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Federal emergency bureaucrats don't track government's biggest disaster costs

By Mark Tapscott
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Billions of tax dollars are spent helping victims of major disasters, but a government watchdog says Federal Emergency Management Agency officials don't track spending and can't say whether their most expensive efforts accomplish their purposes.

"We estimate that, between 1994 and 2013, FEMA obligated and spent more than $4 billion in administrative costs and more than $1 billion in salaries for the seven Long Term Recovery Offices," said the Department of Homeland Security Inspector in a report made public Nov. 14, 2014.

"These offices were responsible for 26 major disaster declarations totaling $66 billion in obligated funds. However, FEMA does not track costs or performance data for these offices," the IG said.

"As a result, FEMA cannot determine the cost effectiveness of Long Term Recovery Office operations. In addition, FEMA has not created standardized policies, procedures, and performance measures for Long Term Recovery Office operations. Without them, FEMA cannot ensure consistency in establishing and managing these offices."

Long Term Recovery Offices are typically established in disasters such as Hurricanes Katrina and Sandy that overwhelm the capabilities and resources of FEMA regional offices.

In addition, FEMA officials only track the agency's overall costs for all of the LTROs, not for each individual LTRO. FEMA does not track costs or data associated with performance measures for Long Term Recovery Offices.

"Without tracking costs or data, FEMA cannot determine whether Long Term Recovery Offices are cost effective," the IG said.

FEMA officials argued that because they track overall costs, they aren't violating a 1982 federal law that requires officials to account for all agency operations.

But that argument didn't fly with the IG, who said, "the Federal Managers' Financial Integrity Act of 1982, in part, requires that federal agencies properly record and account for revenues and expenditures applicable to agency operations to maintain accountability for their assets."

As long as the problems identified by the IG continue, "FEMA risks mismanaging disaster relief funds because it does not track costs or performance data and has not created and implemented standardized policies, procedures, and performance measures for Long Term Recovery Offices."

The critical IG report was followed by release of a study by the Cato Institute that found the number and frequency of disaster declarations corresponds to the agency's steadily increasing budget.

“The large amount of federal disaster aid that is potentially available to the states has created a political dynamic that has pushed up federal costs. After even small, local disasters, governors, state politicians and congressional delegations often lobby the White House to declare the event a “major disaster’ so a state can access federal aid,” said the Cato Institute’s Chris Edwards.

“As a consequence, the number of disaster declarations has soared in recent decades. The annual average number was 51 in the 1970s, 29 in the 1980s, 74 in the 1990s, 127 in the 2000s, and 139 so far in the 2010s,” Edwards said.