

# WebMemo



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## Restructuring FEMA: Stand-Alone FEMA Would Not Make Cents

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Yesterday, the Homeland Security Subcommittee of the House Appropriations Committee held a hearing to discuss the future of FEMA and whether the agency should be left under the Department of Homeland Security (DHS). Legislation removing FEMA from DHS is likely to be introduced soon. Yet, just last week, the DHS inspector general (IG) recommended that FEMA should remain under DHS leadership rather than being made into a separate agency or elevated back to cabinet-level status.

The Obama Administration has yet to take an official position on this issue. But given the current economic turmoil and the success of DHS in recent years, it would be a mistake to undergo such a costly reorganization. Instead, the Administration should help FEMA become more successful under DHS leadership by facilitating greater integration between DHS and its directorates.

**Pre-Bush FEMA.** During the Clinton years, FEMA was a cabinet-level agency that reported directly to the President. While the organization was applauded for its response efforts, its position as a stand-alone agency did not shield FEMA from criticism. In fact, in 1992, FEMA generated considerable public outcry over its response to Hurricane Andrew for not providing adequate food or shelter to the 150,000 people the storm left temporarily homeless.

The cabinet-level FEMA was left in tact until 9/11. In the wake of the 9/11 attacks, Americans realized a fragmented approach to disaster response resulted in confusion and enormous bureaucratic logjams.

Determined to take a new approach, Congress created the Department of Homeland Security in 2003. DHS's mission was to act as a leader, integrating 22 different agencies—each with a role to play in homeland security—into one agency. In order to accomplish this goal, DHS spent billions of dollars working to create a common culture by breaking down barriers between the different agencies—from recently consolidated IT systems to new business rules. It was the largest federal government reorganization since the creation of the Department of Defense in 1947.

**Rearranging the Furniture.** Groups advocating for FEMA to return to its cabinet-level status have used Hurricane Katrina as an example that this new approach is not working. The IG report addressed the DHS response to Hurricane Katrina, noting that there was an inadequate DHS-led response. But it also cited the post-Katrina successes, including the response to the California wildfires and the Midwest floods as an indication that DHS has learned from the lessons of Katrina. For instance, the agency has created partnerships with state and local officials while instituting better technologies such as electronic tracking of trucks.

This paper, in its entirety, can be found at:  
[www.heritage.org/Research/HomelandSecurity/wm2316.cfm](http://www.heritage.org/Research/HomelandSecurity/wm2316.cfm)

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The IG report identified three reasons FEMA should remain inside of DHS. First, it reiterated that America remains vulnerable to acts of terrorism. And by keeping both disaster and counterterrorism response capabilities integrated in a single agency, the U.S. is better prepared and ready for any disaster that may come its way. Second, the report emphasizes that FEMA has relationships and resources at its immediate disposal as a part of DHS that it did not have before. For example, the Coast Guard and FEMA have been able to expand their relationship immensely—even training and planning together. Third, DHS avoids the creation of preparedness and response activities stovepipes. These stovepipes slowed the deployment of resources and manpower after the attacks, costing lives and property.

**A Costly Proposition.** Not only would taking FEMA out of DHS eliminate these benefits, but it would also be a major cost for the U.S. government at a time when the U.S. cannot afford to spend more money. Creating a new agency costs money—from new buildings and IT systems to new programs and procedures. In fact, FEMA would likely be forced to create programs duplicative of those at DHS, such as state and local and private sector programs, since it would not enjoy immediate access to those programs as a stand-alone agency, creation of which could cost billions. President Obama, in his February 24 speech before Congress, emphasized the need for a new era of fiscal responsibility. Such a major reorganization of DHS without a tangible benefit is likely not the kind of responsibility Obama had in mind.

**Integration Is Key.** Instead, what Congress and the Obama Administration should do is create more integration at DHS. Improving the ability of the various DHS components to communicate and work together will ensure that successes like the Midwest floods and California wildfires will continue. Toward that end, Congress and the Obama Administration should:

- *Leave FEMA under DHS leadership.* Elevating FEMA would spend precious federal dollars that could be used elsewhere to make America safer. And doing so would only add more bureaucracy to the disaster response process, making it more

difficult to get assets where they are needed in the aftermath of an emergency.

- *Consolidate congressional oversight of DHS.* The current congressional oversight structure includes 86 committees, subcommittees, and commissions with oversight over homeland security. Because of this structure, these committees are often driven by politics and a desire to please constituents rather than a commitment to put in place ideal security policies. Streamlining oversight into four committees (two in the House and two in the Senate) and splitting the Senate Homeland Security and Governmental Affairs Committee into two separate committees would indicate that Congress recognizes the importance of integration.
- *Let the Quadrennial Homeland Security Review (QHSR) be a guide.* The QHSR is a comprehensive review conducted every four years that reviews DHS progress. And the first such review is set to be released in December 2009. The QHSR should serve as a valuable tool for the Obama Administration because it will provide a candid look at whether reorganization is actually needed at DHS. Therefore, the Obama Administration and Congress should wait until the review's results are released before making such major changes.

In his speech before Congress, Barack Obama emphasized that “we have lived through an era where too often, short-term gains were prized over long-term prosperity, where we failed to look beyond the next payment, the next quarter, or the next election.” Taking FEMA out of DHS would be more of the same—favoring stakeholders seeking more power and authority over the long-term goal of making a DHS that is a well-functioning, innovative, and cohesive organization. And given the potential price tag, such a proposal simply does not make cents.

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