIN CITY/SECOR BANK             | 9977 |
| 7588 | CENTRAL ARKANSAS/FIRST FSLA      | 9977 |
| 7589 | KEY SLA/COMMERCIAL FEDERAL       | 9977 |
| 7590 | SILVERADO/MILE HIGH              | 9977 |
| 7591 | UNION SAVINGS & LOAN ASSOCIATION | 9977 |

8-22

624

## FRF FINANCIAL INSTITUTION NUMBERS

9:10 WEDNESDAY, FEBRUARY 12, 1992 8

| BANK | NAME                                   |      |
|------|--|------|
| 7592 | CENTRAL SAVINGS                        | 9977 |
| 7593 | MAGNOLIA FEDERAL SAVINGS & LOAN        | 9977 |
| 7595 | DALLAS FRF-CORPORATE PURCHASE          | 9977 |
| 7596 | IRVINE CONSOLIDATED-FRF-CP             | 9977 |
| 7597 | DENVER CONSOLIDATED-FRF-CP             | 9977 |
| 7598 | O'HARE FRF CP                          | 9977 |
| 7599 | ATLANTA FRF OFFICE CP                  | 9977 |
| 7600 | STATE - LUBBOCK                        | 9977 |
| 7601 | SUNBELT                                | 9977 |
| 7602 | FIRST GIBRALTAR                        | 9977 |
| 7603 | PACIFIC SW                             | 9977 |
| 7604 | RANCHERS                               | 9977 |
| 7605 | AMERICAN (C380).                       | 9977 |
| 7606 | NUOLNEY                                | 9977 |
| 7607 | FRANKLIN FED                           | 9977 |
| 7608 | FIRST NATIONWIDE                       | 9977 |
| 7609 | HEIGHTS OF TEXAS, SSB                  | 9977 |
| 7610 | BOSSIER CITY CONSOLIDATED-FRF-CP       | 9977 |
| 7611 | OKLAHOMA CITY CONSOLIDATED-FRF-CP      | 9977 |
| 7612 | MIDLAND CONSOLIDATED-FRF-CP            | 9977 |
| 7613 | ADDISON CONSOLIDATED-FRF-CP            | 9977 |
| 7614 | HOUSTON CONSOLIDATED-FRF-CP            | 9977 |
| 7615 | SAN ANTONIO CONSOLIDATED-FRF CP        | 9977 |
| 7616 | DALLAS ASSET LIQUIDATION OFFICE-FRF-CP | 9977 |
| 7617 | TERMINATED RECEIVERSHIPS - CP - FRF    | 9977 |
| 7618 | ORLANDO CONSOLIDATED-FRF-CP            | 9977 |
| 7619 | SOUTH BRUNSWICK CONSOLIDATED-FRF-CP    | 9977 |
| 7620 | FRANKLIN FRF-CP                        | 9977 |
| 7621 | SAN JOSE CONSOLIDATED-FRF-CP           | 9977 |
| 7623 | ANCHORAGE ALASKA-FRF-CP                | 9977 |
| 7640 | TERMINATED RECEIVERSHIPS - CP - FRF    | 9977 |
| 7641 | TERMINATED RECEIVERSHIPS - CP - FRF    | 9977 |
| 7642 | TERMINATED RECEIVERSHIPS - CP - FRF    | 9977 |
| 7643 | TERMINATED RECEIVERSHIPS - CP - FRF    | 9977 |
| 7644 | TERMINATED RECEIVERSHIPS - CP - FRF    | 9977 |
| 7645 | TERMINATED RECEIVERSHIPS - CP - FRF    | 9977 |
| 7646 | TERMINATED RECEIVERSHIPS - CP - FRF    | 9977 |
| 7647 | TERMINATED RECEIVERSHIPS - CP - FRF    | 9977 |
| 7648 | TERMINATED RECEIVERSHIPS - CP - FRF    | 9977 |
| 7650 | TERMINATED RECEIVERSHIPS - CP - FRF    | 9977 |
| 7651 | COLUMBUS (C388)                        | 9977 |
| 7652 | WESTERN FEDERAL (C352)                 | 9977 |
| 7653 | FIRST FEDERAL (C357)                   | 9977 |
| 7654 | LONG ISLAND SB (C274)                  | 9977 |
| 7655 | MIDWEST FEDERAL (C210)                 | 9977 |
| 7656 | SECURITY S&L (C215)                    | 9977 |
| 7657 | CITICORP (C207)                        | 9977 |
| 7658 | CARDINAL (C383)                        | 9977 |
| 7659 | OHIO VALLEY (C371)                     | 9977 |
| 7660 | MAGIC VALLEY (C299)                    | 9977 |
| 7661 | FIRST FEDERAL-ROANOKE (C321)           | 9977 |
| 7662 | STANDARD FEDERAL (C340)                | 9977 |
| 7663 | FIRST FS&LA-RAPID CITY (C120)          | 9977 |
| 7664 | HANSEN SB (C329)                       | 9977 |
| 7665 | FIRST FEDERAL (C311)                   | 9977 |

8.23

625

## FRF FINANCIAL INSTITUTION NUMBERS

9:10 WEDNESDAY, FEBRUARY 12, 1992 9

| BANK | NAME                                    |      |
|------|---|------|
| 7666 | MERCURY (SW004)                         | 9977 |
| 7667 | EUREKA (C330)                           | 9977 |
| 7668 | FIRST FEDERAL-CHICAGO (C207)            | 9977 |
| 7669 | FIDELITY (C217)                         | 9977 |
| 7670 | AMERICAN FEDERAL (SW004)                | 9977 |
| 7671 | MARINER FEDERAL (C277)                  | 9977 |
| 7672 | THANSONIO (C287)                        | 9977 |
| 7673 | SECURITY TRUST (C346)                   | 9977 |
| 7675 | TERMINATED RECEIVERSHIP-CP-FHF          | 9977 |
| 7676 | TERMINATED RECEIVERSHIP-CP-FRF          | 9977 |
| 7677 | FRF - CP - LA OFFICE LEASE              | 9977 |
| 7678 | ROCKY MOUNTAIN BANK (C378)              | 9977 |
| 7679 | AMERICITY (SOUTHWEST 018)               | 9977 |
| 7680 | METROPOLITAN FEDERAL, FSB (C342)        | 9977 |
| 7681 | JACKSON COUNTY FEDERAL BANK, FSB (C381) | 9977 |
| 9977 | FRF - FSLIC RESOLUTION FUND             | 9977 |



**FRF ASSISTANCE AGREEMENT MANAGEMENT**  
**WITHIN THE RTC ORGANIZATION AND STAFFING**

**A. Organization**

The transfer of Division of FSLIC Operations (DFO) from the FDIC to the RTC was announced on January 16, 1991 with an effective date of February 10, 1991 for the reassignment of staff. The obligations arising under the financial assistance agreements which DFO manages remain obligations of the FDIC as Manager of the FSLIC Resolution Fund. The transfer was undertaken in order that the RTC would have both oversight and renegotiation authority as it attempts to renegotiate the 1988 and 1989 FSLIC agreements and otherwise reduce the costs of those agreements as it is mandated to do under Sec. 501 of FIRREA.

During 1991, the RTC realigned certain of the former DFO's functional areas within the RTC organizational structure. Its Tax Section was realigned with the Office of Corporate Finance. Subsequently, its field offices in Dallas and Houston, Texas were reassigned to the Southwest Regional Office and the field offices in Denver, Colorado and Irvine, California were reassigned to the Western Regional Office. Further realignments were effected with the transfer of its Management Reporting Unit to the Office of Corporate Information, and its Accounting Unit to the Office of Corporate Finance.

These realignments streamlined the functions and provides centralized support services. The remaining portions of the former DFO in the Washington, D.C. office have been realigned within the Division of Institution Operations and Sales - Office of Operations, Assisted Acquisitions Section. This Section performs responsibilities of the FSLIC Resolution Fund including; coordinating FRF management objectives, providing policy guidance for administering assistance agreements and other national issues affecting these agreements, as well as management of assistance agreements.

Assistance agreements are now administered within the national structure of the RTC with the Western and Southwest Regional Offices and Washington D.C. staff having primary responsibility for agreement management.

Management of these assistance agreements is comprised of 3 major functional areas: FRF Funding, FSLIC Case Management and FSLIC Terminations with FSLIC Case Management functions performed in the Regional Offices and Washington, D.C.

1. FRF Funding. Fund management encompasses coordinating FRF management objectives as they relate to the significant liabilities represented by these agreements. This function is performed in the Washington Office. In addition, specific agreement management policy is developed and disseminated to the Regional Offices for consistency in managing these agreements.
2. FSLIC Case Management. Case Management staff in Washington and the field is responsible for the administration of the assistance agreements. Generally, they ensure compliance with the terms of the agreements by the assisted associations, encourage the rapid but orderly disposition of covered assets, approve actions related to the ultimate disposition of covered assets, attempt to minimize costs to the FRF under the agreements, and terminate agreements according to their terms.

Covered assets are generally separated into 3 categories for reporting and monitoring purposes: 1) "major" covered assets are generally those with a book value in excess of \$5 million or with an estimated loss in excess of \$1 million; 2) "significant" covered assets are generally those with a book value between \$1 million and \$5 million or with an estimated loss of between \$300,000 and \$1 million; and 3) "other" covered assets are everything else.

Case managers have a variety of specific responsibilities, including: 1) monitoring liquidation efforts, litigation matters, and operations of assisted institutions (e.g., they approve specific budget and sales requests for the management and liquidation of covered assets, assess marketing efforts and the reasonableness of legal costs, perform cash flow analysis/loss projections, etc.); 2) reviewing/approving assistance agreement reporting requirements (e.g., quarterly accounting claims for reimbursement, appraisals, writedowns, covered asset sale requests, etc.); 3) clarifying differences in interpretation of the agreements; 4) monitoring associations' financial condition;

and 5) overseeing/managing contractors employed to assist with the review of asset and litigation-related requests.

A host of monitoring tools are available to help case managers meet their responsibilities: opening inventory audits, compliance audits, quarterly claims reports, asset and property plans, business and collection plans, appraisal reviews, litigation plans and budgets, quarterly loss reserve projections, property site visits, OTS examination reports, DOS examination reports, and program compliance reviews.

3. FSLIC Terminations. Specific Washington Staff have been assigned responsibility to negotiate the early termination of 51 of the smaller 1988 assistance agreements and to facilitate the termination of agreements with institutions subject to RTC control (i.e., conservatorships and receiverships).

The following offices of the RTC also perform functions in support of the management of these FRF Assistance Agreements:

1. Legal Support Legal support for Agreement Management activities is provided by the Thrift Agreement Administration and Oversight Section (TAAOS) of the RTC's Legal Division. Attorneys located both in Washington and in the field provide legal support in: 1) interpreting assistance agreements; 2) overseeing litigation; and 3) resolving policy initiatives involving legal questions. TAAOS is actively involved in the RTC mandated renegotiation of the 1988-89 FSLIC Assistance Agreements.
2. Office of Corporate Finance
  - a. FRF Tax Unit The FRF Tax Unit, OCF is responsible for ensuring that the tax benefits due to the FRF from the assisted institutions are properly calculated, collected, and journalized. The FRF Tax Unit also plays a role in the completion of compliance audits conducted by the FDIC/OIG by reviewing requests for proposal and by reviewing draft and final reports with respect to tax matters. Further, this unit is actively involved in the termination of pension plans from 22 failed institutions. The unit is peripherally involved in the termination of 37 additional plans either terminated by acquirers or terminated prior to acquisition but requiring follow-up and closure. Finally, the unit is our liaison with the IRS on audits and settlements

and analyzes the tax implications to the FRF of actions taken with respect to assisted institutions. The FRF Tax Unit is actively involved in the RTC mandated renegotiation of the 1988-89 FSLIC Assistance Agreements.

- b. Accounting The FRF Claims Unit, OCF performs the review of claims submitting for reimbursement under these assistance agreement. Specifically, this process includes: 1) reviewing quarterly claim reports submitted by acquirers for documentation and compliance; 2) clarifying accounting related matters in assistance agreements; 3) in coordination with case management staff, accounting for and approving for payment acquirers' claims under the agreements; and 4) review and coordinate compliance audits.

### 3. Office of Corporate Information

The Reports Management Unit, OCI provides support for agreement management information systems. This unit is responsible for maintaining the Management Reporting System which tracks quarterly information on activities of assisted institutions under these agreements.

## B. Staffing.

1. The RTC, in support of the management of FRF assistance agreements, is staffed with both federal employees and contractors. A breakdown of federal staffing assigned FRF responsibilities as of December 28, 1991, in each office follows:

|                  | <u>On Board</u> | <u>Authorized</u> |
|------------------|-----------------|-------------------|
| Washington, D.C. | 74              | 135               |
| Southwest R.O.   | 91              | 111               |
| Western R.O.     | <u>24</u>       | <u>31</u>         |
| Total            | 189             | 277               |

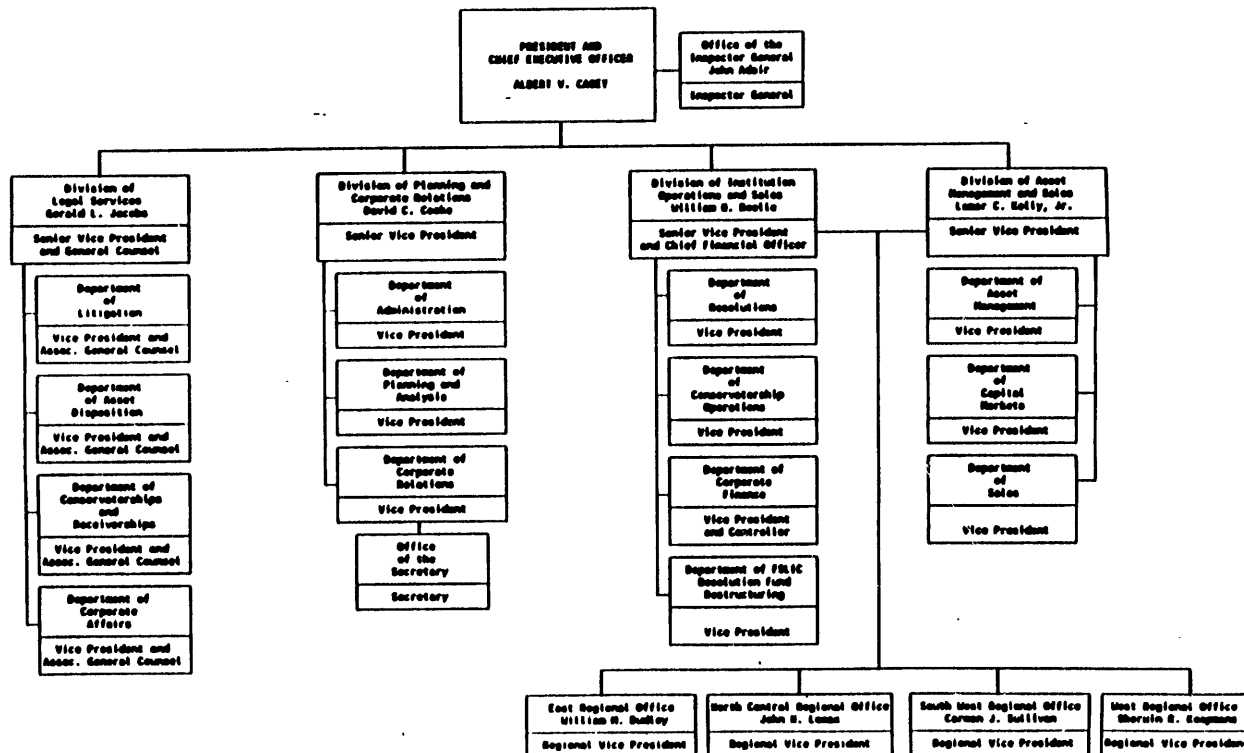
Of the on board staff, 75 of those located in the Regional Offices are in Liquidation Grade (LG) positions while the remaining staff of 113 in the Regions and Washington are in General Grade (GG) positions and 1 is in an Executive level position.

2. Contractor Support. Case Management staff involved in administering agreements with 13 of the largest institutions, is currently leveraged with contractors

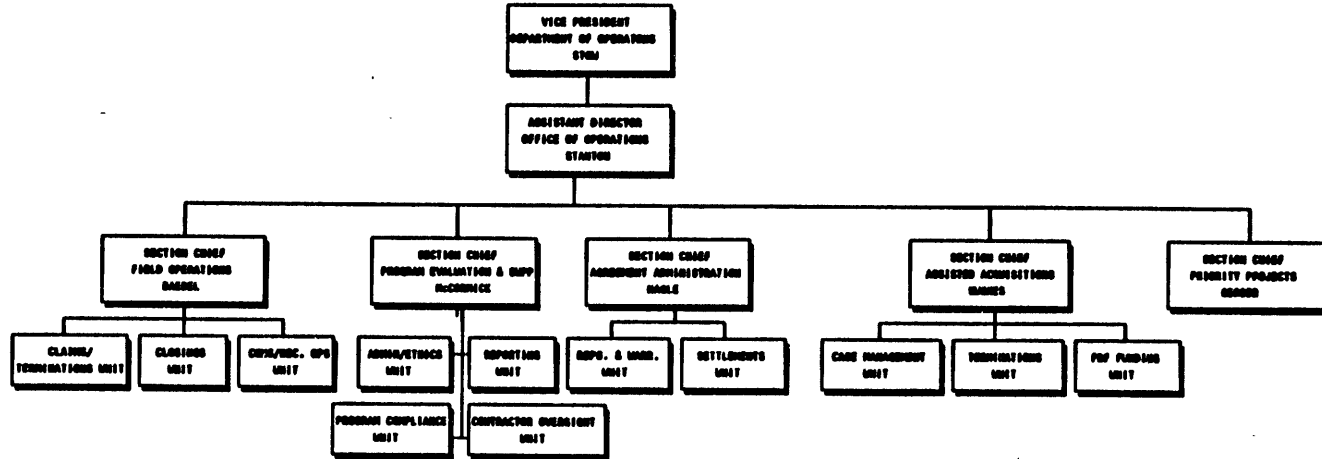
from 9 accounting and asset management firms. In addition, the Assisted Acquisitions Section has had the investment firm of Donaldson, Lufkin & Jenrette Securities Corporation (DLJ) under contract to provide investment advisory services in connection with: 1) the liquidation/restructuring of the FRF capital instruments portfolio; 2) review of the assisted institution marks on non-covered assets for the purpose of determining the amount of goodwill reimbursable under the agreements; and 3) renegotiation of certain 1988 transactions with particular focus on the FRF equity positions that are represented by the stock warrants.

RESOLUTION TRUST CORPORATION  
CORPORATE OFFICERS

February 1, 1993



DIVISION OF INSTITUTIONS OPERATIONS & SALES  
DEPARTMENT OF OPERATIONS  
OFFICE OF OPERATIONS



RECOMMENDED BY: Arthur Stanton  
Vice President, Department of Operations

APPROVED BY: William B. Beale  
William B. Beale, Vice President/CFO  
Division of Institution Operations and Sales

DATE: \_\_\_\_\_

(APPROVED BY FDIC BOARD OF DIRECTORS 6/12/90)

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)**

**MISSION STATEMENT AND POLICY  
GUIDANCE FOR ADMINISTRATION OF ASSISTANCE  
AGREEMENTS UNDER THE FEDERAL SAVINGS AND LOAN INSURANCE  
CORPORATION (FSLIC) RESOLUTION FUND**

**MISSION STATEMENT**

With respect to assistance agreements under the FSLIC Resolution Fund, the FDIC prudently administers and manages financial assistance agreement cases to minimize the costs associated with the liquidation of the acquired institutions' covered asset portfolios. The FDIC manages its duties and obligations under these agreements as a total portfolio to minimize any adverse effects that asset disposition and inter-institution legal actions may have upon (1) maintaining asset values, (2) ensuring Acquiring Association accountability (3) supporting the regional and local economies, and (4) maintaining public confidence in Federally insured institutions

**GOALS AND OPERATING PRINCIPLES**

The FDIC has identified the following major goals:

1. Manage the acquirers' disposal of covered assets within the term of the assistance agreements to ensure orderly disposition at minimum cost to the FRF while maximizing asset value.
2. Identify and implement recommended ways to reduce the cost of assisted transactions and the management thereof.
3. Effect the permanent resolution of the stabilized institutions during 1990, providing new management, capitalization, and a lower estimated cost to the FRF.
4. Establish operational relationships with outside entities which affect the responsibilities of the FDIC as manager of the FRF and the ability of assisted institutions to fulfill their contractual obligations to the FRF under the assisted transactions.
5. Improve the process of monitoring the Associations' asset management performance and compliance with the terms, conditions, and standards of the assistance agreements.



6. Develop and implement an enhanced management information system that will be an effective resource in the management decision making process, especially covered asset disposition tracking.
7. Provide adequate staff resources for the efficient administration of the assistance agreements and improve internal controls necessary to support a larger more decentralized operation in DFO.

In developing FDIC's policies for administering the assistance agreements, there are several principles that will serve as operational guidelines that should be apparent in every aspect of operations. They are designed to demonstrate the FDIC's commitment to carrying out prudently the significant responsibilities entrusted to it. These principles include:

- o Accountability: In carrying out its responsibilities, the FDIC is aware of its fiduciary responsibilities to the taxpayers. This concept translates into how the FDIC applies proven management practices, attention to details and employment of sound business judgement with a view toward the impact its activities may have upon the financial and real estate communities. In the achievement of its mission, the FDIC will remain fully accountable to those relying upon its management decisions.
- o Cost Minimization: Every FDIC activity should be sensitive to the federal cost-conscious environment. This translates practically into diligence in ensuring it carries out its responsibilities in the manner that provides the least cost and liability to the taxpayer within the constraints of the assistance agreements;
- o Internal Controls: The FDIC will be diligent to ensure that proper controls are in place to avoid any improprieties and to prevent any waste, fraud or abuse. Given the visibility of the assisted segment of the savings and loan industry, it is imperative this theme be actively employed throughout every aspect of the FDIC's endeavors.
- o Management Integrity and Conflict of Interest: Given the broad scope and complex nature of FDIC's responsibilities, it is important that there be standards of conduct. This concept of standardization and integrity will include the ethics of employees and contractors, the uniformity of decisions regarding the cases and the attention to conflict of interest provisions in asset management and other important areas, FDIC will take steps to ensure that there is no element of a conflict of interest in carrying out its responsibilities; and
- o Information Technology: As the FDIC's responsibilities

nature, it will need to enhance the role of information technology in all aspects of its operations. Given the vital role that this component of the FDIC's operations will play, it is necessary that it be stated as an overall operational guideline.

## **POLICY GUIDANCE**

### **1. BACKGROUND**

The FDIC is responsible for administering all assistance agreements and related contracts under the FSLIC Resolution Fund arising from assisted mergers and acquisitions of failed thrifts. Typically, the terms of these assistance agreements range from five to ten years and vary considerably in complexity and degree of standardization. As of January 1990, the FDIC is responsible for administering approximately 200 assistance agreements that provide for oversight and disposition of the failed institutions' covered assets. Included in the FDIC's covered asset oversight responsibilities are approximately \$36 billion of covered assets, primarily troubled real estate, real estate loans and investments in subsidiaries.

In addition to the oversight responsibilities for assistance agreements, five of the Southwest Plan institutions were not acquired by private investors. Consequently, these institutions (Stabilized Institutions) are managed by individuals and firms approved by the FDIC. For these institutions, the FDIC is responsible for administering the assistance agreements, overseeing the operations and for affecting a permanent resolution of the institution.

In addition to the administration of assistance agreements, the FDIC is responsible for administration of FSLIC's obligations under the Guaranteed Advance Program and for the administration of Capital Instruments purchased or acquired during the acquisition of thrifts (Capital Instruments include preferred stock, capital and net worth certificates, warrants and subordinated debt). The Guaranteed Advance Program provided needed liquidity at reduced risk compared to market alternatives in the form of advances or loans made to insured members who lack sufficient collateral to secure loans.

### **2. ASSIGNMENT OF RESPONSIBILITY**

The FDIC assigns management authority for the assistance agreements to its Division of FSLIC Operations (DFO). The FDIC is a decentralized organization and, as such, must take steps to ensure its procedures and operations reflect sound and

ethical management practices that are adapted to decentralized management. From a policy perspective, this assignment includes

the following operational responsibilities:

- o Utilization of an independent case assessment approach, where appropriate, to ensure objective, professional review of practices and a strict adherence to sound and ethical actions in the case management and related areas; and
- o Assurance that there will be sufficient review of the managerial decisions to ensure integrity. Given the visibility and importance of this program, it is essential that strict attention be given to the vital areas of internal controls and management integrity.

### 3. ASSIGNED FUNCTIONS

The major functions assigned to DFO are:

- a. Management of assistance agreements and oversight and disposition of Stabilized Institutions.
- b. Oversight of the management, marketing and disposition of covered assets.
- c. Review and coordination of litigation matters, including review and approval of all indemnifications and reimbursements requested by the Acquiring Associations.
- d. Periodic projections of future assistance payments and cash flows related to the assistance agreements.
- e. Interpretation of Assistance Agreements.
- f. Administration of capital instruments purchased or acquired by the old FSLIC to facilitate the acquisition or rehabilitation of troubled institutions.
- g. Administration of unique assistance plans to financially troubled institutions, to include such programs as Guaranteed Advances and open institution assistance.
- h. Development of responses to Congressional and public inquiries.

### 4. ROLE OF ACQUIRING ASSOCIATIONS

The assistance agreements provide a framework for the management and liquidation of covered assets, settlement of legal matters and the consolidation of business operations.

The guidelines of the agreements help ensure that both DFO and the Acquiring Associations meet their respective

responsibilities. While DFO is responsible for ensuring compliance with the contractual terms stipulated within each of these agreements, the Acquiring Associations are responsible for the implementation and management of the individual assistance transactions.

The Acquiring Associations have assumed the responsibility to use their appropriate expertise to manage the resulting business and acquired assets and liabilities in order to:

- o Operate a thrift in accordance with applicable laws and regulations;
- o Consolidate and reduce operating costs, thereby increasing net profitability; and
- o Liquidate or convert to earning assets the non-core business and assets of the acquired or consolidated thrift(s).

Each of the Acquiring Associations is responsible for administering and dealing with all covered assets and liabilities assumed pursuant to the terms of the Acquisition Agreements. Each Acquiring Association is required to employ the higher of the standard of prudent business practice in administering the acquired assets and liabilities or the standard employed in the savings and loan industry in administering similar assets and liabilities. Furthermore, the Acquiring Association is expected to use its best efforts to minimize losses and maximize gains and recoveries for the FDIC and the Acquiring Association.

The Acquiring Association is expected to provide at its own expense the executive and managerial resources, along with adequate supporting staff, to manage and implement the terms of the assistance agreement.

##### 5. COVERED ASSET MANAGEMENT

The DFO oversees the management and disposition of assets related to financial assistance agreements. The following policies relate to covered asset management:

- o Asset Disposition Strategy: The Acquiring Associations are required to maximize asset value and thus minimize resolution costs for the covered assets. To ensure attainment of this objective, DFO will utilize a comprehensive asset disposition strategy. This strategy will address issues such as the timing of asset

disposition, loans to facilitate financing, market absorption, hold versus sell decisions and the disposition of marketable and non-marketable assets. The strategy will be communicated to all Acquiring Associations and used as a

management tool to gauge their success;

- o Management Oversight: DFO personnel assure that proposed transactions comply with applicable assistance agreement provisions and represent the most likely alternative available to minimize costs and maximize gains and recoveries. Certain decision making authority is delegated to the Acquiring Associations through specific provisions contained in the assistance agreements. Further authority is delegated through approved business plans, asset plans and collection plans. To assist in this process, DFO has developed expanded asset plan and budget formats and standards to ensure that Acquiring Associations submit documentation suitable for DFO decision making. DFO regularly monitors the Associations' compliance with assistance agreement terms, management processes and standards, and periodically tests specific asset and special reserve account transactions;
- o Acquiring Associations' Asset Management Processes: Due to the magnitude of the transactions (both dollar value and number of assets), DFO is dependent on the Acquiring Associations' compliance with prudent asset management processes. Therefore, each Acquiring Association is required to develop and submit written asset management policies and procedures. DFO reviews these policies and procedures and tests for compliance on a regular basis;
- o Compliance: DFO utilizes a number of programs to monitor the Acquiring Associations' compliance with the terms, management standards and intent of the assistance agreements. Compliance monitoring activities will include:
  - Case Compliance Reviews: This activity involves the periodic review of a case by an independent group of DFO personnel from another case management section. The case compliance scope will include reviewing the Association's compliance with asset management processes, as well as DFO Contractor and Case Manager compliance with DFO's internal operating policies and procedures;
  - Structured Evaluations of the Association: Periodically the Case Manager and DFO Contractor review individual Association Asset Managers to assess the quality of the Association's asset management, monitor compliance with Association policies and procedures and

evaluate the Asset Manager's general and specific management of the assets;
- Examination Liaison: In connection with examinations by

the Office of Thrift Supervision and the FDIC's Division of Supervision, DFO will coordinate additions to the development of the examinations' scope to include special concerns regarding compliance with Assistance Agreements;

- Special Investigations: Based on findings and conclusions, complaints, and/or general concerns, special investigations (often performed without the knowledge of the Acquiring Associations) will continue to be performed to ensure that the Acquiring Associations are disposing of assets in compliance with the terms and conditions of the assistance agreement for the highest and best price available;
- o Assistance Agreement Interpretation: DFO, with the assistance of the Legal Division, is responsible for interpreting the provisions of the assistance agreements. Due to the unique nature of the agreements, resolution of an interpretation issue may result in the development of specific policies or assistance agreement modifications. DFO is developing an assistance agreement issues resolution process for tracking, disseminating and referencing interpretations. Examples of issues include disposition financing, marketing, appraisals, loan participations and management standards.

#### 6. LITIGATION

DFO will monitor all legal proceedings to ensure the Acquiring Associations are using their best efforts to preserve the interests of the FDIC and to minimize costs and expenses in all litigation matters. The Acquiring Associations will also strive to maximize any potential recoveries through pursuit of related claims. DFO will coordinate the approval of all litigation matters with the FDIC's Legal Division. Since indemnification for major settlements requires the Legal Division's concurrence, DFO's role is to analyze and consider the effect of any proposed actions upon the ultimate costs to the FSLIC Resolution Fund.

To facilitate DFO's ability to monitor the status of legal activity, the Acquiring Associations, as directed by the assistance agreements, must submit litigation schedules, plans and budgets on a regular basis. Any expenditure of Acquiring Associations' funds for legal matters that are reimbursable by the FDIC must ultimately be approved by the FDIC, either by

written consent of DFO, through the approval of plans/budgets, or the approval of transactions through the Special Reserve Accounts.

DFO has the authority to intervene in the conduct of any litigation matter to protect the FDIC's best interests. More

specifically, DFO has the right to:

- o Monitor and direct the defense or prosecution of the matter;
- o Defend or prosecute the matter with FDIC attorneys; and
- o Require the Acquiring Association to assign its right, title or interest in the matter, any defense related to the matter, or proceeds from the matter to the FDIC.

Additionally, the Acquiring Associations must cooperate with DFO in defense or prosecution of legal matters. The Acquiring Associations may also be required to provide DFO with all applicable books, records or other relevant information in its control.

The Acquiring Associations may take immediate action concerning a litigation matter if that action is required to protect the interests of the FDIC and the Acquiring Associations. The Acquiring Associations may take such emergency steps only if it is unable, due to time or other constraints, to obtain verbal or written approval of DFO.

The Acquiring Associations are expected to pursue all related claims and, when appropriate, file actions with respect to potential recoverable claims. These legal actions should be pursued in an effort to reduce or minimize the indemnity payments the FDIC will be required to pay. If necessary, the FDIC may direct the Acquiring Association to pursue or prosecute potential claims. DFO will coordinate with the Legal Division with respect to the assignment of and pursuit of claims acquired through the agreements.

Any significant settlement for a litigation matter must be approved by DFO with concurrence from the Legal Division. DFO will coordinate the approval of settlements in an expedient manner to eliminate any potential economic loss that may result from delays in approval processing.

## 7. TAX, AUDIT, FINANCIAL MANAGEMENT AND REPORTING

FDIC oversees the following financial areas:

- o **Tax:** Where applicable, the tax-related provisions of Assistance Agreements vary widely and many are technically detailed in nature. Within the framework of each agreement, FDIC's intent is to maximize the U.S. Government's share of net tax benefits. Acquiring Associations are responsible for providing FDIC copies of their tax returns filed with the Internal Revenue Service. Each agreement specifies the information that Acquiring Associations shall submit to FDIC in support of tax-related credits and/or payments to the agency.
- o **Audits:** FDIC has a priority goal to expedite completion of remaining opening inventory audits of assisted associations. These audits help FDIC to determine negative capital and the inventory of covered assets. FDIC will also periodically initiate compliance audits to ensure that an Acquiring Association's claim for reimbursement and related activities are consistent with the terms of the agreement. Acquiring Associations are responsible for cooperating fully with the auditors and providing on a timely basis such background work papers and schedules as the auditors may require.
- o **Payment of Claims:** FDIC will generally pay all valid and properly documented claims in cash upon receipt, in lieu of accruing such obligations at interest. Where agreements allow, the agency may elect to defer such payments with interest. This option will normally be applied only during periods when the FSLIC Resolution Fund's cost of financing (i.e., cost of U.S. Treasury borrowings), is greater than the interest cost to defer payments of claims.
- o **Reporting:** FDIC will maintain a financial reporting system to track the Government's actual and projected costs under the Assistance Agreements. Costs will be separated among a number of individual expense categories. The reporting system will include a variance analysis capability to compare estimated with actual costs. The system will also include cash flow forecasting of the timing and amounts paid under Assistance Agreements. This will assist the U.S. Treasury to minimize its cost of financing funds that are transferred to the FSLIC Resolution Fund.

## 8. RESOURCES

DFO relies on staff members located in Washington, D.C., and field staff in Dallas and Houston, Texas, and Irvine, California to carry out its oversight responsibilities. In addition, DFO leverages itself through the judicious use of independent contractors to provide specialized expertise.



In carrying out its mission with respect to assistance agreements, DFO has adopted policy perspectives with regard to two important organizational/administrative components:

- o Contractors: While currently there is a significant reliance upon contractors to assist DFO in carrying out its responsibilities, DFO envisions this reliance will decrease as its own staff members continue to expand in size and increase in capability; and
- o Technology: The development of an accurate and reliable information resources management capability is an important goal for DFO. DFO will place increased emphasis upon this component of its operations to gauge programmatic needs and to assess the efficient employment of resources. While this portion of DFO's capability is still in the early developmental stages, DFO intends to place continued emphasis upon it as a vital component of its operation.

#### 9. MANAGEMENT REPORTING

To properly evaluate and monitor the performance of the Acquiring Associations and to determine the overall performance of the consolidated DFO portfolio, a reliable, accurate management information system is critical. The development of a comprehensive covered asset management and compliance monitoring system continues to be a high priority of DFO. A number of information processes have been, or are being, developed to address those needs.

DFO collects monthly and quarterly Acquiring Association activity data, from which a series of management reports will be generated. This information includes data on covered asset status, disposition activity, submission activity, financial performance, staffing, assistance paid, litigation and consolidation activities. The reports generated provide two levels of management information: general information to track overall asset management progress and specific information to identify potential problems at institutions that may require special action and additional monitoring.

DFO will produce periodic reports on the status of DFO's current caseload, the disposition of covered assets, the Acquiring Associations' relative assistance agreement compliance, the Acquiring Associations' financial performance (e.g. watch list), and corrective actions underway. Reports will also be provided on the status of opening inventory and compliance audits, as well as on total assistance expenditures to date and projected cash flows.

To provide the level of management information necessary for effective reporting and control purposes, DFO requires mainframe support from the FDIC. The current developmental efforts

represent interim or prototype processes that are designed to provide the high level information required to manage the assistance transactions over the short-term.

**PROGRAM ACTIVITY**

As anticipated, Fiscal Year 1992 continues the active cost reduction mode initiated in FY 1991. These cost savings efforts are continued in the ongoing renegotiation, projected prepayment of promissory notes, periodic write down of covered assets, and early termination negotiation efforts. The Assisted Acquisitions Section has also engaged in other projects which have resulted in significant savings to the FSLIC Resolution Fund (FRF) as well as continued with its policy of aggressive covered asset dispositions.

**COVERED ASSET WRITE DOWNS:**

Additional write downs were approved during the first quarter FY 1992 in the amount of \$945.1 million. These additional write downs are estimated to save the Federal Government, as a whole, between \$50.0 million and \$100.0 million on a present value basis. Minimum savings were calculated without regard to tax sharing provisions and the Maximum savings incorporates the tax sharing provisions assuming the assisted institutions will fully utilize such benefits.

**EARLY CASE TERMINATIONS:**

Major activities have focused on the negotiation of early termination of the 51 small 1988-89 FSLIC cases and termination of assistance agreements with RTC controlled institutions.

The following table presents a current status of negotiations to terminate the 51 small cases:

TABLE 1  
Early Termination Negotiations  
1988-89 51 small Cases

| <u>Status of Negotiation (2/6/92):</u>  | <u>Number</u> |
|---|---------------|
| Negotiations:                           |               |
| Completed - closed                      | 6             |
| In Process                              | 7             |
| Completed - no modification             | <u>17</u>     |
| Subtotal                                | 30            |
| Agreements expired without modification | <u>21</u>     |
| Total                                   | 51            |

On September 17, 1991, the Boards of Directors of the FDIC and the RTC approved the program under which FRF assistance agreement obligations with RTC conservatorships and receiverships are being terminated. The program permits the termination of these agreements and promissory notes during the period of an institution's conservatorship, determination of the settlement amount based on an Asset Valuation Review (AVR)

adjusted for assistance agreement terms and paid or accrued amounts from the effective date of the AVR to the termination date, and criteria for payment whether in cash or in promissory notes. Since this action, the settlement of remaining assistance agreement obligations with 23 RTC Receiverships and Conservatorships has been determined. FRF Terminations continues to work toward a final resolution of its obligations under assistance agreements with another 8 RTC Receiverships and 7 Conservatorships.

#### MARK TO MARKET PROJECT:

During 1988, the former FSLIC executed 30 assistance agreements in which the FRF provides reimbursement to acquiring associations for the amortization of goodwill created by the mark-to-market of assets acquired that are not covered for yield maintenance or capital losses. Many of the assistance agreements require that these mark-to-market computations be approved by the FRF. Given the disparity and magnitude of the marks-to-market submitted for approval, staff selected 15 of the marks-to-market, representing approximately \$2.5 billion of reimbursable goodwill assistance generated from the acquisition of over \$15 billion of assets and liabilities, for a detailed review.

Upon approval of the FDIC Board of Directors, the Assisted Acquisitions Section (formerly DFO) employed the services of an investment banking firm, Donaldson, Lufkin and Jenrette Securities Corporation (DLJ), to review the mark-to-market of fifteen acquirers which represented the largest potential cost to the FRF. In cases where the staff's review indicated valid goodwill reimbursement claims, the staff granted approvals. In those cases, however, where upon the staff's and DLJ's review, it was determined that the claims submitted were excessive, the staff proceeded to determine and quantify the reasons for the excessive claims and where appropriate, initiated negotiations to achieve reductions in the goodwill reimbursements.

The obstacles confronting the staff and DLJ in completing the review project were substantial. Many of the subject institutions were a conglomeration of many smaller institutions (some as much as eleven), each with variety of asset types, and possessing many different computer systems that contained the asset information. Since the review process began over a year after the acquisitions, many of the subject institutions' personnel with knowledge of the assets and systems were no longer available to provide assistance. In some cases, a similar situation existed with the investment firms that performed the valuations.

All reviews were completed by October 31, 1991. The reviews determined that the reimbursable goodwill claims of three of the agreements were valid and approved.

In the cases where reviews indicated that the reimbursable goodwill claims were excessive, the staff and DLJ proceeded to quantify the excessive nature of the claims and sought to either obtain further substantiation for the claims or negotiate reductions in the claims.

Of significance is the results of these efforts, which have continued into FY 1992, in terms of the cost savings realized. Estimated cost savings are calculated based upon their net value to the FSLIC Resolution Fund over the remaining life of the agreements. A total of six cases have been negotiated. These six cases realized estimated cost savings of approximately \$346 million. One agreement required the mark-to-market of the non-covered assets and all assumed liabilities. The negotiation yielded an estimated cost savings of approximately \$302 million.

The staff and DLJ are currently involved in negotiations with six other institutions to reduce goodwill claims. The total reimbursable goodwill assistance in question, over these six remaining cases totals over \$200 million.

#### FRF CAPITAL INSTRUMENT RESTRUCTURING:

Since March 1990, the staff has been actively managing the orderly liquidation or restructuring the FSLIC Resolution Fund's ("FRF") portfolio of capital instruments, which consists primarily of cumulative preferred stock, subordinated debentures, stock warrants, and income capital and net worth certificates. The staff, with the authority of the FDIC Board of Directors, engaged the investment firm of Donaldson, Lufkin & Jenrette to assist the staff in the restructuring and disposition of this approximately \$1.1 billion (as of December 1989) of assistance transaction related capital instruments owned by the FRF as successor to the former FSLIC. Restructurings were required because the instruments, which were a significant part of the capitalization of several institutions, no longer counted as core capital as a result of the passage of FIRREA. To the extent possible the staff attempted to negotiate disposition of the instruments at appropriate values. As a result of transactions concluded, several large thrifts were able to have capital plans approved which resulted in salvaging the FRF investments and avoided potentially more exposure to the insurance funds.

As of December 31, 1991, approximately 93.0 percent of the book value of FRF's holdings have either been disposed of through redemptions, restructurings, or written off. Despite the depressed nature of the thrift equities market, the staff, with DLJ's assistance, has been able to realize cash and other consideration of \$192 million through dispositions. Another \$251 million in instruments were restructured to salvage investments.

COVERED ASSET DISPOSITIONS:

On July 9, 1991, the RTC Board of Directors approved a revision to the existing policy on the pricing and sale of real estate assets under assistance agreements. The revision permits consistency with RTC policy reducing the frequency of appraisals to two years, and acceptable price limitations dependent upon exposure time to the market.

For the first three-quarters of calendar 1991, the book value of covered assets declined by \$11.4 billion including asset sales, writedowns and other adjustments to an aggregate book value balance of \$17.8 billion. The book value balance is down from; \$29.2 billion at the end of 1990, \$35.9 billion at the end of 1989, and \$61.1 billion at the end of 1988.

STATUS REPORT ON THE 1988-89 FSLIC ASSISTANCE AGREEMENTSResolution Trust Corporation Responsibilities

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA") requires the RTC to:

- o Review and analyze the 1988-89 FSLIC Assistance Agreements ("Agreements") and actively review all means by which it can reduce the costs of the Agreements;
- o Evaluate the costs under the Agreements with regard to -
  - o capital loss coverage,
  - o yield maintenance guarantees,
  - o forbearances,
  - o tax consequences, and
  - o any other relevant cost consideration;
- o Review the bidding and negotiating processes used by FSLIC to determine whether they were sufficiently competitive;
- o Report to the Oversight Board and the Congress the results and conclusions of the review; and
- o Exercise any and all legal rights to modify, renegotiate or restructure the Agreements where savings would be realized by such actions.

The RTC issued two reports pursuant to the above provisions of FIRREA. The first report was issued September 18, 1990 ("September 1990 Report"). That report focused on the results and conclusions of the RTC's cost evaluation and cost reduction review of the Agreements. The second report was issued December 27, 1990. That report focused on the bidding and negotiating processes used by the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation that led to the Agreements.

Since FIRREA was first enacted it has been amended twice to change the RTC's responsibilities for the Agreements. The first amendment requires that prior to expending any appropriated funds for the purpose of restructuring, modifying or renegotiating the Agreements, RTC must certify to the Congress that:

- o RTC has completed its reviews of the Agreement;
- o In the opinion of RTC there is no legal basis to rescind the Agreement or, if there may be a legal basis to rescind the Agreement, RTC determines that it may be in the best interest of the government to restructure, modify or renegotiate the Agreement; and
- o The RTC has or will promptly exercise any and all legal

rights to modify, renegotiate, or restructure the Agreement where savings would be realized by such actions.

The second amendment requires the RTC pursue all legal means by which the RTC can reduce both direct outlays and the tax benefits associated with the Agreements, including, but not limited to, restructuring to eliminate tax free interest payments and to recapture a larger portion of the tax benefits for the FSLIC Resolution Fund.

#### Restructuring and Renegotiation Goals

The RTC's goals in restructuring and renegotiating the Agreements can be summarized as:

- o The reduction of the cost of the Agreements to the Federal Government by financing assistance obligations through direct Treasury borrowings rather than tax free yield maintenance, note interest and other forms of assistance;
- o The elimination or reduction of tax benefits;
- o The early termination of Agreements where cost effective;
- o The elimination of debt and equity investments in assisted thrifts; and
- o The improvement of incentives to maximize the recovery on covered assets.

#### Restructuring Activities in Fiscal Years 1991 and 1992 to Date

The September 1990 Report estimated potential present value savings of \$2.2 billion from three principal actions. These actions are:

- o The prepayment of approximately \$11.3 billion in FSLIC notes in 1991 and/or at the earliest opportunity thereafter;
- o The prepayment of the New West FS&LA/American Savings Bank intercompany note at the earliest opportunity; and
- o The directed write-down of \$3.8 billion in covered assets to fair market value.

The RTC's activities in fiscal years 1991 and 1992 to date with regard to each of these actions are summarized in the following sections.



FSLIC Notes

During fiscal year 1991 a total of \$7.42 billion in FSLIC notes held by privately-owned institutions were paid off through the exercise of unilateral prepayment options or as a result of negotiations. In addition, another \$.24 billion was paid according to the notes' terms or reduced through audit adjustments. The total reduction in FSLIC notes held by privately-owned institutions in fiscal year 1991 was \$7.66 billion.

During fiscal year 1991 all \$5.32 billion of FSLIC notes held by institutions that came under RTC control were paid off. No savings from the prepayment of these notes was estimated in the September 1990 Report, other than to state that prepayment of the notes could save money to the extent the prepayment generated cash to pay off higher costing liabilities.

During the first four months of fiscal year 1992 a total of \$3.26 billion in FSLIC notes held by privately-owned institutions were paid off through the exercise of unilateral prepayment options or as a result of renegotiations. In addition, another \$.26 billion was paid according to the notes' terms or reduced through audit adjustments. The total reduction in FSLIC notes held by privately-owned institutions in fiscal year 1992 to date is \$3.52 billion.

As of January 31, 1992 the balance of FSLIC notes outstanding issued in 1988 or 1989 FSLIC-assisted transactions is \$2.19 billion. Of this total, \$2.18 billion is subject to prepayment restrictions during fiscal year 1992. The other \$10 million in notes bear interest at a rate which makes prepayment at par not cost effective. The RTC is presently negotiating on the right to prepay \$1.30 billion of the FSLIC notes remaining.

New West FS&LA/American Savings Intercompany Note

To date this note is being prepaid at the earliest opportunity. The RTC plans to continue to direct the maximum prepayment each quarter until this note is paid-in-full in fiscal year 1996. RTC is presently negotiating on the right to accelerate prepayment of the New West intercompany note. To date \$1.37 billion of the note has been prepaid. The present value savings from the prepayments to date are estimated to be \$202 million before tax benefits to potentially \$263 million including tax benefits.

The balance of the intercompany note as of January 31, 1992 is approximately \$6.30 billion. Additional present value savings from continuing to prepay, at the earliest opportunity, the maximum amount allowable is estimated to be \$490 million before tax benefits to potentially \$630 million including tax benefits.

Write-Down of Covered Assets

During fiscal year 1991 the RTC directed the write-down of approximately \$3.41 billion in covered assets. Of this total approximately \$3.16 billion was at privately-held institutions for which the cash outlay totaled \$3.13 billion. Present value savings from the fiscal year 1991 write-downs is estimated to be \$177 million before tax benefits and could total a maximum of \$330 million including tax benefits.

In December 1991, the RTC directed the write-down of approximately \$1.0 billion in covered assets. The directed write-downs are subject to adjustment through the payment mechanisms in the assistance agreements. Cash outlays for directed write-downs are expected to occur in February and March, 1992. Because realization of cost savings does not occur until cash outlays are made no formal cost estimates for these write-downs have been made. However, present value savings estimates from the December 1991 write-downs are likely to approximate \$50 million before tax benefits and \$100 million including tax benefits.

In 1988 and 1989, FSLIC entered into 96 separate Agreements. Table 1 below shows the number of Agreements that have been materially restructured through January 31, 1992.

TABLE 1  
Restructuring Activities  
1988 - 89 FSLIC Assistance Agreements

| <u>FSLIC Notes</u>  | <u>Number</u> |    |
|---|---------------|----|
| Agreements with FSLIC notes                                       | 46            |    |
| FSLIC notes prepaid in full                                       |               | 40 |
| FSLIC notes prepaid in part due to prepayment restrictions        |               | 2  |
| FSLIC notes with prepayment restrictions                          |               | 3  |
| FSLIC notes where prepayment would result in no cost savings      |               | 1  |
| Totals  | 46            | 46 |
| <u>Covered Assets Greater than \$100 Million</u>                  | <u>Number</u> |    |
| Agreements with covered assets greater than \$100 million 9/30/91 | 24            |    |
| Directed write-downs  |               | 19 |
| No material savings from write-downs                              |               | 5  |
| Totals  | 24            | 24 |

The RTC has been renegotiating the Agreements for approximately nine months. Table 2 below shows the number of Agreements that have been renegotiated as well as the number of Agreements that have terminated according to their terms.

TABLE 2  
Renegotiation Activities  
1988 - 89 FSLIC Assistance Agreements

| <u>Status of Renegotiations (1/31/92)</u> | <u>Number</u> |
|---|---------------|
| Renegotiations                            |               |
| Completed - closed                        | 18            |
| Completed - pending closing               | 1             |
| In Process                                | 22            |
| Pending                                   | 12            |
| Completed - no modification               | 19            |
| Subtotal                                  | 72            |
| Agreements expired without modification   | 24            |
| Total                                     | 96            |

#### Restructuring and Renegotiation Savings Estimates

Attached as Exhibit 1 is a schedule from the RTC's Report to Congress for January. This schedule shows the RTC's estimates of present value savings achieved through the renegotiation, modification or restructuring of the Agreements. The present value savings estimates are through January 31, 1992, and do not include the \$50 million before tax benefits to \$100 million after tax benefit savings expected from the \$1 billion directed write-downs in December 1991. As the exhibit shows RTC is well on its way to achieving estimated savings, including tax benefits of \$2.2 billion. With the December directed write-downs the RTC may, in fact, have already reached the \$2.2 billion target.

As discussed above RTC is planning to continue to prepay the New West intercompany note at the earliest opportunity. Including the savings from just this one continuing cost savings action would put the total estimated savings achieved as follows:

#### Cost Savings Actions

|                                      | Minimum<br>Savings<br>(millions) | Maximum<br>Savings<br>(millions) |
|--------------------------------------|----------------------------------|----------------------------------|
| All actions through January 31, 1992 | \$1,070                          | \$2,290                          |
| December 1991 directed write-downs   | 50                               | 100                              |
| Future intercompany note prepayments | 490                              | 630                              |
| Total                                | \$1,610                          | \$3,020                          |

In addition to Exhibit 1 from RTC's forthcoming Report to Congress we have also attached three other exhibits that show the renegotia-

tion status of each of the 96 Agreements (Exhibits 2 and 3) and the balances of FSLIC promissory notes as of September 30, 1990 and January 31, 1992 (Exhibit 4).

Funds Availability in Fiscal Year 1992

As of January 31, 1992 discretionary funds available through September 30, 1992 for continuing renegotiations, modifications and restructurings of the 1988-89 FSLIC Assistance Agreement total approximately \$8.6 billion. This total does not include approximately \$1.1 billion held in reserve for potential increases contractual obligation during the remainder of the fiscal year. While it is necessary to keep plans fluid as renegotiations continue, the potential uses of funds are as follows:

- o \$.7 billion (net) for New West intercompany note prepayments;
- o \$.5 billion for further directed write-downs;
- o \$5.2 billion for renegotiations and other cost savings actions; and
- o \$2.2 billion for the termination of agreements with institutions under RTC control.

The \$2.2 billion estimate of the amount necessary to terminate the Agreements with institutions under RTC control will not be spent in the current fiscal year if renegotiation savings can be achieved by accelerating obligations due at privately-held institutions.

**Monthly Activity Report**  
**1988-89 FSLIC Assistance Agreements**  
**Summary of Cash Expended and Savings Achieved**  
**(\$Millions)**

Exhibit 1.

Report Date: January 31, 1992

| Action Taken                     | MONTHLY ACTIVITY |   |            | FY91 and YTD FY 92 ACTIVITY |   |            |
|----------------------------------|------------------|---|------------|-----------------------------|---|------------|
|                                  | Cash Outlay      | Present Value<br>Estimated Cost Savings |            | Cash Outlay                 | Present Value<br>Estimated Cost Savings |            |
|                                  |                  | Minimum *                               | Maximum ** |                             | Minimum *                               | Maximum ** |
| <b>FSLIC Note Prepayments</b>    |                  |   |            |                             |   |            |
| Investor-Owned                   | 137.0            | 11.1                                    | 20.2       | 7,092.9                     | 503.9                                   | 1,057.7    |
| Government-Controlled            | 0.0              | N/A                                     | N/A        | 4,363.6                     | N/A                                     | N/A        |
| <b>Covered Asset Write-downs</b> |                  |   |            |                             |   |            |
| Investor-Owned                   | 0.0              | 0.0                                     | 0.0        | 3,124.9                     | 176.5                                   | 330.2      |
| Government-Controlled            | 0.0              | N/A                                     | N/A        | 249.4                       | N/A                                     | N/A        |
| <b>Covered Asset Purchases</b>   |                  |   |            |                             |   |            |
| Investor-Owned                   | 0.0              | 0.0                                     | 0.0        | 0.0                         | 0.0                                     | 0.0        |
| Government-Controlled            | 0.0              | N/A                                     | N/A        | 0.0                         | N/A                                     | N/A        |
| <b>Renegotiations</b>            |                  |   |            |                             |   |            |
| Investor-Owned                   | 3,182.5          | 172.0                                   | 609.0      | 3,148.5                     | 172.0                                   | 609.0      |
| Government-Controlled            | 0.0              | N/A                                     | N/A        | 0.0                         | N/A                                     | N/A        |
| <b>Settlements</b>               |                  |   |            |                             |   |            |
| Investor-Owned                   | 0.0              | 0.0                                     | 0.0        | 458.6                       | 20.3                                    | 29.3       |
| Government-Controlled            | 0.0              | N/A                                     | N/A        | 2,372.6                     | N/A                                     | N/A        |
| <b>Other Activities</b>          |                  |   |            |                             |   |            |
| Investor-Owned                   | 0.0              | 0.0                                     | 0.0        | 1,372.9                     | 202.1                                   | 282.8      |
| Government-Controlled            | 0.0              | N/A                                     | N/A        | 0.0                         | N/A                                     | N/A        |
| <b>Totals</b>                    |                  |   |            |                             |   |            |
| Investor-Owned                   | 3,319.5          | 183.1                                   | 629.2      | 15,187.8                    | 1,074.8                                 | 2,289.0    |
| Government-Controlled            | 0.0              | N/A                                     | N/A        | 6,985.5                     | N/A                                     | N/A        |

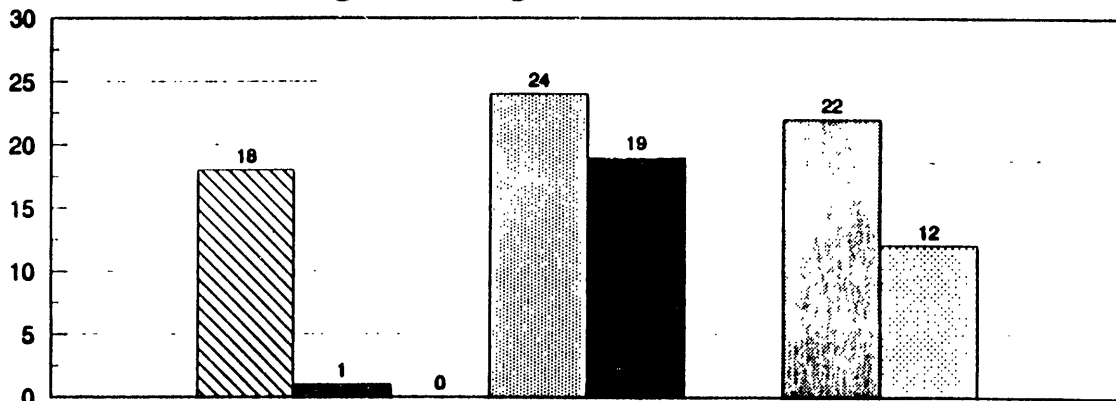
\* Minimum Cost Savings is the present value cost savings to the FSLIC Resolution Fund assuming no tax benefits utilized.

\*\* Maximum Cost Savings is the present value cost savings to the Federal Government, as a whole, assuming full use of tax benefits in the period generated.

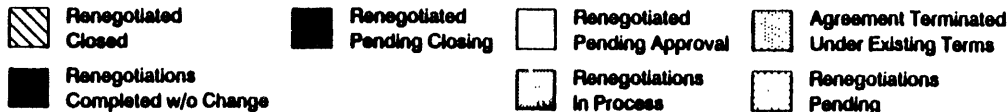
# 1988-89 FSLIC Assistance Agreements

Renegotiation Status - January 1992

Number in Each Stage of Renegotiation



Stages of Renegotiation



**Renegotiation Sta. Report**  
**1988-89 FSLIC Assistance Agreements**  
(\$ Millions)

**Exhibit 3.**

Report Date: January 31, 1992

| FDIC<br>Case<br>Number | Resulting Institution | Covered<br>Assets<br>9/30/91 | FSLIC<br>Notes<br>1/31/92 | Termination<br>at Expiration<br>(date) | Renegotiation and Restructuring Plans and Actions<br>[ Completed (date) or Planned (x) ] |               |  |                   |
|------------------------|-----------------------|------------------------------|---------------------------|--|--|---------------|--|-------------------|
|                        |                       |                              |                           |  | Cash<br>Settlement   | Renegotiation | RTC<br>Conservatorship<br>/ Receivership | RTC<br>Resolution |

**Investor-owned Large Transactions**

**Southwest Plan**

|           |                            |         |       |          |   |          |  |  |
|-----------|----------------------------|---------|-------|----------|---|----------|--|--|
| 1794      | Coastal Banc, SA           | 166.4   | 0.0   |          |   | X        |  |  |
| 1797      | American FB, FSB           | 666.2   | 0.0   |          |   | X        |  |  |
| 1804/1806 | First Heights Bank, FSB    | 627.6   | 262.6 |          |   | X        |  |  |
| 1806      | Guaranty FSB               | 664.2   | 0.0   |          |   | 12/18/91 |  |  |
| 1807      | Franklin Federal Bancorp   | 486.2   | 0.0   |          |   | X        |  |  |
| 1808      | Amwest SA                  | 1,166.1 | 0.0   |          |   | X        |  |  |
| 1809      | Americity FSB              | 161.9   | 0.0   |          |   | 12/18/91 |  |  |
| 1810      | Bluebonnet SB, FSB         | 907.3   | 0.0   |          |   | X        |  |  |
| 1811      | First Gibraltar Bank, FSB  | 1,621.4 | 0.0   |          |   | 1/30/92  |  |  |
| 1812      | Pacific Southwest Bank FSB | 280.6   | 0.0   |          |   | X        |  |  |
| 1813      | Texas Trust SB, FSB        | 214.6   | 0.0   |          |   | X        |  |  |
| 1814      | Local America BK of Tulsa  | 82.0    | 0.0   | 12/29/93 |   |          |  |  |
| 1815      | United SA of Texas FSB     | 666.9   | 0.0   |          |   | X        |  |  |
| 1816      | Equity Bank for Savings    | 63.1    | 0.0   |          | X |          |  |  |

**Subtotal                      8,307.6                      262.6**

**Renegotiation Status Report  
1988-89 FSLIC Assistance Agreements**  
(\$ Millions)

- Exhibit 3.

Report Date: January 31, 1992

| FDIC<br>Case<br>Number | Resulting Institution | Covered<br>Assets<br>9/30/91 | FSLIC<br>Notes<br>1/31/92 | Termination<br>at Expiration<br>(date) | Renegotiation and Restructuring Plans and Actions<br>[ Completed (date) or Planned (s) ] |               |  |                   |
|------------------------|-----------------------|------------------------------|---------------------------|--|--|---------------|--|-------------------|
|                        |                       |                              |                           |  | Cash<br>Settlement   | Renegotiation | RTC<br>Conservatorship<br>/ Receivership | RTC<br>Resolution |

***Investor-owned Large Transactions (continued)***

|                     |                             |         |         |          |          |   |   |  |
|---------------------|-----------------------------|---------|---------|----------|----------|---|---|--|
| <b>Conventional</b> |                             |         |         |          |          |   |   |  |
| 1729                | Eurekbank, FSB              | 58.4    |         |          |          | X |   |  |
| 1733                | Eurekbank, FSB              |         |         | 6/24/91  |          |   |   |  |
| 1741                | Metropolitan FB of IA/MN    | 94.7    | 0.0     |          | 12/18/91 |   |   |  |
| 1750                | Western FS&LA               | 273.4   | 0.0     |          |          |   | X |  |
| 1754                | Downey S&LA                 | 86.2    | 0.0     |          | X        |   |   |  |
| 1762                | First Nationwide Bank FSB   | 40.8    | 61.6    |          |          |   | X |  |
| 1767                | Pacific First Bank          | 85.2    | 0.0     | 12/15/93 |          |   |   |  |
| 1772                | NVR SB, FSB                 | 38.1    |         |          | X        |   |   |  |
| 1774                | Rocky Mountain FSB          | 0.0     | 0.0     |          | 9/30/91  |   |   |  |
| 1776                | New West FS&LA              | 4,109.3 | 0.0     |          |          |   | X |  |
| 1778                | Jackson County FS&LA        | 10.2    |         |          | 12/31/91 |   |   |  |
| 1780                | First Nationwide Fin'l Corp | 2,450.4 | 1,061.2 |          |          |   | X |  |
| 1783                | Home Fed Bank, FSB          | 60.1    | 0.0     | 12/30/93 |          |   |   |  |
| 1785                | Beach FS&LA                 |         | 0.0     | 12/30/93 |          |   |   |  |
| 1786                | Superior FSB                | 304.0   | 0.0     |          |          |   | X |  |
| 1789                | Calif. FB-Broward, FSB      | 91.1    | 0.0     | 12/31/93 |          |   |   |  |
| 1790                | Beverly Hills FSB           | 421.1   | 824.8   |          |          |   | X |  |

**Subtotal**

**8,120.0**

**1,747.6**

12.10

658



**Renegotiation Study Report  
1988-89 FSLIC Assistance Agreements  
(\$ Millions)**

**Exhibit 3.**

Report Date: January 31, 1992

| FDIC<br>Case<br>Number | Resulting Institution | Covered<br>Assets<br>8/30/91 | FSLIC<br>Notes<br>1/31/92 | Termination<br>at Expiration<br>(date) | Renegotiation and Restructuring Plans and Actions<br>(Completed (date) or Planned (s)) |               |  |                   |
|------------------------|-----------------------|------------------------------|---------------------------|--|--|---------------|--|-------------------|
|                        |                       |                              |                           |  | Cash<br>Settlement   | Renegotiation | RTC<br>Conservatorship<br>/ Receivership | RTC<br>Resolution |

**Investor-owned Small Transactions**

|      |                             |      |      |         |         |  |  |  |
|------|-----------------------------|------|------|---------|---------|--|--|--|
| 1721 | Homebank FSB                | 0.0  |      | 1/27/92 |         |  |  |  |
| 1726 | Starling Savings Assn       | 1.0  |      | 4/08/93 |         |  |  |  |
| 1728 | Lemont SA                   |      |      | 4/11/91 |         |  |  |  |
| 1727 | Home FB&LA, TN              |      |      | 4/12/91 |         |  |  |  |
| 1731 | SaveTrust FSB               |      |      | 8/08/93 |         |  |  |  |
| 1732 | Ameribank FSB               |      |      |         | X       |  |  |  |
| 1734 | World B&LA of America       |      |      | 8/24/92 |         |  |  |  |
| 1735 | River Valley SB, Peoria     | 0.0  |      |         | 8/18/91 |  |  |  |
| 1736 | River Valley SB, Rock Falls | 0.0  |      |         | 8/18/91 |  |  |  |
| 1737 | First FSB Northwest         |      |      | 8/02/93 |         |  |  |  |
| 1739 | Standard FB FSB             | 6.4  | 10.3 |         | X       |  |  |  |
| 1740 | First FB&LA of Lincoln, IA  |      |      | 8/11/91 |         |  |  |  |
| 1742 | Washington FB&LA            |      |      | 8/26/91 |         |  |  |  |
| 1743 | Old Stone Bank of CA        |      |      | 8/28/91 |         |  |  |  |
| 1744 | Security Trust FB&LA        | 0.0  |      | 8/28/91 |         |  |  |  |
| 1746 | First FSB of Rogers         | 4.0  |      |         | X       |  |  |  |
| 1748 | Sooner Bank, FSB            |      |      | 8/14/91 |         |  |  |  |
| 1749 | Washington FB&LA            |      | 0.0  | 8/14/91 |         |  |  |  |
| 1751 | Homebank FSB                |      |      | 8/21/91 |         |  |  |  |
| 1753 | Union FSB of Indianapolis   | 10.6 |      | 8/23/93 |         |  |  |  |
| 1753 | Union FSB of Frankton       |      |      | 8/23/93 |         |  |  |  |
| 1755 | First Federal SB, FSB, IN   |      |      | 8/30/93 |         |  |  |  |
| 1756 | Ameriana SB, FSB            |      |      | 8/30/91 |         |  |  |  |
| 1757 | Tracy B&LA, FA              |      |      | 8/30/91 |         |  |  |  |

12-11

629

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**Renegotiation by s Report**  
**1988-89 FSLIC Assistance Agreements**  
(\$ Millions)

**Exhibit 3.**

Report Date: January 31, 1988

| FDIC<br>Case<br>Number | Resulting Institution | Covered<br>Assets<br>9/30/91 | FSLIC<br>Notes<br>1/31/92 | Termination<br>at Expiration<br>(date) | Renegotiation and Restructuring Plans and Actions<br>( Completed (date) or Planned (L) ) |               |  |                   |
|------------------------|-----------------------|------------------------------|---------------------------|--|--|---------------|--|-------------------|
|                        |                       |                              |                           |  | Cash<br>Settlement   | Renegotiation | RTC<br>Conservatorship<br>/ Receivable | RTC<br>Resolution |

***Investor-owned Small Transactions (continued)***

|      |                             |      |       |          |          |   |  |  |
|------|-----------------------------|------|-------|----------|----------|---|--|--|
| 1759 | First FSB of Indiana        |      |       | 10/02/91 |          |   |  |  |
| 1760 | Republic SB, FSB            |      |       | 10/12/91 |          |   |  |  |
| 1760 | New Peoples FSB             |      |       | 10/26/91 |          |   |  |  |
| 1761 | Crossland Savings Bank, FSB |      |       | 11/02/91 |          |   |  |  |
| 1763 | Flagship FSB                | 0.0  |       | 11/04/93 |          |   |  |  |
| 1764 | Southside SB, FSB           | 1.0  |       |          |          | X |  |  |
| 1766 | MidAmerica SB, FSB          |      |       |          | 11/07/91 |   |  |  |
| 1766 | First Western FSA           |      |       | 12/14/91 |          |   |  |  |
| 1766 | First FSALA of Lincoln, NE  |      |       | 12/15/91 |          |   |  |  |
| 1769 | World S&LA of Ohio          |      |       | 12/17/93 |          |   |  |  |
| 1770 | First Nationwide Bank FSB   |      | 174.0 | 12/18/91 |          |   |  |  |
| 1771 | Citibank FSB                | 0.0  |       | 12/22/93 |          |   |  |  |
| 1773 | Virginia FSB                |      |       | 12/23/91 |          |   |  |  |
| 1775 | Barnett Bank of SW Georgia  |      |       | 12/27/91 |          |   |  |  |
| 1777 | Citizens FB, FSB            | 19.3 | 0.0   | 12/29/93 |          |   |  |  |
| 1779 | Northwest FSB               | 0.0  | 0.0   |          | 2/18/91  |   |  |  |
| 1781 | Metropolitan FB of Iowa     | 28.0 | 0.0   |          | 12/18/91 |   |  |  |
| 1782 | Western FSB, MT             | 3.8  |       |          |          | X |  |  |
| 1784 | Southeast Bank, NA          |      |       | 12/30/93 |          |   |  |  |
| 1788 | River Valley SB FSB         |      | 0.0   |          | 6/16/91  |   |  |  |
| 1791 | Home FSALA, SD              |      |       | 12/31/91 |          |   |  |  |
| 1792 | First Cook BK for Savings   | 4.0  |       | 2/03/94  |          |   |  |  |
| 1793 | First Florida SB, FSB       |      |       | 4/13/92  |          |   |  |  |

Subtotal

88.4

166.2

Total Investor-owned

18,615.0

2,186.3

**Renegotiation Sta. Report**  
**1988-89 FSLIC Assistance Agreements**  
(\$ Millions)

**Exhibit 3.**

Report Date: January 31, 1992

| FDIC<br>Case<br>Number | Resulting Institution | Covered<br>Assets<br>8/30/91 | FSLIC<br>Notes<br>1/31/92 | Termination<br>at Expiration<br>(date) | Renegotiation and Restructuring Plans and Actions<br>( Completed (date) or Planned (x) ) |               |  |                   |
|------------------------|-----------------------|------------------------------|---------------------------|--|--|---------------|--|-------------------|
|                        |                       |                              |                           |  | Cash<br>Settlement   | Renegotiation | RTC<br>Conservatorship<br>/ Receivership | RTC<br>Resolution |

**Under Gov't Control**

**Southwest Plan**

|           |                        |           |     |         |   |         |          |          |
|-----------|------------------------|-----------|-----|---------|---|---------|----------|----------|
| 1788      | Southwest Savings Assn | 0.0       | 0.0 | 9/28/91 |   |         | 04/18/90 | 07/28/91 |
| 1798/1799 | Merabank Texas FSB     | 908.1 *   | 0.0 |         | X |         | 08/31/91 | X        |
| 1798      | Burbank Savings, FSB   | 8,140.1 * | 0.0 |         |   | 1/31/92 | 04/28/91 | X        |
| 1800      | Cimarron FBALA         | 224.7     | 0.0 |         |   | X       | 04/18/91 | X        |
| 1801      | Red River FBALA        | 178.8     | 0.0 |         |   | X       | 04/28/91 | X        |
| 1802      | Chisholm FBALA         | 44.8 *    | 0.0 |         | X |         | 04/18/91 | X        |
| 1803      | Heartland FBALA        | 296.2     |     |         |   | X       |          | X        |

**Subtotal**

**4,230.8      0.0**

**(Conventional)**

|      |                             |     |     |          |   |  |          |          |
|------|-----------------------------|-----|-----|----------|---|--|----------|----------|
| 1722 | Atlantic Financial Fed-WVA  | 0.0 |     | 7/12/91  |   |  | 10/18/91 | 10/18/91 |
| 1721 | Great West SB FSB           |     | 0.0 | 12/18/91 |   |  | 08/11/90 | 08/18/91 |
| 1724 | Statesman BK of Savings, FS | 0.0 | 0.0 | 11/21/91 |   |  | 07/27/90 | 09/01/91 |
| 1728 | Hansen SB, FBALA            | 8.7 |     |          | X |  | 01/10/92 | X        |
| 1730 | First Fed SB of Hempstead   | 0.0 |     | 11/21/91 |   |  | 08/14/90 | 07/28/91 |
| 1738 | United Savings of America   |     |     |          | X |  | 08/27/91 | 08/27/91 |
| 1748 | Citizens FB, FSB            |     |     | 8/01/91  |   |  | 10/18/91 | X        |
| 1747 | United Savings of America   |     |     |          | X |  | 08/27/91 | 08/27/91 |
| 1787 | First Network Savings Bank  | 0.0 | 0.0 |          | X |  | 04/20/90 | 08/14/90 |

**Subtotal**

**8.7      0.0**

**Total Under Gov't Control**

**4,238.9      0.0**

**Total FSLIC Transactions**

**20,782.8      2,188.3**

\* Balance as of 8/30/91. Settlement of Assistance Agreements in process.

**FSLIC Promise Note Report**  
**1988-89 FSLIC Assistance Agreements**  
(\$ Millions)

**Exhibit 4.**

Report Date: January 31, 1988

| FDIC<br>Case<br>Number | Resulting Institution | Notes<br>Outstanding<br>8/30/80 | Prepayments |          | Contractual<br>Principal<br>Payments(C) or<br>Audit Adjs.(A) | Notes<br>Outstanding<br>1/31/88 |
|------------------------|-----------------------|---------------------------------|-------------|----------|--|---------------------------------|
|                        |                       |                                 | FY81        | FY82 YTD |  |                                 |

***Investor-owned Large Transactions***  
***Southwest Plan***

|                 |                            |                |                |                |              |              |
|-----------------|----------------------------|----------------|----------------|----------------|--------------|--------------|
| 1784            | Coastal Banc, SA           | 42.0           | 42.0           |                |              | 0.0          |
| 1787            | American FB, FSB           | 642.0          | 642.0          |                |              | 0.0          |
| 1804/1806       | First Heights Bank, FSB    | 31.6           | 31.6           | 31.6           |              | 232.8        |
| 1808            | Guaranty FSB               | 1,043.8        | 1,043.8        |                |              | 0.0          |
| 1807            | Franklin Federal Bancorp   | 478.0          | 478.0          |                |              | 0.0          |
| 1809            | Amwest SA                  | 422.1          | 422.1          |                | 6.7 A        | 0.0          |
| 1809            | Americity FSB              | 31.6           | 31.6           |                |              | 0.0          |
| 1810            | Bluebonnet SB, FSB         | 760.2          | 760.2          |                |              | 0.0          |
| 1811            | First Gibraltar Bank, FSB  | 2,187.5        |                | 2,938.7        | 247.8 A      | 0.0          |
| 1812            | Pacific Southwest Bank FSB | 281.1          | 281.1          |                |              | 0.0          |
| 1813            | Texas Trust SB, FSB        | 187.3          | 187.3          |                |              | 0.0          |
| 1814            | Local America BK of Tulsa  | 39.8           | 39.8           |                |              | 0.0          |
| 1815            | United SA of Texas FSB     | 300.6          | 300.6          |                |              | 0.0          |
| 1816            | South Bank for Savings     | 40.4           | 40.4           |                |              | 0.0          |
| <b>Subtotal</b> |                            | <b>7,728.2</b> | <b>4,261.0</b> | <b>2,971.2</b> | <b>264.5</b> | <b>262.8</b> |

**FSLIC Preliminary 21st Report  
1988-89 FSLIC Assistance Agreements  
(in Millions)**

**Exhibit 4.**

Report Date: January 31, 1988

| FDIC<br>Case<br>Number | Resulting Institution | Notes<br>Outstanding<br>8/30/88 | Prepayments |          | Contractual<br>Principal<br>Payments(C) or<br>Audit Adj.(A) | Notes<br>Outstanding<br>1/31/88 |
|------------------------|-----------------------|---------------------------------|-------------|----------|---|---------------------------------|
|                        |                       |                                 | EXPI        | EXPI-1YD |   |                                 |

**Investor-owned Large Transactions (continued)**

**Conventional**

|                 |                             |                |                |              |              |                |
|-----------------|-----------------------------|----------------|----------------|--------------|--------------|----------------|
| 1741            | Metropolitan FS of IAAH     | 224.8          | 224.8          |              |              | 0.0            |
| 1760            | Western FS&LA               | 242.1          | 242.1          |              | 118.0 O      | 0.0            |
| 1764            | Deputy S&LA                 | 222.0          | 185.0          |              | 27.2 O       | 0.0            |
| 1768            | First Nationwide Bank F&S   | 61.8           |                |              | 21.8 O       | 61.8           |
| 1767            | Pacific First Bank          | 62.4           | 62.4           |              |              | 0.0            |
| 1774            | Rocky Mountain F&S          | 117.6          | 117.6          |              |              | 0.0            |
| 1776            | New West FS&LA              | 466.7          | 466.7          |              |              | 0.0            |
| 1780            | First Nationwide Fin'l Corp | 1,051.2        |                |              |              | 1,051.2        |
| 1783            | Home Fed Bank, F&S          | 242.6          | 242.6          |              | 40.7 A       | 0.0            |
| 1786            | Beach FS&LA                 | 1,051.2        | 1,051.2        |              |              | 0.0            |
| 1786            | Superior F&S                | 202.9          |                | 183.0        | 22.0 O       | 0.0            |
| 1789            | Calif. FB-Broward, F&S      | 97.4           | 97.4           |              |              | 0.0            |
| 1790            | Severy Hills F&S            | 611.6          | 61.8           | 106.6        |              | 624.6          |
| <b>Subtotal</b> |                             | <b>2,266.4</b> | <b>2,060.9</b> | <b>289.4</b> | <b>241.5</b> | <b>1,747.6</b> |

**Investor-owned Small Transactions**

|                 |                           |              |              |            |            |              |
|-----------------|---------------------------|--------------|--------------|------------|------------|--------------|
| 1739            | Standard FB F&S           | 12.0         |              |            | 2.6 A      | 10.9         |
| 1749            | Washington FS&LA          | 31.0         | 31.0         |            |            | 0.0          |
| 1771            | First Nationwide Bank F&S | 174.9        |              |            |            | 174.9        |
| 1777            | Chilena FB, F&S           | 26.0         | 26.0         |            |            | 0.0          |
| 1778            | Northwest F&S             | 61.6         | 61.6         |            |            | 0.0          |
| 1781            | Metropolitan FS of Iowa   | 60.3         | 60.3         |            |            | 0.0          |
| 1784            | River Valley SS F&S       | 13.2         | 13.2         |            |            | 0.0          |
| <b>Subtotal</b> |                           | <b>276.9</b> | <b>166.1</b> | <b>0.0</b> | <b>2.6</b> | <b>166.2</b> |

**Total Investor-owned**

**12,266.6      7,421.0      2,260.6      406.6      2,166.2**

12.15

22

**FSLIC Promisee Note Report**  
**1988-89 FSLIC Assistance Agreements**  
(\$ Millions)

**Exhibit 4.**

Report Date: January 31, 1988

| FSLIC<br>Case<br>Number | Resulting Institution | Notes<br>Outstanding<br>6/30/88 | Prepayments |          | Contractual<br>Principal<br>Payments(C) or<br>Audit Adjs.(A) | Notes<br>Outstanding<br>1/31/88 |
|-------------------------|-----------------------|---------------------------------|-------------|----------|--|---------------------------------|
|                         |                       |                                 | FY81        | FY82 YTD |  |                                 |

**Under Gov't Control**

**Southwest Plus**

|           |                        |                |                |            |            |            |
|-----------|------------------------|----------------|----------------|------------|------------|------------|
| 1798      | Southwest Savings Assn | 879.1          | 879.1          |            |            | 0.0        |
| 1799/1799 | Marshall Texas FSB     | 686.8          | 686.8          |            |            | 0.0        |
| 1799      | Sunbelt Savings, FSB   | 9,471.7        | 9,471.7        |            |            | 0.0        |
| 1800      | Cimarron FSLA          | 219.8          | 219.8          |            |            | 0.0        |
| 1801      | Red River FSLA         | 14.8           | 14.8           |            |            | 0.0        |
| 1802      | Chisholm FSLA          | 21.0           | 21.0           |            |            | 0.0        |
|           | <b>Subtotal</b>        | <b>5,179.0</b> | <b>5,179.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

**Conventional**

|      |                             |              |              |            |            |            |
|------|-----------------------------|--------------|--------------|------------|------------|------------|
| 1722 | Atlantic Financial Fed-WVA  | 66.0         | 66.0         |            |            | 0.0        |
| 1723 | Great West SB FSB           | 1.8          | 1.8          |            |            | 0.0        |
| 1724 | Statesman Bk of Savings, FB | 22.0         | 22.0         |            | 0.7 0      | 0.0        |
| 1787 | First Network Savings Bank  | 22.0         | 22.0         |            |            | 0.0        |
|      | <b>Subtotal</b>             | <b>111.8</b> | <b>111.8</b> | <b>0.0</b> | <b>0.7</b> | <b>0.0</b> |

|                                  |                |                |            |            |            |
|----------------------------------|----------------|----------------|------------|------------|------------|
| <b>Total Under Gov't Control</b> | <b>5,291.6</b> | <b>5,291.6</b> | <b>0.0</b> | <b>0.7</b> | <b>0.0</b> |
|----------------------------------|----------------|----------------|------------|------------|------------|

|                                 |                 |                 |                |              |                |
|---------------------------------|-----------------|-----------------|----------------|--------------|----------------|
| <b>Total FSLIC Transactions</b> | <b>18,687.0</b> | <b>18,742.0</b> | <b>9,260.6</b> | <b>606.0</b> | <b>2,106.8</b> |
|---------------------------------|-----------------|-----------------|----------------|--------------|----------------|

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**RTC - FRF ASSISTANCE TRANSACTION SUMMARY (9-30-91)**

The following Report of Active Assistance Transactions reflects a snapshot of the status of all FRF assistance agreements administered by the RTC at the end of September, 1991. The report is provided for information purposes only.

While the list indicates 140 assistance agreements as active, two agreements were combined into two others, during 1990, as the result of the merger of two institutions (Heights of Texas, FSB SW013 into First Heights FSA, SW014) and the administrative combination of two agreements with one acquirer (Merabank Texas, FSB, SW003 and 006). At the end of September 1991, the RTC administered 138 active assistance agreements. Eighteen (18) assistance agreements were terminated during the first nine months of calendar 1991.

Please note that the columns labeled "current total cost estimates" and "future projected costs" may have been, or will be, materially changed as the Promissory Notes are prepaid and/or the transactions are renegotiated.

DIVISION OF PUBLIC OPERATIONS  
REPORT OF ACTIVE ASSISTANCE TRANSACTIONS  
QUARTER ENDING SEPTEMBER 30, 1991  
(DOLLARS OMITTED)

05-Feb-92

| FAS<br>CASE# | FDC<br>MSICD | ASSOCIATION  | LOCATION                                     | TOTAL<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS<br>09/30/91 | ORIGINAL<br>COST<br>ESTIMATE (A) | CURRENT<br>TOTAL COST<br>ESTIMATE (A) | ASSISTANCE<br>PAID<br>THRU<br>09/30/91 (A) | FUTURE<br>PROJECTED<br>COSTS (A) |
|--------------|--------------|--|--|--------------------------------|----------------------------------|-------------------------------|----------------------------------|---------------------------------------|--|----------------------------------|
| 62           | 1600         | NORTHEAST FBLA<br>NORTHEAST SAVINGS FA<br>SURETY SA      | WATERBURY, MA<br>HARTFORD, CT<br>HOUSTON, TX | -                              | (0)                              | 0                             | -                                | 663                                   | 153  | 410                              |
| 97           | 1602         | FARM & HOME SA<br>FINANCIAL SECURITY FBLA                | NEVADA, MO<br>ELK GROVE VILLAGE, IL          | -                              | (0)                              | 996                           | -                                | 44,100                                | 43,631                                     | 489                              |
| 112          | 1608         | HOUSEHOLD BANK FSB<br>NEW YORK & SUBURBAN                | NEWPORT BEACH, CA<br>NEW YORK, NY            | 60,779                         | (0)                              | 0                             | 20,717                           | 15,700                                | 15,700                                     | 0                                |
| 113          | 1609         | ANCHOR SB FSB<br>COMMUNITY FBLA                          | NORTHPORT, NY<br>WASHINGTON, DC              | 511,120                        | (0)                              | 0                             | 430,275                          | 146,919                               | 146,919                                    | 409                              |
| 114          | 1610         | INDEPENDENCE FSB<br>WESTSIDE FBLA                        | WASHINGTON, DC<br>NEW YORK, NY               | 23,946                         | (0)                              | 0                             | 3,633                            | 3,510                                 | 2,500                                      | 10                               |
| 119          | 1612         | WASHINGTON FBLA<br>FIRST NATIONWIDE BANK FSB             | MARIETTA, FL<br>SAN FRANCISCO, CA            | 3,873,474                      | 0                                | 0                             | 465,963                          | 465,900                               | 465,900                                    | 0                                |
| 124          | 1618         | FIRST FBLA OF BROWARD COUNTY<br>OLENDALE FBLA            | FT. LAUDERDALE, FL<br>OLENDALE, CA           | 2,643,300                      | 0                                | 0                             | 16,710                           | (263)                                 | (263)                                      | 0                                |
|              |              | REPUBLIC OF TEXAS SA<br>ROYAL FBLA                       | HOUSTON, TX<br>DALLAS, TX                    |                                |                                  |                               |                                  |                                       |  |                                  |
|              |              | HYDE PARK FBLA CHICAGO<br>BUFFALO BLA                    | CHICAGO, IL<br>HOUSTON, TX                   |                                |                                  |                               |                                  |                                       |  |                                  |
|              |              | CRVIC BLA<br>EL CENTRO FBLA                              | IRVING, TX<br>DALLAS, TX                     |                                |                                  |                               |                                  |                                       |  |                                  |
| 130          | 1630         | HOMES SAVINGS OF AMERICA FA<br>FIDELITY OF SAN FRANCISCO | LOS ANGELES, CA<br>SAN FRANCISCO, CA         | 900,540                        | (0)                              | 0                             | 110,970                          | 101,663                               | 101,663                                    | 0                                |
| 150          | 1630         | CITICORP SAVINGS FBLA<br>FIRST FLORIDA                   | SAN FRANCISCO, CA<br>GAINESVILLE, FL         | 2,071,020                      | 103,775                          | 7,023                         | 203,920                          | 11,570                                | 0,220                                      | 2,344                            |
|              |              | MOL PINNACLE-NO NECK<br>MT VERNON                        | OLUCHESTER, VA<br>ROSSLYN, VA                |                                |                                  |                               |                                  |                                       |  |                                  |
| 194          | 1648         | CROSSA AND SAVINGS FBLA                                  | SALT LAKE CITY, UT                           | 251,737                        | 18,110                           | 0                             | 15,049                           | 29,518                                | 29,503                                     | 15                               |

132

666

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| FAB<br>CASE# | FOIC<br>MSICD | ASSOCIATION  | LOCATION  | TOTAL<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS<br>08/30/91 | ORIGINAL<br>COST<br>ESTIMATE (A) | CURRENT<br>TOTAL COST<br>ESTIMATE (A) | ASSISTANCE<br>PAID<br>THRU<br>08/30/91 (A) | FUTURE<br>PROJECTED<br>COSTS (A) |
|--------------|---------------|--|---|--------------------------------|----------------------------------|-------------------------------|----------------------------------|---------------------------------------|--|----------------------------------|
| 196          | 1040          | SUFFOLK COUNTY FSLA<br>LONG ISLAND SB FSB                              | CENTREACH, NY<br>BYONSET, NY                      | 2,505,795                      | 0                                | 0                             | 75,000                           | 81,000                                | 81,000                                     | 0                                |
| 197          | 1050          | SUBURBAN SLA<br>ANCHOR SB FSB  | NEWLETT, NY<br>NORTHPORT, NY                      | 2,017,750                      | 0                                | 0                             | 37,067                           | 56,426                                | 56,426                                     | 0                                |
| 199          | 1061          | WASHINGTON FSLA<br>COMMUNITY FSLA<br>SHENON BANK FSB                   | NEW YORK, NY<br>HALEAH, FL<br>NEW YORK, NY        | 763,756                        | 150,282                          | 0                             | 12,786                           | 13,047                                | 13,047                                     | 0                                |
| 207          | 1062          | FIRST FSLA OF CHICAGO<br>CITICORP SAVINGS OF ILLINOIS<br>FIDELITY FSLA | CHICAGO, IL<br>CHICAGO, IL<br>BALTIMORE, MD       | 3,067,623                      | 2,066,417                        | 127,300                       | 866,474                          | 866,181                               | 416,471                                    | 230,710                          |
| 217          | 1069          | AMERICAN HERITAGE<br>HOUSEHOLD BANK FSB                                | BLOOMINGTON, IL<br>NEWPORT BEACH, CA              | 309,866                        | 0                                | 0                             | 50,400                           | 66,467                                | 66,217                                     | 260                              |
| 219          | 1060          | UNION FSLA<br>UNION FSB  | INDIANAPOLIS, IN<br>INDIANAPOLIS, IN              | 322,319                        | 0                                | 0                             | 19,811                           | 26,005                                | 26,005                                     | 172                              |
| 220          | 1061          | CONTINENTAL FSLA<br>DOLLAR BANK FSB                                    | CLEVELAND, OH<br>PITTSBURGH, PA                   | 1,064,237                      | 0                                | 0                             | 87,500                           | 80,840                                | 80,840                                     | 0                                |
| 231          | 1066          | CAPITAL CITY FSLA<br>NORTHERN VIRGINIA SLA<br>FIRST FSLA               | WASHINGTON, DC<br>ARLINGTON, VA<br>TITUSVILLE, FL | 892,000                        | (8)                              | 0                             | 87,873                           | 53,201                                | 53,020                                     | 201                              |
| 250          | 1071          | MENTON SAVINGS BANK<br>FAMILY FSLA                                     | WINTER HAVEN, FL<br>SPRINGFIELD, VA               | 66,236                         | 0                                | 0                             | 0                                | 817                                   | 806  | 121                              |
| 264          | 1074          | COLUMBIA FIRST FSLA<br>SECURITY TRUST                                  | ARLINGTON, VA<br>OAKRIDGE, TN                     | 26,000                         | 22,796                           | 0                             | 6,278                            | 10,396                                | 10,396                                     | 0                                |
| 266          | 1076          | SECURITY SLA<br>MIDLAND FSLA   | JACKSON, MS<br>MOOREHEAD, MN                      | 42,183                         | 0                                | 0                             | 1,700                            | 2,066                                 | 866  | 2,000                            |
| 267          | 1079          | METROPOLITAN FEDERAL BANK FSB<br>SLN FSLA                              | FARGO, ND<br>TALLAHASSEE, FL                      | 373,276                        | 0                                | 0                             | 15,111                           | 12,422                                | 12,422                                     | 0                                |
| 272          | 1081          | ANCHOR SAVINGS BANK FSB<br>UNITED BANK SSB                             | NORTHPORT, NY<br>SAN FRANCISCO, CA                | 603,804                        | 106,474                          | 0                             | 50,423                           | 52,426                                | 44,794                                     | 7,634                            |
| 274          | 1082          | UNITED SAVINGS BANK FSB<br>FLUSHING FSLA<br>THE LONG ISLAND SB FSB     | SAN FRANCISCO, CA<br>FLUSHING, NY<br>BYONSET, NY  | 620,791                        | 0                                | 0                             | 53,086                           | 27,866                                | 22,216                                     | 750                              |

13.3

667

| FAB<br>CASE# | FISC<br>YEAR | ASSOCIATION   | LOCATION  | TOTAL<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS<br>9/30/81 | ORIGINAL<br>COST<br>ESTIMATE (A) | CURRENT<br>TOTAL COST<br>ESTIMATE (A) | ASSISTANCE<br>PAID<br>THRU<br>9/30/81 (A) | FUTURE<br>PROJECTED<br>COSTS (A) |
|--------------|--------------|---|---|--------------------------------|----------------------------------|------------------------------|----------------------------------|---------------------------------------|---|----------------------------------|
| 279          | 1986         | FIRST FSLA OF MONTGOMERY CNTY<br>MOUNTAIN SECURITY BS<br>CARTERET BS FA<br>SOUTABLE FBS                     | BLACKSBURG, VA<br>WYTHEVILLE, VA<br>NEWARK, NJ<br>LANCASTER, OH | 139,227                        | 41,530                           | 0                            | 0                                | 26,475                                | 24,263                                    | 2,782                            |
| 279          | 1987         | CITIZENS FEDERAL BANK FBS<br>CITIZENS HOME SAVINGS COMPANY<br>STATE SL COMPANY<br>FIRST NATIONWIDE BANK FBS | MIAMI, FL<br>LOMA, OH<br>BUCID, OH<br>SAN FRANCISCO, CA         | 739,729                        | 25,521                           | 0                            | 40,841                           | 163,008                               | 100,000                                   | 46,114                           |
| 289          | 1989         | LINCOLN SLA<br>SECURITY PACIFIC SAVINGS BANK  | PORTLAND, WA<br>TACOMA, WA                                      | 609,261                        | 0                                | 0                            | 0                                | 204                                   | 00  | 225                              |
| 293          | 1989         | NATIONAL PERMANENT FBS  | WASHINGTON, DC  | 293,494                        | 0                                | 0                            | 21,377                           | 26,242                                | 26,242                                    | 0                                |
| 296          | 1981         | CITICORP SAVINGS OF WASHINGTON<br>CITIZENS FSLA<br>DOLLAR BS  | WASHINGTON, DC<br>CLEVELAND, OH<br>COLUMBUS, OH                 | 1,118,325                      | 0                                | 0                            | 51,894                           | 52,894                                | 52,893                                    | 1                                |
| 297          | 1983         | TRANSBORO SAVINGS BANK FBS<br>RESERVE SLA   | CLEVELAND, OH<br>WICHITA, KS                                    | 850,117                        | 0                                | 0                            | 122,224                          | 118,912                               | 114,912                                   | 4,000                            |
| 298          | 1984         | MID-CONTINENT FSLA<br>DEVARGAS SL BANK  | EL DORADO, KS<br>SANTA FE, NM                                   | 22,667                         | 2,199                            | 0                            | 0,863                            | 9,510                                 | 9,278                                     | 222                              |
| 299          | 1986         | CHARTER BANK FOR SAVINGS FBS<br>FARMERS FSLA<br>FIRST STATE FSLA  | SANTA FE, NM<br>PYSERANWOOD, WV<br>SPARTANBURG, SC              | 21,328                         | 3,275                            | 0                            | 2,200                            | 3,496                                 | 3,433                                     | 65                               |
| 299          | 1986         | POUGHKEEPSIE BS FBS<br>FAMILY FSLA  | POUGHKEEPSIE, NY<br>SAGINAW, MI                                 | 217,061                        | 0                                | 0                            | 0                                | 408                                   | 316                                       | 89                               |
| 299          | 1987         | HERTAGR FBS<br>SOUTH BAY SLA  | TAYLOR, MI<br>GARDENA, CA                                       | 291,324                        | 0                                | 0                            | 12,800                           | 17,227                                | 17,164                                    | 72                               |
| 300          | 1702         | STANDARD PACIFIC SAVINGS FA<br>HOME SLA   | NEWPORT BEACH, CA<br>SEATTLE, WA                                | 89,729                         | 13,184                           | 0                            | 6,000                            | 9,880                                 | 6,996                                     | 2,914                            |
| 301          | 1703         | INTERWEST SAVINGS BANK<br>WESTERN SL CO   | OAK HARBOR, WA<br>SALT LAKE CITY, UT                            | 150,598                        | 0                                | 0                            | 22,000                           | 26,226                                | 26,226                                    | 0                                |
| 304          | 1980         | CROSSLAND SAVINGS FBS<br>CENTRAL SLA  | BROOKLYN, NY<br>SAN DIEGO, CA                                   | 430,753                        | 0                                | 0                            | 0                                | 0                                     | 0   | 0                                |
| 306          | 1706         | COAST SLA<br>SOUTHERN CALIF ORNIA FSLA  | LOS ANGELES, CA<br>BEVERLY HILLS, CA                            | 1,606,717                      | 0                                | 3,762                        | 289,568                          | 326,332                               | 319,153                                   | 9,179                            |
| 307          | 1707         | SOUTHERN CALIF ORNIA SLA FSLA   | BEVERLY HILLS, CA   | 963,842                        | 0                                | 0                            | 217,500                          | 223,933                               | 222,879                                   | 54                               |

13-2

608

| FAB<br>CASE# | FDC<br>MSICD | ASSOCIATION   | LOCATION  | TOTAL<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS<br>09/30/91 | ORIGINAL<br>COST<br>ESTIMATE (A) | CURRENT<br>TOTAL COST<br>ESTIMATE (A) | ASSISTANCE<br>PAID<br>THRU<br>09/30/91 (A) | FUTURE<br>PROJECTED<br>COSTS (A) |
|--------------|--------------|---|---|--------------------------------|----------------------------------|-------------------------------|----------------------------------|---------------------------------------|--|----------------------------------|
| 309          | 1709         | UNITED FIRST FBLA<br>PROVIDENT FBLA<br>WASHINGTON FBLA<br>OK FBLA   | BORNE, ID<br>BORNE, ID<br>SEATTLE, WA<br>BL RENO, OK                              | 589,113                        | 0                                | 0                             | 89,175                           | 127,838                               | 127,837                                    | 0                                |
| 310          | 1710         | THE GLOBE SB FBS<br>FIRST FBLA  | BL RENO, OK<br>NATCHITOCHIES, LA  | 54,893                         | 8,446                            | 2,062                         | 41,888                           | 62,331                                | 61,788                                     | 485                              |
| 311          | 1711         | FIRST FBLA<br>OK FBLA   | LAKE CHARLES, LA<br>MOBILE, AL  | 47,484                         | 9,407                            | 2,629                         | 23,743                           | 29,479                                | 27,799                                     | 1,784                            |
| 312          | 1712         | OK FBLA<br>OK FBLA  | MOBILE, AL<br>MOBILE, AL  | 5,821                          | 464                              | 0                             | 487                              | 844                                   | 844  | 0                                |
| 314          | 1713         | FIVE STAR FBLA<br>HOME SA OF KANSAS CITY FA   | PINE BLUFF, AR<br>KANSAS CITY, MO   | 879,883                        | 0                                | 0                             | N/A                              | 821,184                               | 821,184                                    | 0                                |
| 315          | 1714         | MT PLEASANT BLA<br>SUL PHUR SPRINGS L&BA<br>COMMUNITY FBLA  | MT PLEASANT, TX<br>SUL PHUR SPRINGS, TX<br>HAMILTON, OH                           | 28,148                         | 5,799                            | 1,815                         | 8,809                            | 8,883                                 | 8,884                                      | 879                              |
| 317          | 1716         | UNION FEDERAL SAVINGS BANK<br>FIRST FINANCIAL OF LA BLA<br>FIRST FBLA<br>FIRSTBANK FEDERAL FBS<br>OK FBLA | INDIANAPOLIS, IN<br>LITCHER, LA<br>ALEXANDRIA, LA<br>CONZALES, LA<br>METairie, LA | 488,446                        | 0                                | 0                             | 21,888                           | 21,887                                | 21,234                                     | 25                               |
| 318          | 1717         | PELICAN HOMESTEAD AND SA<br>FIRST FINANCIAL BANK FBS<br>FIRST FEDERAL SB                                  | NEW ORLEANS, LA<br>BLEDELL, LA  | 518,308                        | 28,979                           | 28,782                        | 478,000                          | 538,102                               | 281,210                                    | 280,888                          |
| 319          | 1718         | SECOR BANK FBS<br>GIBSON BLA  | OPPERHOMAM, AL<br>GIBSON CITY, IL   | 789,542                        | 261,874                          | 144,834                       | 238,309                          | 285,062                               | 219,512                                    | 82,548                           |
| 320          | 1719         | CHAMPION FBLA<br>AMERICAN FBLA  | BLOOMINGTON, IL<br>LYNCHBURG, VA  | 143,720                        | 7,736                            | 777                           | 40,581                           | 37,717                                | 37,228                                     | 488                              |
| 321          | 1720         | COREAST SB FBS<br>FIRST FBLA  | ROANOKE, VA<br>FREEPORT, IL   | 188,726                        | 17,438                           | 6,000                         | 38,508                           | 44,781                                | 40,088                                     | 4,693                            |
| 322          | 1721         | HOME FBLA OF ROCKFORD<br>TRI-CITIES BLA   | ROCKFORD, IL<br>KENNEWICK, WA   | 23,638                         | 2,828                            | 0                             | 14,712                           | 13,778                                | 13,778                                     | 0                                |
| 326          | 1725         | STERLING SAVINGS ASSOCIATION<br>VALLEY FBLA   | SPOKANE, WA<br>ERWIN, TN  | 53,800                         | 9,583                            | 1,828                         | 17,298                           | 14,417                                | 13,838                                     | 487                              |
| 329          | 1727         | HOME FBLA   | JOHNSON CITY, TN  | 88,140                         | 0                                | 0                             | 7,141                            | 7,209                                 | 7,184                                      | 25                               |

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699

| FAB<br>CASE# | FISC<br>MEMO | ASSOCIATION  | LOCATION   | TOTAL<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS<br>8/2/80 \$ | ORIGINAL<br>COST<br>ESTIMATE (\$) | CURRENT<br>TOTAL COST<br>ESTIMATE (\$) | ASSISTANCE                |                                   |
|--------------|--------------|--|--|--------------------------------|----------------------------------|--------------------------------|-----------------------------------|--|---------------------------|-----------------------------------|
|              |              |  |  |                                |                                  |                                |                                   |  | PAID<br>THRU<br>8/2/80 \$ | FUTURE<br>PROJECTED<br>COSTS (\$) |
| 320          | 1720         | FIRST FBLA<br>HARBEN BB BLA  | HARRINGTON, NJ   | 443,000                        | 42,000                           | 6,734                          | 71,546                            | 88,144                                 | 88,744                    | 1,400                             |
| 320          | 1720         | EUREKA FBLA  | SAN CARLOS, CA   | 1,762,400                      | 123,016                          | 66,414                         | 209,630                           | 400,316                                | 444,630                   | 24,400                            |
| 321          | 1720         | BLUESONNET SA OF TEXAS<br>FIRST FBB OF HEMPSTEAD                     | HEMPSTEAD, TX  | 24,310                         | 2,400                            | 0                              | 0,000                             | 10,500                                 | 0,000                     | 1,100                             |
| 322          | 1721         | SECURITY BB FBB  | OVERBUND, TN   | 46,217                         | 0                                | 0                              | 0,000                             | 11,010                                 | 10,070                    | 41                                |
| 323          | 1732         | MURKEDON FBLA<br>AMERIBANK FBB                                       | MURKEDON, MI   | 211,830                        | 0                                | 0                              | 4,000                             | 3,070                                  | 3,070                     | 0                                 |
| 324          | 1733         | STANFORD BLA<br>EUREKA FBLA  | PALO ALTO, CA  | 75,070                         | 10,001                           | na                             | 0,000                             | 10,000                                 | 10,000                    | 0                                 |
| 326          | 1734         | LYNNWOOD BLA<br>WORLD BLA FBLA                                       | LYNNWOOD, WA<br>OAKLAND, CA                                | 22,500                         | 0                                | 0                              | 0,400                             | 0,770                                  | 0,770                     | 0                                 |
| 326          | 1736         | GALVA FBLA<br>HOMER FBLA<br>MUTUAL BLA<br>RIVER VALLEY BB FBB        | GALVA, IL<br>PEORIA, IL<br>CANTON, IL<br>PEORIA, IL        | 177,100                        | 0,000                            | 0                              | 24,600                            | 43,074                                 | 43,074                    | 0                                 |
| 327          | 1730         | REPUBLIC FBLA<br>RIVER VALLEY BB                                     | SOUTH BELL, IL<br>ROCK FALLS, IL                           | 20,640                         | 0,004                            | 0                              | 17,031                            | 20,270                                 | 20,270                    | 0                                 |
| 328          | 1737         | FIRST FBLA OF LONGVIEW<br>FIRST FBB NORTHWEST                        | LONGVIEW, WA<br>LONGVIEW, WA                               | 60,270                         | 0                                | 0                              | 0,440                             | 13,070                                 | 12,000                    | 770                               |
| 329          | 1730         | 1ST FBLA OF TAYLORVILLE<br>UNITED SAVINGS OF AMERICA                 | TAYLORVILLE, IL<br>CHICAGO, IL                             | 20,120                         | 0                                | 0                              | 0,000                             | 2,700                                  | 2,700                     | 0                                 |
| 340          | 1730         | CAPITOL FEDERAL OF AMERICA<br>STANDARD FBLA OF CHICAGO               | EVERGREEN PARK, IL<br>CHICAGO, IL                          | 254,010                        | 11,000                           | 0,430                          | 12,711                            | 20,014                                 | 24,200                    | 11,710                            |
| 341          | 1740         | FIRST FEDERAL BANK FBB<br>WESTERN FBLA<br>FIRST FBLA OF LINCOLN-IOWA | SHENANDOAH, IA<br>COUNCIL BLUFFS, IA<br>COUNCIL BLUFFS, IA | 40,007                         | 0                                | 0                              | 12,222                            | 13,070                                 | 13,070                    | 0                                 |

| FAB<br>CASE# | FDIC<br>MEMO | ASSOCIATION                  | LOCATION          | TOTAL<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS<br>9/30/91 | ORIGINAL<br>COST<br>ESTIMATE (A) | CURRENT<br>TOTAL COST<br>ESTIMATE (A) | ASSISTANCE<br>PAID<br>THRU<br>9/30/91 (A) | FUTURE<br>PROJECTED<br>COSTS (A) |
|--------------|--------------|------------------------------|-------------------|--------------------------------|----------------------------------|------------------------------|----------------------------------|---------------------------------------|---|----------------------------------|
|              |              | WASHINGTON FBS               | STILLWATER, MN    |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | PIONEER FBLA                 | MASON CITY, IA    |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | FIRST FBLA                   | SPRINGFIELD, MN   |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | FIRST FBLA                   | MERRIS, MN        |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | FIRST FBLA                   | GRAND RAPIDS, MN  |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | PEOPLES BLA                  | OWATONNA, MN      |                                |                                  |                              |                                  |                                       |   |                                  |
| 342          | 1741         | METROPOLITAN FB OF IOWA      | MASON CITY, IA    | 1,154,116                      | 163,653                          | 94,717                       | 636,262                          | 866,394                               | 466,653                                   | 66,491                           |
| 343          | 1742         | NORTHWEST FBLA               | BOISE, ID         |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | WASHINGTON FBLA              | SEATTLE, WA       | 26,600                         | 0                                | 0                            | 2,399                            | 2,400                                 | 2,400                                     | 0                                |
| 344          | 1743         | HOMESTEAD BLA                | HAYWARD, CA       |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | OLD STONE BANK OF CALIFORNIA | PROVIDENCE, RI    | 182,246                        | 0                                | 0                            | 46,109                           | 46,830                                | 46,834                                    | 299                              |
| 345          | 1744         | COMMERCIAL FBS               | KNOXVILLE, TN     |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | SECURITY TRUST FBLA          | KNOXVILLE, TN     | 26,636                         | 4,836                            | 0                            | 17,229                           | 21,181                                | 20,346                                    | 795                              |
| 346          | 1745         | CITIZENS FBS                 | JACKSONVILLE, FL  |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | CITIZENS FBS                 | JACKSON, FL       | 50,320                         | 0                                | 0                            | 0                                | 220                                   | 121                                       | 89                               |
|              |              | FIRST FBS                    | RODGERS, AR       |                                |                                  |                              |                                  |                                       |   |                                  |
| 347          | 1746         | FEDERAL SB OF ROGERS         | RODGERS, AR       | 122,200                        | 12,436                           | 4,836                        | 26,431                           | 26,756                                | 23,486                                    | 2,889                            |
|              |              | FIDELITY FBLA                | BERMUN, IL        |                                |                                  |                              |                                  |                                       |   |                                  |
| 348          | 1747         | UNITED SAVINGS OF AMERICA    | CHICAGO, IL       | 46,126                         | 0                                | 0                            | 3,806                            | 3,722                                 | 3,722                                     | 0                                |
|              |              | COOSA FBLA                   | GATLINGS, AL      |                                |                                  |                              |                                  |                                       |   |                                  |
| 349          | 1748         | SECOR BANK FBS               | BIRMINGHAM, AL    | 76,600                         | 0                                | 0                            | 12,860                           | 12,876                                | 12,842                                    | 23                               |
|              |              | FREEDOM FBLA                 | CORVALLIS, OR     |                                |                                  |                              |                                  |                                       |   |                                  |
| 350          | 1749         | WASHINGTON FBLA              | SEATTLE, WA       | 206,000                        | 0                                | 0                            | 60,800                           | 26,873                                | 26,873                                    | 0                                |
|              |              | BELL BLA                     | SAN MATEO, CA     |                                |                                  |                              |                                  |                                       |   |                                  |
| 352          | 1750         | WESTERN FBL                  | MARINA DEL REY CA | 891,819                        | 260,899                          | 273,260                      | 686,750                          | 791,200                               | 756,146                                   | 22,124                           |
|              |              | LOWES PARK FBS               | LOWES PARK, IL    |                                |                                  |                              |                                  |                                       |   |                                  |
| 353          | 1751         | HOME FBLA OF ROCKFORD        | ROCKFORD, IL      | 41,630                         | 0                                | 0                            | 4,864                            | 5,894                                 | 5,894                                     | 0                                |
|              |              | ARSENAL BA                   | INDIANAPOLIS, IN  |                                |                                  |                              |                                  |                                       |   |                                  |
| 354          | 1752         | UNION FBS OF INDIANAPOLIS    | INDIANAPOLIS, IN  | 161,670                        | 18,363                           | 10,460                       | 26,200                           | 46,829                                | 26,841                                    | 6,899                            |
|              |              | FRANKTON FBLA                | FRANKTON, IN      |                                |                                  |                              |                                  |                                       |   |                                  |
| 356          | 1753         | UNION FBS OF FRANKTON        | FRANKTON, IN      | 26,720                         | 16                               | 0                            | 0                                | 3,813                                 | 3,813                                     | 0                                |
|              |              | BUTTERFIELD BLA              | SANTA ANA, CA     |                                |                                  |                              |                                  |                                       |   |                                  |
| 356          | 1754         | BUTTERFIELD BLA FBA          | SANTA ANA, CA     | 617,150                        | 229,260                          | 86,153                       | 266,272                          | 363,186                               | 339,750                                   | 23,436                           |

13.7

| FAB<br>CASE# | FBO<br>MEMO | ASSOCIATION  | LOCATION                                     | TOTAL<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS<br>03/30/71 | ORIGINAL<br>COST<br>ESTIMATE (A) | CURRENT<br>TOTAL COST<br>ESTIMATE (A) | ASSURANCE<br>PAID<br>THRU<br>03/30/71 (A) | FUTURE<br>PROJECTED<br>COSTS (A) |
|--------------|-------------|--|--|--------------------------------|----------------------------------|-------------------------------|----------------------------------|---------------------------------------|---|----------------------------------|
| 287          | 1756        | UNITED SA<br>FIRST FEDERAL BANK FSB<br>CITIZENS FSLA   | TIPTON, IN<br>VINNEMAN, IN<br>NEW CASTLE, IN | 25,251                         | 0                                | 1                             | 0,222                            | 0,222                                 | 0,222                                     | 0                                |
| 288          | 1756        | AMERICAN SB FSB<br>ADORE SAVINGS BANK                  | NEW CASTLE, IN<br>CONCORD, CA                | 52,149                         | 0                                | 1                             | 5,272                            | 5,272                                 | 5,272                                     | 0                                |
| 289          | 1757        | TRACY SLA FA<br>FIRST FSL OF INDIANA<br>CAPITAL FSLA   | TRACY, CA<br>MERRILLVILLE, IN                | 45,222                         | 0                                | 0                             | 2,251                            | 2,251                                 | 2,247                                     | 121                              |
| 290          | 1758        | FIRST FSB OF INDIANA<br>FIRST FSLA                     | MERRILLVILLE, IN                             | 225,222                        | 0                                | 0                             | 25,752                           | 25,125                                | 25,225                                    | 121                              |
| 291          | 1759        | REPUBLIC SB FSB<br>PEOPLES FSB                         | WATFIELD, KY<br>BENTON, KY                   | 51,452                         | 0                                | 0                             | 25,222                           | 25,221                                | 25,222                                    | 22                               |
| 292          | 1760        | PEOPLES FSB<br>RELIANCE SLA                            | WOOSTER, OH<br>WOOSTER, OH                   | 225,542                        | 0                                | 0                             | 24,222                           | 24,274                                | 24,274                                    | 0                                |
| 293          | 1761        | ONGBLANK SAVINGS FSB<br>LINCOLN FSLA                   | HANNAH, NJ<br>SALT LAKE CITY, UT             | 21,222                         | 0                                | 0                             | 11,221                           | 11,224                                | 11,224                                    | 22                               |
| 294          | 1762        | FIRST NATIONAL BANK FSB<br>FLAGSHIP FSLA               | WESTFIELD, NJ<br>SAN FRANCISCO, CA           | 1,225,222                      | 22,227                           | 42,722                        | 122,522                          | 212,212                               | 117,222                                   | 22,221                           |
| 295          | 1763        | THE SOUTH SIDE SLA<br>SOUTHIDE SB FSB                  | SAN DIEGO, CA<br>LIMA, OH                    | 27,772                         | 71,222                           | 0                             | 22,227                           | 7,222                                 | 7,222                                     | 12                               |
| 296          | 1764        | MIDAMERICA FSL CORP.<br>MIDAMERICA SB FSB              | LIMA, OH<br>WATERLOO, IA                     | 25,722                         | 2,717                            | 1,212                         | 12,222                           | 12,221                                | 11,222                                    | 222                              |
| 297          | 1765        | EASTERN WASHINGTON SLA<br>FIRST WESTERN FSLA-WENATCHEE | WATERLOO, IA<br>WENATCHEE, WA                | 222,222                        | 0                                | 0                             | 14,222                           | 14,222                                | 14,222                                    | 0                                |
| 298          | 1766        | AMERICAN HOME SAVINGS BANK<br>COMMUNITY FIRST FS       | WENATCHEE, WA<br>SALEMA, OR                  | 25,122                         | 0                                | 0                             | 1,272                            | 1,272                                 | 1,272                                     | 0                                |
| 299          | 1767        | PACIFIC FIRST FSB<br>ROCK COUNTY FSLA                  | VANCOUVER, WA<br>SALEMA, OR                  | 722,722                        | 142,742                          | 22,122                        | 224,214                          | 224,221                               | 122,722                                   | 11,222                           |
| 300          | 1768        | FIRST FSLA OF LINCOLN<br>OHIO VALLEY SL CO             | FLAMING, KS<br>LINCOLN, NE                   | 25,422                         | 0                                | 0                             | 12,222                           | 12,222                                | 12,222                                    | 0                                |
| 301          | 1769        | FIRST BORDER SAVINGS BANK<br>WORLD SLA OF OHIO         | STEUBENVILLE, OH<br>PIOLA, OH                | 321,222                        | 0                                | 0                             | 22,222                           | 24,224                                | 24,222                                    | 122                              |

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| FAS<br>CASE# | FISC<br>MEMO | ASSOCIATION                   | LOCATION          | TOTAL<br>ASSETS AT<br>TAXSEVER | COVERED<br>ASSETS AT<br>TAXSEVER | COVERED<br>ASSETS<br>SEP90/1 | ORIGINAL<br>COST<br>ESTIMATE (A) | CURRENT<br>TOTAL COST<br>ESTIMATE (A) | ASSETS/ASSE<br>PAID<br>THRU<br>SEP90/1 (A) | FUTURE<br>PROJECTED<br>COSTS (A) |
|--------------|--------------|-------------------------------|-------------------|--------------------------------|----------------------------------|------------------------------|----------------------------------|---------------------------------------|--|----------------------------------|
|              |              | FIRST LEANBORO FA             | LEANBORO, MA      |                                |                                  |                              |                                  |                                       |  |                                  |
| 372          | 1770         | BLOOMFIELD BLA FA             | BIRMINGHAM, MI    |                                |                                  |                              |                                  |                                       |  |                                  |
|              |              | FIRST NATIONWIDE BANK FSB     | SAN FRANCISCO, CA | 857,401                        | 0                                | 0                            | 264,313                          | 227,887                               | 18,760                                     | 206,327                          |
| 373          | 1771         | OLESH BLYN BLA A FBLA         | CHICAGO, IL       | 05,013                         | 0,053                            | 0,050                        | 21,005                           | 10,377                                | 16,194                                     | 2,853                            |
|              |              | MOLEAN FBLA                   | MOLEAN, VA        |                                |                                  |                              |                                  |                                       |  |                                  |
| 374          | 1772         | NWR SAVINGS BANK FSB          | MOLEAN, VA        | 205,100                        | 177,840                          | 20,000                       | 77,204                           | 62,000                                | 77,204                                     | 5,001                            |
|              |              | VIOMMA FBLA                   | RICHMOND, VA      |                                |                                  |                              |                                  |                                       |  |                                  |
| 375          | 1773         | VIOMMA FSB                    | RICHMOND, VA      | 005,200                        | 0                                | 0                            | 13,500                           | 13,500                                | 13,500                                     | 0                                |
|              |              | ROCKY MOUNTAIN FBLA           | CHEYENNE, WY      |                                |                                  |                              |                                  |                                       |  |                                  |
| 376          | 1774         | UNITED SAVINGS BANK           | CHEYENNE, WY      |                                |                                  |                              |                                  |                                       |  |                                  |
|              |              | ROCKY MOUNTAIN FSB            | CHEYENNE, WY      | 244,500                        | 185,137                          | 0                            | 211,070                          | 231,022                               | 231,022                                    | 0                                |
| 377          | 1775         | FIRST FBLA                    | COLUMBUS, GA      |                                |                                  |                              |                                  |                                       |  |                                  |
|              |              | BARNETT FSB                   | COLUMBUS, GA      | 254,500                        | 0                                | 0                            | 4,000                            | 5,000                                 | 5,000                                      | 0                                |
| 379          | 1776         | AMERICAN SAVINGS A FBLA       | STOCKTON, CA      |                                |                                  |                              |                                  |                                       |  |                                  |
|              |              | NEW WEST FBLA                 | STOCKTON, CA      | 21,040,070                     | 21,440,062                       | 4,100,237                    | 4,000,000                        | 4,723,342                             | 1,020,630                                  | 3,004,600                        |
| 380          | 1777         | AMERICAN SAVINGS BANK         | SPRINGFIELD, IL   |                                |                                  |                              |                                  |                                       |  |                                  |
|              |              | CITIZENS FEDERAL BANK FSB     | MIAMI, FL         | 070,500                        | 20,000                           | 10,314                       | 200,000                          | 150,004                               | 170,722                                    | (21,400)                         |
| 381          | 1778         | JACKSON COUNTY FBLA           | MEDFORD, OR       |                                |                                  |                              |                                  |                                       |  |                                  |
|              |              | JACKSON COUNTY FBLA           | MEDFORD, OR       | 275,470                        | 10,007                           | 10,170                       | 77,260                           | 73,105                                | 48,547                                     | 24,570                           |
| 382          | 1779         | NORTHWEST FBLA OF SPENCER     | SPENCER, IA       |                                |                                  |                              |                                  |                                       |  |                                  |
|              |              | HOME FBLA OF SPENCER          | SPENCER, IA       | 105,700                        | 48,007                           | 0                            | 100,010                          | 75,072                                | 75,072                                     | 0                                |
|              |              | CARDINAL FEDERAL SAVINGS BANK | CLEVELAND, OH     |                                |                                  |                              |                                  |                                       |  |                                  |
|              |              | COLUMBIA SAVINGS              | ENDLERWOOD, CO    |                                |                                  |                              |                                  |                                       |  |                                  |
|              |              | PATHWAY FINANCIAL             | CHICAGO, IL       |                                |                                  |                              |                                  |                                       |  |                                  |
|              |              | MILE HIGH FBLA                | DENVER, CO        |                                |                                  |                              |                                  |                                       |  |                                  |
| 383          | 1780         | FIRST NATIONWIDE BANK FSB     | SAN FRANCISCO, CA | 5,174,200                      | 4,251,730                        | 2,460,430                    | 2,000,723                        | 2,305,100                             | 413,573                                    | 1,000,505                        |
| 384          | 1781         | FIRST FBLA OF DES MOINES      | DES MOINES, IA    |                                |                                  |                              |                                  |                                       |  |                                  |
|              |              | METROPOLITAN FB OF IOWA       | MASON CITY, IA    | 262,350                        | 22,005                           | 27,004                       | 124,442                          | 80,230                                | 83,230                                     | 16,000                           |
| 385          | 1782         | GREAT FALLS FBLA              | GREAT FALLS, MT   |                                |                                  |                              |                                  |                                       |  |                                  |
|              |              | WESTERN FSB OF MONTANA        | MISSOULA, MT      | 120,070                        |                                  | 3,340                        | 11,520                           | 11,730                                | 10,422                                     | 1,308                            |

| FAS<br>CASE# | FOIC<br>MISC# | ASSOCIATION                     | LOCATION          | TOTAL<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS<br>000001 | ORIGINAL<br>COST<br>ESTIMATE (A) | CURRENT<br>TOTAL COST<br>ESTIMATE (A) | ASSOCIATION                |                                  |
|--------------|---------------|---------------------------------|-------------------|--------------------------------|----------------------------------|-----------------------------|----------------------------------|---------------------------------------|----------------------------|----------------------------------|
|              |               |                                 |                   |                                |                                  |                             |                                  |                                       | Paid<br>THRU<br>000001 (A) | FUTURE<br>PROJECTED<br>COSTS (A) |
|              |               | COLUMBUS SLA                    | SAN RAFAEL, CA    |                                |                                  |                             |                                  |                                       |                            |                                  |
|              |               | CAL AMERICA SLA A FELA          | WILMANT CREEK, CA |                                |                                  |                             |                                  |                                       |                            |                                  |
| 200          | 1790          | FIRST SECURITY A FELA           | PLEASANT HILL, CA |                                |                                  |                             |                                  |                                       |                            |                                  |
|              |               | HOMES FELA                      | SAN DIEGO, CA     | 666,700                        | 116,430                          | 66,666                      | 366,400                          | 335,397                               | 316,346                    | 19,881                           |
|              |               | SOUTH FLORIDA SAVINGS           | GAINES, FL        |                                |                                  |                             |                                  |                                       |                            |                                  |
| 202          | 1794          | SOUTHEAST BANK FOR SAVINGS      | JACKSONVILLE, FL  | 139,849                        | 0                                | 0                           | 30,000                           | 30,731                                | 30,730                     | 841                              |
|              |               | BEACH FELA                      | BOYNTON BEACH, FL |                                |                                  |                             |                                  |                                       |                            |                                  |
| 203          | 1795          | NEW METROPOLITAN FELA           | MILWAUKEE, WI     | 1,105,740                      | 0                                | 0                           | 1,000,000                        | 1,201,879                             | 1,201,879                  | 0                                |
|              |               | LYONS SAVINGS FELA              | COUNTRYVILLE, IL  |                                |                                  |                             |                                  |                                       |                            |                                  |
| 209          | 1795          | SUPERIOR BANK FSB               | MENSALE, IL       | 1,400,000                      | 522,911                          | 204,847                     | 538,141                          | 666,879                               | 247,386                    | 212,211                          |
|              |               | PEORIA SLA                      | PEORIA, IL        |                                |                                  |                             |                                  |                                       |                            |                                  |
| 201          | 1799          | PYPER VALLEY SB FSB             | SUNSHINE, FL      | 179,350                        | 0                                | 0                           | 31,181                           | 19,539                                | 19,539                     | 0                                |
|              |               | BROWARD FELA                    | LOS ANGELES, CA   |                                |                                  |                             |                                  |                                       |                            |                                  |
| 202          | 1799          | CALIFORNIA FB FSB               | BEVERLY HILLS, CA | 940,000                        | 172,667                          | 91,061                      | 265,435                          | 227,000                               | 181,379                    | 46,000                           |
|              |               | BEVERLY HILLS SAVINGS FELA      | BEVERLY HILLS, CA |                                |                                  |                             |                                  |                                       |                            |                                  |
| 203          | 1799          | BEVERLY HILLS FSB               | AMERSON, SD       | 895,872                        | 674,372                          | 421,120                     | 1,700,619                        | 1,859,846                             | 523,003                    | 1,200,000                        |
|              |               | UNITED FEDERAL FELA             | SHILOH FALLS, SD  |                                |                                  |                             |                                  |                                       |                            |                                  |
| 204          | 1791          | HOMES FELA OF SHILOH FALLS      | CHICAGO, IL       | 80,440                         | 0                                | 0                           | 0,000                            | 0,000                                 | 0,000                      | 0                                |
|              |               | COOK COUNTY                     | OAK BROOK, IL     |                                |                                  |                             |                                  |                                       |                            |                                  |
|              |               | FIRST AMERICAN SLA              | CHICAGO, IL       |                                |                                  |                             |                                  |                                       |                            |                                  |
| 205          | 1799          | FIRST COOK BANK FOR SAVINGS FSB | MIAMI, FL         | 105,130                        | 0,001                            | 4,001                       | 147,040                          | 89,161                                | 76,679                     | 0,005                            |
|              |               | TROPICAL FELA                   | BANTAMORE, PA     |                                |                                  |                             |                                  |                                       |                            |                                  |
| 209          | 1799          | FIRST TROPICAL SB FSB           | COLUMBUS, TX      | 60,000                         | 0                                | 0                           | 12,115                           | 11,894                                | 11,816                     | 0                                |
|              |               | COLORADO COUNTY FELA            | DICKINSON, TX     |                                |                                  |                             |                                  |                                       |                            |                                  |
|              |               | SECURITY SLA                    | SAN BENITO, TX    |                                |                                  |                             |                                  |                                       |                            |                                  |
|              |               | CAMERON COUNTY SA               | HOUSTON, TX       |                                |                                  |                             |                                  |                                       |                            |                                  |
| 00001        | 1794          | ALLIANCE SLA                    | HOUSTON, TX       | 600,000                        | 200,646                          | 100,435                     | 237,235                          | 328,700                               | 224,972                    | 104,700                          |
|              |               | COASTAL BANK SA                 |                   |                                |                                  |                             |                                  |                                       |                            |                                  |

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| FAB<br>CASE# | FBO<br>MSICD | ASSOCIATION                   | LOCATION          | TOTAL<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS<br>8/30/91 | ORIGINAL<br>COST<br>ESTIMATE (A) | CURRENT<br>TOTAL COST<br>ESTIMATE (A) | ASSISTANCE<br>PAID<br>THRU<br>8/30/91 (A) | FUTURE<br>PROJECTED<br>COSTS (A) |
|--------------|--------------|-------------------------------|-------------------|--------------------------------|----------------------------------|------------------------------|----------------------------------|---------------------------------------|---|----------------------------------|
| **SW003      | 1700         | FIRST FINANCIAL SA OF EL PASO | EL PASO, TX       | (incl. w/1700)                 |                                  |                              |                                  |                                       |   |                                  |
|              |              | BROWNFIELD FBLA               | BROWNFIELD, TX    |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | MEABANK TEXAS FBO             | EL PASO, TX       |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | GLADENHAYEN FBLA              | GLADENHAYEN, TX   |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | COMMERCIAL FBLA               | COMMERCIAL, TX    |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | IRVING SA                     | IRVING, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | MAJESTIC SA                   | MCKINNEY, TX      |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | RICHARDSON BLA                | DALLAS, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | MERCURY SA OF TEXAS           | WICHITA FALLS, TX |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | LONGVIEW BLA                  | LONGVIEW, TX      |                                |                                  |                              |                                  |                                       |   |                                  |
| SW004        | 1707         | DEH MILAM BLA                 | DALLAS, TX        | 2,507,304                      | 1,060,237                        | 66,167                       | 2,300,160                        | 2,512,375                             | 1,004,136                                 | 720,040                          |
|              |              | PARIS BLA                     | PARIS, TX         |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | AMERICAN BANC SA              | DALLAS, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | SOUTHLAND SA                  | LONGVIEW, TX      |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | SKYLINE SA                    | DALLAS, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | AMERICAN FEDERAL BANK FBO     | DALLAS, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | FEDERATED BLA                 | SAN ANTONIO, TX   |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | MULTIBANC SA                  | DALLAS, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | SUNBELT SA OF TEXAS           | DALLAS, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | SUMMIT SA                     | DALLAS, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
| **SW005      | 1700         | TEXANA BLA                    | TEXARKANA, TX     | 6,060,300                      | 5,406,041                        | NA                           | 11,430,072                       | 6,036,471                             | 6,100,130                                 | 1,030,333                        |
|              |              | WING CITY SA                  | IRVING, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | WESTERN FBLA                  | DALLAS, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | INDEPENDENT AMERICAN BLA      | IRVING, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | SUNBELT SAVINGS FBO           | DALLAS, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | STATE FBLA OF LUBBOCK         | LUBBOCK, TX       |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | MEABANK TEXAS FBO             | EL PASO, TX       |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | HOME BLA, FA                  | BATTLESVILLE, OK  |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | PHOENIX FBLA                  | MUSKOGEE, OK      |                                |                                  |                              |                                  |                                       |   |                                  |
|              |              | CHAMPION FBLA                 | MUSKOGEE, OK      |                                |                                  |                              |                                  |                                       |   |                                  |
| **SW007      | 1800         | CHAMPION FBLA                 | MUSKOGEE, OK      | 500,120                        | 200,100                          | 224,007                      | 700,402                          | 200,261                               | 150,200                                   | 130,003                          |
|              |              | CHAMPION FBLA                 | MUSKOGEE, OK      |                                |                                  |                              |                                  |                                       |   |                                  |

| FAB<br>CASE# | FDIC<br>INSURED | ASSOCIATION                  | LOCATION       | TOTAL<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS<br>RISKED | ORIGINAL<br>COST<br>ESTIMATE (A) | CURRENT<br>TOTAL COST<br>ESTIMATE (A) | ASSISTANCE<br>PAID<br>THRU<br>09/30/91 (A) | FUTURE<br>PROJECTED<br>COSTS (A) |
|--------------|-----------------|------------------------------|----------------|--------------------------------|----------------------------------|-----------------------------|----------------------------------|---------------------------------------|--|----------------------------------|
| **BND09      | 1801            | FIRST FBLA OF BLK CITY       | BLK CITY, OK   |                                |                                  |                             |                                  |                                       |  |                                  |
|              |                 | PEOPLES FBLA OF ARDMORE      | ARDMORE, OK    |                                |                                  |                             |                                  |                                       |  |                                  |
|              |                 | HOME SB, FA                  | LAWTON, OK     |                                |                                  |                             |                                  |                                       |  |                                  |
| **BND10      | 1802            | HERITAGE BLA OF BLK CITY     | BLK CITY, OK   |                                |                                  |                             |                                  |                                       |  |                                  |
|              |                 | RED RIVER FBLA               | LAWTON, OK     | 497,347                        | 294,512                          | 179,211                     | 264,875                          | 295,129                               | 159,399                                    | 154,834                          |
|              |                 | KINDFISHER FBLA              | KINDFISHER, OK |                                |                                  |                             |                                  |                                       |  |                                  |
| **BND11      | 1803            | SUNBELT SAVINGS, FBLA        | WATONGA, OK    |                                |                                  |                             |                                  |                                       |  |                                  |
|              |                 | CHISHOLM FBLA                | KINDFISHER, OK | 172,211                        | 81,229                           | 04                          | 199,215                          | 89,633                                | 89,635                                     | 17,199                           |
|              |                 | FRONTIER FBLA                | PONCA CITY, OK |                                |                                  |                             |                                  |                                       |  |                                  |
| ***BND12     | 1804            | HEARTLAND FBLA               | PONCA CITY, OK | 1,857,635                      | 299,941                          | 339,234                     | 900,000                          | 299,299                               | 299,094                                    | 129,999                          |
|              |                 | BAY CITY FBLA                | BAY CITY, TX   |                                |                                  |                             |                                  |                                       |  |                                  |
|              |                 | GULF COAST SA                | RICHMOND, TX   |                                |                                  |                             |                                  |                                       |  |                                  |
| BND13        | 1805            | HEIGHTS SA                   | HOUSTON, TX    |                                |                                  |                             |                                  |                                       |  |                                  |
|              |                 | ALLEN PK FBLA                | HOUSTON, TX    |                                |                                  |                             |                                  |                                       |  |                                  |
|              |                 | HEIGHTS OF TEXAS FSB         | HOUSTON, TX    | 1,893,163                      | 1,186,135                        | 627,667                     | 2,000,649                        | 1,941,811                             | 897,429                                    | 894,293                          |
| BND14        | 1806            | CHAMPION                     | HOUSTON, TX    |                                |                                  |                             |                                  |                                       |  |                                  |
|              |                 | FIRST HEIGHTS FBLA           | HOUSTON, TX    | (incl w/1804)                  |                                  |                             |                                  |                                       |  |                                  |
|              |                 | FIRST FBLA                   | AUSTIN, TX     |                                |                                  |                             |                                  |                                       |  |                                  |
| BND15        | 1806            | DELTA SA OF TEXAS            | AUSTIN, TX     |                                |                                  |                             |                                  |                                       |  |                                  |
|              |                 | QUANNTY FBLA                 | DALLAS, TX     |                                |                                  |                             |                                  |                                       |  |                                  |
|              |                 | QUANNTY FEDERAL SB           | DALLAS, TX     | 2,299,294                      | 1,899,939                        | 954,244                     | 2,324,999                        | 2,959,933                             | 2,397,211                                  | 949,999                          |
| BND16        | 1807            | GREAT WEST SB                | AUSTIN, TX     |                                |                                  |                             |                                  |                                       |  |                                  |
|              |                 | CREDITBANC SA                | AUSTIN, TX     |                                |                                  |                             |                                  |                                       |  |                                  |
|              |                 | FRANKLIN SA                  | AUSTIN, TX     |                                |                                  |                             |                                  |                                       |  |                                  |
| BND19        | 1807            | FRANKLIN FEDERAL BANCORP FSB | AUSTIN, TX     | 1,639,149                      | 939,111                          | 639,671                     | 1,672,224                        | 1,699,479                             | 1,119,762                                  | 647,714                          |

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| FAB<br>CARE | FOIC<br>MISC | ASSOCIATION                | LOCATION          | TOTAL<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS<br>9/30/91 | ORIGINAL<br>COST<br>ESTIMATE (A) | CURRENT<br>TOTAL COST<br>ESTIMATE (A) | ASSISTANCE<br>PAID<br>THRU<br>9/30/91 (A) | FUTURE<br>PROJECTED<br>COSTS (A) |
|-------------|--------------|----------------------------|-------------------|--------------------------------|----------------------------------|------------------------------|----------------------------------|---------------------------------------|---|----------------------------------|
|             |              | OLNEY BA                   | OLNEY, TX         |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | SECURITY FELA              | PAMPA, TX         |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | FIRST FELA                 | AMARILLO, TX      |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | SAN ANGELO BA              | SAN ANGELO, TX    |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | ODESSA BA                  | ODESSA, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | SOUTHWEST BLA              | ABILENE, TX       |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | BANC HOME BA               | MIDLAND, TX       |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | SOUTHERN BLA               | BROWNWOOD, TX     |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | HEART O TEXAS BA           | SAN SABA, TX      |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | SHAMROCK FBS               | SHAMROCK, TX      |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | PETROPLEX BA               | MIDLAND, TX       |                                |                                  |                              |                                  |                                       |   |                                  |
| SW917       | 1909         | ARMIST SAVINGS ASSOCIATION | OLNEY, TX         | 2,619,649                      | 2,626,327                        | 1,109,097                    | 2,626,391                        | 2,642,729                             | 1,691,621                                 | 991,109                          |
|             |              | YESORO BLA                 | LAMERO, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
| SW918       | 1909         | AMERICITY FBS              | DALLAS, TX        | 266,429                        | 276,991                          | 161,919                      | 261,953                          | 264,937                               | 221,849                                   | 129,799                          |
|             |              | GENERAL WELLS BLA          | GENERAL WELLS, TX |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | HOME BLA                   | LUFKIN, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | MESQUITE BLA               | MESQUITE, TX      |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | FORT WESTERN BLA           | COLORADO CITY, TX |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | COMMODORE BA               | DALLAS, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | LAMESA FELA                | LAMESA, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | FIRST FELA                 | BIG SPRING, TX    |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | SENTRY BA                  | SLATON, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | VISTA BA                   | ODESSA, TX        |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | INTERWEST BA               | FORT WORTH, TX    |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | SOUTHERN FEDERAL BANC BLA  | LANCASTER, TX     |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | RELIANCE BA                | HOUSTON, TX       |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | NORTH-PARK BA              | RICHARDSON, TX    |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | METROPLEX FBA              | HURST, TX         |                                |                                  |                              |                                  |                                       |   |                                  |
|             |              | HS-PLAINS BLA              | HIRSFORD, TX      |                                |                                  |                              |                                  |                                       |   |                                  |
| SW920       | 1910         | BLUEBONNET SAVINGS BANK    | DALLAS, TX        | 2,297,971                      | 1,896,699                        | 997,992                      | 3,377,999                        | 2,737,499                             | 2,129,999                                 | 669,499                          |

| FAB<br>CASE#              | FBO<br>INSTR | ASSOCIATION | LOCATION  | TOTAL<br>ASSETS AT<br>TAKEOVER  | COVERED<br>ASSETS AT<br>TAKEOVER | COVERED<br>ASSETS<br>9/30/91 | ORIGINAL<br>COST<br>ESTIMATE (A) | CURRENT<br>TOTAL COST<br>ESTIMATE (A) | ASSURANCE<br>PAID<br>THRU<br>9/30/91 (A) | FUTURE<br>PROJECTED<br>COSTS (A) |           |
|---------------------------|--------------|-------------|---|---|----------------------------------|------------------------------|----------------------------------|---------------------------------------|--|----------------------------------|-----------|
| 13.1c                     | 91001        | 1011        | ASSOCIATION<br>SERRAVALLO SA<br>FIRST TEXAS SA<br>NELSEN SA<br>HOME SA<br>MONTFORD SA | HOUSTON, TX<br>DALLAS, TX<br>NELSEN, TX<br>HOUSTON, TX<br>DALLAS, TX                        |                                  |                              |                                  |                                       |  |                                  |           |
|                           |              | 1011        | FIRST CHEVY TARI BANK FBO*  | HOUSTON, TX   | 10,415,181                       | 3,443,000                    | 1,001,441                        | 8,000,007                             | 8,001,704                                | 2,810,871                        | 6,300,013 |
|                           |              |             | FIRST FELA  | LULINE, TX  |                                  |                              |                                  |                                       |  |                                  |           |
|                           |              |             | YOUNG FELA  | YOUNG, TX   |                                  |                              |                                  |                                       |  |                                  |           |
|                           |              |             | BOQUIN SA   | BOQUIN, TX  |                                  |                              |                                  |                                       |  |                                  |           |
|                           | 91002        | 1012        | CHARTER SA<br>UNION SA<br>INDEPENDENCE SA<br>KEYSTONE SA<br>BAYVIEW FEDERAL SA        | CORPUS CHRISTI, TX<br>SAN ANTONIO, TX<br>GONZALES, TX<br>LAMPASAS, TX<br>CORPUS CHRISTI, TX |                                  |                              |                                  |                                       |  |                                  |           |
|                           |              | 1012        | PACIFIC SOUTHWEST SB FBO  | CORPUS CHRISTI, TX  | 1,000,000                        | 872,475                      | 200,001                          | 1,000,000                             | 900,000                                  | 700,001                          | 210,000   |
|                           |              |             | PEOPLES SA  | LLANO, TX   |                                  |                              |                                  |                                       |  |                                  |           |
|                           |              |             | BURNET SA   | BURNET, TX  |                                  |                              |                                  |                                       |  |                                  |           |
|                           |              |             | LEE SA  | SEEDEN, TX  |                                  |                              |                                  |                                       |  |                                  |           |
|                           | 91003        | 1013        | RANCHERS SA<br>TEXAS TRUST SB FBO   | JOHNSON CITY, TX<br>LLANO, TX   | 400,010                          | 300,000                      | 210,000                          | 90,000                                | 90,000                                   | 300,000                          | 210,000   |
|                           |              |             | MID AMERICA FELA  | TULSA, OK   |                                  |                              |                                  |                                       |  |                                  |           |
|                           |              | 91004       | 1014  | LOCAL AMERICAN BANK OF TULSA  | TULSA, OK                        | 400,100                      | 100,001                          | 01,000                                | 100,010                                  | 100,000                          | 100,000   |
|                           | 91005        | 1015        | UNITED SA OF TEXAS  | HOUSTON, TX   | 4,817,010                        | 2,001,077                    | 000,000                          | 2,001,077                             | 1,000,000                                | 1,001,077                        | 210,000   |
|                           | 91006        | 1016        | MUTUAL FELA   | OKLAHOMA CITY, OK   |                                  |                              |                                  |                                       |  |                                  |           |
|                           |              | 1016        | CAPITAL FBO   | OKLAHOMA CITY, OK   |                                  |                              |                                  |                                       |  |                                  |           |
|                           | 91008        | 1018        | SOLITY BANK FOR SAVINGS   | WOODWARD, OK  | 872,212                          | 112,012                      | 63,000                           | 141,000                               | 100,000                                  | 100,170                          | 00,000    |
| TOTAL CONVENTIONAL CASES: |              |             |   | 80,000,000  | 30,000,000                       | 0,001,000                    | 80,000,000                       | 30,000,000                            | 12,000,000                               | 7,000,000                        |           |
| TOTAL SOUTHWEST CASES:    |              |             |   | 42,320,000  | 24,000,000                       | 0,000,000                    | 42,320,000                       | 24,000,000                            | 22,000,000                               | 12,100,000                       |           |
| GRAND TOTAL:              |              |             |   | 120,000,000   | 57,000,000                       | 17,000,000                   | 80,000,000                       | 57,000,000                            | 30,000,000                               | 21,000,000                       |           |

001-1-1

66

A: Source - September 30, 1991 Pelling Report

B: Data unavailable. Records have been removed to Federal storage  
due to expiration of coverage on assets.

\* Pre 1988 Cases. AED Original Cost data is only available  
from 1988 forward.

\*\* Pending resolution with RTC Conservators.

\*\*\* Pending final resolution.

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THURSDAY, MARCH 26, 1992.

## RESOLUTION TRUST CORPORATION

### WITNESS

JOHN J. ADAIR, RTC INSPECTOR GENERAL

### INTRODUCTION OF RTC-IG

Mr. TRAXLER. We are pleased to welcome the Inspector General of the Resolution Trust Corporation. We note that you were established in 1990 in accordance with the Financial Institutions Reform, Recovery, and Enforcement Act, FIRREA, which amended the Inspector General Act of 1978 and created a statutory Inspector General within the RTC.

For fiscal year 1993, the Office of Inspector General is requesting \$43,054,000 and 365 FTEs. This is \$12,726,000 and 85 FTEs above the 1992 level.

We want to welcome Mr. Adair, the Inspector General. This subcommittee has a warm heart towards Inspector Generals. As we say to each of them that appear before us, when you are doing your job, you have our total, total support; if you are not, we will tell you. We think that the Inspector Generals perform a very vital service in many different ways for the agencies and for the Nation.

Any time you have sums of money involved such as are present within RTC, there are always people who seek ways to divert it—lawfully or otherwise—to make a profit. Your role, of course, is to see that rules, regulations, statutes, and good business practices are followed.

It seems to be a very simple task. However when you are dealing with these large sums of money and the immense burdens and problems of the entire Nation, it is not quite so simple.

So, we are pleased to welcome you. We will take your statement and print it in its entirety in the record.

Mr. ADAIR. I feel compelled to come in at under less time than Chairman Taylor did. He took only three or four minutes, which indicates to me I should keep my statement fairly short.

Mr. TRAXLER. His feeling is, the less said the better.

Mr. ADAIR. I take your words to heart. In fact, during our last hearing, something you said struck a chord with us, to the effect that we quoted you in our semiannual report. You had said, quote, you are dealing with one of the most fundamental of all human emotions, greed.

Mr. TRAXLER. Greed.

Mr. ADAIR. We quoted that prominently in our report right here, and it turned out you were a prophet.

Mr. TRAXLER. My father said if you want to know what is going on, follow the money trail.

## RTC ACTIVITIES

Mr. ADAIR. Yes, that is so true.

Well, we are happy to be here today to discuss our budget and I will keep this short. I think you are familiar with the operation of the RTC. There have been a number of votes taken on funding. The funding has ranged from the original estimate of \$50 billion to \$80 billion to \$160 billion. I think now they are down to \$130 billion and there still seems to be a certain amount of confusion as to what the final number will be.

We do know that as of this moment RTC has in its possession roughly \$130 billion worth of assets and about \$100 billion are the hard-to-sell category: the half-built shopping centers, the land only holding the ground together, and so forth. That will be the most difficult to dispose.

Of course, many of the assets the RTC has are under the control of asset managers all over the country, and they are receiving revenues from golf courses, apartment buildings and everything else, and they are spending money for upkeep. So there is a lot of money flowing in and out of these asset managers' accounts and a lot of opportunities for fraud and abuse.

Our operation, as you may recall, had 150 staff on board toward the end of last fiscal year, and this subcommittee authorized us to grow to 350, which we think was a wise investment, to help ensure that fraud would be minimized. Thus far, we have hired and have on board a little over 200 of the staff nationwide, and have about 100 hiring actions under way.

We had somewhat of a small obstacle placed in our path recently because the FDIC and the RTC policy now is to hire staff only with limited term appointments, which makes a lot of sense when you think about it, because the RTC is to expire by the end of December 1996, and so that makes sense. But, on the other hand, it has discouraged some auditors and criminal investigators from accepting our job offers.

## FY 1991 ACCOMPLISHMENTS

Mr. ADAIR. We have issued a number of audit and investigative reports, and my testimony discusses several of them in some detail. We think we have been fairly successful in helping RTC to achieve some of its goals.

I would point out one audit in particular that we are fairly proud of involving the Federal Home Loan Bank advances that had been made to savings and loans before they failed. These savings and loans were required to put up collateral for those advances, and we found that there was a considerable amount of excess collateral that had been given to the Federal Home Loan Bank for these advances. I think it was primarily because they were thinking of it in terms of a line of credit: I will give them more collateral than is necessary, and I can go back for more money from the Federal Home Loan Bank.

So when RTC took over these thrifts, there was more than \$2 billion, \$2.3 billion in excess collateral out there with the Federal Home Loan Banks, which we discovered and brought to the attention of the RTC and asked them to go out and bring that in. That



collateral represented their easiest-to-sell assets; primarily securities and things like that they could sell quickly and easily, which, in turn, would reduce the need for borrowing.

We think the RTC's interest costs were further reduced as a result of pulling these assets back and selling them by somewhere around \$122 million from that audit.

So that is the kind of thing we like to get into. In terms of helping the RTC, there have been a number of other audits which I am not going to take your time to go through. They are in our statement. But some of the investigative efforts that we were involved with, I think, are of some interest, and I will bring them up to give you just a flavor of the greed that you had indicated is out there.

We know there are obvious things, like embezzlements, taking place at conservatorships, even as RTC manages and runs them. That happens even outside of the RTC. That is nothing new. But there are other things going on here.

In the Affordable Housing Program, which we just talked about, there are straw buyers out there who are signing up indigents and getting the powers of attorney and buying these affordable housing properties in the names of these people and then turning around, making a profit on them.

We have seen that in every one of RTC's four regions. I guess that was to be expected, but that continues. We have some people that are going to jail for that, and others are under investigation.

There are land flips going on. I think there is nothing new here. In terms of your HUD oversight, you have probably heard about this in terms of the HUD situation, where people are flipping the land back and forth, inflating the value, and then taking it into a savings and loan or a bank and saying, give me a loan on it for this inflated value, and then skipping town with the money and leaving the bank or savings and loan with a piece of property that is not worth near the value of the loan. We have that going on.

#### FRAUD AND ABUSE CASES

We had a rather interesting case in Raleigh, North Carolina. This is a case where a gentleman was about \$800,000 in debt, and the savings and loan, throwing good money after bad, decided to extend a half million dollar line-of-credit to the individual on the grounds that he would have his creditors pay the savings and loan directly. Well, the savings and loan proceeded to fail, was taken over by RTC, and the individual said to the creditors, don't pay that S&L anymore, pay me.

He diverted a half million dollars to himself. We found out about that, got involved in it with the FBI, and now there is a 23-count indictment on that matter.

There have been a number of bribes. People have tried to buy property through bribes. There was a case in California where a man tried to buy \$8 million worth of property for about \$5.5 million. He gave a \$100,000 bribe. The interesting part was that \$80,000 was in the form of a promissory note. Sort of creative bribery. A little bit

of cash and a note for the future amount. That individual is awaiting trial at this time.

There have been bribes offered to write down the value of loans outstanding. We had a case up in New England recently where a man came in and said, well, for \$5,000 would you write down my note \$30,000. The person reported the bribe, we got him wired up and recorded it, and the person who made the bribe is in custody.

... there are all these kinds of things going on. One of the strangest occurred just the other day. We found there a man in Amarillo, Texas, who, for the past couple of years, had been renting out some of RTC's properties, unbeknownst to RTC or its asset managers. He had been driving along and, seeing these properties vacant for some time, decided to take possession of them and start renting them out.

You say how can that be, because some asset manager obviously had that property under his control or her control and wasn't paying attention to what was going on. This individual, for almost two years, was doing this and collected a considerable amount of rent. And I believe under Texas statutes, he would have owned the property if he could have gotten away with it long enough, because of the Texas squatters law which says if you have it two years, it is yours.

We hope there is not a great deal of that going on elsewhere. We certainly are auditing the SAMDA contractors, the asset managers, as they are called, and will be on the lookout for that sort of thing.

We are focusing on the high risk areas. There are about 27,000 active contracts; fees in the area of \$1.8 billion. We think that is a top priority in terms of risk. We are looking at sales of these assets, especially the hard-to-sell assets. The strategies involved include auctions; and there are bulk sales.

A couple of auctioneers we are investigating, have been pocketing proceeds. One was a creative individual. They videotape these auctions, and this gentleman said, let's take a break; turn off the camera, and then he continued the auction and pocketed the proceeds. There are any number of these kinds of things going on.

I would mention legal fees, certainly, as an area where there have been hundreds of millions of dollars spent. We are looking at an individual now who was billing the RTC, for about a three- or four-month period, 30 to 40 hours a day, every day for months. His attorney said, well, his billing included an experience factor. Of course, he didn't work those hours, but he was an experienced man. We said, well, he can think about this in jail.

There are any number of things going on, and I won't take more of your time to get into them, but it is instructive to us always to see the many, many ways people have found to take advantage of the RTC and the funds that are out there.

I would point out, going to our budget, we are asking for an increase of about \$6.6 million to maintain service at the fiscal year 1992 levels; and about \$5.4 million for outside consulting services, for law firms and public accounting firms. This has to do with reviewing the so-called "'88 deals."

There is a so-called Metzenbaum amendment which requires us, by September of 1993, to go back and look at those deals and see if

there was fraud involved in them. We feel we are going to need some help in that area, some legal help and accounting help, so we have placed funds in the budget to help us review those deals.

There is eight-tenths of a million and 10 FTEs for auditors and investigators in Somerset, New Jersey. I feel compelled to tell you, it looks like the Somerset office is going to be closed. It was only opened a little while ago, but they are now going to close it, and we would not need the 10 FTEs in Somerset.

Certainly, we would be glad to keep the money and use it elsewhere, if you deem that appropriate, but I thought I should tell you up front there will not be a Somerset office going into next year. So if you are looking for things to cut, I think that is an obvious place.

I think that would conclude our statement. We do appreciate the support of the subcommittee in approving our fiscal year budget and will be happy to answer any questions.

[Mr. Adairs statement follows:]

**STATEMENT  
OF  
JOHN J. ADAIR  
INSPECTOR GENERAL  
RESOLUTION TRUST CORPORATION  
  
BEFORE THE  
SUBCOMMITTEE ON VA, HUD AND INDEPENDENT AGENCIES  
COMMITTEE ON APPROPRIATIONS  
U.S. HOUSE OF REPRESENTATIVES**

**March 26, 1992**

**10:00 a.m.**

**Room H143, U.S. Capitol**

Mr. Chairman and Members of the Subcommittee:

I appreciate your invitation to be here today to discuss our fiscal year 1993 budget request to fund the operations of the Office of Inspector General of the Resolution Trust Corporation. The savings and loan crisis is the biggest financial disaster to be inflicted on this Nation since the Great Depression. The Office of Inspector General helps ensure that the billions of dollars being spent on the cleanup is not fraught with fraud, waste, abuse, and mismanagement. Nothing will further erode the confidence of the public more than having this cleanup become another costly debacle. When problems do occur, we are there to get the facts and recommend prompt corrective actions.

Congress established the Office of Inspector General by including a provision in the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). Since our office started in April 1990, following my appointment as Inspector General, we have moved swiftly to establish our audit and investigation operations at each major RTC location around the country.

This morning I would like to tell you what the Office of Inspector General has accomplished and some areas where we believe that we need to continue our efforts. Before getting to that, I would like to give you a brief rundown of what RTC has been doing.

### RTC'S OPERATIONS

Established in August 1989, RTC's mandate is to contain, manage, and sell failed savings and loan institutions, and to recover taxpayer funds through the management and sale of the institutions' assets. Since its inception through February 1992, the Corporation has taken control of 675 savings and loan institutions, closed 597 of them, and protected about 19.6 million depositors and \$188.8 billion in deposits. The corporation has also achieved more than \$228 billion in asset sales and collections. RTC's estimated cost to taxpayers for transactions so far is \$78.3 billion.

Disposing of assets from the failed institutions remains one RTC's most daunting tasks, with about \$130 billion in assets currently under RTC control. Largely, the remaining assets are hard-to-sell real estate and non-performing loans. How well RTC does in disposing these assets will determine the ultimate cost of the thrift cleanup to the taxpayer. Managing and selling these assets remains highly vulnerable to fraud, waste, and abuse.

RTC's operations have stretched into virtually every corner of the country with over 8,000 employees located in Washington, DC; 4 regional offices; and 15 consolidated offices. In addition, many thousands of contractor personnel and attorneys work under contracts or agreements in assisting RTC to take control of thrifts, downsize them, and dispose of the assets. The entire savings and loan cleanup is one of this country's most massive government programs and most costly endeavors.

Significant organization changes affecting how RTC will conduct its affairs were mandated in the last session of Congress. In accordance with the Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991, a single Thrift Depositor Protection Oversight Board over RTC operations replaced the original two-board structure. Also, Congress created the position of President and Chief Executive Officer to head RTC. Albert Casey was nominated by the President and confirmed by the Senate to fill the post.

#### INSPECTOR GENERAL OPERATIONS EXPANDED

Last year, this subcommittee recognized significant risks associated with the savings and loan cleanup operations when it appropriated an increase in funding Office of Inspector General staff from 150 personnel to over 350. We continue to believe that is a wise investment to help ensure that RTC's operations are not marred by the fraud and mismanagement characteristic of the savings and loan crisis.

The key to expanding our operations is bringing on capable experienced staff to perform audits and investigations. Thus far, we have hired about 200 of the authorized staff nationwide. We currently have over 100 hiring actions underway. Recently, an obstacle to our hiring was added by a new RTC/FDIC policy to hire staff with only limited term appointments. Although this new policy recognizes that RTC's mission must have a limited lifespan, it also is discouraging some auditors and criminal investigators with federal government experience in other agencies from accepting our job offers.

SIGNIFICANT ACCOMPLISHMENTS

Since we began operations we have had many accomplishments. Some of the more important accomplishments are as follows.

--We issued 31 audit reports and closed 109 investigations.

--Our audit work has resulted in 85 recommendations to management for improving operations and better using about \$2 billion in corporate assets and funds.

--Our investigations have led to criminal charges against 23 individuals. Of these, 6 were convicted, 3 had pre-trial diversions, and 14 are awaiting court actions. Also as a result of our investigations of job-related misconduct, 6 RTC employees have been suspended or fired, 16 others resigned, and 19 have received letters of caution or reprimand. In addition, actions have been taken against 6 contractors for improper or illegal activities found by our investigators. Restitutions and fines have totaled \$117,000.

--Our hotline has been widely publicized with RTC staff, contractor personnel, and others and 140 substantive complaints have been received. Already, 21



have been shown to be substantiated or partially substantiated by our reviews and investigations.

--We have initiated a program to oversee the quality of independent audits of asset management, receiverships, and conservatorships being conducted under RTC contracts.

--We are proactively trying to prevent problems in RTC operations by reviewing every new policy and procedure before it becomes effective to ensure that they afford sufficient internal controls over operations, maximize the return on asset sales, and economize RTC operational costs. So far, we have reviewed, and if appropriate, commented on 117 policy directives, manuals, regulations, and legislative proposals including policies over such critical areas as contracting, asset management and disposition, seller financing, computer systems and information resource management, whistleblower protections, and conservatorship operations.

EXAMPLES OF SUCCESSFUL AUDITS AND INVESTIGATIONS

Let me give you some specific examples of our audit work.

--One of our audits involved over-collateralized Federal Home Loan Bank advances made to savings institutions before they were placed in RTC conservatorship. We found that about \$2.3 billion worth of assets had been pledged by former institution owners, in excess of general requirements, as collateral for advances from Federal Home Loan Banks. The pledged collateral, representing some of RTC's best and easiest to sell assets, was generally not available for sale unless the advances were repaid. In our report, we estimated that RTC could realize \$1.96 billion if it obtained the release of and sold this excess collateral. RTC has taken prompt action to inquire about and make arrangements for the release of the assets tied up by over-collateralization so they can be sold.

--We also recently reported on our audit of RTC Western Region's contract for the Asset Stratification and Reconciliation Project. The primary purpose of the reconciliation project, which commenced in April 1991, was to obtain an accurate accounting of the assets held by individual conservatorships and receiverships. Because of the number of institutions closed in a short time period under "Operation Clean Sweep," accounting weaknesses occurred at

many receiverships. As of March 31, 1991, the Western Region's subsidiary records were \$6.8 billion out-of-balance with RTC's general ledger system. RTC attempted to reconcile these accounts by initiating a project that ultimately cost more than \$20 million. While we do not question the need for the project, management's approach to letting and monitoring its contract for services resulted in delays and performance problems, at least \$1.7 million in inefficient use of funds, and about \$1.2 million of questionable costs which we have recommended that RTC recover. Congressional hearings were held that featured our report.

--We also issued an audit report on lessons to be learned from RTC's cancellation in September 1990 of a major real estate auction that RTC had dubbed "perhaps the biggest real estate auction in history." We found that RTC had inadequately planned the auction, did not develop and follow policies and procedures, and insufficiently communicated with all parties. Subsequently, RTC held a successful auction, called the "Premier Auction," that followed our recommendations and grossed \$112 million from sales. We are continuing to follow how well RTC is using auctions to sell assets.

We have also found that the RTC cleanup of the savings and loan debacle is subject to some of the same criminality that contributed to causing this mess. The following are examples of our investigation efforts.

--A total of 12 individuals have been arrested and charged with wire fraud in a continuing investigation with FBI participation into fraudulent real estate transactions, known as "land flips," in the Boston area. A land flip is a series of real estate sales designed to defraud mortgage lenders by obtaining financing for properties greatly in excess of their true value. Our office initiated this investigation following reported suspicions from CenTrust Mortgage Corporation, then a subsidiary of an RTC conservatorship.

--Four individuals and a New York company were indicted in January 1992 by a federal grand jury in Raleigh, North Carolina for defrauding the failed First Federal Savings Association of Raleigh. The 23-count indictment followed a seven-month investigation by the Office of Inspector General, initiated after RTC employees reported the alleged fraud. Those indicted were charged with several schemes to divert in excess of \$550,000 in business loans owed to First Federal, which is operating under an RTC conservatorship.

--Another investigation concerning the disposition of RTC property resulted in the indictment of a California man on two counts of bribery and one count of corruptly impeding RTC functions. The investigation disclosed that the subject allegedly attempted to bribe an RTC employee to guarantee his purchase of an RTC-owned property in California valued at \$8 million. The RTC employee reported the bribe offer and cooperated fully in the ensuing investigation.

While under surveillance, the subject allegedly handed the RTC employee an envelope containing \$500 and a promissory note for \$80,000.

--Our investigators found a real estate agent in Amarillo, Texas has allegedly been renting out 13 RTC properties without RTC's knowledge or consent. The real estate agent has allegedly collected \$40,000 in this scheme. This investigation clearly demonstrates serious shortcomings in RTC internal controls that permitted this type of activity to occur.

--As a result of an investigation into abuses of RTC's Affordable Housing Disposition Program, a real estate agent in Phoenix, Arizona was indicted and subsequently pled guilty to filing false statements with RTC. The investigation, which was initiated based upon a referral from RTC's Phoenix Sales Center, disclosed that the subject had falsified information in 16 sealed-bid contracts to purchase housing. Four of these had been selected as winning bids. However, RTC never made the sales final due to our investigation. We found that the subject had paid four indigent individuals nominal amounts to be "straw buyers" of the properties in the Affordable Housing Disposition Program. He had recruited two of the straw buyers while they loitered outside a Phoenix liquor store and two others from a plasma center where they were waiting to sell blood. One of these turned out to be a fugitive, who has now been taken into custody for a parole violation.

These are but some examples of our work. I believe you can tell that we are looking into some important issues as we strive to ensure that RTC's mission is not impeded by fraud, waste, abuse, and mismanagement.

#### HIGH RISK ISSUES RECEIVE TOP PRIORITY

Our office is focusing its resources on those aspects of RTC operations that pose the greatest risk of fraud, waste, and mismanagement. Three areas are particularly at risk of having problems that can seriously impair RTC's operations. First, contract management is an area of RTC operations that has already had its share of problems. RTC has about 27,000 active contracts with estimated fees of about \$1.5 billion. We have afforded it a top priority for our audits with work aimed at areas such as the reasonableness of fees being charged, potential conflicts of interest, and compliance with provisions for minority/women owned business contracts.

Another area at risk is asset management and disposition. RTC is in control of about \$130 billion in assets across the country, and the management and recoveries from sales of these assets are keys to minimizing the overall cost of resolving the savings and loan crisis. Our work in this area is focused on such issues as accuracy of appraisals, sales strategies, the management and accounting for assets while RTC controls them, and compliance with affordable housing requirements.

A third area that is high risk is RTC's information systems. Well planned and efficiently operated information management systems are keystones to having sound internal controls over RTC operations. We are reviewing RTC's development and use of sophisticated information systems that are integral to virtually all facets of RTC asset management, disposition, and other activities.

Notwithstanding our recognition of these high risk areas, we continue to perform work in other aspects of RTC operations including FSLIC operations, personnel management, funding and finance, receiverships, conservatorships, and resolutions.

#### FISCAL YEAR 1993 REQUEST

We believe that the budget approved for our office for fiscal year 1992 has provided us with about the right size staff to effectively carry out our responsibilities. Therefore, our requested appropriation for fiscal year 1993--\$43.1 million and 366 full-time equivalents (FTEs)--is primarily to provide full funding for maintaining the Office of Inspector General staff at previously approved levels.

Due to RTC's opening of another consolidated office in Somerset, New Jersey, we have also had to expand our operations. Another 10 FTEs are included in our request to accommodate resources needed in that office. In addition, the Congress has mandated that our office review each of the financial assistance agreements negotiated in 1988 by the defunct Federal

Savings and Loan Insurance Corporation--the so-called "'88 Deals"--and report to RTC and the Congress by September 30, 1993. There were over 150 such agreements. Funds to contract for assistance in these reviews have been included in the budget request.

Thus, our fiscal year 1993 budget request includes increases of:

--\$6.6 million for maintaining service at fiscal year 1992 levels;

--\$5.4 million for a program increase in outside consulting services by law firms and public accounting firms to review the 1988 FSLIC financial assistance agreements and for other reviews; and

--\$8 million and 10 FTEs for a program increase in audit and investigation work.

Additional details supporting our budget request are in documents that we have provided to your staff for inclusion in the hearing record.

#### CONCLUSION

Mr. Chairman, as you know, the savings and loan crisis has been one of the most devastating blows ever in the financial business of our country. The mission of RTC to insure depositors



and manage and sell assets from failed thrifts cuts to the heart of trust that the American people have for their government. We must not allow RTC to fail in that mission due to fraud, waste, or mismanagement. That is a primary reason that the Office of Inspector General exists and why we ask for the continued support of this Subcommittee in approving our fiscal year 1993 budget request.

This concludes my statement. I want to thank the Subcommittee for inviting me to present our fiscal year 1993 budget request. I will be happy to answer any questions you may have at this time.

## BUDGET REQUEST

Mr. TRAXLER. Thank you. We should say for the record that your appropriations for 1991 were \$10,659,000 and 105 FTEs. Your 1992 estimate is \$30,328,000 and 280 FTEs, and your 1993 request is \$43,054,000 and 365 FTEs.

As we said earlier, \$12,726,000 is the difference between the 1992 estimate and the 1993 request, with 85 FTEs more for 1993.

## RTC CURTAILMENT OF OPERATIONS

We are told that Mr. Albert Casey, the new head of the RTC, said that the Corporation would begin to phase down its operations. He said that the majority of thrifts and institutions to be resolved has been taken care of, and the assets to be sold were beginning to decline.

What do you think of that statement? Is the RTC's work beginning to be completed; can we see it phasing out of business; can the work be completed in 1996, as he has estimated?

Mr. ADAIR. That is a very, very difficult question and very central, obviously, to RTC's mission and our mission. At one point, as I mentioned earlier, there was a \$160 billion estimate that was factored around 900 thrifts being resolved. We are somewhere in the vicinity of 700 at this point. The talk is more now of maybe 700 to 750. I am not sure if we can say for certain what the final number will be. Certainly, the lower interest rates have helped the thrifts that are out there to show a profit. There are fewer thrifts on the watch list. I don't know what would happen if interest rates went up, whether we would be back in the same position we were last year in terms of thrifts to be resolved.

But, from Mr. Casey's viewpoint, he sees what the watch list looks like now, he sees fewer thrifts scheduled to come to him, he sees an attempt by the Office of Thrift Supervision—there were hearings yesterday on this early resolution, assisted mergers issue. If that were to occur as planned, then there might be even fewer thrifts coming to RTC for resolution.

So there are a number of unknowns here in terms of how many thrifts will actually come to the RTC to be resolved, which, in fact, then impacts on the number of assets RTC would have to sell. And, as you said, Mr. Casey is going into a downsizing mode here, however, and he will have fewer offices, although he still has \$130 billion worth of assets to sell, including many hard-to-sell assets.

There are more assets that will come in from the watch-list thrifts. We don't know what will happen in the future. And I think what we have tried to do is to try to keep an appropriate number of people involved because we know it is difficult to hire. We didn't want to scale back at this point ourselves because of the uncertainty, and we feel, also, that probably even when the RTC has completed its mission, there will be a certain amount of work for our office because there will be contracts that have to be finalized in terms of auditing them, and these legal fees and seller financing deals where RTC shares in any profits.

There are a number of things you can't just close up and walk away from because you will lose out on a lot of money if you do that. So we have tried to keep our staff at an appropriate level. We

see ourselves leveling off at this point. I think we have reached a plateau, or will reach a plateau this year, and probably also will begin to downsize ourselves as 1996 approaches.

In any event, that is the way we see it.

#### IMPACT ON OIG ACTIVITIES

Mr. GREEN [presiding]. How do you see the phase-down affecting your operations?

Mr. ADAIR. As I say, we would have to—the immediate effect of the phase down is that we have to restructure where our people will be.

In other words, what Mr. Casey is doing is reducing the number of offices that are out there from 15 to nine, and then, ultimately, to six, and our intention is to have people in each of those offices. Mr. Seidman felt that was a wonderful idea, to have auditors and investigators looking over the shoulders of the people doing the work.

So we are in the process of placing people in each of those offices. Now, we have stopped—obviously, we have said don't hire any more people where they intend to close. We will reposition those people. And that is the biggest impact on us, where we hire now, and we are looking into that.

#### FSLIC RESOLUTION FUND

Mr. GREEN. Last year, Congress requested that your office evaluate the FSLIC Resolution Fund's fiscal year 1992 budget request. Your evaluation found an error in the request which resulted in a reduction of the appropriation by \$32 million.

Also, the RTC Oversight Board requested you review the RTC's implementation of its five-step plan for the FSLIC assistance agreements. Is RTC successfully implementing its plan?

Mr. ADAIR. We believe they are and we are drafting a report on that. The numbers I heard Bill Taylor and his staff come up with today seem right on target in terms of what we have been seeing. We have found some errors, I think \$2 million to \$4 million in overstated savings but that is minimal in terms of the overall amount. The \$2.2 billion seems to be a level they will achieve.

#### CONTRACT MANAGEMENT

Mr. GREEN. One of the areas you identify as high risk is contract management. In your testimony, you state that RTC has about 27,000 active contracts with estimated fees of about \$1.5 billion.

How do you determine what your priority audits are?

Mr. ADAIR. I think we are looking at where the riskiest areas are.

As I mentioned, in the SAMDA contracts, the people who are managing and selling assets for RTC have tremendous amounts of revenues flowing in, and they are, in turn, billing the RTC for tremendous amounts of money. And we have found indications of padded or false invoices or revenues that are received but not turned over to RTC. Those are the kinds of things we are looking for and are finding, to be honest with you.

Mr. GREEN. Obviously, whether you have 280 people or 365 people, you can't be everywhere.

Mr. ADAIR. That is right.

Mr. GREEN. So it would seem to me that a significant part of your responsibility would be not just dealing with these individual criminal cases as you develop them, but seeing that the systems are in place so that they don't develop. For example, someone is looking over the shoulders of the property managers so that someone else can't move in and start renting houses from out from under the property magazines.

In the case of the shopping centers, most retail leases have a percentage of sales. So, someone has to supervise the look over the individual merchant's shoulders to make sure the merchant is honestly reporting the sales. How do you do that with the resources you have?

Mr. ADAIR. Well, there are two additional factors here I have not mentioned.

RTC does have oversight managers that do exactly what you said, or are supposed to be doing exactly what you said. And they are also hiring C.P.A. firms to go in and audit SAMDA contractors periodically. So in addition to our people, RTC management has hired C.P.A. firms and has its own folks working to oversee what these SAMDA contractors are doing.

You are right, we couldn't possibly locate every contractor and loan servicer out there. We were worried about remittances from them, and from other asset property managers. There are too many of them for us to cover, so we are trying to coordinate the systems that RTC has for oversight.

#### SYSTEMS ANALYSIS

Mr. GREEN. That was my next question. Do you actually review the systems to make sure the systems are adequate?

Mr. ADAIR. Yes, we do. That is one of our—I believe you will notice in testimony—one of the three top areas, which are contracting, asset sales, and systems.

And they have been having difficulties with their systems. They, for example, have a real estate-owned management system, which is supposed to tell them where all their real estate is so they can sell it. It doesn't work. I mean the data in it is bad. The people in the field have given up on using it or are using their own private systems.

There are all kinds of problems in the systems area that we have drafted reports on and we have told Al Casey what the problems are. He is in the process of simplifying these systems. There were too many bells and whistles on many of them. We didn't need to know how many bathrooms were in each of these properties, as long as we knew where it was located and what the asking price was and so forth. So they are simplifying some of the asset disposition systems.

But we do also, and this is mentioned in the testimony, we also review all of the policies, procedures, directives, and manuals that RTC puts out for its people, to make sure they contain controls, internal controls, that would reduce the amount of fraud loss. That is another way we are overseeing RTC's operations.

Mr. GREEN. Is there anything Congress should do to assist in this area?

Mr. ADAIR. I think if they would fund us, that would help a lot.

#### BUDGET REQUIREMENTS

Mr. GREEN. That was the next question. Is your fiscal year 1993 request sufficient to handle your work load?

Mr. ADAIR. We believe it is. Of course, we have not reached that level, but we believe that it is an appropriate number, and we will, of course, know better when we get there.

We don't want to have a single person more than we need or, on the other hand, any less than we need to do the job properly. We think that 350 people is about the right number.

#### LONG RANGE BUDGET REQUIREMENTS

Mr. GREEN. As we previously mentioned, you are asking for a significant increase for fiscal year 1993, and 1992 was a significant increase over 1991. Do you anticipate this trend continuing in 1994?

Mr. ADAIR. No, and I think we would level off, if not decline in the very near future. One of the good features of our new hiring policy is that we are hiring people on terms, so that if we do have to cut back, if we do see the thrift cleanup dwindling down, then we can adjust our staffs much more easily.

Mr. GREEN. Are the additional funds and FTEs for 1993 targeted to specific areas, or is it just a general increase?

Mr. ADAIR. Yes and no. Half of the funds are simply to pay our staff of 350. In other words, where we are now, in terms of FTEs versus where we will be at the end of the year, we will need \$6.6 million just to pay the additional salaries for the same number of people.

We will have more people on board next year, on the average, than this year, but the \$5.4 million, I believe, is the money that is asked for contracting and consulting and so forth. That is, we think, a one-time request that is going to help us review these 88 FSLIC deals that were required under the Metzenbaum amendment.

#### MANAGEMENT OF INCREASED STAFF

Mr. GREEN. How do you manage the large growth of your office effectively?

Jim Schlesinger was a high school classmate of mine, and he said nothing can efficiently grow faster than 35 percent.

Mr. ADAIR. In terms of—we have been fortunate to be able to hire very good people, and I think that is the key. We focus in on hiring the managers for our various offices, and then we have let them hire their staffs. We have a good computer system with E-Mail, and we are all tied into each other on networks. And I was surprised. I thought we had good systems at GAO, but it is even better at the RTC.

Mr. GREEN. So you don't feel you have had any difficulties in that regard?

Mr. ADAIR. I am pleasantly surprised it has gone this well.

## STAFFING REQUIREMENTS

Mr. GREEN. For fiscal year 1992, you are estimating 280 FTEs. Currently, how many people do you have on board?

Mr. ADAIR. I believe the latest count is 202 on board and 100 processing personnel actions are pending.

Mr. GREEN. So you will meet the target 280 by the end of the fiscal year?

Mr. ADAIR. We think we will.

Mr. GREEN. Given the time frame, has there been difficulty recruiting qualified employees?

Mr. ADAIR. There has been difficulty for a couple of reasons. During the first month of the fiscal year, we were on a continuing resolution which prohibited us, like everybody else, from hiring anyone in that time frame. We thought we would be at about 250 at this juncture, but then the new policy of term appointments caused a number of people to turn us down and we had to go back and take another look at those announcements. So we are a little behind.

But I think we can pick up on it. It is surprising the number of term appointments that are being accepted now, and I think we will be all right.

## OTHER SERVICES

Mr. GREEN. According to page 8 of the justification, you are requesting a 131 percent increase over the 1992 estimate in the other services object class; which primarily consists of contracts.

The fiscal year 1992 estimate is requesting 180 percent above the 1991 actual. Why is this object class increasing so dramatically; and do you have any estimates as to the OIG?

Mr. ADAIR. I think this must be the "'88 deals" contracts. This, in fact, represents the C.P.A.'s and the lawyers that we will be hiring to do the Metzenbaum amendment and "'88 deals", almost in its entirety.

Mr. GREEN. Could you, for the record, give us an estimate of the additional personnel they will use on these jobs.

Mr. ADAIR. Yes.

[The information follows:]

## REQUIREMENTS FOR ADDITIONAL CONTRACTORS

We do not know how many personnel that a CPA firm or firms would assign to a review of renegotiated assistance agreements. So far, our office has not completed its determination of how many of the renegotiated deals should be reviewed. Once we have made our determination, we will solicit proposals from qualifying firms to assist our office in the reviews. At that time, firms must provide us their plans on how the reviews will be staffed.

## EXPANSION OF OFFICES

Mr. GREEN. The OIG will add 11 new offices in locations where RTC has located its offices. I guess that has changed now.

Mr. ADAIR. That is right.

Mr. GREEN. Could you, for the record, provide us with the start-up costs associated with each of the new offices?

Mr. ADAIR. We certainly can.

[The information follows:]

#### START-UP COSTS FOR NEW OFFICES

The costs for the new offices vary significantly depending upon the location and depending on whether or not the office requires renovations. Based on the current expenses incurred for the establishment of our consolidated field offices, the average renovation cost is approximately \$27,000 and the average cost for furniture is \$15,800 per office. In almost all cases, we have utilized used furniture for these offices. Computer and related office equipment are purchased centrally for all employees and are shipped between offices based on the current staffing levels.

Mr. GREEN. Now you are closing down offices.

Mr. ADAIR. Yes. To go out and start up an office and have to close it down again doesn't sit well with us, because we are supposed to be avoiding that sort of thing, but this was unavoidable.

Mr. GREEN. Would it make sense from your operations point of view to maintain offices when there were no other RTC?

Mr. ADAIR. We may do some of that depending on the number of people already there. We would cut down on the travel expenses and cut down on the cost of transferring people and so forth. We are looking at that option and it will take a few weeks for us to get that together.

Mr. GREEN. Could you let us know what you decide.

Mr. ADAIR. Certainly.

[The information follows:]

#### REDISTRIBUTION OF FIELD PERSONNEL

We are currently in the preliminary stages of planning changes in the distribution of employees in each field office. As soon as the revised staffing plans have been completed we will be happy to furnish them to the Committee.

#### CONSERVATOR'S OPERATING MANUAL

Mr. GREEN. In your semiannual report from April through September of 1991, you discuss the revisions made to the Conservator's Operating Manual. Under the new revisions, criminal referrals involving activities where RTC is appointed the conservator will be made directly to your office rather than being sent to the Department of Justice.

What is the reason for this? What are its implications in terms of coordination with the FBI?

Mr. ADAIR. We felt that once an organization, a thrift, was placed into RTC's hands and became a conservatorship, that anything that happened from that point on was under the auspices of the RTC and should be handled by the RTC Inspector General.

In other words, embezzlement, as I spoke about earlier, if those kinds of things were going on, we wanted to learn about it and, of course, we would immediately go to the FBI and, if necessary, work together jointly with them. So it is just to make sure we are involved in those kinds of activities, and I think it has worked out well for all the parties concerned.

Mr. GREEN. Has it increased your work load much?

Mr. ADAIR. Somewhat, to pick up on those cases, but I don't think it has hampered our other efforts.

Mr. GREEN. Marcy.

### AFFORDABLE HOUSING

Ms. KAPTUR. Thank you very much. I will submit several questions for the record, Mr. Adair, but I did have two to address to you.

Last year in your comments for the record, you indicated a signed agreement was imminent between the RTC and the Neighborhood Reinvestment Corporation having to do with technical assistance, specifically, putting a technical assistance advisor to the RTC from NRC to help with the disposition of affordable housing properties.

I am curious as to whether you ever arrived at that agreement and what has been happening?

Mr. ADAIR. Well, I honestly don't know the answer to that, and we can provide that for the record. I do know affordable housing sales have been going very, very well, and I think they have over 15,000 either sold or agreements to sell, which constitutes a high percentage of their affordable housing units.

So that has been going quite well. And I would have to check on the answer to whether they, in fact, had someone sign an agreement.

[The information follows:]

### AFFORDABLE HOUSING PROPERTIES

RTC and the Neighborhood Reinvestment Corporation finalized a Memorandum of Understanding which became effective on June 5, 1991. This required the Neighborhood Reinvestment Corporation to provide marketing and technical assistance to affiliate organizations regarding the purchase of affordable housing properties. They were very successful in their dealings, and the RTC is currently reviewing the terms of the agreement for a six-month extension.

### SALE OF COMMERCIAL PROPERTIES

Ms. KAPTUR. I realize you are not directly responsible for all this, but I have an opportunity to ask you, so that is the first question.

The other is, do you know whether or not the RTC is making an effort to make some of its commercial properties that are being foreclosed available to State and local governments that may wish to buy them for a whole variety of purposes?

Mr. ADAIR. I believe I just saw a directive addressing that, a draft directive, came across my desk the other day involving commercial properties; and it would be State and local people who would be interested in purchasing them, you are saying?

Ms. KAPTUR. State and local units of government.

Mr. ADAIR. Governments. I wonder if I can check and get back to you on that in terms of what they are doing?

[The information follows:]

### SALE OF COMMERCIAL PROPERTIES

RTC is currently putting together a proposal which will allow for the negotiated disposition of eligible single family and multi-family properties to non-profit organizations and public agencies. At the present time, there have not been any plans regarding commercial properties.



## COLLECTION OF RESTITUTIONS

Ms. KAPTUR. I wanted to ask your professional judgment on something. You may be aware the Department of Justice has really an alarmingly low rate of restitutions ordered on the S&L court fraud cases, and I have some numbers here from October of 1988 through December of last year. There was \$417 million ordered, just four percent of the \$10.5 billion loss associated with the fraud-related S&Ls, and an even more incredible number, one-half of one percent of that, has been collected.

A gentleman named Ira Raphaelson, the Justice Department special counsel for financial institution fraud, conceded last month that the Department of Justice has no method for calculating the collections. Now I find this unbelievable.

So even though you are not responsible for investigating the abuses that cause this, from your expertise in fraud investigations, do these rates of orders in collection sound reasonable and is there anything you might suggest to the Justice Department to do to help to order and collect on these fraud cases?

Mr. ADAIR. I read the newspaper accounts about Mr. Raphaelson and his testimony, and it was disappointing in terms of the very low amounts that are being collected. I am not sure I can offer any help to the Department of Justice in terms of getting additional collections.

I think, on the other hand, there have been some surprisingly high recoveries in terms of settlements on the civil side. On the Milken settlement, for example, RTC is going to come up with over \$900 million on that particular settlement. Of course, it is going to be over about a three-year period, but obviously they are doing far better on the civil suits and settlements than the criminal actions.

Ms. KAPTUR. Is there something endemic in the court system? I have not been a criminal lawyer, so I don't know. But I will tell you I feel like being one, because our staff has devoted so much time to trying to get numbers out of the Department of Justice on this. Either they don't want to tell us or there is something in the system that does not require the collection of information that is made easily available.

I want to know from you on the criminal side, why is it so difficult to obtain these numbers from them?

Mr. ADAIR. I honestly don't know, but I do recall the one answer they gave—at least the newspapers gave—was that well, the money is gone, these criminals no longer have the money and we can't get it. I don't know how true that is, but that seems to be their answer. Whether these people are taking the money and living the high life or no longer have the money to pay this restitution, I don't know.

Ms. KAPTUR. Okay. Thank you.

[The information follows:]

## COLLECTION OF RESTITUTION BY THE COURT SYSTEM

We have not conducted any investigation in this area however, GAO has testified on this issue before the Senate Subcommittee on Consumer and Regulatory Affairs; Committee on Banking, Housing, and Urban Affairs on February 6, 1992. We recommend that the Committee obtain a copy of the GAO testimony on Bank and Thrift Fraud—Overview of the Federal Government's Response.

## COORDINATION EFFORTS WITH RTC

Mr. GREEN. One final question, Mr. Adair. Have you had the full cooperation from the management of the RTC?

Mr. ADAIR. Yes, we have. It has been excellent.

Now, it has been—when there was an RTC Board, that board and Bill Seidman gave us excellent cooperation. The Oversight Board has supported us. Now, of course, there is a new Thrift Depositor Protection Oversight Board, and the new president, Al Casey, has been excellent. We meet weekly and go over the various audits and investigations. He has been very supportive. So we have had no problems with RTC.

Mr. GREEN. Are there any areas that are trouble spots that we should have asked you about?

Mr. ADAIR. I have tried to cover them all, legal fees and these other matters. I think we have covered them.

Mr. GREEN. We thank you very much.

Mr. ADAIR. Thank you.

[Questions and answers for the record and the budget justifications follow:]

**Response to Questions asked by Representative Louis Stokes**

The Office of Inspector General provided the following questions about RTC's minority personnel and the Minority and Women Owned Business Program, from Representative Stokes, to the RTC Office of Legislative Affairs. The Office of Legislative Affairs provided answers to the questions.

**Minority Personnel**

**Question 1:** In keeping with my interest in equal employment opportunities for minorities and women, please provide me with the number of employees at your agency, including a breakdown of the number of minorities and women, and the grade or job classification they hold.

**Answer:** See attached Corporation Employment Profile, which reflects information on the number of minorities and women by grade levels for both the permanent and temporary workforce as of March 21, 1992.

RESOLUTION TRUST CORPORATION  
E & GG Employment  
March 21, 1992

Prepared:  
02-Apr-92

CORPORATION WIDE

|                   | #/% | E 1-5 | GG 15 | GG 14 | GG 13 | GG 9-12 | GG 1-8 | TOTAL | CLF ADM* | GOVT WIDE+ |
|-------------------|-----|-------|-------|-------|-------|---------|--------|-------|----------|------------|
| WHITE MEN         | #   | 125   | 173   | 258   | 299   | 143     | 44     | 1042  |          |            |
|                   | %   | 82.8% | 68.1% | 61.1% | 58.4% | 34.6%   | 7.3%   | 44.2% | 60.4%    | 52.2%      |
| WHITE WOMEN       | #   | 16    | 58    | 110   | 138   | 181     | 289    | 790   |          |            |
|                   | %   | 10.6% | 22.0% | 26.1% | 27.0% | 43.8%   | 47.9%  | 33.5% | 26.6%    | 28.0%      |
| BLACK MEN         | #   | 4     | 4     | 17    | 17    | 20      | 26     | 88    |          |            |
|                   | %   | 2.6%  | 1.6%  | 4.0%  | 3.3%  | 4.8%    | 4.3%   | 3.7%  | 3.6%     | 5.0%       |
| BLACK WOMEN       | #   | 2     | 5     | 10    | 24    | 48      | 215    | 304   |          |            |
|                   | %   | 1.3%  | 2.0%  | 2.4%  | 4.7%  | 11.6%   | 35.7%  | 12.9% | 3.1%     | 7.2%       |
| HISPANIC MEN      | #   | 2     | 7     | 10    | 13    | 3       | 3      | 38    |          |            |
|                   | %   | 1.3%  | 2.8%  | 2.4%  | 2.5%  | 0.7%    | 0.5%   | 1.6%  | 2.8%     | 2.8%       |
| HISPANIC WOMEN    | #   |       | 4     | 3     | 3     | 8       | 13     | 31    |          |            |
|                   | %   |       | 1.6%  | 0.7%  | 0.6%  | 1.9%    | 2.2%   | 1.3%  | 1.3%     | 1.7%       |
| ASIAN AM/PI MEN   | #   | 1     | 2     | 6     | 6     | 2       |        | 17    |          |            |
|                   | %   | 0.7%  | 0.8%  | 1.4%  | 1.2%  | 0.5%    |        | 0.7%  | 1.1%     | 1.1%       |
| ASIAN AM/PI WOMEN | #   | 1     | 1     | 4     | 10    | 6       | 4      | 26    |          |            |
|                   | %   | 0.7%  | 0.4%  | 0.9%  | 2.0%  | 1.5%    | 0.7%   | 1.1%  | 0.5%     | 0.9%       |
| AM IND/AN MEN     | #   |       | 2     | 2     | 1     |         |        | 5     |          |            |
|                   | %   |       | 0.8%  | 0.5%  | 0.2%  |         |        | 0.2%  | 0.3%     | 0.7%       |
| AM IND/AN WOMEN   | #   |       |       | 2     | 1     | 2       | 9      | 14    |          |            |
|                   | %   |       |       | 0.5%  | 0.2%  | 0.5%    | 1.5%   | 0.6%  | 0.2%     | 0.5%       |
| TOTAL             |     | 151   | 254   | 422   | 512   | 413     | 603    | 2355  |          |            |
|                   |     | 6.4%  | 10.8% | 17.9% | 21.7% | 17.5%   | 25.6%  | 100%  | 100%     | 100%       |

\* Civilian Labor Force Administrative Occupations, 1980 Census

+ Federal Civilian Workforce Statistics, as of Sept. 1989 - U.S. Office of Personnel Management

RESOLUTION TRUST CORPORATION

LG Employment

March 21, 1992

Prepared:

02-Apr-92

CORPORATION WIDE

|                   | #/% |  | LG 15 | LG 14 | LG 13 | LG 9-12 | LG 1-8 | TOTAL | CLF ADM* | GOV'T WIDE+ |
|-------------------|-----|--|-------|-------|-------|---------|--------|-------|----------|-------------|
| WHITE MEN         | #   |  | 273   | 684   | 779   | 662     | 284    | 2682  |          |             |
|                   | %   |  | 83.7% | 78.3% | 69.2% | 44.3%   | 11.0%  | 41.9% | 60.4%    | 52.2%       |
| WHITE WOMEN       | #   |  | 34    | 137   | 248   | 659     | 1770   | 2848  |          |             |
|                   | %   |  | 10.4% | 15.7% | 22.0% | 44.1%   | 68.4%  | 44.5% | 26.6%    | 28.0%       |
| BLACK MEN         | #   |  | 8     | 12    | 26    | 37      | 51     | 134   |          |             |
|                   | %   |  | 2.5%  | 1.4%  | 2.3%  | 2.5%    | 2.0%   | 2.1%  | 3.6%     | 5.0%        |
| BLACK WOMEN       | #   |  | 1     | 10    | 21    | 42      | 288    | 360   |          |             |
|                   | %   |  | 0.3%  | 1.1%  | 1.9%  | 2.8%    | 11.1%  | 5.6%  | 3.1%     | 7.2%        |
| HISPANIC MEN      | #   |  | 5     | 16    | 23    | 35      | 20     | 99    |          |             |
|                   | %   |  | 1.5%  | 1.8%  | 2.0%  | 2.3%    | 0.8%   | 1.5%  | 2.8%     | 2.6%        |
| HISPANIC WOMEN    | #   |  |       | 5     | 12    | 25      | 110    | 152   |          |             |
|                   | %   |  |       | 0.6%  | 1.1%  | 1.7%    | 4.3%   | 2.4%  | 1.3%     | 1.7%        |
| ASIAN AM/PI MEN   | #   |  | 3     | 3     | 8     | 12      | 11     | 37    |          |             |
|                   | %   |  | 0.9%  | 0.3%  | 0.7%  | 0.8%    | 0.4%   | 0.6%  | 1.1%     | 1.1%        |
| ASIAN AM/PI WOMEN | #   |  |       | 2     | 5     | 14      | 35     | 56    |          |             |
|                   | %   |  |       | 0.2%  | 0.4%  | 0.9%    | 1.4%   | 0.9%  | 0.5%     | 0.9%        |
| AM IND/AN MEN     | #   |  | 2     | 2     | 1     | 7       | 2      | 14    |          |             |
|                   | %   |  | 0.6%  | 0.2%  | 0.1%  | 0.5%    | 0.1%   | 0.2%  | 0.3%     | 0.7%        |
| AM IND/AN WOMEN   | #   |  |       | 3     | 2     | 3       | 17     | 25    |          |             |
|                   | %   |  |       | 0.3%  | 0.2%  | 0.2%    | 0.7%   | 0.4%  | 0.2%     | 0.5%        |
| TOTAL             |     |  | 326   | 874   | 1125  | 1496    | 2586   | 6407  |          |             |
|                   |     |  | 5.1%  | 13.6% | 17.6% | 23.3%   | 40.4%  | 100%  | 100%     | 100%        |

\* Civilian Labor Force Administrative Occupations, 1980 Census

+ Federal Civilian Workforce Statistics, as of Sept. 1989 - U.S. Office of Personnel Management

RESOLUTION TRUST CORPORATION  
WG, XP, & XL Employment  
March 21, 1992

Prepared:  
02-Apr-92

CORPORATION WIDE

|                   | #/% |  | WS 5-12 | XP 1-12 | XL 1-12 | WG 1-5 |  | TOTAL | CLF ADM* | GOVT WIDE+ |
|-------------------|-----|--|---------|---------|---------|--------|--|-------|----------|------------|
| WHITE MEN         | #   |  |         |         |         |        |  |       | 60.4%    | 52.2%      |
|                   | %   |  |         |         |         |        |  |       |          |            |
| WHITE WOMEN       | #   |  |         |         |         |        |  |       | 26.6%    | 28.0%      |
|                   | %   |  |         |         |         |        |  |       |          |            |
| BLACK MEN         | #   |  |         | 3       |         | 5      |  | 8     |          |            |
|                   | %   |  |         | 100.0%  |         | 100.0% |  | 80%   | 3.6%     | 5.0%       |
| BLACK WOMEN       | #   |  |         |         | 1       |        |  | 1     |          |            |
|                   | %   |  |         |         | 100.0%  |        |  | 10%   | 3.1%     | 7.2%       |
| HISPANIC MEN      | #   |  | 1       |         |         |        |  | 1     |          |            |
|                   | %   |  | 100.0%  |         |         |        |  | 10%   | 2.8%     | 2.8%       |
| HISPANIC WOMEN    | #   |  |         |         |         |        |  |       | 1.3%     | 1.7%       |
|                   | %   |  |         |         |         |        |  |       |          |            |
| ASIAN AM/PI MEN   | #   |  |         |         |         |        |  |       | 1.1%     | 1.1%       |
|                   | %   |  |         |         |         |        |  |       |          |            |
| ASIAN AM/PI WOMEN | #   |  |         |         |         |        |  |       | 0.5%     | 0.9%       |
|                   | %   |  |         |         |         |        |  |       |          |            |
| AM IND/AN MEN     | #   |  |         |         |         |        |  |       | 0.3%     | 0.7%       |
|                   | %   |  |         |         |         |        |  |       |          |            |
| AM IND/AN WOMEN   | #   |  |         |         |         |        |  |       | 0.2%     | 0.5%       |
|                   | %   |  |         |         |         |        |  |       |          |            |
| TOTAL             |     |  | 1       | 3       | 1       | 5      |  | 10    |          |            |
|                   |     |  | 10%     | 30%     | 10%     | 50%    |  | 100%  | 100%     | 100%       |

\* Civilian Labor Force Administrative Occupations, 1980 Census

+ Federal Civilian Workforce Statistics, as of Sept. 1989 - U.S. Office of Personnel Management

Representative Stokes

#### Minority Contracting Activities

**Question 2:** RTC has come under intense scrutiny since its inception and continues to be criticized about its operations. In fact, GAO has issued numerous reports on your activities.

I have been concerned about activities relating to minority contracting, and had a special briefing with RTC last year focusing on this and related issues. Interestingly, GAO issued reports in August and September of 1991 addressing the legal fee counsel and asset management contracting, two issues for which I expressed concern.

In light of the criticisms contained in the GAO reports, do you believe it necessary to revisit the regulations formulated last spring and issued in August of 1991? Specifically, do you believe that the relationship between the regional and consolidated offices and headquarters could be more clearly defined in the regulations, that the contracting activities affected by the regulations be enumerated?

**Answer:** The RTC staff has drafted the revised final regulations which address both the concerns of GAO and the public. This policy will significantly strengthen the RTC minority and women outreach and contracting program.

The RTC has undertaken a number of management initiatives to address cited program deficiencies. As an example, the GAO report noted inconsistencies in the integration of the Minority-And-Women-Owned-Business (MWOB) program into RTC contracting activities. In response, RTC has implemented directive on the roles and responsibilities of all RTC personnel at every stage of the contracting process. These areas include MWOB certification, proposal evaluation, bonus applications, and RTC staff training on MWOB issues.

The GAO also noted variations in the application of the MWOB certification process. RTC is taking steps through the final regulations and implementing directives to define consistent certification procedures.

Additionally, GAO was concerned that the awarding of technical bonus points was not consistent. The RTC has instructed its contracting staff on the appropriate procedures for the application of bonus considerations, and defines the specifics in the final regulations. GAO also suggested that the cost bonus incentives were not as effective as intended. The RTC funding bill of December 1991, increased the cost bonus incentives to five (5) percent. RTC anticipates that this

## Representative Stokes

increase will help to overcome the gap in cost proposals submitted by MWOBS. The application of this increase is being implemented through the final regulations and implementing directives.

With regard to the relationship between the field and the national office, the RTC has been reviewing organizational and staffing patterns to prepare for the downsizing of the agency. The regional and consolidated offices are being restructured to eliminate the regional office layer by mid-1992 and several field offices will be closed by January 1993.

However, the final MWOB regulations outline that the MWOB regional and consolidated office staff will jointly report to the Vice Presidents and the Washington Director, Office of Minority and Women Outreach and Contracting Programs. Unresolved MWOB issues between the Vice President and the Washington Director, Office of Minority and Women Outreach and Contracting Programs, will be resolved by the RTC Executive Committee. The essential contracting activities that affect the implementation of the MWOB program will be incorporated in the final regulation and implementing directives.

**Question 3:** Much criticism and controversy has arisen with respect to how RTC interprets "maximum practicable" opportunity. What is your interpretation? Please describe your plan for achieving this? What is your feeling with respect to establishing agency-wide goals for minorities and women? What goals do you think are reasonable?

**Answer:** It is the policy of the RTC that firms owned and operated by minorities, firms owned and operated by women, and minority and women investors, have the opportunity to participate, to the maximum extent possible, in all relevant contracting activities of the Corporation. Our objectives in contracting will be achieved through the establishment of goals using RTC contracting procedures. This applies to contracting for the procurement of goods and services, and the contracting activities of conservatorships and receiverships. In addition, the RTC will seek to provide investment opportunities in the purchase of thrift institutions and other assets.

To encourage participation and to increase competitiveness of minority and women-owned businesses (MWOB) in the contracting process, RTC provides technical and cost bonus points (10% and 5% respectively) in evaluating proposals submitted by MWOBS.

The RTC has established annual goals for all of its offices, including sales centers, to award thirty percent (30%) of all contracts and fees to minority and women owned businesses. In addition, all contractors with fees of \$200,000 or more are to



## Representative Stokes

set goals to subcontract at least 25% of substantive work and commensurate fees to minorities and women owned businesses and 20% to minority and women owned law firms.

**Question 4:** The report on the use of outside counsel shows very poor performance overall in the use of minority and women owned law firms in professional liability assignments. What is RTC going to do to correct this?

**Answer:** Our records show that the RTC paid a total of \$14 million to Outside Counsel for professional liability assignments during the 1991 calendar year. Of this total amount, \$5.7 million (40%) went to minority and women attorneys from all law firms. More than \$1.6 million (11%) of the total amount paid by the RTC went to law firms owned by minorities and women.

The Division of Legal Services ("Legal Division") has issued three statements of policy regarding minority and women outreach activities for its Outside Counsel. First, the **Minority and Women Outreach Program** (Legal Division Policy No. 92-01 (OCMS)), which provides the framework for the overall implementation of the Outreach Program, is designed to ensure the inclusion of minority- and women-owned law firms (MWOLFs) and minority and women attorneys to the maximum extent possible in the contracting activities engaged by the Legal Division. Second, the **Joint Referrals and Representations Program** (Legal Division Policy No. 92-02 (OCMS)), which is designed to encourage the establishment of relationships among Outside Counsel in order to increase substantially the use of MWOLFs and minority and women attorneys in the provision of legal services to the RTC. Finally, the **Minority and Women Partners Program** (Division of Legal Services Policy No. 92-04) which is designed to ensure maximum participation by minority and women partners of law firms that are non-MWOLFs in the provision of legal services to the RTC. By implementing these and other Legal Division outreach programs, RTC attorneys are working to improve the overall participation by MWOLFs and minorities and women in non-MWOLFs in the provision of legal services to the RTC in the professional liability area.

**Question 5:** Considering the fact that your minority and women owned business regulations were published prior to the completion of the GAO reviews, do you think it would be productive to revisit these regulations to determine if some of the deficiencies cited by GAO could be cured by modifying these regulations?

**Answer:** On March 11, 1992, the RTC submitted its Minority and Women Outreach and Contracting Program policy to Senator Donald W. Riegle Jr., Chairman of the Committee on Banking, Housing, and Urban Affairs. The RTC is in the process of modifying and finalizing the Interim Final Rule and the

**Representative Stokes**

implementing directives. Both the Policy Statement and the Final Rule take into consideration the deficiencies cited by GAO, comments supplied by the public in response to the Interim Final Rule, and the RTC's contracting program experience over the past two years.

**Question 6:** Are you amenable to such a review in light of GAO's criticisms? Would you consider gathering additional comments from the minority and women owned business specialists in the field, for example?

**Answer:** All field MWOB specialists were consulted and their comments solicited in the preparation of both the Policy and the Interim Final Rule that is currently being finalized. The result is a combined effort representing the field MWOB specialists and Washington staff.

**Office of Minority and Women Owned Business Programs  
Staffing and Responsibilities**

**Question 7:** Will your Director have ready access to the CEO, reporting directly to him? What will be the reporting requirements between the Director's Office and other agency contracting activities?

**Answer:** The Director, Office of Minority and Women Outreach and Contracting (MWOC) Programs, reports to the RTC Senior Vice President for Planning and Corporate Relations. The Senior Vice President reports directly to the President and Chief Executive Officer (CEO). Due to the nature of the roles and responsibilities associated with setting up a new program and the CEO's commitment to this effort, the MWOC Director is involved directly with the CEO in establishing policy and planning the program direction. Additionally, the CEO and the MWOC Director will serve as co-chairs of a Minority Affairs Committee that is being formulated to address issues related to minority employment and contracting.

The Director of Minority Women Outreach and Contracting Program has oversight and monitoring responsibilities for RTC contracting programs. In this regard, reporting systems are being developed to evaluate the effectiveness of contracting activities and accomplishment of goals, both in Washington and the field.

## Representative Stokes

**Question 8:** What kind of staff will this office have? How many professionals and support staff will be in the immediate office?

**Answer:** The new Office of Minority and Women Outreach and Contracting Programs has been organized by combining the former RTC Offices of Minority and Women Affairs and Minority and Women-Owned Business Programs. The combined resources of these offices will be utilized in a concerted effort to expand minority and women business participation in RTC's program activities by developing a number of new initiatives.

This new office will have managers and staff assigned to three basic functions: (1) the Contracting and Business Program which promotes contracting for goods and services; acquisition of institutions; and asset investments; (2) the Legal Program which, in conjunction with the Legal Services Division, will ensure that minority- and women-owned law firms receive a proportionate share of legal engagements; and (3) the Policy and Evaluation Program which will address the Office's oversight and monitoring of RTC's total contracting responsibilities, internal policy development and program analysis functions. Personnel for these functions will include managers/supervisors, business opportunity specialists, policy and evaluation analysts, attorneys, and support staff.

In addition to the Director, the immediate office will include 16 professional staff and four support staff.

**Question 9:** What authority and responsibility will the Director have over minority and women-owned business specialist in the field. For instance, can these specialists be disciplined or removed by the Director?

**Answer:** RTC minority and women-owned business specialists in the field will report jointly to the Vice Presidents of each field office and the Washington Director of Minority and Women Outreach and Contracting Programs.

All MWOB personnel decisions which include selections, performance appraisals, and disciplinary actions, such as removals, shall be made jointly by the above mentioned RTC officials.

Unresolved MWOB issues between the Vice Presidents, and the Washington MWOC Director will be resolved by the RTC Executive Committee.

## Representative Stokes

**Question 10:** What will the role of the Director be in making assignments for fee counsel awards?

**Answer:** The Director does not have a role in making assignments for fee counsel awards. Such assignments are made by the Legal Services Division. However, the Director works very closely with the Legal Services Division to establish policy and to increase the use of minority and women owned law firms.

**Question 11:** How do you plan to coordinate the responsibilities of the Director with FDIC and the Office of Thrift Supervision for achieving minority and women business participation in managing agent assignments, asset disposition, etc.? There are certainly other opportunities related to conservatorship for which minority and women-owned businesses could qualify. Do you agree?

**Answer:** During the past several months following the appointment of the Director, Minority and Women Outreach and Contracting Program, efforts have been focused on organizing the new office; developing policy and implementing directives; coordinating with MWOB managers and specialists regarding program management in the field; and working cooperatively with all program managers to ensure participation of minority and women-owned businesses to the maximum extent possible.

Once our policy and implementing directives are finalized, the MWOC Director will convene meetings with FDIC and OTS Directors to develop joint initiatives and resources for expanding opportunities for minority and women businesses in all RTC, FDIC and OTS programs.

## Certification Review and Standards

**Question 12:** What mechanisms are planned to assure due process when charges of unfairness are raised? Will the Director have the final say in determining validity of these kind of complaints? Will a review panel be established? Will the Director have the authority to suspend or cancel awards deemed to be made improperly?

**Answer:** All issues regarding MWOB concerns will be initially addressed to local RTC MWOB specialists. If these concerns cannot be adequately resolved at the local level, the matter will be elevated through RTC to the Director. The Director will have the authority to review all complaints, in order to determine their validity. It should be noted that reviews of eligibility for the MWOB program will be made by the local MWOB staff, thereby ensuring conformance with RTC policy.

## Representative Stokes

Complaints regarding MWOB issues can also be referred by the Director to the Office of Contractor Monitoring for independent investigation.

The Director, Office of Contracts, has the overall authority to suspend or cancel any contract award that has been determined to be awarded improperly. The Director, Office of Contracts, will work closely with the Director, MWOB, to ensure that contracts are awarded in accordance with RTC MWOB policy.

**Question 13:** To what extent will RTC scrutinize the firms participating in the Minority and Women Owned Business Program to determine if they meet certification standards, particularly those standards related to ownership, the background and related experience of the principals and the extent of direct involvement in the business? For example, how will you be assured that so called "fronts" are denied participation and what will be your policy if you should discover such "fronts"?

**Answer:** Under our proposed MWOB contracting procedures, firms will self-certify to MWOB status. The MWOB staff at local RTC offices has the responsibility to review these certifications, prior to award, and conduct reviews of the contractors to ensure their compliance with RTC MWOB regulations.

Post award verification continues with the audits, to be conducted by the Office of Contractor Monitoring. As part of its regular audits of larger contractors, RTC conducted audits will review a contractor's continuing compliance with MWOB regulations. This will include compliance with subcontracting plans, joint venture agreements and other MWOB commitments. The post award audits will seek to confirm that joint ventures are being conducted with the required MWOB participation as to finances, control and responsibilities, and that MWOB subcontracting commitments are being met.

If it is determined, either before or after award, that a contractor has falsely certified its MWOB status, RTC procedures require that the matter be referred to the Office of Inspector General for a criminal investigation. Furthermore, RTC would take administrative action to exclude the contractor from further contracts, and seek to rescind or terminate any contracts that were fraudulently awarded.

Even if fraud is not determined, RTC has the authority to terminate contracts, and exclude contractors, where it is determined that a contractor did not live up to its contractual MWOB obligations.

## Representative Stokes

**Question 14:** Would RTC prosecute such fraudulent firms? What about liquidated damages?

**Answer:** Any instance of fraud would be reported to the Office of Inspector General, which would in turn seek prosecution from the Department of Justice. RTC is in the process of implementing the Program Fraud Civil Remedies Act, which would allow RTC to take independent action to fine and seek civil money penalties from firms which falsely represent their MWOB status.

## Corporate Information Division

**Question 15:** Your Corporate Information Division uses SBA's 8(A) authority on a pilot basis.

Have you any information on how this is working?

**Answer:** The Office of Corporate Information (OCI) has awarded 16 contracts with an estimate value of \$50 million to 8(a) contractors under its pilot program with the Small Business Administration (SBA). To date, approximately \$12 million in goods and services has been ordered under these contracts. OCI has found the program to be an effective and expeditious mechanism for obtaining ADP support services, thus becoming a valuable resource for accomplishing many of its urgent requirements. Moreover, contractor performance under these contracts has been consistently good.

**Question 16:** If you find that it seems to be successful, will you consider expanding it to other parts of RTC?

**Answer:** Because of its success in OCI and interest from other offices within the Corporation, RTC is currently working with SBA to explore the possibility of corporate-wide use of the 8(a) program.

### Increased Appropriation and Related Accomplishments

Ms. Kaptur: I understand that last year's nearly tripled appropriation enabled a doubling of the staff and operations of the Inspector's Office. Would you say your results increased proportionately? Is the most concrete measure of "results" numbers of audits and investigations?

Mr. Adair: Fiscal Year 1991 was our first full year of operations. We hired almost 150 staff during the year to begin operations. Most of the increased appropriation for fiscal year 1992 paid for a 150 staff level of services for the entire fiscal year. Our appropriation also provides funding for the OIG to increase staff size to about 350 staff during fiscal year 1992. As of April 1, 1992 the OIG has hired about 225 personnel with about 75 other recruitment actions underway. Building an office with capable experienced staff who can effectively work as a team takes several months to achieve. As noted in our prepared statement, we have also been hampered in recruitment efforts by matters beyond the OIG's control.

Measuring results of an inspector general's office is never going to be an exact process. We can only suggest some indicators of results. We have highlighted some of the more significant results in our prepared statement. Our semiannual reports provide much of the same type of information. We have seen continued increases in OIG productivity in almost all indicators, such as audit reports issued, numbers of recommendations to management, monetary benefits, investigative cases opened and closed, criminal charges, employee disciplinary actions, and contractor sanctions. Our semiannual reports, which we have been sending to each Member of Congress, can provide more details of OIG "results".

### Investigative Disciplinary Actions

Ms. Kaptur: What constitutes an "employee disciplinary action" and a "contractor disciplinary action," cited on p. 2 of your report? What kinds of infractions result in these punishments?

Mr. Adair: There are basically eight types of "employee disciplinary action" that may be imposed on RTC employees. These include: letter of caution, letter of reprimand, verbal caution, verbal reprimand, demotion, suspension, removal, complaint and/or allegation disproved, resignation under/result of investigation, and employment contract not renewed.

The type of action imposed on contractors include: temporary denial, suspension, exclusion of contractor, unregistration of contractor, warning letter to the contractor, contract not renewed and the contract terminated.

There is a wide range of infractions that result in these actions. I will list some of the various misconduct by RTC employees and the associated disciplinary action.

#### Letter of Caution

- o engaged in an action which could be perceived as a conflict of interest situation with a spouse's employer.
- o used the RTC telephone and Federal Express for personnel use.
- o accepted perks from a hotel for directing business there.

#### Letter of Reprimand

- o arranged office travel to coincide with vacations and accepted meals from contractors.

#### Verbal Caution

- o failed to report on a SF 171 a termination from a prior job for misappropriation of money.
- o used government equipment and time to promote Amway products.

#### Suspension

- o submitted false/inflated travel vouchers.

#### Removal

- o failed to report prior criminal conviction.
- o stole computer equipment

#### Resigned Under/Result of Investigation

- o conducted work for a second job during duty hours and used long distance telephone lines for this purpose.
- o used the RTC Corporate Diners Club to charge expenses for spouse and sexually harassed RTC employees.

Some of the examples of action taken against contractors are included as follows:

#### Exclusion of Contractor

- o Contractor was found to be in default on obligations to FDIC/RTC/FSLIC. This was not reported.

#### Unregistration of Contractor

- o RTC Contractor realtor failed to disclose a higher property bid to RTC. The property was immediately sold and the broker received two commissions.

#### Warning Letter to Contractor

- o SAMDA contractor failed to select the best offer for RTC-owned property.

#### Contract Terminated

- o Contractor failed to disclose previous defaults to insured institution.



### Hotline Accomplishments

Ms. Kaptur: I compliment you on having a 1-800 hotline number for RTC employees, contractors, and others to report fraud, waste, and mismanagement. The 80 substantive calls you received in 1991 (per p. 2 of your report, or 140 overall from testimony) is a good showing, but could it be higher? How is that number publicized?

Mr. Adair: We suspect that we can get even more substantive calls over the toll-free hotline. We have advertised the number with RTC employees, contractors, and others who we believe may have information about RTC fraud and serious mismanagement. Our efforts so far have included writing a letter to every RTC employee when the hotline started, putting up posters in every RTC facility including many conservatorships, sending messages on employee payroll statements, and advertising in selected publications. We have other advertisements planned. In just a little more than one year, we have found the hotline a useful tool to obtain "inside" information. The 140 substantive calls thus far received are those where callers provide enough information to warrant an OIG review. Many other callers are referred to other RTC offices than can better address their problems.

### Minority Statistics

Ms. Kaptur: Last year's record indicated that 59 of the 140 OIG hires were women and 11 were minorities. What are your current totals of employees who are women and minorities?

Mr. Adair: Currently, we have 202 employees on board in the OIG. Of this total, there are 83 women, representing approximately 41% of our staff and 21 are minorities or 10% of the total work force.



Resolution Trust Corporation

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# Office of Inspector General

Fiscal Year 1993  
Congressional Budget

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**RESOLUTION TRUST CORPORATION  
OFFICE OF INSPECTOR GENERAL**

**SUMMARY JUSTIFICATION OF THE FY 1993 BUDGET ESTIMATES**

**General Statement**

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (Public Law 101-73) amended the Inspector General Act of 1978 (Public Law 95-452) to establish a statutory Inspector General within the Resolution Trust Corporation (RTC). The Office of Inspector General conducts and supervises audits and investigations related to RTC programs and operations and is designed to (1) promote economy, efficiency, and effectiveness and prevent and detect fraud, waste, and abuse in RTC programs and operations; and (2) provide a means of keeping the RTC Board of Directors, the RTC Oversight Board, and the Congress fully and currently informed about problems and deficiencies relating to the administration of these programs and operations. A separate appropriation was established pursuant to requirements in the Inspector General Act Amendments of 1988.

**Organization and Objectives**

The RTC Office of Inspector General (OIG) is aligned based on the functional responsibilities legislated by the Inspector General Act of 1978 and with consideration to RTC's mission and operations. The OIG has Offices of (1) Audit, (2) Investigation, (3) Policy, Planning and Resources, and (4) Oversight and Quality Assurance. Each office is headed by an assistant inspector general.

The Office of Audit is responsible for carrying out a comprehensive, nationwide plan of audits of RTC's programs and operations. Its purpose is to promote economy, efficiency, and effectiveness and to prevent and detect fraud, waste, and abuse in such programs and operations. Areas subject to audit include (1) Corporate program, financial, and administrative activities; (2) automated data processing and management control systems; (3) conservatorship and resolution operations; and (4) asset and real estate management, marketing and disposition. Audits are conducted at individual Corporate offices in headquarters or in the field, multi-site nationwide, and/or at the offices of participants and contractors in RTC activities. The Assistant Inspector General for Audit ensures compliance of all RTC/OIG audit work with applicable professional audit standards, including those established by the Comptroller General of the United States.

The Office of Investigation is responsible for conducting and supervising a comprehensive, nationwide program of investigations of alleged criminal or otherwise prohibited activities in RTC's programs and operations. Investigations may be of RTC employees or others who provide goods and services to the RTC such as contractors or vendors, or to other individuals and groups who otherwise participate in RTC programs and operations. Investigations may include such matters as alleged bribery, collusion, and bid rigging. This

office maintains close and continuous working relationships with U.S. attorneys, the FBI, and other law enforcement agencies in investigating and prosecuting fraud and abuse in RTC programs. The Assistant Inspector General for Investigation ensures compliance of all RTC/OIG investigations with applicable professional standards established by the President's Council on Integrity and Efficiency.

The Office of Policy, Planning and Resources is the management operations arm of the OIG with responsibility for directing the development of OIG policies and operating procedures; developing and controlling the execution of OIG budgets and strategic plans; formulating the OIG human resources management program including comprehensive training to meet legislatively required minimum levels; performing technical oversight of OIG contracts for audits and other services; and providing ADP support and technical assistance relative to audits and investigations nationwide. In addition, this office is the focal point for OIG initiatives aimed at the prevention of fraud, waste, and abuse as mandated by the Inspector General Act of 1978. These initiatives include reviews and analyses of existing and proposed legislation and regulations relating to RTC programs. Also, this office manages the OIG's nationwide toll-free hotline.

The Office of Oversight and Quality Assurance is responsible for establishing guidelines for the audits by independent public accountants of RTC programs and for reviewing the quality of these audits as required by the Inspector General Act. This office also performs quality assurance reviews and assessments of audits and investigations conducted by the OIG.

#### Program Results

During fiscal year 1991, the OIG expanded from fewer than 30 staff at the beginning of the year to 150 as the office became organized with a headquarters in Washington, DC and regional offices in Atlanta, Kansas City, Denver, and Dallas. This expansion will accelerate in fiscal year 1992 when the size of existing offices is increased to meet growing workloads and new offices are added in 11 cities where RTC has located its consolidated offices. OIG staffing levels will grow to 356.

During fiscal year 1991, the OIG issued 21 audit reports with estimated monetary benefits from implementing the report recommendations totalling about \$36.3 million. As of September 30, 1991, another 47 audits were on-going.

The OIG investigation caseload soared during the year. At year end, 137 cases were pending completion of investigations. As a result of OIG investigations during the year, there have been 5 criminal charges, 28 referrals to the Department of Justice for action, 34 RTC employee disciplinary actions, and 18 RTC contractor disciplinary actions.

All other facets of OIG operations have also experienced major accelerations in activity during the year. For example, the OIG nationwide, toll-free hotline, which was established in November 1990 for RTC employees, contractors, and others to report fraud, waste, and mismanagement, has received over 80 substantive calls, about half of which were referred for OIG audits and investigations with the remainder sent to RTC management for a

response. The OIG has also carried out its responsibilities to provide oversight for hundreds of RTC contracted audits by public accounting firms.

#### Request Highlights

The fiscal year 1993 budget request totals \$ 43.1 million and 366 FTE's which is a net increase of \$ 12.8 million and 85 FTE's over the approved level for fiscal year 1992. This increase is primarily to provide full funding for maintaining OIG audit, investigation, and other staff at levels approved for fiscal year 1992. The OIG also has expanded into one more office with the opening of another RTC consolidated office in Somerset, New Jersey. Another 10 FTE's are requested to accommodate the resources for this office. In addition, the Congress has mandated that the OIG review each of the financial assistance agreements negotiated in 1988 by the defunct Federal Savings and Loan Insurance Corporation (FSLIC) and report to RTC and the Congress by September 30, 1993. There were over 150 such agreements. Funds to contract for assistance in these reviews have been included in the budget request.

Since its inception in August 1989 under the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), RTC has grown to be the nation's largest financial institution. To date, the corporation has taken control of over 675 troubled thrifts with initial assets of over \$350 billion and has closed approximately 585 of them. It is estimated that approximately 200 of the remaining thrifts will fail before the savings and loan crisis is resolved.

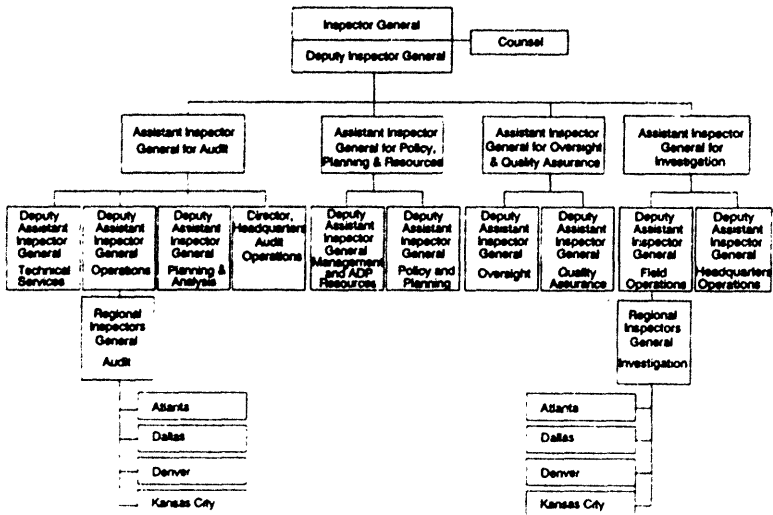
Disposing of assets from the failed institutions remains one of RTC's most important tasks, with approximately \$137 billion in assets currently under RTC's control. Included in the remaining assets is a large number of hard-to-sell real estate and non-performing loans. How well RTC does in disposing these assets will determine the ultimate cost of the thrift cleanup to the taxpayer. Managing and selling these assets remains highly vulnerable to fraud, waste, and abuse.

The principal elements for the OIG's requested fiscal year 1993 increase are:

- (1) \$6.6 million for an increase related to maintaining service at the fiscal year 1992 level (356 FTE's in fiscal year 1993).
- (2) \$5.4 million for a program increase in outside consulting services by law firms and public accounting firms to review the 1988 FSLIC financial assistance agreements and other reviews.
- (3) \$.8 million and 10 FTE's for a program increase in audit and investigation work.

Exhibit 1

# OFFICE OF INSPECTOR GENERAL ORGANIZATION



## Exhibit 2

**OFFICE OF INSPECTOR GENERAL  
FULL-TIME PERMANENT POSITIONS**

| OFFICE                             | FY 1992<br>Planned | FY 1993<br>Proposed |
|------------------------------------|--------------------|---------------------|
| Immediate<br>Office                | 11                 | 11                  |
| Audit                              | 210                | 217                 |
| Investigation                      | 103                | 107                 |
| Policy, Planning<br>and Resources  | 16                 | 16                  |
| Quality Assurance<br>and Oversight | 16                 | 16                  |
| <b>TOTAL</b>                       | <b>356</b>         | <b>367</b>          |

## Exhibit 3

**OFFICE OF INSPECTOR GENERAL**  
**STAFFING BY LOCATION**

| LOCATION                | PLANNED<br>STAFFING<br>FY 1992** | PROPOSED<br>STAFFING<br>FY 1993** |
|-------------------------|----------------------------------|-----------------------------------|
| Washington, DC          | 98                               | 98                                |
| <b>East Region</b>      |                                  |                                   |
| Atlanta, GA*            | 24                               | 24                                |
| King of Prussia, PA     | 14                               | 17                                |
| Tampa, FL               | 15                               | 15                                |
| Somerset, NJ            | 11                               | 14                                |
| Total                   | 64                               | 70                                |
| <b>Central Region</b>   |                                  |                                   |
| Kansas City, MO*        | 25                               | 25                                |
| Baton Rouge, LA         | 11                               | 11                                |
| Eagan, MN               | 11                               | 11                                |
| Elk Grove Village, IL   | 11                               | 11                                |
| Tulsa, OK               | 11                               | 11                                |
| Total                   | 69                               | 69                                |
| <b>West Region</b>      |                                  |                                   |
| Denver, CO*             | 28                               | 28                                |
| Phoenix, AZ             | 15                               | 15                                |
| Costa Mesa, CA          | 22                               | 27                                |
| Total                   | 63                               | 68                                |
| <b>Southwest Region</b> |                                  |                                   |
| Dallas, TX*             | 29                               | 29                                |
| San Antonio, TX         | 15                               | 15                                |
| Houston, TX             | 18                               | 18                                |
| Total                   | 62                               | 62                                |
| Nationwide              | 356                              | 367                               |

\* Consolidated and Regional offices; all others are Consolidated.

\*\* Staffing allocations in Consolidated offices are based upon RTC estimates of retained gross tangible assets that each office is expected to manage and sell.



Exhibit 4

**OFFICE OF INSPECTOR GENERAL**  
**PROGRAM AND FINANCING**

Program and Financing  
(In thousands of dollars)

| Identification code 22-1500-0-1-371 |                                  | 1991 act. | 1992 est. | 1993 est. |
|-------------------------------------|----------------------------------|-----------|-----------|-----------|
| Program by activities:              |                                  |           |           |           |
| 10.00                               | Total obligations                | 10,659    | 30,328    | 43,064    |
| Financing:                          |                                  |           |           |           |
| 25.00                               | Unobligated balance expiring     | 126       | .....     | .....     |
| 40.00                               | Budget authority (appropriation) | 10,785    | 30,328    | 43,064    |
| Relation of obligations to outlays: |                                  |           |           |           |
| 71.00                               | Total Obligations                | 10,659    | 30,328    | 43,064    |
| 72.00                               | Obligated balance, start of year | .....     | 3,780     | 4,000     |
| 74.00                               | Obligated balance, end of year   | (3,780)   | (4,000)   | (4,000)   |
| 90.00                               | Outlays                          | 6,879     | 30,108    | 43,064    |

Exhibit 5

# OFFICE OF INSPECTOR GENERAL

## OBJECT CLASSIFICATION AND PERSONNEL SUMMARY

## Object Classification (in thousands of dollars)

| Identification code 22-1500-0-1-371 |  | 1991 act. | 1992 est. | 1993 est. |
|-------------------------------------|--|-----------|-----------|-----------|
| Direct obligations:                 |  |           |           |           |
| Personnel compensation:             |  |           |           |           |
| 11.1                                | Full-time permanent                                  | 5,644     | 14,567    | 20,001    |
| 11.5                                | Other personnel compensation                         | 95        | 918       | 1,299     |
| 11.9                                | Total personnel compensation                         | 5,739     | 15,485    | 21,300    |
| 12.1                                | Civilian personnel benefits                          | 1,300     | 4,822     | 6,988     |
| 21.0                                | Travel and transportation of persons                 | 532       | 1,737     | 2,374     |
| 22.0                                | Transportation of things                             | 7         | 88        | 50        |
| 23.2                                | Rental payments to others                            | 480       | 1,547     | 1,560     |
| 23.3                                | Communications, utilities, and miscellaneous charges | 43        | 347       | 364       |
| 24.0                                | Printing and reproduction                            | 4         | 73        | 13        |
| 25.0                                | Other services                                       | 1,524     | 4,289     | 9,925     |
| 26.0                                | Supplies and material                                | 57        | 117       | 152       |
| 31.0                                | Equipment  | 973       | 1,823     | 328       |
| 99.9                                | Total obligations                                    | 10,659    | 30,328    | 43,054    |

## Personnel Summary

|  |       |     |     |
|--|-------|-----|-----|
| Total number of full-time permanent positions      | 150   | 356 | 367 |
| Total compensable workyears:                       |       |     |     |
| Full-time equivalent employment                    | 105   | 280 | 365 |
| Full-time equivalent of overtime and holiday hours | ..... | 1   | 1   |

## Exhibit 6

**OFFICE OF INSPECTOR GENERAL**  
**STAFFING BY GRADE**

| Grade        | Planned<br>FY 1992 | Proposed<br>FY 1993 |
|--------------|--------------------|---------------------|
| Executive    | 7                  | 7                   |
| GG-15        | 20                 | 20                  |
| GG-14        | 61                 | 61                  |
| GG-13        | 114                | 118                 |
| GG-12        | 92                 | 99                  |
| GG-11        | 9                  | 9                   |
| GG-10        | 1                  | 1                   |
| GG-9         | 12                 | 12                  |
| GG-8         | 1                  | 1                   |
| GG-7         | 15                 | 15                  |
| GG-6         | 23                 | 23                  |
| GG-5         | 1                  | 1                   |
| <b>Total</b> | <b>356</b>         | <b>367</b>          |

## WITNESSES

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|                            | Page |
|----------------------------|------|
| Adair, J.J .....           | 681  |
| Asher, W.R .....           | 1    |
| Chappell, Gregg .....      | 1    |
| Cherry, J.R .....          | 515  |
| Culp, Mae .....            | 515  |
| Gaddy, Steven .....        | 1    |
| Gormley, P.M.....          | 1    |
| Greene, O.L., Jr .....     | 1    |
| Jacobik, B.A .....         | 1    |
| Lopez, Antonio .....       | 1    |
| Lorentzen, A.F .....       | 515  |
| McQuillan, T.R .....       | 1    |
| Miller, R.F .....          | 1    |
| Newman, K.L.....           | 1    |
| Norris, B.J .....          | 515  |
| Peterson, G.C .....        | 1    |
| Poling, S.J.....           | 515  |
| Schauerte, C.M. (Bud)..... | 1    |
| Stickney, W.E .....        | 1    |
| Taylor, William .....      | 515  |
| Wright, L.E.....           | 515  |



# INDEX

## Federal Emergency Management Agency

|  | Page |
|--|------|
| Budget Overview .....  | 2    |
| Civil Defense:   |      |
| Condition of State and Local Programs/Personnel .....        | 68   |
| Duel Use Emphasis in Civil Defense .....                     | 26   |
| Defense Versus Domestic Funding for Civil Defense .....      | 27   |
| Effect of Aging Storage Tanks on Civil Defense .....         | 85   |
| Funding Level for Civil Defense .....                        | 81   |
| Funds for Underground Storage Tanks .....                    | 84   |
| Problems with Underground Storage Tanks .....                | 83   |
| Request for Other Assistance .....                           | 88   |
| Termination of Facility Survey Program .....                 | 81   |
| Dam Safety:  |      |
| Number of Unsafe Dams .....                                  | 87   |
| Request to OMB for Dam Safety .....                          | 87   |
| Termination of Dam Safety .....                              | 68   |
| Director's Statement to Committee .....                      | 6    |
| Disaster Relief Fund:  |      |
| Allocation Basis for Disasters .....                         | 71   |
| Budget Amendment for Disaster .....                          | 20   |
| Direct Loan Limit .....                                      | 74   |
| Disaster Allocation in the Event of Shortage .....           | 72   |
| Disaster Obligations in 1992 .....                           | 70   |
| Emergency Funding Baseline .....                             | 73   |
| Historical Disaster Level .....                              | 71   |
| Implementation of Lessons Learned .....                      | 76   |
| Legal Authority for San Francisco's Position .....           | 24   |
| Lessons Learned Report .....                                 | 75   |
| Loma Prieta Earthquake in 1989 .....                         | 23   |
| Mobile Homes in Watsonville .....                            | 75   |
| Mobile Homes Inventory .....                                 | 75   |
| Oakland City Hall as Precedent .....                         | 25   |
| Proposed Regulatory Changes to Disasters .....               | 72   |
| Seismic Retrofit of San Francisco City Hall .....            | 23   |
| Status of Disaster Relief Funds .....                        | 19   |
| Support for Disaster Field Personnel .....                   | 28   |
| Temporary Housing/Disaster Unemployment Reforms .....        | 73   |
| Temporary Housing for 8th Avenue Residents .....             | 26   |
| Unobligated Balance in Disaster Relief in 1992 .....         | 71   |
| Earthquake:  |      |
| Availability of Earthquake Insurance in Private Sector ..... | 33   |
| Cajon Pass Lifeline Study .....                              | 86   |
| Differences Between Earthquake and Flood Insurance .....     | 32   |

|   | Page |
|---|------|
| <b>Earthquake—Continued</b>   |      |
| Earthquake Insurance.....   | 31   |
| Funding Level for Earthquake Program.....   | 85   |
| New States in Earthquake Program.....   | 85   |
| Support for Earthquake Insurance.....   | 32   |
| <b>Emergency Food and Shelter Program:</b>  |      |
| Allocation Formula for Emergency Food and Shelter.....  | 29   |
| Characteristics of Food and Shelter Program.....  | 107  |
| Study on Food and Shelter.....  | 106  |
| <b>Emergency Management Assistance: Funding to Achieve 50-50 Match for<br/>    EMA Grants.....</b>      | 67   |
| <b>Federal Crime Insurance Program:</b>   |      |
| Debt Forgiveness in Crime Program.....  | 114  |
| States in Crime Program.....  | 115  |
| <b>FEMA Witnesses:</b>  |      |
| Introduction.....   | 1    |
| Additional Introductions.....   | 70   |
| <b>Hazardous Materials:</b>   |      |
| Hazardous Materials Incidents on Mexican Border.....  | 90   |
| Technical Assistance for Communities with Unique Needs.....   | 89   |
| <b>Hurricane Hazard Analyses.....</b>   | 87   |
| <b>Inspector General:</b>   |      |
| Audits.....   | 67   |
| High Dollar Investigations.....   | 67   |
| IG Investigations on Use of Government Vehicles.....  | 63   |
| IG Support from Management.....   | 67   |
| Increase for the IG.....  | 65   |
| Office of Inspector General.....  | 66   |
| Resources for the CFO Act.....  | 64   |
| <b>Management and Administration:</b>   |      |
| Bilateral Agreements with Mexico.....   | 64   |
| Funding for Equipment in 1992.....  | 41   |
| Increase in Travel.....   | 39   |
| Political Appointees.....   | 41   |
| Reduction in Funds, Increase in Dollars for Executive Director.....                                     | 39   |
| Reorganization of Management Services.....  | 18   |
| Travel in Management and Administration.....  | 39   |
| Travel Under Contracts.....   | 40   |
| <b>National Flood Insurance Program:</b>  |      |
| Digitization of Flood Maps.....   | 113  |
| Erosion Data Development.....   | 112  |
| Erosion Provision.....  | 112  |
| Map Revision and Amendments.....  | 114  |
| <b>Programs Requiring Reauthorization.....</b>  | 21   |
| <b>Radiological Emergency Preparedness: Fees for Radiological Emergency Pre-<br/>    paredness.....</b> | 88   |
| <b>Reorganizations.....</b>   | 17   |
| <b>Salaries and Expenses:</b>   |      |
| 1993 Reduction in Workyears.....  | 35   |
| Cost of Locality Pay for 1993.....  | 35   |
| Current On-Board Personnel.....   | 34   |
| Pay Raise in 1993.....  | 35   |
| Workyears by Location.....  | 35   |
| Workyear Estimates for 1992.....  | 34   |

|   | Page     |
|---|----------|
| Salaries and Expenses—Continued                             |          |
| Workyear Lapse in 1991 .....                                | 33       |
| SARA Title III Training Grants:                             |          |
| Funding for SARA Title III Grants .....                     | 91       |
| SARA Title III Versus HMTUSA .....                          | 90       |
| SARA Title III Funding .....                                | 91       |
| Surveys and Investigations Team:                            |          |
| GAO Versus the Surveys and Investigation Function .....     | 70       |
| Meaning of S&I .....  | 18       |
| Surveys and Investigations Team Visit .....                 | 17       |
| Space:  |          |
| Consultant on Space .....                                   | 42       |
| Office Space .....  | 42       |
| Office Space on K Street .....                              | 41       |
| Sites in Virginia .....                                     | 63       |
| Sites Selected by Consultant .....                          | 43       |
| Space Compared to GSA Standard by Grade .....               | 61       |
| Study on Space .....  | 44       |
| Suitability of Headquarters Space .....                     | 61       |
| Training and Fire Programs:                                 |          |
| Capital Improvements at NETC .....                          | 96       |
| Community-Based Anti-Arson Program .....                    | 105      |
| Hazardous Materials Training Funds .....                    | 69       |
| Reduction to National Fire Academy .....                    | 96       |
| Smoke Detectors .....                                       | 105      |
| <b>Federal Deposit Insurance Corporation</b>                |          |
| Assets in Liquidation .....                                 | 523      |
| Assistance Agreements With Operating Institutions .....     | 523      |
| Affordable Housing:   |          |
| FDIC Affordable Housing .....                               | 529, 537 |
| Program Administration Expense .....                        | 538      |
| Bank Enterprise Act:  |          |
| Bank Enterprise Act .....                                   | 531, 539 |
| Consumer and Community Reinvestment Act Compliance .....    | 581      |
| Funding .....   | 582      |
| Incentives For Lending In Distressed Areas .....            | 580      |
| Inner-City Lending .....                                    | 582      |
| Legislative Or Regulatory Changes Required .....            | 539      |
| FDIC Appraisal Policy .....                                 | 583      |
| FDIC Contracting:   |          |
| Oversight .....   | 537      |
| Minority- and Women-Owned Businesses .....                  | 541, 566 |
| FDIC Cooperation With the RTC Inspector General .....       | 536      |
| FRF Appropriations:   |          |
| Appropriation, Fiscal Year 1993 .....                       | 527      |
| Need for Fiscal Year 1993 and 1994 Appropriations .....     | 516      |
| Future Appropriations .....                                 | 528      |
| Lapse Of Fiscal Year 1992 Appropriations .....              | 536      |
| Remaining Fiscal Year 1992 Appropriations .....             | 525      |
| Request For Indefinite Appropriations .....                 | 535      |
| Revisions To The FRF Fiscal Year 1993 Request .....         | 535      |
| Status of FRF Appropriations Through Fiscal Year 1992 ..... | 516      |
| FSLIC Promissory Notes .....                                | 567      |



|   | Page |
|---|------|
| FSLIC Resolution Fund Strategic Plan .....                | 536  |
| Introduction of FDIC and RTC Staff .....                  | 516  |
| New Provisions of the FDIC Improvement Act .....          | 529  |
| Overview .....  | 519  |
| Restructuring Agreements:                                 |      |
| New West Federal Case .....                               | 587  |
| Progress in Renegotiating FRF Assistance Agreements ..... | 517  |
| Restructuring FRF Assistance Agreements .....             | 535  |
| Review by Chairman Taylor .....                           | 515  |
| Witnesses .....   | 515  |

### Resolution Trust Corporation—Inspector General

|  |     |
|--|-----|
| Accomplishments:                                       |     |
| Examples of Successful Audits and Investigations ..... | 692 |
| FY 1991 Accomplishments .....                          | 682 |
| Affordable Housing:                                    |     |
| Affordable Housing .....                               | 706 |
| Affordable Housing Properties .....                    | 706 |
| Budget:  |     |
| Budget Request .....                                   | 700 |
| Budget Requirements .....                              | 703 |
| Fiscal Year 1993 Request .....                         | 697 |
| Long Range Budget Requirements .....                   | 703 |
| Other Services .....                                   | 704 |
| Conservator's Operating Manual .....                   | 705 |
| Contract Management .....                              | 701 |
| Coordination Efforts with RTC .....                    | 708 |
| Curtailment of Operations:                             |     |
| Impact on OIG Activities .....                         | 701 |
| RTC Curtailment of Operations .....                    | 700 |
| Expansion of OIG:                                      |     |
| Expansion of Offices .....                             | 704 |
| Start-Up Costs for New Offices .....                   | 705 |
| Fraud and Abuse Cases .....                            | 683 |
| FSLIC Resolution Fund .....                            | 701 |
| High Risk Issues Receive Top Priority .....            | 696 |
| Introduction of RTC-IG .....                           | 681 |
| Inspector General Operations Expanded .....            | 689 |
| Positions:   |     |
| Redistribution of Field Personnel .....                | 705 |
| Staffing Requirements .....                            | 704 |
| Management of Increased Staff .....                    | 703 |
| Requirements for Additional Contractors .....          | 704 |
| Questions from Representative Louis Stokes .....       | 709 |
| Restitution:   |     |
| Collection of Restitution by the Court System .....    | 707 |
| Collection of Restitutions .....                       | 707 |
| RTC Activities .....                                   | 682 |
| RTC Operations .....                                   | 688 |
| Sale of Commercial Properties .....                    | 706 |
| Significant Accomplishments .....                      | 690 |
| Systems Analysis .....                                 | 702 |