



November 2019

EMERGENCY TRANSPORTATION RELIEF

Federal Transit
Administration and FEMA
Took Actions to Coordinate,
but Steps Are Needed to
Address Risk of Duplicate
Funding

Accessible Version

GAO Highlights

Highlights of [GAO-20-85](#), a report to congressional requesters

Why GAO Did This Study

In August and September 2017, Hurricanes Harvey, Irma, and Maria made landfall in Texas, Florida, the U.S. Virgin Islands, and Puerto Rico, causing hundreds of millions of dollars in damage to public transit facilities. Access to transit plays an important role in a community's post-disaster recovery. FTA has primary responsibility for providing disaster assistance funding to transit agencies if it receives an appropriation from Congress. If FTA does not receive an appropriation, transit agencies can apply to FEMA for funding.

GAO was asked to evaluate the federal government's response and recovery efforts related to the 2017 hurricanes. This report provides information on FTA's emergency relief allocations and examines FTA's and FEMA's coordination. GAO reviewed FTA's allocation of emergency relief funds; conducted site visits to Texas, Florida, and Puerto Rico; obtained survey responses from 44 of 52 transit agencies; and interviewed and reviewed documentation from FTA and FEMA officials.

What GAO Recommends

GAO recommends that FTA and FEMA identify and develop controls, such as methods to more easily identify transit expenses within larger applications, to address the risk of duplicate funding. The Department of Transportation agreed with the recommendation and noted steps FTA has taken to address it. However, GAO believes FTA would benefit from identifying additional internal controls to address the risk of duplicate funding. The Department of Homeland Security agreed with the recommendation and outlined steps FEMA plans to complete in 2020.

View [GAO-20-85](#). For more information, contact Susan Fleming at (202) 512-2834 or flemings@gao.gov.

November 2019

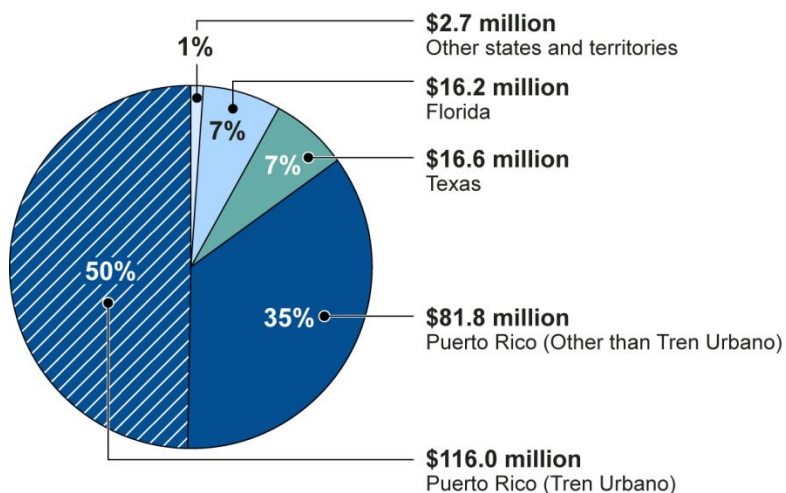
EMERGENCY TRANSPORTATION RELIEF

Federal Transit Administration and FEMA Took Actions to Coordinate, but Steps Are Needed to Address Risk of Duplicate Funding

What GAO Found

In response to hurricanes in 2017, the Federal Transit Administration (FTA) announced in May 2018 that it would allocate about \$233 million of appropriated emergency relief funds to 52 transit agencies for response, recovery, and rebuilding projects, with most of that funding going to Puerto Rico (\$198 million). Most of Puerto Rico's funds, and around half the funds FTA allocated (\$116 million), will be distributed to one transit system—Tren Urbano—San Juan's rail-transit service provider (see figure below).

Distribution of Response, Recovery, and Rebuilding Funds for the FTA's Emergency Relief Program, in Response to Hurricanes Harvey, Irma, and Maria



Source: GAO analysis of Federal Transit Administration (FTA) information. | GAO-20-85

Table of highlights Pie chart, Distribution of Response, Recovery, and Rebuilding Funds for the FTA's Emergency Relief Program, in Response to Hurricanes Harvey, Irma, and Maria

	Other states and territories	Florida	Texas	Puerto Rico (Other than Tren Urbano)	Puerto Rico (Tren Urbano)
Dollars (in millions)	\$2.7	\$16.2	\$16.6	\$81.8	\$116.0
Percent	1%	7%	7%	35%	50%

While FTA and the Federal Emergency Management Agency (FEMA) shared information and coordinated efforts, both agencies still approved about \$35,000 to one applicant for the same expenses. GAO found that FTA awarded a grant in April 2019 that included expenses for which FEMA had already obligated funds in January 2019. Although FTA contacted FEMA prior to the award to inquire whether the applicant had received FEMA funding, FEMA did not respond within 5 days, and per an agreement between FTA and FEMA, FTA processed the

application. After GAO identified the duplicate funding, FTA and FEMA took steps to limit the potential for duplicate funding; FTA, for example, changed its policy of moving applications forward after 5 days if FEMA does not respond. FTA and FEMA officials noted challenges they face in identifying transit expenses in the applications they receive. For example, they may be unaware that a transit agency received FEMA funds if it received those funds through a larger entity such as a city, county, or state government. Although the amount of funding FEMA and FTA approved for the same expenses was relatively small, without addressing these challenges, FTA and FEMA will continue to face the risk that both agencies will approve funding for the same expense in the future.

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Abbreviations

DHS	Department of Homeland Security
DOT	Department of Transportation
DRF	Disaster Relief Fund
FEMA	Federal Emergency Management Agency
FTA	Federal Transit Administration
MAP-21	Moving Ahead for Progress in the 21st Century Act
MOA	memorandum of agreement

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November 13, 2019

Congressional Requesters

In August and September 2017, Hurricanes Harvey, Irma, and Maria made landfall in Texas, Florida, the U.S. Virgin Islands, and Puerto Rico, causing hundreds of millions of dollars in damage to public transit facilities. The loss of transit during a disaster can exacerbate the difficulties a community faces by impeding access to community services and medical care, and access to transit is important in a community's post-disaster recovery. Two agencies play an important role in providing funding to transit agencies following a disaster: the Federal Emergency Management Agency (FEMA) within the Department of Homeland Security (DHS), and the Federal Transit Administration (FTA) within the Department of Transportation (DOT).

Prior to 2012, the primary source of federal funding for transit agencies working to recover after a disaster was FEMA's Public Assistance Program.¹ In 2012, the Moving Ahead for Progress in the 21st Century Act (MAP-21) authorized FTA's Public Transportation Emergency Relief program.² Because the FTA program is focused on public transportation specifically—unlike FEMA's more general program—FTA has primary responsibility for reimbursing emergency response and recovery costs after an emergency or major disaster that affects a public transportation system if FTA receives funds for the program in an annual or supplemental appropriation, or continuing resolution. In February 2018, Congress appropriated \$330 million to FTA's Public Transportation Emergency Relief program in a supplemental appropriation—the second time funding has been appropriated to the program—to provide funding to transit agencies affected by the 2017 hurricanes (Harvey, Irma, and Maria).³ We have previously noted the importance of FTA and FEMA

¹FEMA has authority to provide disaster assistance to public transportation agencies. See 42 U.S.C. §§ 5121 – 5207. FEMA also administers the Hazard Mitigation Grant Program, which is outside the scope of this review. The Hazard Mitigation Grant Program funds projects to implement mitigation measures that reduce or permanently eliminate future risk to lives and property from natural hazards.

²Pub. L. No. 112-141, § 20017(a), 126 Stat 405, 703, codified at 49 U.S.C. § 5324.

³The first time Congress provided an appropriation to FTA's Public Transportation Emergency Relief program was in a supplemental appropriation in 2013, following Hurricane Sandy in 2012.

coordination, given the fact that both agencies may provide funding for transit-related expenses following a disaster.⁴

We were asked to evaluate the federal government's response and recovery efforts related to the 2017 natural disasters, including Hurricanes Harvey, Irma, and Maria. This report

- provides information on the amount of emergency relief funds FTA allocated to repair and replace transit facilities damaged by hurricanes Harvey, Irma, and Maria, and the purposes of these allocations, and
- examines the extent to which transit agencies applied to FEMA for funding as well as FTA's and FEMA's coordination.

To determine the amount of funds FTA allocated to repair and replace transit facilities damaged by the 2017 hurricanes, we reviewed FTA's May 31, 2018, notice of allocation of emergency relief funds, in which FTA described the amount of funding it would provide to each municipality and public transit provider. To understand the purpose of the allocations and how FTA funds would be used, we reviewed FTA's damage assessment reports for the 2017 hurricane. These reports describe the location and type of damage in specific areas as well as the estimated costs to address the damage. One analyst categorized the types of expenses into specific categories and summed the total amount of funding provided for various types of expenses (such as repairs to bus terminals), and a second analyst verified the categorizations. To assess the reliability of the data, we shared our analysis with FTA and incorporated its proposed updates, where appropriate. We did not independently verify the estimated damage costs. In addition, we conducted site visits to Texas, Florida, and Puerto Rico (the states and territory receiving the largest FTA allocations following the 2017 hurricane) to tour damaged facilities and interview officials from a non-generalizable selection of two to four transit agencies in each state or territory. Sites were selected to include transit agencies with the largest allocations as well as those within driving distance of one another, for logistical reasons.

To examine whether transit agencies applied to FEMA for funding, we interviewed the transit agencies mentioned above and we conducted a web-based survey of the 52 transit agencies that received a direct

⁴GAO, *Emergency Transportation Relief: Agencies Could Improve Collaboration Begun During Hurricane Sandy Response*, [GAO-14-512](#) (Washington, D.C.: May 28, 2014).

allocation of emergency relief funding from FTA (FTA grantees). Forty-four of the 52 FTA grantees (85 percent) completed our survey. We asked about the level of their engagement with FEMA. We initially fielded the survey from December 10, 2018, to January 15, 2019, and continued to accept responses from a few grantees until March 12, 2019. To assess FTA and FEMA's coordination, we interviewed officials from FTA headquarters and division offices responsible for administering the Public Transportation Emergency Relief program, as well as FEMA officials at headquarters and regional offices responsible for administering FEMA's Public Assistance program for the selected states and territories. We reviewed documentation from FTA and FEMA coordination meetings, as well as emails regarding specific applications between FTA and FEMA staff. We compared FTA's and FEMA's coordination against federal internal control standards as well as statutory requirements in MAP-21 and FTA and FEMA guidance regarding how the agencies should coordinate.

We conducted this performance audit from April 2018 to November 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

When a disaster overwhelms the ability of state, local, or voluntary agencies to adequately provide essential services on their own, the federal government, when requested, supports disaster response and recovery, providing selected resources where they are needed. The federal government has provided significant funds for transit services following past catastrophic disasters. For example, Congress provided roughly \$232 million in response to the 2005 Gulf Coast hurricanes and over \$10 billion in response to Hurricane Sandy.

FEMA is the federal government's primary agency for disaster response. In addition to coordinating disaster response and recovery operations, FEMA's Public Assistance Program provides funding to state and local governments and some nonprofit organizations for recovery efforts after a disaster, including removing debris, implementing emergency protective measures, and repairing or replacing damaged public equipment or

facilities. Once the President has declared a disaster, FEMA; the state or territorial government (the recipient); and the local or territorial entities (the subrecipient) work together to develop damage assessments and formulate project worksheets for eligible projects. Project worksheets detail the scope of work and estimated cost for repairing or replacing disaster-damaged infrastructure. After a project has completed FEMA's review process and is approved, funding is available to FEMA for obligation from the Disaster Relief Fund.⁵ The recipient draws down—or withdraws—funding to pay the subrecipient for eligible work upon completion.

Because FTA's Public Transportation Emergency Relief Program is focused on public transportation specifically—unlike FEMA's more general program—FTA has primary responsibility for reimbursing emergency response and recovery costs after an emergency or major disaster affects a public transportation system if FTA receives funds for the program in an annual or supplemental appropriation or continuing resolution.⁶ The Public Transportation Emergency Relief program is a reimbursable grant program and allows FTA to make grants for capital projects to protect, repair, reconstruct, or replace equipment and facilities of a public transportation system as well as for eligible operating costs. Such costs include reestablishing, expanding, or relocating public-transportation route service in the event of a natural disaster that affects a wide area or a catastrophic failure from any external cause.

Congress has not provided an annual appropriation for FTA's Public Transportation Emergency Relief Program but has provided supplemental appropriations following a specific event. Eligible recipients (referred to in this report as "FTA grantees") of FTA's Public Transportation Emergency Relief funding are entities that receive funds directly from FTA.⁷ Following

⁵Funding for FEMA's Public Assistance and Hazard Mitigation Programs is available from the Disaster Relief Fund (DRF) after the President declares a disaster under the Stafford Act. The DRF receives emergency-designated funding through both the regular appropriations process and through supplemental appropriations. The amount requested each year for the DRF in the President's Budget Request is based on the use of the fund (amount obligated from the fund) in prior years. Once funds are appropriated to the DRF, they are available until expended, which means they carry forward from one year to another. 42 U.S.C. §§ 5121-5207.

⁶Pub. L. No. 112-141, § 20017(a), 126 Stat 405, 703, codified at 49 U.S.C. § 5324.

⁷Eligible recipients are typically states, local government authorities, and public transit systems. Subrecipients may receive funding through these direct recipients.

the appropriation for the 2017 hurricanes, FTA staff and contractors visited sites to develop damage assessments—these assessments provide information on, among other things, the specific location, type of facility or equipment, nature and extent of damage, and a preliminary cost estimate to restore, replace, or reconstruct the damaged system. FTA then uses the information in these damage assessments to determine how to allocate funding among the affected FTA grantees. After FTA announces the allocations, FTA grantees can submit an application for funding to FTA. After FTA has approved the application and obligated funds, recipients must execute the grant agreement to draw down funding for reimbursement of eligible expenses.

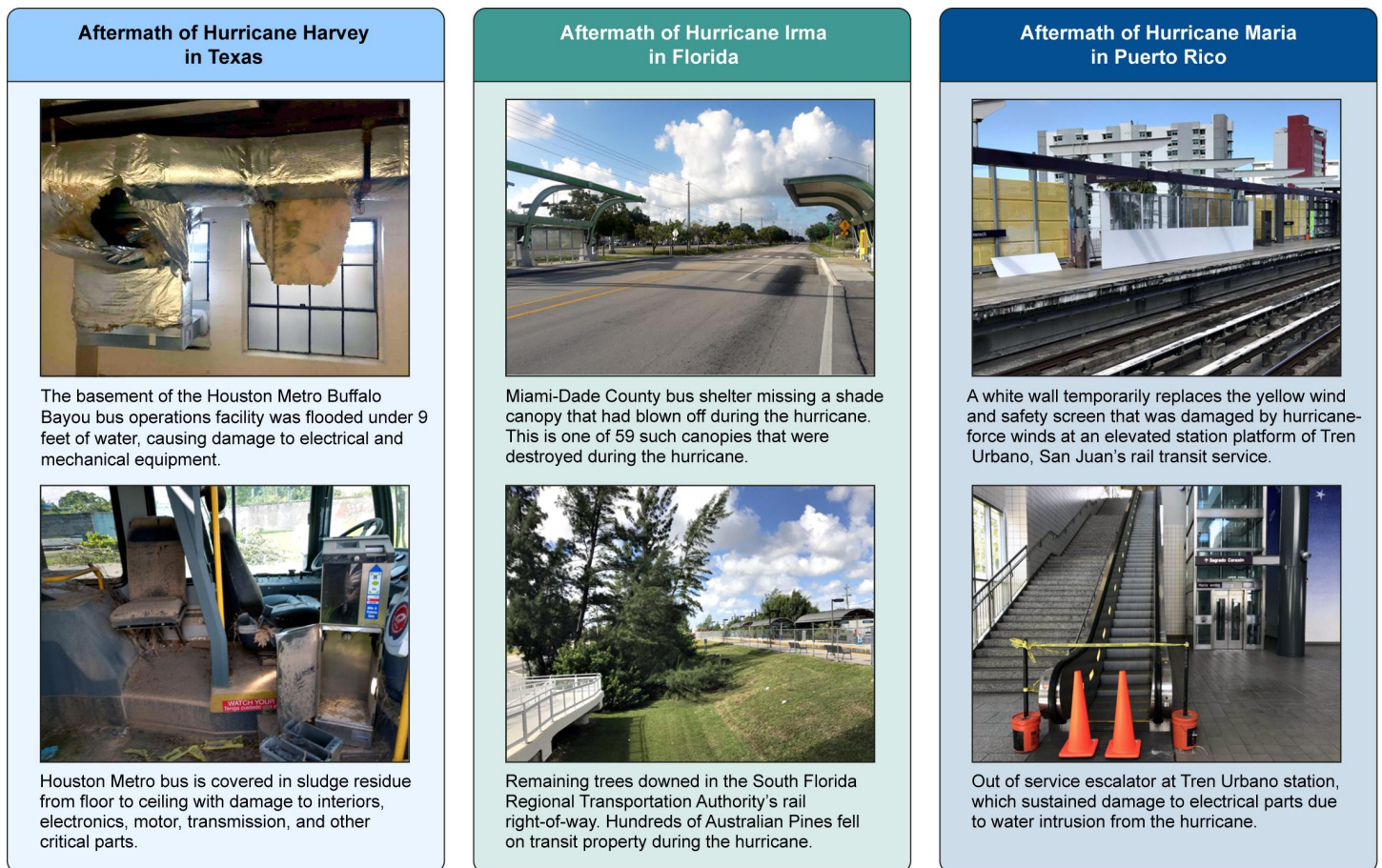
As required by MAP-21, FTA and FEMA have entered into a memorandum of agreement (MOA) to delineate the roles and responsibilities of the two agencies and establish procedures to coordinate assistance for public transportation following a disaster. We reported in 2014 that because FTA's Public Transportation Emergency Relief Program is inherently limited by its inability to fund any activities without specific congressional action (in contrast to the other emergency program we examined), FTA and FEMA face challenges clearly delineating the responsibilities and costs each agency will assume during future disasters.⁸ We recommended that FTA and FEMA establish specific guidelines to monitor, evaluate, and report the results of collaborative efforts for future disasters. FEMA concurred with this recommendation and FTA took no position. The agencies addressed the recommendation by: (1) implementing a communications protocol to coordinate the two agencies in providing funding to transit agencies and (2) committing to jointly monitoring, evaluating, and reporting on the effectiveness of agency collaboration following events in which both agencies provided funding.

In August and September 2017, Hurricanes Harvey, Irma, and Maria made landfall in Texas, Florida, the U.S. Virgin Islands, and Puerto Rico, affecting over 28 million people and causing significant damage to public transit infrastructure (see fig. 1). FEMA funding was made available

⁸GAO-14-512. The other program we examined was the Federal Highway Administration's Emergency Relief Program. Budget authority for the Highway Emergency Relief Program is provided through contract authority, which authorizes FHWA to obligate funds in advance of an appropriation. FHWA is authorized to obligate up to \$100 million each fiscal year for the program and any unobligated balances remain available until expended. 23 U.S.C. § 125.

through presidential disaster declarations. In February 2018, 6 months after the first hurricane made landfall, Congress appropriated funds to FTA's Public Transportation Emergency Relief Program for the 2017 hurricanes.

Figure 1: Selected Examples of Damage to Transit Facilities Following the 2017 Hurricanes



Source: GAO. | GAO-20-85

Table of Figure 1: Selected Examples of Damage to Transit Facilities Following the 2017 Hurricanes

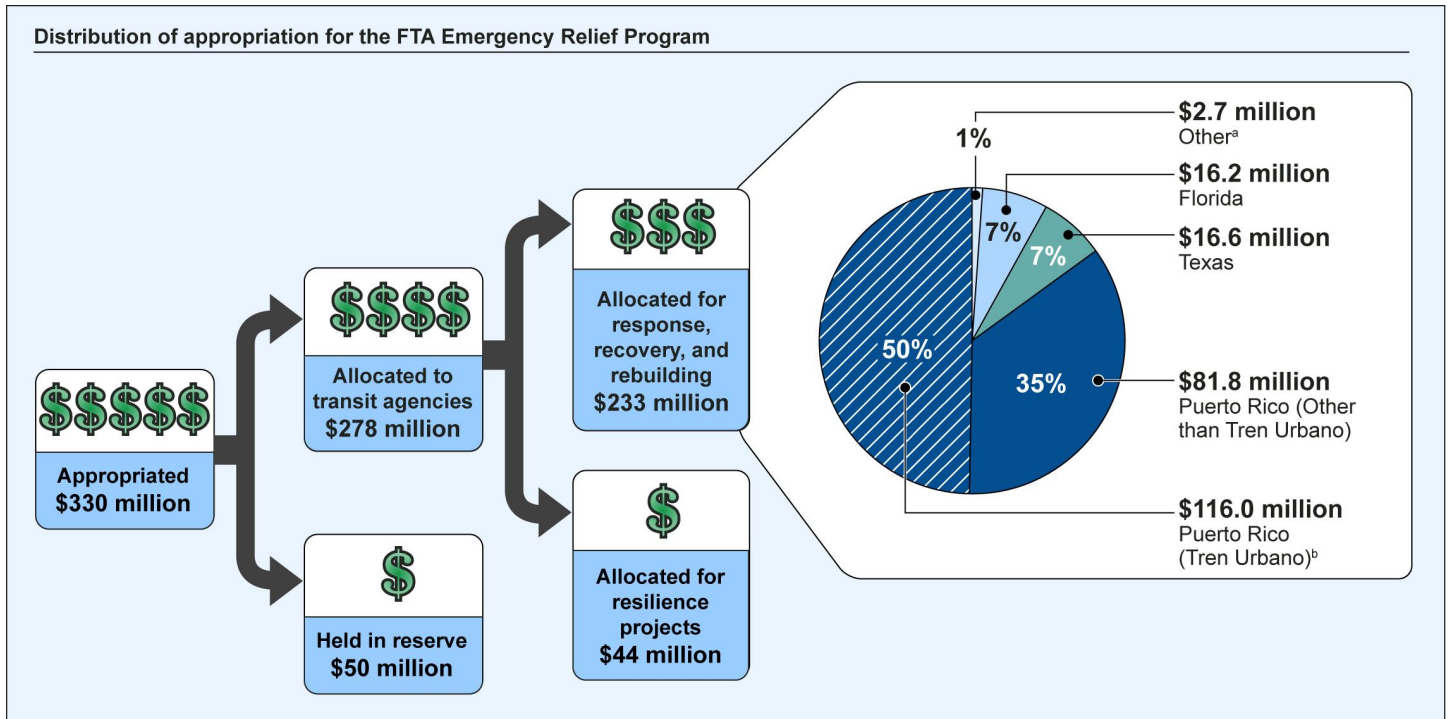
Aftermath of Hurricane Harvey in Texas	Aftermath of Hurricane Irma in Florida	Aftermath of Hurricane Maria in Puerto Rico
(Photo Example). The basement of the Houston Metro Buffalo Bayou bus operations facility was flooded under 9 feet of water, causing damage to electrical and mechanical equipment.	(Photo Example). Miami-Dade County bus shelter missing a shade canopy that had blown off during the hurricane. This is one of 59 such canopies that were destroyed during the hurricane.	(Photo Example). A white wall temporarily replaces the yellow wind and safety screen that was damaged by hurricane-force winds at an elevated station platform of Tren Urbano, San Juan's rail transit service.
(Photo Example). Houston Metro bus is covered in sludge residue from floor to ceiling with damage to interiors, electronics, motor, transmission, and other critical parts.	(Photo Example). Remaining trees downed in the South Florida Regional Transportation Authority's rail right-of-way. Hundreds of Australian Pines fell on transit property during the hurricane.	(Photo Example). A white wall temporarily replaces the yellow wind and safety screen that was damaged by hurricane-force winds at an elevated station platform of Tren Urbano, San Juan's rail transit service.

FTA Allocated Over \$230 Million to Repair and Replace Transit Infrastructure, with Most of the Funds Allocated to Puerto Rico

FTA announced on May 31, 2018, that it would allocate about \$233 million of appropriated emergency relief funds to 52 transit agencies for response, recovery, and rebuilding projects, with approximately 85 percent of the funds (\$198 million) going to Puerto Rico.⁹ Most of Puerto Rico's funds, and around half the funds FTA allocated for response, recovery, and rebuilding (\$116 million), will be distributed to San Juan's rail transit service provider, Tren Urbano (see fig. 2).

⁹Response projects involve emergency or temporary operations outside the scope of normal operations, protective measures, and temporary repairs. Recovery and rebuilding projects involve efforts to permanently repair or replace transit assets damaged or destroyed by an emergency or disaster to a state of good repair, including current standards and environmental considerations. FTA also allocated \$44.2 million for resilience projects, which are outside the scope of this review.

Figure 2: Allocation of Funds Appropriated to the FTA’s Public Transportation Emergency Relief Program in Response to Hurricanes Harvey, Irma, and Maria



Source: GAO analysis of Federal Transit Administration (FTA) information. | GAO-20-85

Table of Figure 2: Allocation of Funds Appropriated to the FTA’s Public Transportation Emergency Relief Program in Response to Hurricanes Harvey, Irma, and Maria

- 1) Appropriated \$330 million
 - a) \$278 million allocated to transit agencies
 - i) \$233 million allocated for response, recovery and rebuilding
 - (1) Other \$2.7 million (1%)
 - (2) Florida \$16.2 million (7%)
 - (3) Texas \$16.6 million (7%)
 - (4) Puerto Rico (Other than Tren Urbano) \$81.8 million (35%)
 - (5) Puerto Rico (Tren Urbano) \$116.0 million (50%)

ii) \$44 million allocated for resilience projects

b) \$50 million held in reserve

Notes: Numbers may not add due to rounding.

Of the \$330 million appropriation, approximately \$2 million was reserved for administrative expenses and program management oversight.

^a“Other” includes an allocation of \$1.6 million for the U.S. Virgin Islands, \$1 million for recipients that did not receive a direct allocation, and \$187,000 for Georgia.

^bTren Urbano is a sub-recipient of the Puerto Rico Highways and Transportation Authority, which received a total allocation of \$169.4 million for 46 entities including Tren Urbano.

FTA allocated emergency relief funding to transit agencies based on preliminary cost estimates that the agencies submitted to FTA in damage assessment reports. Transit agencies developed these preliminary cost estimates through field surveys, which are meant to determine the general type and extent of damages. As shown in table 1, FTA allocated funds for various purposes including repairs to rail stations and bus terminals, repair and replacement of vehicles, and repairs to transit buildings and facilities.

Table 1: FTA’S Public Transportation Emergency Relief Allocations for Transit Infrastructure Damaged by Hurricanes Harvey, Irma, and Maria, Based on Damage Assessments

Purpose	Estimated cost ^a (Dollars in millions)		
	Tren Urbano	All other	Total
Repairs to bus terminals, rail stations, bus shelters, and related facilities	\$70.5	\$68.5	\$139.1
Repair of rail and related infrastructure along rail lines	\$6.0	\$2.6	\$8.6
Repair and replacement of vehicles including buses, ferry boats, and trolleys, and related infrastructure	\$0.2	\$19.7	\$19.9
Repairs to transit facilities including maintenance and operations facilities, administrative buildings, power, and communications facilities	\$29.1	\$21.9	\$51.0
Unspecified capital costs	-	\$0.8	\$0.8
Operational costs, including evacuations, hurricane preparations, and recovery work	\$20.8	\$15.6	\$36.3
Total	\$126.6	\$129.0	\$255.7
Total federal share (100% of operational costs, 90% of repairs) ^b	\$116.0	\$117.7	\$233.7

Source: GAO analysis of FTA Damage Assessments for Florida, Puerto Rico, Texas, and the U.S. Virgin Islands. | GAO-20-85

^aAmounts do not add due to rounding. In addition, final allocations do not exactly match damage assessment costs because damage assessments contain initial cost estimates that were later updated.

^bThe federal share for capital and operating costs is generally up to 80 percent, and the non-federal share is generally not less than 20 percent of the project cost. However, the Secretary of DOT is authorized to waive in whole or in part the non-federal share. 49 U.S.C. 5324(e).

As previously noted, after FTA allocates funds, transit agencies must submit grant applications with detailed information about each eligible project activity and expense. As of October 2019, 19 transit agencies had submitted grant applications to FTA, and FTA approved and obligated funding for each of the 19 applicants.¹⁰ FTA officials told us they are working with the remaining transit agencies on submitting and finalizing their grant applications.

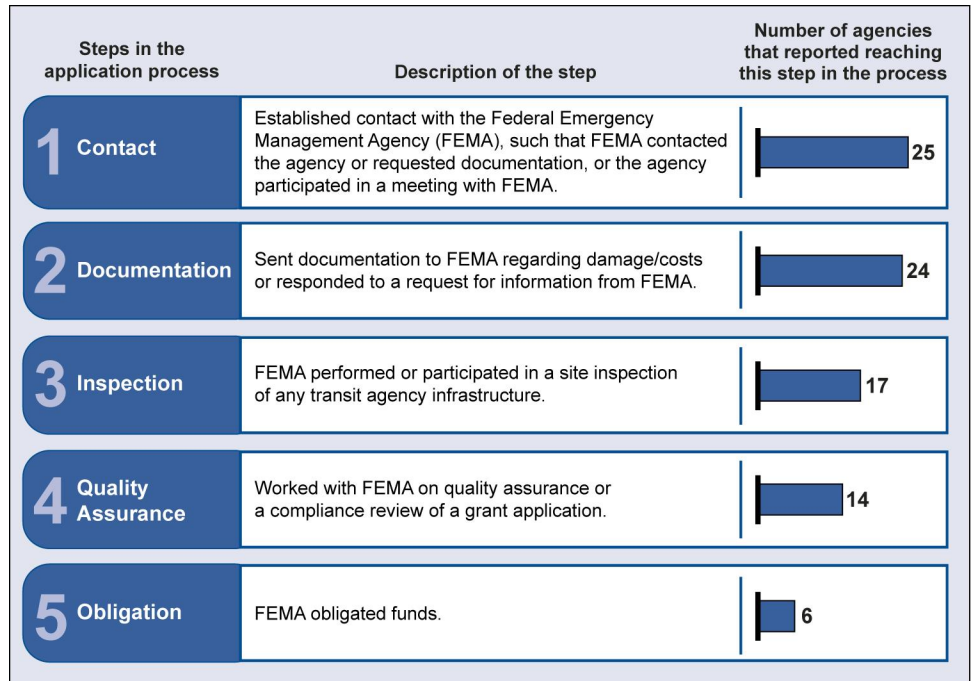
Many FTA Grantees Applied to FEMA for Funding, and FEMA and FTA Faced Challenges in Coordinating to Avoid Duplicate Funding

More Than Half of the FTA's Grantees Responding to Our Survey Reported Some Interaction with FEMA

Uncertainty regarding whether FTA will receive an appropriation can lead to FTA grantees' applying to FEMA for funding since FEMA is the federal government's primary agency for disaster response and recovery and can fund transit. This situation increases the importance of FEMA and FTA coordination. FTA did not receive an appropriation until roughly 6 months after the first hurricane's landfall. FTA grantees, unaware of when or whether FTA would receive an appropriation, could apply during this period to FEMA's Public Assistance Program for funding. Indeed, more than half of FTA grantees that responded to our survey (25 of 44) reported some interaction with FEMA's Public Assistance Program by the time of our survey (see fig. 3). Fourteen reported reaching the quality assurance step on a grant application—the final step before receiving funds from FEMA. Six transit agencies received FEMA funds.

¹⁰Of the 19 agencies that submitted grant applications, 18 received a direct allocation from FTA and one received funding from the \$1 million set aside for agencies without a direct allocation.

Figure 3: Surveyed FTA Grantees' Reported Interaction with FEMA's Public Assistance Program



Source: GAO survey conducted for this engagement. | GAO-20-85

Table of Figure 3: Surveyed FTA Grantees' Reported Interaction with FEMA's Public Assistance Program

Steps in the application process	Description of the step	Number of agencies that reported reaching this step in the process
1. Contact	Established contact with the Federal Emergency Management Agency (FEMA), such that FEMA contacted the agency or requested documentation, or the agency participated in a meeting with FEMA.	25 Agencies
2. Documentation	Sent documentation to FEMA regarding damage/costs or responded to a request for information from FEMA.	24 Agencies
3. Inspection	FEMA performed or participated in a site inspection of any transit agency infrastructure.	17 Agencies
4. Quality Assurance	Worked with FEMA on quality assurance or a compliance review of a grant application.	14 Agencies
5. Obligation	FEMA obligated funds.	6 Agencies

Note: Based on survey responses from 44 agencies.

Once FTA received an appropriation, FTA and FEMA instructed transit agencies to work with FTA, rather than FEMA, on funding requests. As a result, some transit agencies that initially worked with FEMA had to begin a new application with FTA. Fourteen FTA grantees in our survey reported spending more than 3 months working on their FEMA application; however, 10 stated that they could use the work from the FEMA application toward their FTA emergency relief application. In addition, most of the transit agencies we interviewed anticipated this issue, noting that FTA or FEMA officials explained the situation to them before FTA received an allocation.

FTA and FEMA Shared Information with One Another but Faced Challenges Coordinating on Screening Applications to Avoid Duplicate Funding

FTA and FEMA Took Steps to Coordinate and Share Information

After Congress appropriated funds to FTA for the 2017 hurricanes, FTA and FEMA initiated their communication and coordination agreements, including the MOA and the communications protocol, which define coordination activities between the two agencies. Federal agencies, such as FTA and FEMA, that administer programs as a result of a major disaster or emergency, cannot provide funding for losses that have been covered by insurance or other programs, but are not prohibited from awarding funds to any entity that could receive funding from another agency so long as that entity has not yet received these funds and promises to repay any duplicate assistance.¹¹ FTA's and FEMA's communications protocol also states that it may be appropriate for an agency to receive funding from both FTA and FEMA in a situation where the grantee provides both public transportation services and services other than public transportation. Thus, FTA's and FEMA's MOA states that the agencies will coordinate to avoid duplicate funding and to ensure a streamlined reimbursement process.

When implementing coordination activities such as FTA's and FEMA's MOA and communications protocol, federal internal control standards

¹¹42 U.S.C. § 5155(b)(1). In addition, 49 U.S.C. § 5324(d)(2)) provides that a grant awarded under FTA's public transportation emergency relief program may be made only for expenses that are not reimbursed by FEMA under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, codified at 42 U.S.C. §§ 5121-5207.

state that management should design control activities to achieve objectives and respond to risks, such as the risk of providing duplicate funding.¹² FTA and FEMA officials informed us of, and provided documentation of, their coordination efforts, such as biweekly conference calls, and email correspondence among staff. For example, when Congress appropriated funds to FTA, FEMA provided FTA a list of agencies that had applied to FEMA for funding. In addition, when FTA reviewed grant applications, FTA staff emailed FEMA staff to inquire whether applicants had already requested funding from FEMA. To avoid delays in processing applications, FEMA and FTA established an agreement that if FEMA did not respond to such requests in 5 days, then FTA could proceed with processing the application. Based on our document reviews, we found that FTA staff also emailed FEMA staff a copy of the final award. Finally, transit agencies applying to FTA for funding were required to certify whether they had received any transit funding from FEMA and that they would reimburse FTA for any federal funds that duplicated funding provided by FEMA.

FTA and FEMA Faced Challenges Coordinating on Screening Applications to Avoid Duplicate Funding

While FTA and FEMA took steps to coordinate, both agencies approved about \$35,000 in funding to one applicant for the same expenses. In June 2019, we found a case in which FEMA and FTA both approved roughly \$6,000 to repair a light pole at a bus stop in Collier County, Florida.¹³ Specifically, although FEMA had obligated funds to Collier County for the light pole in January 2019, FTA awarded funds for the same light pole in April 2019. One month prior to FTA's award to Collier County, we notified FTA that Collier County had indicated in our survey that it had been in contact with FEMA. Subsequently, FTA staff twice emailed FEMA staff to inquire as to whether Collier had requested funds from FEMA, but FEMA staff did not respond. Per their agreement, FTA moved the application forward after receiving no response from FEMA within the 5-day timeframe. FTA awarded the funding to Collier County in April 2019. After we notified FTA and FEMA that they both appeared to have awarded funds for the same expense, FEMA de-obligated the funds for Collier County. In addition, FEMA conducted an additional review and found that

¹²GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

¹³Collier County requested \$5,783 from FEMA and \$6,075 from FTA.

both agencies had also approved \$29,000 in funding for repairs to a transit facility in Collier County. FEMA officials stated they were in the process of de-obligating those funds as well. Although both agencies awarded funds to Collier County, the County had not yet executed the FTA grant or drawn down any of the funds.

FTA and FEMA officials noted that both agencies can face challenges in identifying transit expenses submitted to both agencies. For example, FTA may be unaware of transit agencies receiving FEMA funds if these agencies are not direct recipients of such funds, but rather receive funds through a larger entity such as a city, county, or state government. Thus, although FEMA provides FTA with a list of entities that applied for FEMA funds, the list may only show a county's name, rather than the name of a transit agency. In addition, while FTA also asks applicants whether they have received FEMA funds, applicants may be unaware of the status of their FEMA reimbursement. For example, officials from Collier County's public transit department told us they were unaware that FEMA had obligated funding for their transit expenses until May 2019 (one month after the FTA award), because it took several months for the funding from FEMA to be processed at the state and county level.

While FTA officials shared proposed and final awards with FEMA, we identified 10 cases, including Collier County, in which FEMA officials did not respond within the established 5-day time frame. When we asked why FEMA did not respond within the 5-day time frame, FEMA regional staff stated that the responsible person had since left that office. However, officials noted challenges they face identifying transit expenses contained within applications sent to FEMA by larger entities that may contain hundreds of pages, while at the same time processing a large number of applications related to the hurricanes. Specifically, in order to identify transit expenses within an application, FEMA staff may need to search these hundreds of pages using various transit-related word searches. For example, according to FEMA officials, Collier County currently has a total of 126 active ongoing and obligated projects and 86 inactive projects that were either withdrawn or determined ineligible.

After we notified FTA and FEMA that they had approved funding to Collier County for the same expense, both agencies took steps to limit the potential for duplicate funding in future awards. As noted above, FEMA conducted an additional review of applications for which FEMA had not responded to FTA's inquiries within the 5-day time frame and identified the \$29,000 for transit facility repairs that FTA and FEMA both approved for Collier County. In addition, FTA officials updated their internal grants

guidance to indicate that FTA staff should not process an application if FEMA has not responded and FTA has reason to believe there may be a potential for duplicate funding (for example, the recipient notifies FTA that it had previously worked with FEMA to reimburse transit expenses). In such cases, FTA may only proceed after FEMA has replied in writing that they have not identified any expenses in the FTA grant that are also in a FEMA grant, or, if FEMA does identify duplicate funding, after one agency removes such expenses from their grant to the recipient.

In 2014, we noted that evaluating and reporting the results of collaborative efforts can identify areas for improvement and recommended that FTA and FEMA establish specific guidelines to monitor, evaluate, and report the results of collaborative efforts. FTA and FEMA implemented this recommendation and committed to jointly monitoring, evaluating, and reporting on the effectiveness of the agencies' collaboration following future events in which both agencies provide funding. In addition, FTA and FEMA took action to address the duplicate award of funding we identified in our review. Nonetheless, FEMA staff continue to face challenges identifying transit expenses within applications submitted by larger entities, and FTA may be unaware of whether transit entities are included in such applications. Without identifying and implementing systematic measures to detect duplicate expenses, FTA and FEMA are at risk of awarding funds for the same expenses.

Conclusions

Given that FTA may not receive an appropriation until months after a disaster, transit agencies will continue to submit applications to FEMA when it is unclear whether Congress will provide funding to FTA. This underscores the importance of FTA's and FEMA's coordination to avoid providing duplicate funding. FTA and FEMA have taken important steps to coordinate, including establishing an MOA and communications protocol that outline how FTA and FEMA staff should share information. Although FEMA and FTA both approved a relatively small amount of funding for the same expenses in Collier County, the issues that contributed to this outcome involve a risk of providing duplicate funding in the future. FTA took steps to strengthen its processes after we identified this duplicate funding, and FEMA conducted additional retroactive reviews to identify any additional duplicate funding. However, FEMA will continue to face challenges in identifying transit expenses when they are included in the application of a larger entity such as a city, county, or state

government. Moreover, FTA may continue to be unaware when transit entities are included in FEMA applications. FEMA and FTA have committed to monitor, evaluate, and report the results of collaborative efforts on an ongoing basis. Without identifying and addressing the factors that contributed to duplicate funding in the federal response to the 2017 hurricanes, FTA and FEMA will continue to face the risk that both agencies will approve funding for the same expense in the future.

Recommendations for Executive Action

We are making two recommendations, including one to DOT and one to DHS.

The Secretary of Transportation should direct the Administrator of FTA to identify and develop controls, such as methods to more easily identify transit expenses within applications submitted by larger entities, such as a city, county, or state government, to address the risk of duplicate funding. (Recommendation 1)

The Secretary of Homeland Security should direct the Administrator of FEMA to identify and develop controls, such as methods to more easily identify transit expenses within applications submitted by larger entities such as a city, county, or state government, to address the risk of duplicate funding. (Recommendation 2)

Agency Comments and Our Evaluation

We provided a draft of this report to DOT and DHS for review and comment. We received written comments from DOT and DHS that are reproduced in appendixes I and II. In comments, reproduced in appendix I, DOT concurred with our recommendation. DOT described some of the steps that FTA has taken to coordinate with FEMA, which we note in our report, such as updating its procedures to ensure that an FTA grant does not contain any expenses for which the applicant may have previously requested reimbursement. We continue to believe FTA would benefit from identifying additional internal controls to address the risk of duplicate funding, particularly since FTA and FEMA may still face challenges identifying entities that have applied to both agencies for funding.

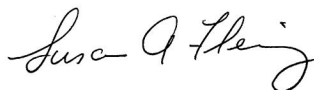
In comments, reproduced in appendix II, DHS concurred with our recommendation. DHS stated that FEMA is enhancing its Public

Assistance Grants Manager System to address the risk of duplicate funding we identified in our report. This includes implementing a new functionality for data exporting, sorting, and filtering to better identify transit-related damages and improved tracking to identify projects that have received FTA funding. DHS estimates these improvements will be completed September 30, 2020.

DOT and DHS both provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Secretary of the Department of Transportation, the Secretary of the Department of Homeland Security, the Administrator of FTA, the Administrator of FEMA, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-2834 or flemings@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.



Susan A. Fleming
Director, Physical Infrastructure Issues

List of Requesters

The Honorable Michael B. Enzi
Chairman
Committee on the Budget
United States Senate

The Honorable Ron Johnson
Chairman
The Honorable Gary C. Peters
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Marco Rubio
Chairman
Committee on Small Business and Entrepreneurship
United States Senate

The Honorable Rand Paul, M.D.
Chairman
Subcommittee on Federal Spending, Oversight and Emergency
Management
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Bennie G. Thompson
Chairman
Committee on Homeland Security
House of Representatives

The Honorable Jim Jordan
Ranking Member
Committee on Oversight and Reform
House of Representatives

The Honorable Peter A. DeFazio
Chairman
The Honorable Samuel "Sam" Graves
Ranking Member
Committee on Transportation and Infrastructure
House of Representatives
The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
House of Representatives

The Honorable Nydia M. Velázquez
Chairwoman
Committee on Small Business
House of Representatives

The Honorable Al Green
Chairman
Subcommittee on Oversight and Investigations
Committee on Financial Services
House of Representatives

The Honorable Emanuel Cleaver, II
House of Representatives

The Honorable Michael McCaul
House of Representatives

The Honorable Gary Palmer
House of Representatives

The Honorable Ann Wagner
House of Representatives

Appendix I: Comments from the Department of Transportation



U.S. Department
of Transportation
**Office of the Secretary
of Transportation**

Assistant Secretary
for Administration

1200 New Jersey Avenue, SE
Washington, DC 20590

OCT 21 2019

Susan A. Fleming
Director, Physical Infrastructure Issues
U.S. Government Accountability Office (GAO)
441 G Street NW
Washington, DC 20548

Dear Ms. Fleming:

The Federal Transit Administration (FTA) provides assistance to transit operators in the aftermath of a major disaster through its Emergency Relief Program. The \$330 million appropriated for transit systems affected by Hurricanes Harvey, Irma, and Maria has been used to reimburse transit systems for expenses to transport evacuees out of harm's way and to fund the repair or replacement of critical equipment and facilities.

FTA's Emergency Relief Program does not have a standing appropriation and Congress appropriates funds after a disaster occurs. In the absence of an appropriation, transit systems are encouraged to begin preparing reimbursement requests through the Federal Emergency Management Agency's (FEMA) programs. Many of the expenses eligible under the FTA's Emergency Relief Program are also eligible for reimbursement under the FEMA Public Assistance Program. However, once Congress appropriates funds to FTA's Emergency Relief Program, transit systems transfer their reimbursement requests to FTA.

FTA has taken the following actions to facilitate a coordinated transition process and provide the necessary oversight:

- Signed a Memorandum of Agreement with FEMA that describes how FTA and FEMA will coordinate to prevent duplication of reimbursements to transit systems after a disaster;
- Implemented a standard operating procedure to provide advance copies of FTA Emergency Relief grant agreements to FEMA for review of potentially duplicative funding; and
- Established a requirement that transit systems applying for FTA Emergency Relief funds to certify in the grant application that they have not and will not receive funding from FEMA for any projects included in their grant application.

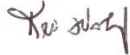
Upon review of the GAO draft report, we concur with the recommendation that FTA identify and develop additional internal controls to address the risk of duplicate funding. FTA has recently updated its procedures to ensure that before obligating an FTA Emergency Relief grant that contains any expenses for which the applicant may have previously requested reimbursement from FEMA, FTA will confirm that FEMA has reviewed the grant and determined there is no

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duplicate funding in the FTA Emergency Relief grant. We will provide a detailed response to this recommendation within 180 days of the final report's issuance.

We appreciate the opportunity to respond to the GAO draft report. Please contact Madeline M. Chulumovich, Director, Audit Relations and Program Improvement, at (202) 366-6512 with any questions.

Sincerely,



Keith Washington
Deputy Assistant Secretary for Administration

Text of Appendix I: Comments from the Department of Transportation

Susan A. Fleming

Director, Physical Infrastructure Issues

U.S. Government Accountability Office (GAO) 441 G Street NW

Washington, DC 20548 Dear Ms. Fleming:

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- Implemented a standard operating procedure to provide advance copies of FTA Emergency Relief grant agreements to FEMA for review of potentially duplicative fu nd i ng ; and
- Established a requirement that transit systems appl yi ng for FTA Emergency Relief funds to certify in the grant application that they have not and will not receive funding from FEMA for any projects included in their appli cation.

Upon review of the GAO draft report, we concur with the recommendation that FTA identify and develop additional internal controls to address the risk of duplicate funding. FTA has recently updated its procedures to ensure that before obligating an FTA Emergency Relief grant that contains any expenses for which the applicant may have previously requested reimbursement from FEMA, FTA will confirm that FEMA has reviewed the grant and determined there is no duplicate funding in the FTA Emergency Relief grant. We will provide a detailed response to this recommendation within 180 days of the final report's issuance.

We appreciate the opportunity to respond to the GAO draft report. Please contact Madeline M. Chulumovich, Director, Audit Relations and Program Improvement, at (202) 366-6512 with any questions.

Sincerely,

Keith Washington

Deputy Assistant Secretary for Administration

Appendix II: Comments from the Department of Homeland Security

U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

October 25, 2019

Susan A. Fleming
Director, Physical Infrastructure Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Re: Management Response to Draft Report GAO-20-85, "EMERGENCY
TRANSPORTATION RELIEF: Federal Transit Administration and FEMA Took
Actions to Coordinate, but Steps Are Needed to Address Risk of Duplicate Funding"

Dear Ms. Fleming:

Thank you for the opportunity to review and comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the U.S. Government Accountability Office's (GAO) work in planning and conducting its review and issuing this report.

The Department is pleased to note GAO's positive recognition that the Federal Emergency Management Agency (FEMA) and the Federal Transit Administration (FTA) have taken important steps to coordinate, including establishing a memorandum of agreement and communications protocols that outline how staff should share information. FEMA is committed to strengthening coordination procedures with FTA, developing methods to more easily identify transit-related funding, and mitigating the risk that both agencies will approve funding for the same expenses in the future.

The draft report contained two recommendations, including one for DHS with which the Department concurs. Attached find our detailed response to the recommendation. Technical comments were previously provided under a separate cover.

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim H. Crumpacker".

JIM H. CRUMPACKER, CIA, CFE
Director
Departmental GAO-OIG Liaison Office

Attachment

**Attachment: Management Response to Recommendation
Contained in GAO-20-85**

The GAO recommended that the Secretary of Homeland Security direct the Administrator of FEMA to:

Recommendation 2: Identify and develop controls to address the risk of duplicate funding, such as methods to more easily identify transit expenses within applications submitted by larger entities such as a city, county, or state government.

Response: Concur. FEMA Recovery and Response Directorate personnel are currently developing enhancements to the Public Assistance Grants Manager (GM) System in order to address the risk of duplicate funding identified by GAO. More specifically, FEMA will implement new functionality to enable data exporting and sorting on the system front-end through a system filter to make transit-related damages easier to access and identify. FEMA will also improve tracking of FTA federal assistance and funding. Improved tracking within GM will more clearly identify which projects have already received federal assistance from FTA and help avoid duplicative funding in the future. Estimated Completion Date: September 30, 2020.

Appendix II: Comments from the Department of Homeland Security

Page 1

October 25, 2019

Susan A. Fleming

Director, Physical Infrastructure Issues

U.S. Government Accountability Office 441 G Street, NW

Washington, DC 20548

U.S. Department of Homeland Security Washington. DC 20528

Homeland Security

Re: Management Response to Draft Report GAO-20-85, "EMERGENCY
TRANSPORTATION RELIEF: Federal Transit Administration and FEMA Took Actions
to Coordinate, but Steps Are Needed to Address Risk of Duplicate Funding"

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Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions.

Sincerely

Jim H. Crumpacker

Director

Departmental GAO-OIG Liason Officer

Page 2

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Response: Concur.

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Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Susan Fleming, (202) 512-2834 or flemings@gao.gov

Staff Acknowledgments

In addition to the contact named above, Steve Cohen (Assistant Director); Crystal Huggins (Analyst in Charge); Matt Cook; Christopher Currie; Danielle Ellington; Susan Irving; Kathryn Godfrey; Janet McKelvey; Cheryl Peterson; Brenda Rabinowitz; Malika Rice; Amy Rosewarne; Rebecca Shea; Joe Thompson; Matthew Valenta; and Elizabeth Wood made key contributions to this report.

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