FEMA and the Merger with DHS: Did it Impact FEMA's Autonomy and Performance?

by

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This dissertation is dedicated to my wife Stacey, daughters Teagan and Bridget and son Matthew, without whose undaunted love and support I would not have completed this program and dissertation.
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# ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>CDC</td>
<td>Centers for Disease Control and Prevention</td>
</tr>
<tr>
<td>CG</td>
<td>Coast Guard</td>
</tr>
<tr>
<td>CPSC</td>
<td>Consumer Protection Safety Commission</td>
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<tr>
<td>DHS</td>
<td>Department of Homeland Security</td>
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<tr>
<td>DOD</td>
<td>Department of Defense</td>
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<tr>
<td>DRF</td>
<td>Disaster Relief Fund</td>
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<tr>
<td>EPA</td>
<td>Environmental Protection Agency</td>
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<tr>
<td>FAA</td>
<td>Federal Aviation Administration</td>
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<tr>
<td>FCO</td>
<td>Federal Coordinating Officer</td>
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<td>FDIC</td>
<td>Federal Deposit Insurance Corporation</td>
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<td>FEMA</td>
<td>Federal Emergency Management Agency</td>
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<tr>
<td>FRP</td>
<td>Federal Response Plan</td>
</tr>
<tr>
<td>GAO</td>
<td>U.S. Government Accountability Office</td>
</tr>
<tr>
<td>HHS</td>
<td>Department of Health and Human Services</td>
</tr>
<tr>
<td>HQ</td>
<td>Headquarters</td>
</tr>
<tr>
<td>HS</td>
<td>Homeland Security</td>
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<tr>
<td>HUD</td>
<td>Department of Housing and Urban Development</td>
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<tr>
<td>IRS</td>
<td>Internal Revenue Service</td>
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<tr>
<td>NIMS</td>
<td>National Incident Management System</td>
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<td>NRF</td>
<td>National Response Framework</td>
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<tr>
<td>NRP</td>
<td>National Response Plan</td>
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<tr>
<td>OCC</td>
<td>Office of the Comptroller of the Currency</td>
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<td>ODP</td>
<td>Office of Domestic Preparedness</td>
</tr>
<tr>
<td>OHS</td>
<td>Office of Homeland Security</td>
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### ABBREVIATIONS (CONTINUED)

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>OMB</td>
<td>Office of Management and Budget</td>
</tr>
<tr>
<td>OSHA</td>
<td>Occupational Safety and Health Administration</td>
</tr>
<tr>
<td>PFO</td>
<td>Principal Federal Officer</td>
</tr>
<tr>
<td>POTUS</td>
<td>President of the United States</td>
</tr>
<tr>
<td>PT&amp;E</td>
<td>Preparedness Training and Exercise</td>
</tr>
<tr>
<td>RR&amp;R</td>
<td>Response Recovery and Readiness</td>
</tr>
<tr>
<td>SES</td>
<td>Senior Executive Service</td>
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<td>SS</td>
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SUMMARY

The Federal Emergency Management Agency was created by the Carter Administration in 1979 with the idea of bringing all emergency management functions in the federal government under one agency. In 2002, FEMA was moved, along with 22 other agencies, into the newly-created Department of Homeland Security (DHS). When FEMA was merged into DHS, the FEMA director lost the cabinet-level position held under the Clinton administration.

This study examines whether the change in authority structure and specifically the reporting relationship at FEMA resulting from the merger with the Department of Homeland Security affected FEMA’s autonomy and its ability to perform. In order to understand the relationship between autonomy and performance as well as the impact of a change in reporting relationship on agency autonomy, it is necessary to identify the elements that determine agency autonomy. A meta-model outlining the relationship between reporting relationship, autonomy and performance is developed based on the existing literature and the FEMA experience. Propositions are presented and discussed based on the meta-model. Data obtained through interviews of former FEMA officials, DHS officials, and state and local officials, along with archival data, is used to understand the FEMA experience.

The results of this study indicate that a change in reporting relationship can affect other formal structural elements which can have an impact on autonomy and performance. This study also illustrates that informal elements of autonomy are impacted by a change of reporting relationship and that these elements also impact autonomy and performance. A conclusion of this study is that the merger of FEMA into DHS caused FEMA to lose a degree of autonomy.
This loss of autonomy compromised FEMA’s ability to respond swiftly, efficiently and effectively to emergency disasters.

This study adds to the theory and literature on agency autonomy by showing the importance of reporting relationship as a component of autonomy. It also provides a contribution to the literature on the link between autonomy and performance. There is not a linear relationship between autonomy and performance but rather, autonomy acts as enabler of better performance. Additionally a change in reporting relationship appears to have had a disproportionate impact on autonomy as compared to that of other informal and formal elements.
I. Introduction

A. Background

Pursuant to an executive order by President Jimmy Carter, the Federal Emergency Management Agency (FEMA) was created in 1979. The executive order merged many separate disaster-related agencies into FEMA and the creation of FEMA was intended to strengthen federal leadership in emergency management. FEMA was to provide a single point of contact for state and local governments and was to optimize the use of emergency preparedness and response resources at all levels of government for both natural and man-made disasters (McLoughlin, 1985).

However, FEMA struggled from the onset; it did not have the resources nor the management capacity to implement all of its programs (May, 1985). Constraints such as congressional mandates, deficiencies in technical knowledge, and limited resources hampered FEMA programs.

FEMA continued to struggle with performance through the 1980s and early 1990s. In 1993 the department became a focus of the Clinton administration’s National Performance Review program which had as one objective to make government more efficient and effective. Prior to reinvention, FEMA reported to staff in the White House; after reinvention the head of FEMA reported directly to the president. As a response to the 9/11 terrorist attack, in 2002, FEMA, along with 22 other agencies, was moved into the newly-created U.S. Department of Homeland Security (DHS). The FEMA director lost the cabinet-level position that he had held under the Clinton administration which represented a major change in authority structure for
FEMA. The cabinet-level position went to the Secretary for Homeland Security and the FEMA director reported to an undersecretary within Homeland Security.

This study will examine the operational consequences as FEMA went from an independent agency to an agency within DHS. The primary research question to be investigated in this study is how did the change in authority structure at FEMA and the merger with the Department of Homeland Security affect FEMA’s autonomy and impact its performance? Other research questions are also investigated: What is the relevance of a change in reporting relationship for agency autonomy? Does autonomy have a direct relationship with performance?

To determine what the literature says about these questions, the literatures on the concept of authority structure and agency autonomy will be examined. One body of literature focuses on the elements needed for agency autonomy (Carpenter, 2001; Khademian, 1996; Lewis, 2003; McCubbins, Noll, & Barry, 1989; Meier & Bothe, 2007; Moe, 1989). However, the literature on the effect of a change of reporting relationship on agency autonomy and agency performance is limited. There have been studies of the impact of organizational autonomy on agency performance but there has been little study of the impact of a change in reporting relationship on autonomy and performance. Further, agency autonomy has been most often viewed in the context of relationships with the president and Congress and not in the context of an agency made subject to the control of another agency as a result of a merger.

The issue of FEMA’s structural placement is still a relevant issue. During the 2008 presidential election, candidate Hillary Clinton proposed making FEMA an independent organization again. In December of 2008, Congressman James Oberstar, Chairman of the House Committee on Transportation and Infrastructure submitted a memorandum to President-
elect Barack Obama, recommending that the Federal Emergency Management Agency (FEMA) be reinstated as an independent, cabinet-level agency reporting directly to the president. That same month, Congressman Bennie Thompson, Chairman of the House Homeland Security Committee, recommended the opposite, that FEMA remain a part of the Department of Homeland Security (DHS), warning that (DHS, 2009),

“FEMA removal from DHS would likely result in the hamstringing of federal grants, preparedness, and efforts to coordinate with state and local emergency managers. It would also likely undermine our ability to mount an effective response to disasters. Instead, our efforts must be focused on providing FEMA with needed resources and the organizational structure to perform successfully from within the DHS.”

In 2009 the Inspector General of the Department of Homeland Security issued a report for incoming DHS Secretary Janet Napolitano describing the issues at hand and concluding that it was better to keep FEMA in DHS and let the changes of the Post-Katrina Reform Act take hold (DHS, 2009). In the 2012 presidential race the issue of the viability of FEMA again came up between the candidates and FEMA’s performance during the response to Hurricane Sandy remains to be studied.

B. The Current Study

This dissertation will use the case study of FEMA’s merger into DHS to examine how the change in reporting relationship as a result of the merger impacted FEMA’s autonomy and performance. This is an exploratory case study which includes the study of archival data and interviews of personnel at FEMA or associated with FEMA prior to and after the merger. An exploratory case study is meant to open up the door for further examination of the phenomenon
observed (Yin, 2003). Specifically for this dissertation the exploratory case study allows for the development of propositions relating to authority structure, autonomy and performance.

C. **Statement of the Problem**

FEMA generally produced positive performance results when it was an independent agency during the Clinton administration. After the merger with DHS and its loss of independence, FEMA struggled with its performance.\(^\text{1}\) To date no study has documented the multiple changes and adjustments at FEMA as a result of its change of reporting relationship when it was merged into DHS. Previous studies have examined FEMA and its success during the Clinton years (d'Almeida & Klingner, 2008; Roberts, 2006a). However, there has been no study that has examined FEMA’s transition to DHS and the impact of the change in reporting relationship on agency autonomy and performance. Understanding these factors can provide greater insight into agency reorganizations in the future and provide a greater understanding of the elements that affect agency autonomy.

D. **Significance of the Problem**

The Department of Homeland Security was created in response to the security concerns highlighted by the 9/11 attacks and was the biggest federal reorganization since the National Security Act of 1947. The Department of Homeland Security was created by an act of Congress merging 22 separate and distinct agencies (NAPA, 2003). The merging of these 22 agencies into one organization within the federal bureaucracy created a host of challenges that had to be

\(^{1}\) Under James Lee Witt during the Clinton years, FEMA responded well to emergencies and was considered a model-reinvented agency. After the merger with DHS, FEMA had mixed results during the 2004 hurricanes and performed poorly in its response to Katrina in 2005. These dynamics will be explored subsequently in this dissertation.
overcome. Each agency, previously with its own mission and culture, was now part of one organization.

FEMA was at the forefront of this merger and had a lot at stake. It was considered to be an organization that had gone through reinvention with positive results. It was an agency that understood its mission and had respect within the emergency management community as well as within the government. Yet without much consideration of this, as a consequence of 9/11 and the recommendations of various government commissions investigating terrorism, FEMA became part of DHS. At the heart of this merger was change in reporting relationship for FEMA.

E. Significance of the Study

Agency structure can have huge consequences for the implementation of public policy and agency effectiveness (Lewis, 2003). A key element in the ability of an organization to achieve its goals is its authority structure. Authority structure is a combination of elements by which an agency can be controlled and its autonomy limited. Reporting relationship is one element of authority structure. Reporting relationship is how the agency reports vertically within the organization. An agency that reports directly to the president is considered to have an independent reporting relationship. An agency that reports vertically through another agency or department is considered to have a dependent reporting relationship. For the purpose of this study FEMA had an independent reporting relationship when it reported directly to the president and a dependent reporting relationship when it was merged into DHS.
Authority structure as a concept is developed from the research of Terry Moe (1989) and David Lewis (2003) into the structural politics that determine agency control. Much of their research on structural politics and agency control is about how Congress and presidents try to control an agency. The elements used for this control, what they define as structural components, include agency head term of office, administrative procedures, budget allocations, reporting relationship, policy coordination and levels of professionally competent staff. These components are categorized here as formal components. This dissertation will single out reporting relationship as the main object of study because the central change in FEMA’s authority structure as a result of the merger with DHS was the change in its reporting relationship. Also, reporting relationship has been a focus of discussion at the policy level after FEMA’s performance during Katrina. The other variables are considered in the context of how they may have been impacted by the change in the reporting relationship at FEMA and how they may have impacted FEMA’s autonomy and performance. FEMA went from an agency with the director reporting to the president to the director reporting two hierarchal levels below the president.

In addition to formal components there are informal components (such as agency culture) that can often have an impact on agency autonomy (Khademian, 1996; Lewis, 2003). Of interest here is how the informal components have been affected by the change in reporting relationship and how they impacted FEMA’s autonomy and performance. These formal and

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2 Authority structure and formal component of authority structure are terms used specifically by this dissertation to categorize the way agencies are controlled. These categorizations come mainly from the work of Moe (1989) and Lewis (2003).
informal components provide a framework for understanding the relationships between agency structure, autonomy and performance at FEMA.

If the goals and the various elements of authority structure are not compatible because of a change in reporting relationship, the original goals and mission of the agency may be altered affecting agency performance (Etzioni, 1959). Changes in the elements of authority structure as a result of the change of reporting relationship can lead to ambiguity of agency mission, inadequate reporting structures and inhibit the ability of the agency to obtain resources to carry out its functions (Horn, 1995). This can affect agency autonomy which can impede an agency’s direction and function.

Agency autonomy and the impact to autonomy as a result of a structural change has been a focus within the public administration literature and warrants further investigation. Herbert Simon and Victor Thompson (1991) stated that there has been little done in public administration to understand agency autonomy; why some agencies are more autonomous than others and what the relationship is between autonomy and performance.

F. Organization of the Report

This report is divided into seven chapters. The first chapter introduces the study, gives the rationale, the purpose, the statement of the problem and its significance. The second chapter focuses on the literature and identifies the elements of agency structure and autonomy. The third chapter provides historical background on FEMA and discusses issues that FEMA has dealt with during reorganization. The fourth chapter outlines the methodology used to gather and analyze data for the study. It includes a discussion of the case study approach and the rationale for
conducting a qualitative study. The fifth chapter presents the results of the in-depth interviews conducted with former FEMA employees, political appointees in FEMA and DHS, and local and state officials involved in emergency management who had interactions with FEMA. It also presents findings from the archival data. The sixth chapter presents a meta-model hypothesizing the relationships between agency reporting relationship, autonomy and performance. Propositions developed from this model are presented and discussed on the implications of the impact of a change in reporting relationship on agency autonomy. Chapter Seven presents the conclusions of this study and reviews alternative explanations of FEMA’s performance as well as directions for future research.
II. Literature Review

A. Overview

The intent of this chapter is to establish the conceptual framework for the study and to identify the theoretical issues associated with a change in authority structure and its impact on agency autonomy. This chapter will determine what the literature says about the relationship between authority structure, autonomy and performance. Included here are the perspectives of agency design, authority structure, and agency autonomy.

B. What is Authority Structure?

Understanding authority structure in the context of agency design and agency control is important and germane because authority structure includes the components used to control the direction of an agency. Structural control establishes the degree to which the entity that has control can change the direction of an agency by non-legislative means. The best way to understand why an agency is too politicized or lacks autonomy is to examine its administrative structure (Lewis, 2003).

Moe (1989) hypothesized that agencies are designed and structured to be controlled and directed by the designer. The designer can be the executive branch, the legislature or special interest groups. These architects of the agency will set it up to be responsive to them and their agenda. This is done by creating controls that will make it difficult to change the agency’s operating elements by opposing factions.
Agency control and structure can have huge consequences for the implementation of public policy (Lewis, 2003). Etzioni (1959) was the first to note the direct link between authority structure, autonomy and performance when he concluded that if goals and authority structure are not compatible, the agency’s performance will be affected. Etzioni (1959) found that that for an organization to perform well the staff needed to have some autonomy which would allow them to determine the agency’s goals. If the authority structure allowed for this autonomy the organization would perform better. Etzioni defined authority structure as the authority relationship between the manager and the staff. This definition is too restrictive for this dissertation because the change at FEMA was a change of reporting relationship at the agency level and not simply in the relationship between managers and employees. The term authority structure can represent a much broader set of elements that impact whether and how outside groups can control agency activity and thereby restrict agency autonomy. The term authority structure going forward in this dissertation is used to describe a combination of elements that are used to determine the control of an agency.

The work of Moe (1989) and Lewis (2003) highlight the elements used by political overseers to control an agency. According to their description, the main motivation of political overseers is to design an agency that is insulated from political opponents and is accessible to proponents to facilitate the fulfillment of the agency’s original mission. However the reality of politics and bureaucracy do not make it that simple. The authority structure usually represents a compromise between agency proponents and opponents because the proponents rarely have

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3 These controls are the construct of authority structure for the purpose of this dissertation.
complete power to design an agency. In addition as an agency matures it will be staffed by more careerists than political appointees and those careerists will begin to develop knowledge and expertise. This will result in the agency beginning to develop autonomy from political overseers.

Moe’s (1989) theory of agency design is relevant to this dissertation because understanding how an agency is designed and controlled leads to a better understanding of the components of authority structure and whether, and to what extent, an agency is able to obtain autonomy.

Moe (1989) looks at three regulatory agencies to determine if they were able to be truly independent as the designers had envisioned. Through case study research he investigates the Consumer Protection Safety Commission, the Occupational Safety and Health Administration (OSHA) and the Environmental Protection Agency (EPA). The Consumer Protection Safety Commission (CPSC) was designed to set policy on and enforce product safety. The commission was initially allowed a relatively high level of independence with a five-commission board appointed for fixed, staggered, seven-year terms. However, during the pro-business Reagan administration, the reviews of the standards changed. Under the new changes CPSC rules were subject to Congressional veto; it was directed by Congress to give precedence to voluntary over mandatory standards; it was required to issue standards in terms of performance requirements rather than product design; and new strict guidelines for rulemaking were imposed. The budget of the agency also was cut by thirty percent, which reduced resources and inhibited its regulatory effectiveness. Moe contends that the agency never had a chance to perform effectively because the structure became too constraining. Though designed as a regulatory agency by Congress the agency never developed a high degree of autonomy because it was subject to political
compromise between interest groups (business and consumer groups) and a presidential desire to control agency direction as well as battles between the House and Senate over its structural design. On the surface, the CPSC would appear have a high degree of autonomy. However despite being independent the Reagan administration used other formal elements (budget, policy direction) to obtain control of the agency. The CPSC example reveals the complex nature of the interrelationships between authority structure and autonomy.

OSHA was designed to develop and enforce federal occupational safety and health regulations. The agency was placed within the Department of Labor and had the authority to set workplace safety standards. However, as a part of the compromise in the design of the agency, the enforcement power was delegated to a three-member independent commission. OSHA initially tried to set its own regulations and standards, however, because of influence of the labor unions and the president, the agency was thwarted by both big business and labor. OSHA had been designed so the agency would not be too tight with either big business or with labor. However, Moe (1989) contends that interference by presidents seeking regulatory control and influence in the political process by labor and big business inhibited the agency’s performance because it never had the autonomy to set its own standards. The structural fragmentation resulted in an inability of the agency to set its own administrative procedures and policy direction and since there was no single agency head with the authority to lead the agency (enforcement rested with the independent commission), the agency could not achieve a high degree of autonomy.
The Environmental Protection Agency (EPA) was designed to be headed by a single administrator appointed and removable by the president and directly subordinate to the president in the bureaucratic hierarchy. Therefore, from the beginning, the agency was subject to presidential control. Under President Reagan the EPA became much more constrained as control over policy and rules became centralized in the Office of Management and Budget (OMB). Reagan used his appointment power to further direct the agency. The EPA’s regulatory strategy changed to one of cooperation with business and enforcement responsibilities were delegated to the states. The agency could not set its own policy direction and had to rely on complicated state and local policies for enforcement. It did not have the autonomy to make its own decisions because every decision by legislative design was subject to judicial review.

Moe (1989) contends that the three agencies he studied were designed differently. The CPSC was designed as an independent regulatory commission, OSHA was located in the Labor Department and the EPA was not in a department and was headed by a single administrator. The key factor here is that in each case the reporting relationship of the agency was employed as a method of agency control or a means of limiting control by political overseers. The importance of Moe’s (1989) study to this dissertation is that he presents the elements of authority structure which are used to control an agency. He was able to show that the president and Congress use reporting relationship as well as other elements such as budget, policy and administrative procedures to protect the agency from opponents.4

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4 Moe (1989) concludes that political compromise causes the agency to be ineffective because it has to respond to so many different controls by proponents and opponents that it never is able to do what it was designed. However the key here is that the elements of authority structure are used to control the agency.
David Lewis (2003) also examines how the elements of authority structure serve as a means to control an agency. He examines quantitative data collected on two administrative agencies created in the United States between 1946 and 1997. Through case studies of the National Biological Service and the National Nuclear Security Agency, Lewis (2003) examines how politicians design agencies in order to control and insulate them. Lewis’s (2003) main focus, like Moe’s (1989), is the methods used to ensure control and access to governmental agencies.

In order to measure how politicians design agencies to control them or insulate them from their opponents, he examines the following variables; agency location, independence, governance by board or commission, fixed term and qualification. Through his research Lewis (2003) determines that the president has more of a role in controlling the authority structure elements than either Congress or interest groups. He believes the role of the president is more important in the control of agencies because of the veto power and the president’s position as chief executive and as a unitary actor.

Moe’s (1989) and Lewis’s (2003) research provides a useful basis to understand how authority structure and can impact an agency’s ability to develop autonomy. Lewis identifies as a method of control agency location which is similar to Moe’s reporting relationship. Agency location is chosen to put the agency designer in a position to control the agency’s mandate and direction. An agency with a reporting relationship that allows it greater autonomy will have greater independence. Lewis identifies governance of the agency by board or commission as a design feature which insulates the agency from presidential control. A board or commission
increases the number of actors who must be influenced to change the direction of the agency.\(^5\) Fixed terms, as outlined by Lewis (2003), are similar to Moe’s (1989) agency head term of office. Political appointees who serve for fixed terms are insulated from control since they cannot be removed without cause.\(^6\) Lewis’s (2003) category of qualification refers to specific qualifications or experience that is attached to new appointments.\(^7\) This limits the president’s discretion as to who can be hired.

Moe (1989) and Lewis (2003) both outline the use of authority structure in agency control. However Lewis (2003) argues that Moe (1989) characterizes presidential preferences over structure as a constant. The president will always oppose demands for agency insulation and the Congress and interest groups will often use their majorities to promote agency insulation. The result is often a compromise, between the agency’s proponents and opponents. However, Lewis (2003) determines that this not always the case. He contends that there are other elements in authority structure that impact agency control. For example, Lewis (2003) notes that the president as a singular individual with a stated agenda can have great informal influence over individuals in Congress and interest groups. Congress working as a group with many committees and subcommittees lacks not only the “influential” abilities of the president but also the number of tools the president has to design and direct an agency. Figure 1 shows a graphic of the authority structure elements as presented by Moe (1989) and Lewis (2003).

\(^5\) The Federal Reserve would be an example where there is a board which protects the agency from a single individual.

\(^6\) Federal judges would be an example of this.

\(^7\) The FEMA director is now an example of this. As will be explained later, the Post-Katrina Reform Act required this.
<table>
<thead>
<tr>
<th>Elements of Authority Structure</th>
<th>Formal Elements</th>
<th>Informal Elements</th>
</tr>
</thead>
</table>
| Moe (1989)                     | Reporting Relationship  
                            Agency Head Term of Office  
                            Levels of Professionally Competent Staff  
                            Administrative Procedures  
                            Policy Coordination  
                            Budget Allocation | | |
| Lewis’s (2003)                 | Agency Location  
                            Agency Independence  
                            Governance of Agency  
                            Fixed Term of Agency Head | Presidential Influence |

Figure 1: Moe (1989) and Lewis (2003) Elements of Authority Structure

Moe (1989) and Lewis (2003) have identified the elements of authority structure which are used to limit agency autonomy and make agencies responsive to their political overseers. Both authors look at multiple control elements. However, others have looked at specific elements of authority structure to determine if that element alone led to responsiveness by the agency.

The control of administrative policies is an element of authority structure that can be used to set the direction of an agency. McCubbins, Noll and Weingast (1989) use a case study of the EPA (Environmental Protection Agency) to show that structure and process are strategies used to control bureaucratic behavior. The legislature will manipulate structure and process

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8 As noted previously these elements are budget, reporting relationship, fixed terms, etc..
through detailed administrative policies and procedures to ensure the mandate of the agency is adhered to. This causes the agency to be responsive to the designer and the enacting group. The agency can be delayed in its policymaking and decision making and has to allow the controlling political group time to respond before making major changes.

Wood and Waterman (1991) conducted a study of seven public regulatory agencies to understand the impact of the anti-regulatory pressures applied upon them during the Carter and Reagan years. They found that political appointees represented the most important instrument of authority structure. Agency reorganizations, congressional signals, budgets and legislation were less important.9 In a later study of four programs of the EPA, Wood and Waterman (1993) concluded that the key mechanisms used to control the agency were budget and political appointments. They also identified an informal element, leadership that can influence the agencies’ decisions. Agency leadership can cause the agency to be responsive to political overseers or to move the agency in its own direction. Wood and Waterman (1991, 1993) point to the appointment of the agency head, the control of budget and the control of agency policy decision making as elements that are used to direct an agency and limit its autonomy.

Another study of the initial design attributes of 141 federal administrative agencies created legislatively between 1879 and 1988 found that independence of the agency hierarchy, budget controls, agency leadership style, agency procedures and policies were strong methods by which political designers tried to control and insulate the agency (Wood & Bothe, 2004). For

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9 The regulatory agencies Wood and Waterman (1991) studied were the Equal Employment Opportunity Commission, the Federal Trade Commission, the Nuclear Regulatory Commission, the Food and Drug Administration, the National Highway Traffic Safety Administration, the Office of Surface Mining, and the Environmental Protection Agency.
example, Congress will design an agency with greater independence from the executive to protect it from executive interference. Wood and Bothe (2004) also infer that an agency with fewer controls over it will have greater autonomy and will perform its mission better because of its independence of decision making and its control over budget, policy and administrative features.

Another study has outlined a relationship between a formal element of authority structure, an informal element and their relationship to agency autonomy. Krause and Douglas (2005) found in a study of the Council of Economic Advisers, the Office of Management and Budget, the Congressional Budget Office, and the Federal Reserve, that the informal component of agency reputation was more important in determining agency performance than the formal element of reporting relationship. They contend that agency reputation will enhance performance because of the autonomy it can provide. They found that the reporting relationship did not necessarily lead an agency to perform in a particular way. A conclusion from this study is that both formal and informal elements of authority structure can impact agency autonomy and performance.

Based on this review of the literature, the construct of authority structure can be conceptualized as a combination of elements by which political overseers try to control an agency. Moe’s (1989) research identifies six formal elements of authority structure. Lewis (2003) also identifies formal elements similar to Moe’s but includes in the discussion the informal element of presidential influence. Other authors (McCubbins, Noll and Weingast 1989)

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10 These again are the agency location or reporting relationship in the structure, the agency head term of office or the placement of a political appointee, levels of professionally competent staff, administrative procedures, policy coordination, and budget allocations.
use a specific element of authority structure (administrative procedures) to assess the control of an agency. Research has also shown there are informal aspects of authority structure such as reputation that in some instances can have more of an impact on agency autonomy and performance than the formal elements (Krause & Douglas, 2005).

The authors reviewed in this section focus on elements of agency control and agency design. Autonomy for these authors is considered from the perspective of the agency’s designers. Agency insulation is a method used to design an agency to limit interference by Congress and/or the president.

C. What is Bureaucratic Autonomy and How is it Achieved?

Agency autonomy implies that an agency can control its own direction and is able to operate and function without interference from political entities. The leadership of an agency with autonomy has the ability to make decisions and formulate policy.

Organizational autonomy is discussed in the works of and Herbert Simon and Victor Thompson (Simon & Thompson, 1991). They outline autonomy as organizational self-containment and indicate that for an organization to be effective it must have self-containment or autonomy. The organization can be a master of its own destiny if it has the ability to make decisions on its own without consultation or negotiations with other organizations. In order to have autonomy the organization must have a clear mission and a relatively singular focused goal, whose attainment can be measured and understood. Simon and Thompson (1991) determine that

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11 Simon and Thompson discuss the concept of autonomy in a Society article entitled Public Administration Revisited. The article noted the forty-first year of their seminal publication of Public Administration.
government agencies have difficulty obtaining a clear mission because of pressure from interest
groups and other organizations. Having to answer to many different groups makes it harder for
agencies to gain autonomy.\textsuperscript{12}

To understand whether and to what extent the change in reporting relationship impacted
FEMA’s autonomy, it must be understood what elements make up bureaucratic autonomy.
Therefore, a review of the literature on the topic of how an agency gains autonomy is
appropriate. A seminal piece in the autonomy literature is that of Carpenter’s (2001) theory of
autonomy.

C I. Carpenter’s (2001) Theory of Autonomy

Daniel Carpenter (2001) develops a theory of how autonomy is achieved when
bureaucratic managers are able to control the direction of their agency. The managers do this by
building reputations for their agencies, being innovative, erecting coalitions to support their
favored policies and expanding their organization’s capacity. Autonomy occurs when
bureaucrats take actions consistent with their own wishes and politicians defer to the managers
even though that may not be the action the politicians prefer. Carpenter’s (2001) theory of
agency autonomy identifies three essential conditions for autonomy which are political
differentiation, unique organizational capacities, and political legitimacy.

Carpenter (2001) wanted to identify why some agencies achieve autonomy while others
do not. To understand this Carpenter (2001) studied three government agencies during the
Progressive Era, the Post Office, the Department of Agriculture and the Interior Department. He

\textsuperscript{12} Simon and Thompson indicate this is why privatization of government services has grown.
contended that the Post Office and Department of Agriculture developed autonomy incrementally. However, the Interior Department was not able to develop autonomy.

In looking at the U.S. Department of Agriculture, Carpenter (2001) outlined how bureau chiefs were able to determine the direction of the agency. Gifford Pinchot, the Chief Forester, was able to have all of the nation’s forest reserves transferred from the Department of the Interior to Agriculture. Pinchot was able to do this by influencing friends in professional and scientific circles and through a massive effort to publicize his department’s accomplishments. He was able to form coalitions of stakeholders and convince them of the importance of federal land regulations. Pinchot, through his own entrepreneurship was able to gain additional resources and to direct large land acquisitions despite the absence of direct involvement by Congress. The agency made the decision on the acquisitions and was able to make it happen because Pinchot identified the opportunity, formed the networks and generated the public support to make it happen. Similarly, Harvey Wiley, head of the Department of Agriculture’s Bureau of Chemistry, was able to lead a coalition of stakeholders, the public, and Congress through publicity and a constant flood of data from his studies to gain passage of the National Food and Drug Law which was the first national consumer protection legislation. In both cases Carpenter (2001) outlines how the Department of Agriculture bureau chiefs were able to advance their agenda through their use of science and data.

Carpenter (2001) describes bureau chiefs such as Pinchot and Wiley as mezzo-level administrators. Carpenter defines mezzo-level administrators as the middle level bureaucrats within an agency who have official authority, and the capacity to learn about individual
programs and operations. This puts them in a unique position of longevity at the agency, authority and the capacity to innovate. Carpenter (2001) believes mezzo-level administrators are crucial to autonomy because these administrators are central to the organization. At the executive level are department secretaries and their assistants and executive staff; at the mezzo-level are the bureau chiefs and division chiefs; and at the operational level there are the officials who carry out the daily functions of the agency. As the governmental agency develops over time, the mezzo-level administrators are able to gain greater power because the executive-level positions usually are filled by political appointees who are subject to a high rate of turnover. Therefore, these administrators are not at the agency for a sufficient period of time to set forth an agenda and have it sustained. Further, the operational-level employees have little ability to shape agencies because of their location much farther down within the organization. However, the mezzo-level bureau chiefs have the advantage of an organizational position where they can influence policy and resources. The mezzo-level bureaucrats have durability afforded by the agency structure as well as the ability to learn and innovate.\textsuperscript{13} The hierarchical structure of many bureaucracies leaves the middle managers in the best position to experiment, learn and innovate.\textsuperscript{14}

\textsuperscript{13} As compared to political appointees, the mezzo level chiefs can have a long career within an agency and during that time have the ability to steer the agency in the direction they desire through the manipulation of policy. If they are successful in marshalling the public support and technical support behind the agency, they can move forward with their own plans despite what Congress and/or the president may want.

\textsuperscript{14} Although Carpenter determines that mezzo-level administrators have the ability to innovate and experiment he fails to account for the significance of the reporting relationship. Reporting layers can thwart mezzo-level administrators’ ability to innovate experiment as he later describes in the Department of Interior and appears to be the case with FEMA when it became part of DHS.
The Department of Agriculture was able to form strong coalitions and multiple network ties by developing allies from various regions across the country. The agricultural extension system with offices across the nation afforded the department the ability to build alliances for food and nutrition safety as well as forestry conservation. These networks included women’s federations, conservation groups, and professional organizations, which gave the department a vast amount of support and respect and allowed the department to establish legitimacy. Through what Carpenter (2001) describes as organizational brokerage which is organizational centrality combined with a monopoly on agricultural policy formation, the Department of Agriculture was able to solidify its autonomy. Carpenter (2001) implicitly indicates that autonomy is not necessarily a function of authority structure but is a function of relationships and authority structure is the enabler for these relationships.

Carpenter (2001) next researched the Post Office and found that during the 1800s the Post Office was a loose network of locally-contracted operations. However, after the Civil War, the agency slowly expanded its national footprint through the Railway Mail Service. It slowly shed the patronage system which had weighted it down and this allowed the development of mezzo-level administrators. These administrators were able to slowly innovate and experiment to achieve centralization, program innovation and cost efficiencies. They were able to establish strong relationships between the office in Washington D.C. and the most remote rural post office. They launched free rural mail service which brought the mail service to just about every American home and established the local postmaster as the center of rural postal politics. This created more postal demand leading to profits at the agency as well as advocacy among many local communities. The administrators began postal savings banks and were able to obtain
control of the nation’s parcel post service from the private carriers, further solidifying their networks.

The agency grew through innovation and experiments which led to a greater capacity for management. Congress could not micromanage the agency because the vast administrative expansion of the system allowed the agency to dictate every aspect of its rural operations. As the agency expanded, all new routes required approval by the department. Since demand for routes outstripped supply, it was not possible for Congress to legislate routes and all routes were under the control of the Post Office. As the postal service gained capacity, networks, and the reputation for good service, it gained autonomy.

Carpenter (2001) examined the Department of Interior during the same time period and concluded that it did not obtain agency autonomy like the Department of Agriculture and the Post Office. Carpenter (2001) contends that the Department of Interior enjoyed autonomy only initially. The agency had been given control of the government’s programs to reclaim the West for agriculture and habitation through irrigation. Interior was given authority over a $100 million reclamation fund which was funded through the sale of public lands and the agency was given full authority to inaugurate new programs, spend money without justification from Congress, and to displace landowners. However, by the time of the First World War, the agency had lost most of its autonomy with regard to the reclamation programs. Carpenter (2001) attributes this loss of autonomy to several factors. The Reclamation Service within Interior overcommitted its resources, starting more projects than it could support, maintain, or monitor.

\[15\] The Post Office assumed control over route maps, recruitment of carriers and the termination of fourth-class post offices.
The Service failed to plan for sustainable agriculture, neglecting to test soil and to provide advice for local farmers. They also failed to develop political support and local stakeholder and professional association support in the West. These failures did not go unnoticed by Congress as Interior officials were called in front of Congress to explain why their reclamation programs had stagnated.

Carpenter (2001) attributes the inability of Interior to have success and maintain autonomy to the fact that the structure within the Department of the Interior did not permit entrepreneurialism. There were twelve divisions with divisional supervisors which had authority over the bureaus within the department.\textsuperscript{16} The bureau chiefs could only communicate to the Secretary of Interior through the division chiefs. The division heads were an extra layer of clerical administration without scientific, technical, or administrative knowledge or training. Since the bureau chiefs could only communicate to the secretary through the division clerical supervisors, it was difficult for them to sell programs and suggest innovation.\textsuperscript{17} They were also prohibited from communicating directly with other administrative agencies of the government. This structure reduced the incentive for the bureau chiefs to suggest changes and to stay motivated. It also restricted the mezzo-level administrators’ discretion and incentive to innovate. The bureau chiefs were unable to form strong coalitions around their ideas and programs. This

\textsuperscript{16} The bureaus consisted of the General Land Office, Reclamation Service, Geological Survey, Patent Office, Indian Affairs, and Pension Office. The eight divisions included Assistant Attorney General’s Office, Special Land and Indian Inspectors, Chief Clerk and Buildings, Finance Division, Appointment Division, Custodian’s Division, Stationary and Printing Division and Document Division.

\textsuperscript{17} This would suggest that the reporting relationship impacted autonomy because the Department of Interior mezzo-level administrators had another layer to report through which inhibited their ability to innovate and experiment. This appears similar to FEMA’s mezzo-level administrators who had to report through a layer of bureaucrats and political appointees with in DHS.
would suggest that structural constraints impacted the ability of the Reclamation Service to carry out its policies.

According to Carpenter (2001) the Department of Agriculture and the Post Office obtained autonomy by slowly developing unique organizational capacities and political legitimacy. The Department of Interior was not able to achieve these elements because the mezzo-level administrators were constrained in their ability to be entrepreneurial and innovative.

From this research Carpenter (2001) developed his theory of bureaucratic autonomy which is outlined in Figure 2. Agency autonomy is comprised of three essential conditions: political differentiation, unique organizational capacities, and political legitimacy.

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<td>Multiple Networks</td>
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<td>Program Coalitions</td>
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**Figure 2: Carpenter's Conditions for Bureaucratic Autonomy**
Carpenter (2001) determines that the first condition for autonomy is political
differentiation. Political differentiation is when an agency has unique preferences, interests, and
ideologies which diverge from those of politicians and organized interests.

The second condition outlined by Carpenter (2001) is organizational capacity. This
refers to an agency developing capacities to analyze information, create new programs, solve
problems, plan, administer programs with efficiency, and to ward off corruption.

Carpenter’s (2001) third condition is that an agency receives political legitimacy or
strong organizational reputations within an independent power base. Autonomy comes when the
political authorities and citizens trust the agency to achieve positive results and get the job done,
especially if there is the belief that this cannot be achieved through other entities within the
government.

Carpenter’s (2001) work is considered one of the seminal works on autonomy. He
outlines both formal and informal elements needed for an agency to achieve autonomy.
Carpenter looks at autonomy from the agency perspective whereas Moe (1989) and Lewis (2003)
look at autonomy through the perspective of the political overseers and by their ability to control
an agency.

C II. Autonomy and Performance

The relationship between agency autonomy and agency performance has also been
investigated to determine whether an agency which has more autonomy performs better.

Anne Khademian (1996) has studied agency autonomy in order to understand the impact
of autonomy on an agency’s performance. Her goal was to investigate performance at a time
when the National Performance Review was assessing whether there might be efficiencies in consolidating the banking agencies.\textsuperscript{18} She asked the question, does better bureaucratic performance result from granting agencies more autonomy or structuring the oversight of agency activities more rigorously? She investigated the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve and the Office of the Comptroller of the Currency (OCC) to determine what factors lead to better performance. The agencies all had the same mandate, to oversee the banking industry. Yet they all operate differently and Khademian (1996) started by looking at what she calls their character, more commonly called the agency’s culture, because she believed that culture could help explain why the agencies carry out their mandates differently.

Khademian (1996) found that autonomy is contingent upon four factors. First some agencies are granted independence from the political process through their organizational structure. The second factor of autonomy Khademian outlines is the clarity of the mandate given and the extent of the consensus among constituencies on that mandate. The more precise the agency mandate, the broader support the agency will have resulting in greater autonomy for the agency. Third, autonomy depends on how elected officials and other agencies respect an agency’s expertise. If the agency has a history of demonstrating competence, it will have a greater level of autonomy. Fourth, autonomy will be enhanced by the existence of a clear indicator on which elected officials agree that can be used to assess the performance of an agency. An agency with straightforward goals supported by public consensus and with an unambiguous measure of how well it has achieved the goals is likely to have greater autonomy than an agency that labors within a less defined context. Political oversight will be less intrusive

\textsuperscript{18} Her study was conducted when the National Performance Review under Clinton was considering the consolidation or elimination of the banking regulatory agencies.
as elected officials and the public will rely on performance as a measure of success. If the agency’s performance points to mediocre results or failure the agency is more likely to lose autonomy or have a challenge to it.

Khademian (1996) explored levels of informal autonomy and the factors that influence them. A clear mandate on which there is consensus provides an agency greater autonomy. A clear and focused mandate allows the agency to adopt a focused course. If Congress does not define a clear mandate and the agency has to develop its own mission from a vague mandate, the agency will have a more difficult road because it must operate in a more constrained manner as it navigates the political landscape and as others try to define the mandate to suit their own ideas.

The FDIC was chartered with a clear measure of performance relating to the solvency of the Bank Insurance Fund. If depositors are protected when a bank fails and the fund remains solvent, political overseers will let the agency make decisions and manage its affairs. The Fed’s performance is determined by the health of the economy, inflation, interest rates and unemployment. However, much of the interpretation of these depends on the agency itself. There might be various interpretations of the indicators but the Fed controls and regulates the money supply so its efforts to sustain autonomy can hinge on its ability to interpret its performance.

Khademian (1996) considers organizational character to be what evolves out of an agency’s efforts to adapt to external expectations while dealing with internal management challenges. Eventually, a character develops as the agency forms formal structures and ways to control its operations through the use of its resources and personnel. This sometimes may come into conflict with Congress and the president and other stakeholders who share similar
responsibilities. The agency will then have to adapt to these external pressures as it tries to expand its independence while not causing alarms in Congress that the agency is taking action regardless of the intent of Congress.

Khademian (1996) also found that structural autonomy had an impact on performance. She looked at the three agencies to determine which had more autonomy and how that autonomy affected their performance. The banking agencies did experience more autonomy than other agencies in the government because they were regulatory agencies.\textsuperscript{19} For example, the OCC’s comptroller had a five-year term which allowed some independence from the White House and was further strengthened because the president had to seek approval from the Senate to remove a comptroller prior to the end of their term. Khademian (1996) also determined that the OCC also was able to experience some autonomy because it was a self-funded agency. Funds were generated through the fees it charged national banks for the administration and supervision of the national banking system. Despite these autonomous features the OCC was the least autonomous of the banking agencies Khademian (1996) examined. This was primarily because the OCC was still a bureau within the Treasury department. The OCC personnel were subject to the same personnel policies and pay scales as other Treasury bureaus such as the Bureau of Alcohol, Tobacco and Firearms and the Internal Revenue Service and the OCC management was subject to Office of Management and Budget for budget policy review.

More autonomous than the OCC, the FDIC was designed as a government corporation to provide insurance to bank depositors and to resolve and liquidate failed institutions.\textsuperscript{20}

\textsuperscript{19} The OCC was the first regulatory agency in the national government.

\textsuperscript{20} The FDIC was established in 1933 during the Depression to restore confidence in the banking system after the failure of 9,000 banks.
Khademian (1996) determined that the FDIC has greater autonomy because it not only is self-funded but reports to a five-member governing board. The board serves five- and six-year terms depending on their position on the board. The board is appointed by the president with confirmation by the Senate and two members of the board are members of the Treasury. Governance by the board gives the FDIC formal independence from the executive and legislative branches and its clear and broadly-supported mandate as well as its expertise in dealing with failing banks provides for more organizational autonomy.\(^{21}\)

The third agency Khademian (1996) looks at, the Federal Reserve (Fed), is also overseen by a board of governors who are appointed by the president and confirmed by the Senate. Members of this board are appointed for fourteen-year, non-renewable terms and members of the executive branch do not sit on the board which allows it structural autonomy from the legislature and president. The Fed also enjoys a self-funding mechanism and the Fed has been given broad support for managing and interpreting the health of the nation’s economy.\(^{22}\)

The effectiveness of the OCC is measured by the health of the national banking system. Khademian (1996) contends that terms used to measure the agency’s performance such as health, stability, safety and soundness of the banking system can be defined in various ways. As an example, industry growth could be seen as fostering competition and thus an indicator of a healthy industry. The OCC pushed for more bank charters with the idea that a large banking industry would be too big to fail. However, a large banking system could be viewed as being too

\(^{21}\) The clear mandate is to provide insurance and oversee the liquidation of failed banks.

\(^{22}\) Khademian (1996) uses self-funding as an additional element of autonomy, because it gives the agency more control over its funds. Self-funding is not considered a part of this study on FEMA, because FEMA is not self-funded. Self-funding is only outlined here, because it is used by Khademian as another indication of autonomy for the regulatory agencies.
risky by creating too many unstable banks. During the 1980s’, the banks under the OCC suffered more failures than those under the supervision of the other two agencies. The OCC came under political scrutiny because of this large number of failures during the 1980s.\textsuperscript{23} This also led to investigative reports by the GAO and intensified the OCC’s reliance on the other two agencies. The OCC had to mount a rebuttal but ultimately some of its autonomy was ceded to the Treasury Department and the Office of Management and Budget which took greater interest and involvement in the agency’s internal operations as the banking crisis went on.

Khademian (1996) determined that organizational structure impacted the OCC’s performance because it was constrained by the Treasury. As a bureau in the Treasury Department the OCC was subject to more oversight of its operations by the Treasury resulting in less autonomy. The agency’s struggle to identify meaningful ways to assess its performance also made it less autonomous.

Khademian (1996) determined that agency autonomy is partially contingent on the agency’s formal position in the federal organizational chart; that is, who it reports to, how it is funded and what federal rules govern its management systems. She also notes that structural autonomy does not guarantee an autonomous existence. Autonomy is also contingent on the consensus on the clarity of the agency’s mandate, if it has a monopoly on expertise valued by political overseers and whether there is a clear and understandable measure of agency performance that motivates agency personnel.

\textsuperscript{23} The bank failures under the OCC’s supervision resulted in 67 percent of the losses to the Bank Insurance Fund between 1986-1991.
Khademian (1996) also comes to a conclusion that agency autonomy is directly linked to the development of agency character or culture. The agency’s culture works to enhance or maintain an agency’s autonomy as the agency strives to meet its performance expectations. However, Khademian (1996) notes the ability of culture to contribute to the autonomy is contingent upon the formal structural independence of the agency, the clarity of and degree of consensus over organizational mandates, respect for the agency’s expertise, and the presence of a clear measure of organizational performance. If these elements are in place, the agency has a much better ability to generate a culture conducive to autonomy. Organizational structure enables the creation of an environment by which the agency can develop expertise, empower employees and spark innovation that is critical to the agency success.

According to Khademian (1996), organizational structure and provide an impetus for entrepreneurialism and better performance. However, she indicates organizational structure is not the sole factor. Khademian (1996, p.14) states:

An agency with a great deal of formal independence will not necessarily have operational autonomy. If there is little support for its mandate, little respect for its expertise (or competitors with the same expertise), and no indicator that can readily be used to assess its performance, the agency will be very cautiously attuned to the concerns of political overseers, constituents, and possibly other agencies. Its character will reflect its lack of autonomy and it will provide employees with guidelines for balancing such a variety of concerns.

24 Khademian uses the word character when referring to an organization’s culture. She defines character as a set of organizational commitments that define the way work is done within an agency. The commitments represent the organization’s evolved efforts to integrate Congress and the president’s expectations for performance with the organization’s needs to motivate employees and direct their behavior from a central headquarters.
Figure 3 outlines Khademian’s elements of autonomy.

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<th>Type of Autonomy</th>
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<td>Clarity of Mandate</td>
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<tr>
<td>Respect of Agency’s expertise</td>
<td>Informal</td>
</tr>
<tr>
<td>Agency Character (Culture)</td>
<td>Informal</td>
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</tbody>
</table>

**Figure 3: Khademian's Elements of Autonomy**

Wilson (1989) indicates that autonomy is one of the critical elements in the success of a bureaucracy. To be successful the organization has to gain sufficient freedom of action and external political support to permit it to redefine its tasks as it sees best and have the ability to determine its sense of mission. Wilson’s other key to understanding the success of a bureaucracy is how it performs its critical tasks. Wilson notes many who try to improve an organization begin by trying to define or clarify goals. However, government organizations have vague, inconsistent goals and trying to clarify them will lead often lead to disagreements, further mudding the goals. Barnett and Finnemore (2004) contend that agency autonomy is different than the initial discretion an agency receives from the political entity that designs the agency. Discretion is the authority the agency is given through the laws it enforces. Autonomy is when an agency can set its own direction beyond the original legal mandate.
C III. Dimensions of Autonomy

Some authors have identified different dimensions of autonomy. In this study, these dimensions are being examined to determine how they may have changed due to the change of structural reporting relationship.

In a study of public organizations in the Netherlands, Yesilkagit and Thiel (2008) found that the relationships between the concepts of autonomy and agency control are more complex and less straightforward than generally thought. They identify a distinction between what they call formal autonomy and de facto autonomy. They identify formal autonomy as the legal mandate given to the agency through its structural placement by the political designer. The de facto autonomy is comprised of elements such as agency culture and is influenced by groups external to the formal line of authority. Yesilkagit and Thiel (2008) found that formal autonomy does not necessarily reinforce de facto autonomy. They conclude that external interest groups will try to influence the organization where de facto autonomy exists because there is an absence of strong political control and the interest groups believe they will have a better chance of influencing the organization.

In another study Hammond and Knott (1996) investigate the link between agency control and autonomy as it relates to a behavioral pattern in a multi-institutional framework. They question whether the president or Congress has more control over agency direction and how the agency head responds to the organizational constraints imposed on them. They develop a model that incorporates historical data from committees in the House and Senate, the legal restrictions placed on agencies by the courts and presidential policy making. Hammond and Knott wanted to
look at the House and Senate separately because they felt previous studies of agency control had only looked at Congress as a whole. Their study concludes that autonomy is a contingent matter and that control of the bureaucracy is a function of the interaction between the president, Congress and the courts. For some agencies these interactions lead to greater autonomy, for others to little autonomy; thus, there is no reason to expect all agencies to be constrained to the same degree. They conclude that control of bureaucracy is a systemic matter where the president and the House and Senate collectively control the bureaucracy and determine autonomy. The importance of their conclusions to this study is that the reporting relationship for the agency may not be the sole controlling factor. Interactions with other stakeholders (in the case of FEMA, Congress, other federal agencies and the states) could have an impact on agency autonomy.  

Kim (2008) extends the study of Hammond and Knott (1996) by including field officials of an agency in her research rather than just focusing on how the agency head responds to political constraints to determine if the elements of autonomy are a linear or multi-dimensional. Kim (2008) establishes that agency autonomy and structural control are not necessarily dichotomous opposites. She investigates the enforcement activities of the Occupational Safety and Health Administration (OSHA). She contends that previous research on multi-institutional research was limited because it assumed a linear relationship between the separate institutions and bureaucratic behavior by focusing attention on only one aspect of bureaucratic behavior, levels of policy outputs. Kim (2008) concludes that policy conflicts among stakeholders who have authority over an agency (she cites the president, House and Senate) create institutional

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25 This study highlights that there are many factors that can influence autonomy of an agency not just one singular linear relationship.
conditions in which bureaucrats can choose alternatives from a range of potential options. The boundary of policy options is increased for the bureaucratic agents as a consequence of the conflict between the various institutions trying to control the agency. These conflicting interactions among the institutions create conditions under which the bureaucrats at the agency can simultaneously exhibit the behavioral aspects of political control and bureaucratic autonomy by exhibiting each behavior when it benefits their agency the most. Kim’s (2008) conclusions could also apply to an agency’s authority structure and reporting relationship. Kim’s conclusions tend to support the idea that an agency’s relationships between its authority structure and autonomy are not linear and are not solely based on structural factors.

Verhoest et al. (2004) finds that many studies of autonomy and performance only examined the formal legal status of the organization. Their research indicates that looking only at one measure of formal autonomy was not sufficient because one organization did not always reflect the same attributes of autonomy as another. Verhoest et al. (2004) studies six dimensions of agency autonomy: managerial, policy, structural, financial, legal and interventional autonomy. The significance of this study is that the relationship between autonomy and performance is not solely predicated by the formal structural attributes but also must include the informal components of autonomy. Verhoest et al. (2004) refer to these informal components as influencers, which are just as important to the relationship between autonomy and performance as are the formal attributes. This conclusion is important to this study of FEMA, because the

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26 Verhoest et al. (2004) describes interventional autonomy as the control by influencing the agencies’ decisions by the means of reporting requirements, evaluation and auditing provisions against externally set goals and norms and by sanctions or direct interventions.
same model, the use of formal and informal components, is being used to determine the impact of the reporting relationship on FEMA’s autonomy and performance.

Devin Caughey, Sara Chatfield and Adam Cohon (2009) present a concept for mapping and measuring bureaucratic autonomy. They propose a variety of indicators to measure autonomy. They believe autonomy cannot be based on the formal relationship between a political entity and the agency. They divide autonomy into formal and informal components. Formal autonomy is the capacity to translate goals into action and the informal component is the ability for independent goal formation. They measure formal autonomy with indicators such as qualified staff, sources of information, investigative powers, sufficient budget resources and legal mandate. They measure informal autonomy through agency identity, stability of the career staff, leadership of the agency, politicization of the agency (number of political appointees), reputation, external relationships and services provided by the agency. They develop a model, which conceptualizes autonomy not as a single measure or quantity but as the ability of the actors to interact with each other as they strive for their preferred goals. Figure 4 outlines the work of the authors who have shown autonomy to consist of many dimensions both formal and informal. That these autonomy elements often interact with each other shows that the relationships are not simple but are complex.

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27 If the agency provides a critical service or function to the public, the political entities may be reluctant to cut budgets or other resources, thus enhancing the agency’s autonomy by function provided.
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**Figure 4: Dimensions of Autonomy, Formal and Informal**

The literature reviewed in this section highlights how both formal and informal elements interact with each other to create an autonomous agency. This approach is different than those of Moe (1989) and Lewis (2003) who look at autonomy from a control perspective which consists of mainly of formal elements. The multiple dimensions perspective also is somewhat different from Carpenter’s (2001) and Khademian’s (1996) work on autonomy. They both recognize that both formal and informal elements are needed to achieve autonomy. They each develop a list of
specific elements for autonomy. However they do not account for the interactions among these elements which lead to autonomy.

C IV. **Reputation as an Informal Element of Autonomy**

Other studies have concentrated on reputation as an informal element of autonomy. One such study looks specifically at how FEMA’s reputation was affected by the merger with DHS. Roberts (2006a) makes the argument that FEMA developed a reputation which allowed it to be successful under James Witt and then lost it once it became part of DHS. Roberts (2006a) agrees with Carpenter (2001) that reputation is the development of a belief among politicians and the public in an agency’s ability to anticipate and address the public’s needs. Roberts (2006) differs from Carpenter (2001) in his view that agencies require different ingredients to obtain a reputation. He contends that contemporary agencies can develop a reputation with a connection to a mature or maturing profession which compensates for the support and information once provided by what Carpenter (2001) identified as the rise of the Progressive Era associations.28

Roberts (2006) argues that a good reputation by itself does not ensure future success. Contemporary agencies’ reputational-based autonomy is much more tenuous and unstable than it was for the Progressive Era agencies Carpenter (2001) analyzes. However, as Roberts’s notes, that is not the case anymore for contemporary agencies (2006a, pp. 86-87):

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28 The emergency management profession matured in the 1980s and 1990s, which FEMA built on, and the profession, as it gained more knowledge and expertise along with FEMA through 1990s, supported each other. This allowed for the increase in knowledge for what FEMA’s mission was and enhanced its reputation, because the experts in the profession believed it.
Presidents and members of Congress have more devices for political control available today. Large White House staffs vet and keep tabs on political appointees; performance assessment tools condense information on agency behavior; and media act as conduits for information about agency performance, especially information about scandal or unusually subpar performance. Furthermore, presidents, now unmoored from party discipline, remake agencies according to their own agendas, making it difficult though not impossible for a single agency to build autonomy that lasts past a single administration.

Carpenter (2001) showed how Progressive Era bureaucrats used moral legitimacy to gain public support outside of Congress. Today, most agencies cannot capture the moral high ground. For these agencies, the partnership-style of autonomy exemplified by FEMA during the Witt era might serve as a model. In this style, agencies do not seek insulation from politics in order to act independently. They try to influence the preferences of politicians. Roberts (2006) indicates that this is a particularly hard road to travel because each governing coalition in Congress and the White House must be convinced to abandon its initial preferences and adopt the agency’s understanding of its own policy environment. Though this may be a difficult path, a constantly renewed partnership between pivotal politicians and agencies initiated by the administrative officials might be the best way to produce innovative and successful bureaucracies in a politicized environment. Roberts also believes that for a contemporary agency to be successful at reputation-based autonomy it will have to diverge from the path Carpenter (2001) outlined. For contemporary agencies, reputation is made primarily on the basis of major and often singular events. Hurricane Katrina illustrated an example of this singular type of event, and it showed how politicians can lose public trust.
D. Reporting Relationship and Autonomy

As previously stated this dissertation focuses on the impact of reporting relationship on autonomy and how it interacts with the other elements of autonomy. Therefore it is important to summarize the literature outlined in the previous sections and how those authors consider reporting relationship as an element in describing agency autonomy.

Moe (1989) and Lewis (2003) identify reporting relationship as a formal element of agency control by political overseers. They believe that structure is a key element of agency control. They determine that one of the ways an agency is controlled by political overseers and is protected from opponents is through its reporting structure. For example the president who wants to control an agency and limit its influence from Congress will want the agency to report through the executive branch.

Carpenter (2001) does not single out organizational structure as an element of autonomy even though he implicitly discusses how organizational structure was one of the reasons the Department of Interior was unable to gain autonomy. Specifically, he describes how the bureau chiefs in the Department of Interior could only communicate to the Secretary of the Interior through clerical supervisors, so it was hard for them to sell their programs or ideas. The bureau chiefs also were not permitted by Interior to communicate directly with other government agencies which stymied any attempts to build networks and coalitions. As Carpenter (2001, p. 327) noted:

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29 Carpenter diverges from Moe (1989) and Lewis (2003) here because they account for structure as the major element by which an agency has is controlled and ultimately has autonomy.
Shackled by the Interior Department’s organizational structure, which inhibited innovation and experiment, and the restrictions it placed on its own bureaus, the service administered projects with multiyear delays in construction and contracting and regularly transgressed its early cost estimates by 300 or 400 percent.

This is compared to the other two organizations he examined, the Post Office and Department of Agriculture where the bureau chiefs had the freedom to develop networks and coalitions and be entrepreneurial which contributed to their autonomy.

Carpenter (2001) differs from Moe (1989) when describing the importance of organizational design. Carpenter argues that agencies cannot automatically succeed even with a favorable reporting structure. Innovation and planning capacity arise only when long-term and tenured bureau chiefs could draw on the technical and programmatic expertise regardless of structure. Carpenter describes that networks were instrumental in achieving agency autonomy and that organizational design was irrelevant to the emergence of these networks. Carpenter also outlined how collaborative work environments and communication which are needed for innovative and entrepreneurial behavior among mezzo-level administrators were not contingent upon the organizational structure.

The difference between Khademian’s (1996) theory of agency autonomy and Carpenter’s (2001) with regard to the role of organizational structure relates to the causal relationship between structure and autonomy. Unlike Carpenter, Khademian believes that organizational structure is a component of autonomy. She outlines that organizational structure is intertwined with the other components but that the proper organizational structure is an important factor for an agency to develop autonomy. Khademian believes that structure is a necessary but not sufficient condition for autonomy.
E. What are the Gaps in the Literature on Change in Authority Structure, Reporting Relationships and Autonomy?


The literature on agency autonomy has focused on the components that are necessary for an agency to become autonomous (Carpenter, 2001; Khademian, 1996; Meier & Bothe, 2007). It has also focused on a multidimensional approach to agency autonomy (Caughey et al., 2009; Kim, 2008; Verhoest et al., 2004; Yesilkagit, 2004). The literature is limited to the study of existing organizations within a static organizational structure (Khademian, 1996). The literature does not sufficiently address how agency autonomy is affected when the agency experiences a change in authority structure as a result of a merger or reorganization. Further, the literature is limited with respect to how the change in reporting relationship affects multiple formal and informal components that each separately or as a whole impacts the agency’s autonomy and performance.

The relationships between authority structure, reporting relationship and autonomy are complicated. As has been described there is not a consistent view with respect to these

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30 This is becoming more important, because reorganization has become a favorite tool used by presidents to get their agenda or policies in place (Maynard-Moody, Stull, & Mitchell, 1986; Salamon, 1981).

This dissertation will examine these relationships more thoroughly including how the reporting relationship impacts both the formal and informal elements of autonomy and how the reporting relationship interact with the other elements of authority structure. This study will also build on the previous research regarding the relationships between structure, autonomy and performance through an examination of the FEMA experience.

None of the studies cited have examined the impact of a change of reporting relationship where an agency moves from one hierarchal level to another. This study will provide a contribution to the literature by examining the consequences of a change where an agency makes a vertical move structurally and becomes subservient to another executive branch agency.

F. Summary of the Literature

Moe (1989) and Lewis (2003) suggest a direct relationship between formal organizational elements and agency autonomy. They investigate autonomy through the frame of political principals seeking control of the agency.\(^{31}\) The formal elements identified include reporting relationship, agency head term of office, administrative procedures, policy coordination, budget

\(^{31}\) The political principles are the president and Congress.
and professionally competent staff. These elements are used by the political principals to limit an agency’s autonomy or, if they are supportive of the agency’s mission, to protect the agency from interference by others including the president. Other studies support the Moe (1989) and Lewis (2003) contention that these formal elements can be invoked to limit agency autonomy (Bendor, Serge, & Van Gaalen, 1987; Krause & Douglas, 2005; Lewis, 2003; McCubbins et al., 1989; Meier, 2000; Wood, 1988; Wood & Waterman, 1991, 1993). However, although Lewis (2003) does account for presidential influence as a factor limiting agency autonomy, Moe (1989) and Lewis’s work in general does not take into account informal elements that may affect autonomy and performance.

Carpenter (2001) takes an extensive look at how agencies develop autonomy. In his review of the Departments of Agriculture, Interior and the Post Office he identifies three elements that allow agencies to obtain autonomy, political differentiation, organizational capacity and political legitimacy. In contrast to Moe’s (1989) work which concentrated on the formal elements, Carpenter research focuses on informal elements which impact autonomy such as networks, stakeholders, entrepreneurial leadership and unique ideologies. Carpenter contends that Moe’s formal structural elements of autonomy are not valid because structural elements alone do not guarantee agency autonomy. Rather, autonomy has to develop over time as a consequence of the factors cited above.

In her study of autonomy and performance Khademian (1996) focuses on the combination of formal and informal elements as determinants of autonomy. She found that the more autonomous agencies she studied performed better. Moe (1989) and Carpenter (2001)
implicitly link autonomy and performance in their studies but are not as explicit as is Khademian on this point.

The literature which focuses on the dimensions of autonomy (Caughey et al, 2009, Kim, 2008, Verhoest et al., 2004) concludes that the determinants of autonomy are complex and include both formal and informal elements. These authors conclude that any focus on autonomy which does not include both formal and informal elements is problematic because it does not take into account the complex interrelationships of factors in both categories. Their research shows that no single element will guarantee autonomy and that instead, all of the elements interact together to determine high or low autonomy.

Based on the literature it is evident that a theory of agency autonomy should include both formal and informal organizational elements. In addition there is evidence in Khademian’s (1996) work and implicitly in Moe’s (1989) and Carpenter’s (2001) work that a high level of autonomy can be a contributor to good agency performance. The current study which focuses on the change of reporting relationship at FEMA will assess the relationship between both formal and informal elements and agency autonomy. The relationship between autonomy and performance will also be investigated as will the proposition that high levels of autonomy contribute to good performance.

The next chapter will present a history of FEMA as it relates to its authority structure and more specifically its reporting relationship. Having an understanding of the history of the structural issues associated with FEMA needs to be explored to have a better understanding of
FEMA. This understanding will allow for a better determination of what FEMA was as an organization prior to the merger and whether it had autonomy and how it performed.
III. FEMA

A. Overview

This chapter is designed to provide a context for an examination of how the change of authority structure at FEMA affected FEMA’s autonomy and performance. A historical look at FEMA provides a framework to view how the agency developed over time and how it was affected by structural changes. It allows for the examination of the extent to which FEMA had autonomy prior to the merger with DHS and how FEMA performed prior to the merger. This allows for a determination of whether the change of reporting relationship impacted FEMA’s autonomy and performance. This chapter also provides a historical look at how the elements outlined earlier such as budget and policies were handled under the other reporting relationship and whether the merger with DHS impacted these as well as how these elements impacted FEMA’s autonomy and performance.

B. FEMA 1979-1992

Emergency management in the United States had grown out of civil defense programs of the Cold War. Several of these programs had a function of emergency preparedness and were housed in the Defense Department. At the beginning of the 1960s a series of hurricanes and earthquakes hit the country.32 This prompted the incoming Kennedy administration to create the Office of Emergency Preparedness inside the White House to deal with natural disasters. As the

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1960s continued, an additional series of hurricanes and earthquakes continued to impact the country. \(^{33}\)

As disasters happened the government’s response was somewhat ad hoc, so by the 1970s responsibility for emergency management functions was spread across more than five federal departments. These included the Department of Commerce (weather, warning and fire protection), the General Services Administration (continuity of government, stockpiling and federal preparedness), the Treasury (import investigation), the Nuclear Regulatory Commission (power plants) and Housing and Urban Development (HUD) (flood insurance and disaster relief) (Haddow & Bullock, 2006). The result was a fragmented response to disasters with no one agency in charge and increasing criticism by state and local officials (Popkin, 1990). This led to the National Governors Association (NGA) issuing a report in 1978 calling for a more comprehensive and professional approach to emergency management (*Emergency Preparedness Project, 1978*).

President Jimmy Carter, who had been governor of Georgia was sensitive to the NGA’s report and had an understanding of the problems of federal response from the state perspective. In 1978 the Carter Administration issued Reorganization Plan #3 to strengthen the structure, management and operations of the government’s disaster relief system. The reorganization plan created a new agency, FEMA, which was given the responsibilities for mobilizing federal resources, coordinating federal efforts with state and local governments and managing the efforts of the public and private sectors in disaster response (Schneider, 1995).

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\(^{33}\) The most notable hurricane was Camille that hit the Gulf Coast in 1969.
The creation of FEMA was intended to strengthen federal leadership in emergency management. FEMA was to provide a single point of contact for state and local governments and was to optimize the use of emergency preparedness and response resources at all levels of government for both natural and manmade disasters (McLoughlin, 1985). After Congressional review, FEMA came into existence March 31, 1979.

However, FEMA struggled from the onset. Since it had no originating legislation in Congress, it had no strong support in the budget process. John Macy became the first FEMA director and attempted to consolidate entities which were separated physically and philosophically. Programs focused on nuclear war preparations were combined with flood plain management (Haddow & Bullock, 2006). Despite Macy’s efforts, the individual units continued to operate separately and report to their various Congressional committees.34

An early study on FEMA’s implementation of its policies found that FEMA did not have the resources or the management capacity to implement all of its programs (May, 1985). Challenges such as congressional mandates, deficiencies in technical knowledge and limited resources constrained FEMA programs.

As a result, FEMA focused on policy implementation through a shared governance approach where training and education sessions were conducted with state and sub-national governments. Despite an effort to present and implement the emergency management programs, FEMA began to experience trouble in its inability to adequately respond to major natural crises in the late 1980s and early 1990s. During this time the state and local governments were viewed

34 At the time of its creation, the separate entities that were merged to make FEMA reported to twenty-three separate Congressional committees.
by the public and politicians as the primary source of disaster response and FEMA suffered from an image problem and did not enjoy autonomy.

Louis Giuffrida was appointed FEMA director by Reagan. Giuffrida, a former army general, concentrated on what he knew best, preparation for nuclear attack. Resources were focused on the national security responsibilities of the agency. FEMA had a national security component within one of its small divisions. The National Preparedness Network was charged with developing a classified computer telecommunications network to insure continuity of the government in the event of a nuclear attack. This was developed by FEMA within FEMA’s budget but was eventually subsumed by the Department of Defense. FEMA’s disaster relief personnel could not have access to the network and were even forced to buy consumer walkie talkies in preparation for hurricanes despite the existence of the sophisticated network (Perrow, 2005). Despite an increase in budget during the Reagan years, much of that was being consumed by terrorism activities at the expense of preparation for disaster.\textsuperscript{35} Congress was not able to examine this as the Civil Defense part of FEMA was top secret (Ward, Wamsley, Schroeder, & Robins, 2000). However, a dislike of Giuffrida’s style and questions of FEMA’s preparedness operations persisted, leading Senator Al Gore’s Science and Technology Committee to hold congressional hearings and investigations into senior political leaders at FEMA. This led to Giuffrida’s resignation under a cloud of misuse of government funds (Haddow & Bullock, 2006).

\textsuperscript{35} Perrow (2005) outlines that FEMA was created by Carter with three goals, disaster relief, prevention, and mitigation. The second goal was coping with nuclear attack and national security. He argues that under Reagan the first goal was neglected and starved of resources, while the secondary one flourished and this led to FEMA performance problems. He indicates that this is the same thing that happened under George W. Bush, which led to FEMA’s performance during Katrina.
General Julius Becton replaced Giuffrida, and he was able to restore operational integrity to FEMA and continued his predecessor’s focus on response to nuclear attacks. During the Reagan administration FEMA faced few major natural disasters, so this focus seemed sound. However, Senator Al Gore continued to focus on FEMA’s response abilities and questioned FEMA’s ability to respond to a major earthquake and believed FEMA’s priorities were misplaced. Congress finally passed a major reform of federal disaster policy. The Robert T. Stafford Disaster Relief and Emergency Assistance Act was signed into law November 23, 1988 and amended the Disaster Relief Act of 1974. This act constitutes the statutory authority for most federal disaster response activities especially as they pertain to FEMA and FEMA programs (GAO, 2003b). However, by the end of the 1980s, FEMA was still an agency with morale problems, leadership inconstancies and conflicts with its state and local partners over agency spending and priorities.36

In 1989 Hurricane Hugo hit the Carolinas, causing eighty-five deaths and fifteen billion dollars in damages. FEMA was slow to respond, waiting for state and local officials to request help. Even when they did, FEMA was slow to get resources to the affected areas leading Senator Ernest Hollings from South Carolina to call FEMA “the sorriest bunch of bureaucratic jackasses I have ever worked with” (Roberts, 2006b).

Less than a month later the San Francisco Bay Area was hit with the Loma Prieta earthquake. Damages were high and a few lives were lost. FEMA as an emergency response agency was not prepared to respond. However the state of California had spent the 1980s

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36 The state and local officials were advocating for natural disaster mitigation and preparedness funds to be available at the local level for natural disasters as opposed to national security.
preparing for a natural disaster and specifically an earthquake because they saw FEMA as unwilling to do so. Therefore the state of California was prepared and able to respond effectively during the earthquake.

California's level of preparedness contributed to its ability to respond to the earthquake with relatively few problems. Coincidentally, a FEMA exercise that tested the catastrophic earthquake plan two months before the earthquake contributed greatly to a well-coordinated response. Despite the response efforts, a GAO (1991) report investigated how the federal response effort could have been improved. The report pointed out that standard operating procedures for state emergency-operations centers were inadequate or lacking, that many federal agencies did not have sufficient staff available to perform critical functions adequately, that FEMA's emphasis on war preparedness left many staff ill-prepared to provide services in disasters and that FEMA lacked the ability to provide sufficient emergency-response assistance.

In 1992, Hurricane Andrew hit Florida, and FEMA did not want to repeat Hugo and Loma Prieta, so the agency secured a disaster declaration and sent communication equipment to Dade County prior to the hurricane making land-fall. However, because of the size and scope of the hurricane, the local responders were soon incapacitated. State officials tried to provide support but were unclear what their role was and what they could provide in resources. FEMA did not have the food, water and power to provide the affected areas. Three days after the hurricane struck, the relief efforts were chaotic and disorganized (Roberts, 2006a). President George H.W. Bush, who was in the middle of a presidential campaign removed FEMA as the authority providing the federal response, sent the military to provide assistance and sent his chief
of staff, Andrew Card, to lead the federal response. FEMA was criticized again for a poor response effort. FEMA’s own bureaucratic policies also led to delays.\textsuperscript{37}

In 1992 Congress commissioned the National Academy of Public Administration (NAPA) and the General Accounting Office (GAO) to investigate FEMA in light of its poor performance before, during and after these emergencies (Waugh, 1994). The NAPA report alleged that FEMA had never achieved the goal as identified at its creation in 1979 of serving as a centralized, consolidated and integrated emergency management agency (NAPA, 1993). The shortcomings identified in the study included vague mission statements, an unclear legislative charter, weak or nonexistent management systems, poor application of communications and information technologies and deficient headquarters/field relationships. This report highlighted the fact that although FEMA was the agency that was supposed to be responsible for the federal coordination of disasters, the reality was that the public and politicians did not have the confidence in the agency to be able carry out this responsibility (Sylves, 1994).

The reports also identified FEMA as a political dumping ground for political appointees who were unqualified to meet their obligations. The GAO report noted that FEMA had too many top managers (30) who were political appointees (GAO, 1993). This created a problem where many of the top managers owed allegiance not to the FEMA administrator but to the lawmakers or other influential clientele groups outside of FEMA. This prevented the FEMA directors from forming the culture necessary to identify and gain loyalty to the agency with a sense of mission. The NAPA (1993) report concluded that FEMA must demilitarize because in

\textsuperscript{37} FEMA required forms and training before assistance was given.
1993, thirty-eight percent of its $100 million-dollar budget was dedicated to national security emergencies. Of FEMA’s 3000 employees, 1900 held security clearances which the report noted led to two competing cultures within the agency.

The NAPA (1993) and GAO (1993) reports stated that at the start of the George H.W. Bush Administration, FEMA was an agency with serious organizational problems. The reports concluded that FEMA had only remained functional through the Carter and Reagan administrations because the disasters between 1979 and 1988 were not catastrophic enough to exceed the agency’s limited capacity. The NAPA and GAO studies highlighted four critical organizational problems with FEMA (Daniels & Davis, 2001): inconsistent presidential support, the lack of a coherent set of governing ideas, the constant circumvention of FEMA during emergencies and policies which limited the agency’s ability to anticipate disasters.

By 1988, FEMA was an agency that was more reactive to emergencies rather than an agency that was proactive in planning and preparing for future disasters. FEMA’s reporting assessment and inspection procedures were also noted as inefficient during Hurricanes Hugo and Andrew. During the disasters FEMA employees became overwhelmed and FEMA was viewed as unnecessarily bureaucratic for example by requiring detailed forms for assistance (Schneider, 1992). George H. W. Bush inherited a disaster agency that was underfunded, loosely structured, poorly integrated, overly specialized in national security preparedness and led by a succession of political employees with little emergency management experience (Daniels & Davis, 2001).

The Stafford Disaster and Relief and Emergency Act had required FEMA to coordinate the activities of 26 federal agencies and the Red Cross during emergencies (Daniels & Davis,
2001). Most agencies resisted this outside direction. Without high level support from the president, FEMA found it difficult to achieve rapid response. Because of FEMA’s reporting relationship it had less reliable access to the president's executive authority to guarantee performance.

For example during FEMA’s response to Hurricanes Hugo and Andrew FEMA officials were in place 24 hours prior to landfall, however resources took much longer to deploy. Sufficient quantities of food and clothing did not arrive in Charleston until six days after Hugo’s landfall. Following Hurricane Andrew, FEMA found itself unable to respond quickly, the bulk of the federal aid effort did not arrive until August 29, again six days after the disaster (Daniels & Davis, 2001). Part of the difficulty rested with FEMA’s coordinating function, the Stafford Act required FEMA to coordinate the activities of 26 federal agencies including FEMA the American Red Cross. Most organizations resisted such outside direction. Without top-level presidential support, FEMA found it difficult to achieve rapid response. This poor performance was a result of FEMA’s reporting relationship. Since FEMA did not report directly to the president it did not receive direct presidential support and FEMA was not able to carry out its coordinating function during emergency responses because it did not have backing of the office of the president which caused other organizations to be less responsive to FEMA. This led to poor response time and poor performance. The importance of a reporting relationship direct to president for an agency like FEMA is highlighted in a GOA report (GAO, 1993);

Because the necessary federal response to catastrophic disasters is so fundamentally different bigger and more urgent than to less severe events, the person or organization directing the federal response must explicitly and demonstrably have the authority of the President in managing the disaster. Presidential leadership creates a powerful, meaningful perception
that the federal government recognizes an event is catastrophic, is in control, and is going to use every means necessary to meet the immediate mass care needs of disaster victims. Furthermore, presidential leadership when the federal government is not engaged in responding to a catastrophic disaster creates an ongoing sense of the importance of emergency management responsibilities; this translates into a better commitment to preparedness and response by all the federal agencies involved.

The history of FEMA during this time period (1979-1992) provides a good backdrop to determine how authority structure contributed to FEMA’s struggles. FEMA from its creation was an executive agency reporting to the White House; however, as the NAPA (1993) and GAO (1993) reports highlighted, it did not enjoy consistent presidential support. The FEMA director was a political appointee of the president, but did not report directly to the president and often reported the White House chief of staff. FEMA also had two distinct programs that reported up through the director, which, as the NAPA (1993) and GAO (1993) reports noted, created competing missions. These programs were focused on national security and natural disaster response. During the Reagan and George H.W. Bush presidencies, the preference focused on winning the Cold War, so national security was given greater priority. This ultimately led to the poor performance in response to natural disasters in the late 1980s and early 1990s (Daniels & Davis, 2001).

C. FEMA 1992-2001

The problems in the early 1990s and 1980s led to a demoralized agency staff and undermined public and congressional confidence in FEMA. However, it did create an opportunity for the new president, Bill Clinton, to address these issues when he came into office. FEMA became a candidate for Clinton’s reinventing government program.
The first change Clinton made to FEMA was the installation of a new director, James Witt. Witt was the first FEMA director who had extensive emergency management experience. Following the Clinton mandate to reinvent government, Witt began to change FEMA using his extensive emergency management experience. He set out to make FEMA more proactive in disaster planning as well as to better prepare the agency to respond effectively to disasters.

As a major example of how a change in the authority structure would impact FEMA, Witt got Clinton to raise FEMA to a cabinet-level position. This was a significant change of reporting relationship for FEMA. This allowed the agency direct access to the president and reduced the chance that the FEMA director would be bypassed in an emergency. This created a level of structural autonomy as Witt answered only to the president and he was able to leverage that with other government agencies and within the networks FEMA operated in. Witt was able to get the president to appoint experienced emergency management executives within FEMA. This reduced the number of political appointees without emergency disaster experience who were dumped into the agency. This allowed for the beginning of the development of a staff that was focused together on emergency management, allowing them to develop a consistent culture.

The next major step for Witt was to get FEMA to function more productively. Relying on a bottom-up approach by empowering employees to assist with the development of new strategies and gaining input from state and local emergency officials, the agency developed its first new mission statement in 10 years. From this Witt focused the agency’s future management decisions on six goals related to the mission. These were:

- Create emergency management partnerships with other federal agencies, state and local governments, volunteer organizations and the private sector.
• Establish, in concert with FEMA’s partners, a national emergency system that is comprehensive, risk-based and all-hazards-in approach.

• Make hazard mitigation the foundation of the national emergency management system.

• Provide rapid and effective response to any disaster.

• Strengthen state and local emergency management.

• Revitalize the agency and develop a more effective and involved cadre of FEMA managers, permanent employees and disaster reservists (Daniels & Davis, 2001).

The goals shifted the agency focus from national preparedness for nuclear attack to disaster assistance.

Witt then set out, based on these goals, to restructure FEMA. The new structure reflected a commitment to the basic functions of emergency management: mitigation, preparedness, response and recovery. Witt then moved to a broader interpretation of the Stafford Act. Under the old interpretation, FEMA intervention was not needed until after the disaster and FEMA assumed that the other federal agencies and state and local officials would work together effectively without prior planning (Schneider, 1995). The new structure allowed for the pre-positioning of personnel and resources when there was adequate warning of a disaster. Witt also developed multi-agency response teams, emergency support teams and field assessment teams with the ability to respond within four hours of a disaster (Schneider, 1998).

One of the FEMA goals during reinvention was to decrease disaster costs by refocusing the disaster management system on mitigation by minimizing the probability and scope of future disasters. Witt created a new directorate of mitigation which combined flood plain management,
earthquake hazard reduction, national hurricane, and national dam safety post disaster mitigation programs. The goal was to restructure to create a more proactive response strategy. The restructuring led to the creation of Project Impact, which provided money to build disaster-resistant communities by identifying problems up front and then working with state and local officials to correct the problem (Daniels & Davis, 2001).

Witt also put in place the “all hazards” approach to disaster management. The all hazards approach meant that programs that would enable the agency to respond to all disasters should be given priority over specialized programs (Roberts, 2006). Witt still enabled FEMA to employ earthquake specialists and flood specialists but those programs were limited and FEMA’s role in national security programs was curtailed. FEMA was still responsible for a few national security programs concerned with preserving basic government functions during a time of war but these programs were separated from the rest of the agency. Witt turned FEMA into a streamlined, professional, natural disaster preparation and response agency with a focused mission on the all hazards approach. In focusing on the all hazards approach Witt was able to streamline the core tasks and organize its missions, making FEMA more effective. Finally, Witt set out to improve the image of FEMA through the announcement of new education and training programs. He additionally worked to change the public’s perception of FEMA through the press and worked to establish connections with Congress.

The changes in FEMA as a result of the change in authority structure and the resulting autonomy it afforded FEMA were evident with the severe weather and tornados in the South and Midwest in March of 1997, the L.A. earthquake of 1999 and Hurricane Floyd in 1999. FEMA responded quickly and provided assistance in a short time period. Citizens received money and
temporary housing quickly and FEMA worked well in coordinating the efforts of the state and local agencies (Schneider, 1998). The image and perception of FEMA was changing; it was beginning to be viewed as the agency that can handle disasters and be effective at it. FEMA’s public managers had transformed the agency’s culture as part of the strategy for transforming its mission (Kettl, 2000).

Witt was a good leader and his effective leadership contributed to the reforms made during his tenure at FEMA. However it was more than leadership that contributed to the reforms at FEMA. The change in reporting relationship for FEMA allowed Witt to lead a more effective agency (Haddow & Bullock, 2006; Wise, 2006). The reporting relationship that established the FEMA director as a cabinet-level position reporting only to the president allowed Witt favorable control over the other elements of authority structure. FEMA was able to set a policy direction concentrating on natural disaster response, design the administrative procedures to focus on this policy direction, and design and maintain a budget to implement Witt’s reforms. He also had the freedom to staff FEMA with emergency management professionals rather than political appointees. Witt also had the ability to build a strong culture at FEMA and eventually a strong reputation. The reporting relationship afforded Witt, as a strong leader, the latitude to exercise his leadership skills.

D. Creation of the Department of Homeland Security

The Department of Homeland Security was created to coordinate the government’s homeland security efforts. Consistent with previous government reorganizations, the creation of
the Department of Homeland Security was based on bringing like functions, in this case all emergency management and disaster response functions, into one agency (Kettl, 2004).

The state of national security had been a concern in government even prior to 9/11. Several government commissions were created to study homeland security. The U. S. Commission on National Security Strategy for the 21st Century released their report in February of 2001 seven months prior to the September 11th attacks. The report noted that there was a serious and growing threat to the American homeland from terrorist attacks and, as a result, America needed to make homeland security a priority. It went on to highlight the homeland security response structure of the government as fragmented and inadequate. The task forces recognized that the United States government was poorly organized to design and implement any strategy to protect the homeland. Furthermore, the report noted that the organizations for homeland security that were in existence at the time of the report were scattered across more than two dozen departments and agencies and all fifty states (Road Map for National Security: Imperative for Change: The Phase III Report, 2001).

The Commission recommended the creation of a national homeland security agency with responsibility for planning, coordinating and integrating various U.S. government activities involved in homeland security. It would incorporate the Federal Emergency Management Agency (FEMA), the Customs Service, the Coast Guard and the Border Patrol, while preserving them as distinct entities. The recommendation of the commission was that FEMA should be the

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38 This commission is also known as the Hart-Rudman Commission on Homeland Security. It was chartered in 1998 by the Secretary of Defense and Congress to assess and provide the most comprehensive review of national security requirements since the National Security Act of 1947. The Commission released three reports from 1999 to 2002 and was co-chaired by Gary Hart and Warren Rudman.

The president should propose and the Congress should agree to create, a National Homeland Security Agency with the responsibility for planning, coordinating, and integrating various U.S. government activities involved in homeland security. The Federal Emergency Management Agency (FEMA) should be the key building block of this effort.

The report went on to outline why it felt FEMA should be the strength of the department (Road Map for National Security: Imperative for Change: The Phase III Report, p. 15):

We propose building the National Homeland Security Agency upon the capabilities of the Federal Emergency Management Agency (FEMA), an existing federal agency that has performed well in recent years, especially in responding to national disasters. NHSA would be legislatively chartered to provide a focal point for all natural and manmade crisis and emergency planning scenarios. It would retain and strengthen FEMA’s ten existing regional offices as a core element of its organizational structure.

The recommendations of the committee were not acted upon immediately. However, after 9/11 there became a sense of urgency to reorganize the government to enhance homeland security.

When disasters occur, a common perception, as was the case with 9/11, is that the problems leading to the disaster could have been averted if there were better coordination, better procedures, greater planning, more forward thinking, clearer assignment of authority and a better grasp of the situation by the professionals or managers (Hood, 1998). The typical response of government is to tighten up the rules and authority structures to prevent recurrence.

Although national security was a concern and discussion of a department of homeland security was happening prior to 9/11, it was not at a heightened level.
A sense of urgency prompted Congress to re-look at the U. S. Commission on National Security Strategy for the 21st Century report. The report identified the need for the creation of a national security agency to improve the planning, coordination and integration of various government activities involved in homeland security (Road Map for National Security: Imperative for Change: The Phase III Report, 2001). The report indicated that a new agency was needed to coordinate all activities with regards to homeland security. The new agency would eliminate duplication and mission overlap among agencies. It would share information and consolidate homeland security activities to improve their effectiveness and coherence. The efficiencies would come from saving money through the consolidation of overhead, through common training and through the use of common equipment. The commission report also outlined the need for this agency to share intelligence information and to streamline information sharing with the state and local governments. It would coordinate homeland security strategic planning. The report noted that with so many different agencies handling homeland security functions, there was no true strategic planning effort (Road Map for National Security: Imperative for Change: The Phase III Report, 2001).

After 9/11, Bush created the Office of National Security to coordinate homeland security activities. House Bill 5005 was based on the U. S. Commission on National Security recommendations (H.R. 5005, The Homeland Security Act of 2002., 2002). The House bill called for the creation of a Department of Homeland Security which would coordinate all homeland security activities. The department would consolidate and streamline homeland security, emergency response and information sharing. Again, the reduction of overlapping responsibilities was highlighted.
In testimony, Treasury Secretary Paul O’Neill cited an example of the overlapping responsibilities of government homeland security activities spread among many agencies. O’Neill indicated that the Customs Service, part of the Department of the Treasury, stopped a suspicious boat and searched it for illegal drugs and other contraband. However, the Customs agents found illegal aliens. Customs transferred the aliens to the Coast Guard, part of the Department of Transportation. The Coast Guard, once reaching land, turned over the aliens to the Immigration and Naturalization Service, part of the Department of Justice (Intention to Reallocate Funds Previously Transferred From the Emergency Response Fund, 2002). This highlighted the fragmented approach of the U.S. Government at the time and a propensity to fail to exchange crucial information because of the involvement of so many different departments under different agency umbrellas within the government.


The intent of the formation of DHS with the inclusion of FEMA was to ensure that all levels of government across the nation had the capability to work efficiently and effectively together (Bush, 2002). Ultimately, all of the reports and commissions focused on improving the effectiveness and efficiency of the federal agencies responsible for homeland security. The purpose of the merger of the 22 agencies including FEMA into DHS was to improve
performance of the government as a whole. All three commissions, the U.S. Commission on National Security, the National Commission on Public Safety and the Gilmore Commission called for the reorganization of government to improve the government’s response to terrorism. The reports came to the same conclusion that there was a lack of coordination, effectiveness and efficiencies between the various security and response agencies which was impacting the performance of the government as whole in responding to terrorism.

However, concerns were expressed by the GAO (2003b) that FEMA would be subsumed within DHS and lose its autonomy to effectively respond to natural disasters. The Comptroller General for the United States also expressed concern in testimony before the House Select Committee on Homeland Security. He stated in his testimony that care had to be taken so that non-security functions in agencies such as FEMA receive adequate funding, attention, visibility and support when subsumed into a department that will be under tremendous pressure to succeed in its primary mission (GAO, 2002a). The goal to improve performance as a whole moved the merger forward despite concerns of how the merger might impact the autonomy and performance of FEMA as a distinct agency.

Homeland security presents an interesting study of redundancy versus efficiency and effectiveness. The DHS reorganization was on such a large scale that there may not have been enough resources committed to it or the agencies may not have understood their new roles and missions in Homeland Security while trying to maintain their existing missions. FEMA presents an example of this in trying to preserve its traditional mission of mitigation and recovery. Within DHS, the focus was on terrorism and responding to manmade terrorist activities rather than to natural disasters. There was not a clearly laid out plan for implementation resulting in a lack of
clarity by the staff involved. The designers of DHS focused the mission of DHS on fighting terrorism. This focus implicitly impacted FEMA’s ability to perform its emergency response mission because FEMA’s mission became subordinate to the DHS mission.

E. FEMA and the Department of Homeland Security

In 2002, FEMA was moved along with 22 other agencies into the newly created DHS. With FEMA folding into Homeland Security the FEMA director lost the cabinet-level position held under the Clinton administration.

The agencies slated to become part of the department were placed into one of four major directorates: Border and Transportation Security, Emergency Preparedness and Response, Science and Technology and Information Analysis and Infrastructure Protection. Under the reorganization, FEMA was placed in the Emergency Preparedness and Response Directorate. Though not mandated by law, the Under Secretary for Emergency Preparedness and Response became the director of FEMA (Hurricane Katrina: The Role of the Federal Emergency Management Agency, Testimony of Mike Brown, 2005). Despite the merger, FEMA continued to maintain the all-hazards approach under George W. Bush.40 The agency maintained divisions for mitigation, response, recovery and, until 2003, preparedness (Testimony by Paul Stockton: Readiness in the Post-Katrina and Post-9/11 World: An Evaluation of the New National Response Framework, 2007).

40 At the time (2007) Paul Stockton was a senior research scholar at Stanford’s Center for International Security Cooperation. He was the founding director of the Naval Postgraduate School’s Center for Homeland Defense and Security and has maintained FEMA retained its commitment to all-hazards. He is now an Asst. Secretary for Defense. As mentioned previously the all-hazards approach is the ability to respond to all disasters rather than focusing on one or a specific set of disasters.
FEMA’s budgetary autonomy was compromised as resources were moved in and then out of the agency and as the fight against terrorism took precedence over concerns about natural disasters (Roberts, 2006a). Preparedness grants for states and local entities focused now on terrorism and were moved to DHS and many states and local communities changed their emergency departments to homeland security offices. In 2003 FEMA initially gained $513 million in budget resources from the merger as new programs from HHS (Health and Human Services) were transferred to FEMA. However, by 2005 those programs and their budgets were transferred back to HHS with one program going to DHS. FEMA lost all of its $998.9 million terrorism-related funding to the Office of Domestic Preparedness (ODP) in DHS. Additionally, FEMA had to absorb its $32 million share of the DHS start-up costs (GAO, 2007a).

After September 11th there was a shift in preparedness priorities even as FEMA attempted to maintain its autonomy as an agency. However, the case made in the literature that FEMA was maintaining its autonomy may not have fully been the direction even prior to 9/11. It appears that FEMA’s focus was changing anyway. On May 8, 2001, President George W. Bush directed FEMA to create an Office of National Preparedness (ONP) to coordinate all federal programs dealing with weapons of mass destruction consequence management (CRS, 2002). FEMA director Joe Allbaugh implemented the directive on June 5, 2001 when the functional re-alignment combined offices administering disaster preparedness, relief and mitigation programs, creating the ONP (Testimony of Joe Allbaugh, Director of FEMA, 2001). He transferred to ONP the national and information security functions that had been the responsibilities of other FEMA offices. A month after 9/11, President Bush established the Office of Homeland Security (OHS) within the Executive Office of the President to develop and coordinate the implementation of a
comprehensive national strategy to secure the United States from terrorist threats or attacks (Bush, 2001).

FEMA is considered to have performed well during the response to the 9/11 attacks. A good portion of its response was to assist state and local efforts in response and recovery. FEMA did have people on the ground; however, most of the assistance came as financial support (GAO, 2003a). Additionally, the disaster areas in each 9/11 incident were confined to a small geographic area allowing FEMA to play a support role as the local government entities were able to handle most of the disaster response activities. Although changes had begun, by the time of the 9/11 attacks FEMA still emphasized mitigation, response and recovery of disaster.

After FEMA’s merger with DHS, FEMA’s first test was during the Florida hurricanes in 2004.41 During the four hurricanes that hit Florida, FEMA again received some praise for its response and for making immediate emergency declarations. At this point the merger had taken place and structurally FEMA was part of a DHS directorate and no longer reporting to the president. Research into this area has raised questions as to why FEMA may have experienced success here while experiencing failure during Katrina.

One explanation has been that although FEMA was within DHS and its director did not have access to the President, the Governor of Florida was Jeb Bush was able to leverage his relationship with the president to get immediate support for Florida. Also, the impact of the merger with DHS and FEMA may not have been fully realized. There is also a case made that

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41 Hurricanes Charley, Frances, Ivan, and Jeanne hit Florida in 2004, causing an estimated $26 billion in damage combined.
the response to these hurricanes was motivated by politics. In 2004, a presidential election year, Florida was politically a key state for the administration so the inference is that FEMA paid greater attention and was more responsive to Florida during that year (Perrow, 2005). Research has shown that presidents designate areas for disaster relief and give out much greater assistance when the areas are politically important (Garrett & Sobel, 2003). States that are politically significant to a president have higher rates of disaster declaration. Despite the perceived success, FEMA did come under criticism for fraudulent claims, wasteful spending and inefficient management which led to investigations by the Senate and Senators about the ramifications of these issues for future disaster relief efforts (FEMA’s Response to the 2004 Hurricanes, 2005).

F. Hurricane Katrina

In August of 2005, Hurricane Katrina, a Category 4 storm, touched down in Mississippi, Alabama, and Louisiana, creating a 27-foot storm surge. The storm overwhelmed levees, resulting in major flooding in New Orleans. Katrina was the most destructive natural disaster in terms of destruction to property in U.S. history, destroying or making uninhabitable an estimated 300,000 homes. The storm impacted approximately 93,000 square miles of land along the Gulf Coast. It affected 138 parishes and counties, displacing 770,000 people. The storm resulted in

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42 Garrett and Sobel examine FEMA disaster expenditures from 1991-1999 and find that disaster declarations are based more on politics than need. They also find that Congress is more likely to grant greater funding for the declaration if the state has congressional representation on the FEMA oversight committees.

43 They were criticized by Congress for fraud in not having complete records in the emergency fund payouts to those affected by the hurricane.
over 1300 deaths, and damages were estimated at around $75 billion, making it the costliest storm in history (The Federal Response to Hurricane Katrina: Lessons Learned, 2006).

Katrina destroyed regional power systems and communications and created environmental and health hazards. The severe destruction brought by the storm and resulting flooding destroyed or temporarily incapacitated the ability of local governments to function and respond to the crisis. In addition, due to the size of the area affected and the devastation and destruction of the infrastructure at the local areas, the state governments’ capacities to respond were also severely limited.

Historically, federal disaster assistance has been intended to supplement individual local and state resources. The Stafford Disaster Relief Act reinforces the principle that responses should utilize local and state resources. The act does provide a process for state governors to request assistance from the federal government if state and local resources are overwhelmed. In the case of Katrina, federal assistance, primarily from FEMA as the point agency on disaster, was needed. However, the FEMA response was slow and inadequate and FEMA was unable to mobilize the necessary manpower and resources in a short time period to address the displaced persons and the breakdown in food supplies, power and shelter (GAO, 2005, 2006c).

It is noted here that the federal response was predicated on an incident being handled at the lowest jurisdictional level possible. In the case of Katrina, the local governments had been destroyed and the state government was incapacitated and thus FEMA had to take on the additional roles of performing incident command and other functions it would normally rely upon the state and local governments to provide (Townsend, 2006).
G. Reorganization of FEMA

In March of 2005, before Hurricane Katrina, in one of his first actions as the new Secretary of Homeland Security, Michael Chertoff announced that he was initiating a comprehensive review of the department’s organization, operation and policies. Chertoff conducted a comprehensive review of the DHS utilizing 18 action teams and 250 DHS employees to evaluate specific operational and policy issues. In what became known as the 2SR initiative, in July of 2005, he announced four important areas of focus. The first was the formation of a new department-wide policy office; second, significant improvements in how DHS managed its intelligence and information sharing responsibilities; third, the formation of a new operations coordination office and other measures to increase operational accountability; and fourth, a consolidation to integrate the department’s preparedness division (CRS, 2006a).

FEMA was most affected by the fourth and final structural element, the realignment of the preparedness area. DHS’s preparedness efforts, including training, planning, exercising and funding were transferred into a single directorate led by the Under Secretary for Preparedness.44 FEMA stayed outside the directorate, reporting directly to the DHS secretary, and focused on its historic mission of response and recovery (Department of Homeland Security Appropriations Act, 2006). This reorganization separated the preparedness functions of FEMA from the response and recovery efforts, as FEMA preparedness functions were transferred to the

44 When FEMA was originally merged with DHS, it reported structurally to the Emergency and Preparedness Directorate Under Secretary.
Preparedness Directorate.\textsuperscript{45} Chertoff indicated to the House Homeland Security Committee on July 25\textsuperscript{th} (\textit{Testimony of Michael Chertoff Secretary of Homeland Security, 2005, p. 45}): 

The restructuring proposes to take out of FEMA a couple of elements that were really not related it to its core mission, that were more generally focused on the issue of preparedness in a way that I think was frankly more of a distraction to FEMA …. We want to make sure that FEMA was an operational agency, capable of focusing on its core mission, that it was a direct report to the secretary so that it gets the direct attention that it needs.

The interesting note here is this was taking place about one month prior to Katrina. There was obviously a realization that FEMA was struggling within DHS and that the reporting structure needed to be reorganized so that FEMA would report to the secretary and thereby get some of its autonomy back, at least within DHS. However, even though the authority structure changed as a result of the reorganization, there were still issues when FEMA’s preparedness functions were removed, separating the mitigation part of the agency’s mission from the preparedness part of the mission. Despite wrangling with Congress, the reorganization plan was approved by Congress a little over a month after Katrina on October 5, 2005, as a part of the Department of Homeland Security Appropriations Bill of 2006.\textsuperscript{46}

The slow response to Katrina and deficiencies such as questionable leadership decisions and capabilities, organizational failures, overwhelmed preparation and communication systems and inadequate statutory authorities all prompted Congress to look at another reorganization of

\begin{itemize}
\item[\textsuperscript{45}] The U.S. Fire Administration, the hazardous materials training and assistance program, the chemical stockpile emergency preparedness program, the radiological emergency preparedness programs and the BioShield program were transferred from FEMA to the Preparedness Directorate.
\item[\textsuperscript{46}] Chertoff claimed under section 872 of the Homeland Security Act of 2002, he had the authorization to reorganize the functions and organizational units within DHS and proposed as such. Members of the House Committee on Homeland Security questioned his authority to do so and had him testify as a part of the appropriations act.
\end{itemize}
FEMA (CRS, 2006d). This led to the Post-Katrina Emergency Management Reform Act of 2006. This act made FEMA a more independent entity within DHS like the Coast Guard and Secret Service. It also consolidated emergency management functions including national preparedness functions. The reorganized FEMA included all its existing functions as well as the functions that were in the Preparedness Directorate within DHS. Effective March 31, 2007, the act transferred the separated Preparedness Directorate functions back into FEMA less than a year after they had been separated. The act also outlined specific activities given to FEMA (Post-Katrina Emergency Management Reform Act, HR5441, 2006):

- Leading the nation’s comprehensive emergency management efforts for all hazards, including catastrophic incidents
- Partnering with non-federal entities to build a national emergency management system
- Developing federal response capabilities
- Integrating FEMA’s comprehensive emergency management responsibilities, which include, (1) funded and coordinated emergency preparedness activities, (2) provided and coordinated immediate federal response to save lives and property, (3) funded the reconstruction of damaged homes and infrastructure to help stricken families and communities recover, and (4) supported hazard mitigation activities to ensure that future disasters do not recur, or are less destructive in the future
- Building robust regional offices to address regional priorities
- Using the DHS resources under the secretary’s leadership
- Building non-federal emergency management capabilities, including those involving communications

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47 Most of the changes were included in Title VI of the DHS appropriations legislation of 2007.

48 These four elements of preparedness, response, recovery, and hazard mitigation constitute what has been referred to as a comprehensive management system.
• Developing and coordinating the implementation of a risk-based, all-hazards preparedness strategy that addresses the unique needs of certain incidents

The act prohibited significant reductions by the secretary of the authorities, responsibilities or functions of FEMA, or of FEMA’s capability to perform them and prohibited most transfers of FEMA’s assets, functions or missions to other parts of DHS. It also required that the FEMA administrator have specific experience and background in emergency management and be chosen by the president. Further, the act required FEMA to develop a human capital strategic plan to recruit and retain staff and to identify career paths for the employees (CRS, 2006c). The act reorganized FEMA, expanded its authority and amended provisions of the Stafford Act which FEMA administers.

The goal of the act was to attempt to reinstate authority and some autonomy that had been lost with the merger to FEMA. The specifics of the act also show how FEMA had lost any reputational autonomy it had as Congress specifically outlined its role and made it accountable for its actions.

FEMA went through a number of organizational changes over a five-year period. As was pointed out earlier, reorganizations generally take approximately seven years to take hold and for the results to be seen. Figure 5 shows the changes to FEMA. Under the reinvention of FEMA, its organizational structure stayed relatively constant until the change in presidential administrations and then under Bush, FEMA experienced change after change within a five-year period. Many of these changes were a product of circumstances, 9/11 and Katrina, or were the result of performance issues, primarily Katrina.
<table>
<thead>
<tr>
<th>Year</th>
<th>Key events in FEMA’s history</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>President Carter issues executive order 12127 which creates FEMA. FEMA absorbs the Federal Insurance Administration, the National Fire Prevention and Control Administration, the National Weather Service Community Preparedness Program, the Federal Preparedness Agency of the General Services Administration and the Federal Disaster Assistance Administration Activities from HUD. Civil defense responsibilities were also transferred to the new agency from the Defense Department's Defense Civil Preparedness Agency.</td>
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<td>1981</td>
<td>President Reagan reinterprets FEMA's role to fit the Cold War, granting it power to cope with a nuclear attack and even implement martial law—prompting clashes over jurisdiction with the Justice Department.</td>
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<td>1985</td>
<td>FEMA Director Louis Giuffrida steps down as director amidst allegations of fraud.</td>
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<td>1988</td>
<td>Robert T. Stafford Disaster Relief and Emergency Assistance Act is passed. This act constitutes the statutory authority for most federal disaster response activities, especially as they pertain to FEMA and FEMA programs.</td>
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<tr>
<td>1989</td>
<td>FEMA’s poor performance during the response to 1989's Hurricane Hugo prompts Senator Fritz Hollings to denounce it as the “sorriest bunch of bureaucratic jackasses I've ever known.”</td>
</tr>
<tr>
<td>1992</td>
<td>FEMA performs poorly during the response of Hurricane Andrew, prompting President Bush to remove response activities from FEMA and have activities coordinated through the chief of staff of the White House.</td>
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<tr>
<td>1993</td>
<td>President Clinton names experienced emergency manager James Lee Witt as FEMA director, and FEMA becomes an agency for reinvention under Witt and Clinton.</td>
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<tr>
<td>1996-1997</td>
<td>The FEMA director is elevated to cabinet level status, and FEMA announces Project Impact, under which FEMA will foster partnerships between federal, state, and local emergency workers, as well as local businesses, to help individual communities reduce their vulnerability to certain types of natural disasters.</td>
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<tr>
<td>2001</td>
<td>Bush becomes president, and FEMA no longer reports directly to the president. Allbaugh becomes director and cancels Project Impact.</td>
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<td>2003</td>
<td>As a result of 9/11, FEMA is merged into DHS and reports to an undersecretary, and FEMA loses control of Emergency Management Preparedness Grants.</td>
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<td>2005</td>
<td>Chertoff becomes Director of DHS and reorganizes FEMA under the 2R initiative.</td>
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<tr>
<td>2006</td>
<td>As a result of FEMA’s performance during Hurricane Katrina, the Post-Katrina Emergency Management Reform Act is enacted, giving FEMA more authority within DHS.</td>
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<tr>
<td>2009</td>
<td>President Obama names Craig Fugate, an experienced emergency manager from Florida, as Director of FEMA.</td>
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</table>

**Figure 5: Timeline of Key Events in FEMA’s history**
Figure 6 outlines how FEMA’s reporting relationship has changed over time. The chart shows that FEMA’s autonomy was enhanced during the Clinton Administration when Witt reported directly to the president. After the merger with DHS, FEMA’s reporting line changed significantly; it became an organization within DHS and was made subject to DHS policies, procedures and budgets requirements. Subsequent to the Post Katrina Emergency Management Reform Act the head of FEMA reports directly to the Secretary of Homeland Security.


**Figure 6: FEMA Reporting Relationship**

H. Performance

This section will take a look at FEMA’s performance through its history. This will allow an assessment of whether performance was affected when FEMA’s reporting relationship changed. Performance is assessed according to stakeholder perceptions of how FEMA was able to mitigate disasters, coordinate the state, local and federal response to an emergency and
provide financial funds, temporary shelter and distribution of relief supplies (power, food and water) to those affected by a disaster. It is noted here that performance is perceptual, because it is difficult to measure, especially in FEMA’s case. For example, to measure whether FEMA is able to get relief supplies to a victim of a disaster is difficult because relief may get to some victims but not all. Likewise, to measure whether FEMA is able to effectively coordinate the federal government’s response to a disaster is complicated because it is not subject to quantification. However the validity of this measure is enhanced by the fact that the perceptions of multiple stakeholder groups are included.

Assessing FEMA’s performance on the basis of measures is difficult because of the changes that occurred over time in the metrics employed.

<table>
<thead>
<tr>
<th>Year Range</th>
<th>Metrics</th>
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<tbody>
<tr>
<td>1997-2003</td>
<td>• Reduce by 10% the risk of loss of life &amp; injury due to natural disasters</td>
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<td></td>
<td>• Reduce by 15% human suffering from the impact of natural disasters</td>
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<td></td>
<td>• Improve by 20% effectiveness by which FEMA delivers service</td>
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<td>2003-2008</td>
<td>• 95% of those surveyed who accessed emergency management information through FEMA report it was useful</td>
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<tr>
<td></td>
<td>• By 2008, $10 billion in potential property losses, disaster, and other costs have been reduced</td>
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<tr>
<td></td>
<td>• 100% of states report meeting collaboratively established, all-hazard, emergency management readiness capability standards</td>
</tr>
<tr>
<td>2008-2013</td>
<td>• 90% of individuals and public are satisfied with their response</td>
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<tr>
<td></td>
<td>• 91% of 28 rapid response teams are operational</td>
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<td>• 56 hours the average time to provide essential logistical support</td>
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**Figure 7: FEMA Performance Metrics**

Figure 7 chronicles some of the key changes in the performance measures used by FEMA over the period 1997-2013. The changes in measures are in part a consequence of the changes
FEMA experienced during these time periods. For example, FEMA experienced a change of presidential administration (Clinton to George W. Bush), a change in mission from a focus on disaster mitigation to a focus on terrorism as a result of 9/11, and a change of reporting relationship with the merger into DHS.

The evolving sets of measures employed by FEMA over the period 1997 – 2013 make it difficult to rely on such measures as a basis for assessing performance. Therefore rather than metrics stakeholder perceptions as reflected in the interview responses and archival records are used to determine performance. Such perceptions represent a subjective determinant of performance however the interviews and archival reports provide a broad perspective on FEMA performance and there is a precedent for a perceptual measure of organizational performance (Brewer, 2005; Brewer & Selden, 2000; DeLaney & Huselid, 1996; Jennings & Ewalt, 1998). Additionally, some of FEMA’s official performance measures were themselves based on subjective responses. For example, in 2003 FEMA used a survey to determine if those who accessed emergency management information believed it was useful. In 2008 FEMA asked individuals whether they were satisfied with FEMA’s response to the disaster which had affected them.

As has been noted, the performance of FEMA prior to its merger with DHS varied. During major disasters such as Hurricane Hugo and the Loma Preita earthquake, FEMA struggled to provide shelter and power and to deliver food and water to victims. This was highlighted by FEMA’s response to Hurricane Andrew. Even though FEMA had prepositioned supplies prior to the hurricane making landfall, once it did, FEMA was not able again to get
shelter, food, water and temporary power to the area. It led Dade County’s emergency
management coordinator on day 3 to call a press conference and ask, “where the hell is the
cavalry?” (Haddow & Bullock, 2006). In all three disasters, there was poor communication
between all entities; local officials did not know who the FEMA official was on the ground and
the response between all the entities was uncoordinated (GAO, 1993; Schneider, 1998).

In 1992, as a follow-up to investigations of the Hugo and Loma Preita responses, FEMA
issued the Federal Response Plan (FRP). The FRP established a process and structure that
promised more systematic, coordinated and effective delivery of federal assistance to address the
consequences of major disasters (Sylves, 2008).

However, an Inspector General Report (1993) on the response by FEMA found many
problems which contributed to FEMA’s poor performance. During the response to Andrew,
communications broke down as local entities became overwhelmed. FEMA wasted time with a
wait-and-see approach, waiting for the local request for help and unsure of its legal authority to
step in without the request. With no power, FEMA was unable to communicate with local
officials. The FRP called for immediate and ongoing damage assessment by FEMA; this was not
done. The FRP called for FEMA to mission assign other federal agencies and other entities such
as the Red Cross. This was not done in a timely fashion. Once other entities began their
services, FEMA failed to coordinate their assignments. Finally, FEMA lacked the administrative
support structure to handle a large disaster. This includes functions such as accounting for funds,
controlling property, staff operations, use of automated information technology systems, and

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49 FEMA was tasked with updating the FRP as a part of the Homeland Security Act of 2002. The update included a
“national” plan to include state and local governments.
timely reports to its managers. As a result, it was not able to be nimble and relied on stringent policies and processes which led to victims having to file reports and paperwork to get assistance, giving FEMA the reputation of being overly bureaucratic.

In contrast, after FEMA reinvention under Witt, FEMA performed well. Witt focused FEMA on responding to natural disasters and mitigation. 50 In 1993, a series of serious floods affected nine states in the Midwest. FEMA was immediately on site and did not take over the response but assisted state and local officials by coordinating federal resources. FEMA had managers on the ground to constantly assess and report on the floods. FEMA received praise in the response (*FEMA’s Response to the 2004 Hurricanes*, 2005).

In 1994, Los Angeles was hit by a large earthquake. Within hours FEMA was authorized to mobilize and coordinate the relief effort. FEMA responded quickly to aid the victims. It informed victims of its services and took a lead role in coordinating delivery of provisions. The agency was more interested in assisting victims than in following standard operating procedures (GAO, 1994; Schneider, 1995). FEMA’s leadership was credited with being decisive and responsive and the agency played the lead role as the effective coordinator of relief efforts (Schneider, 1998).

When President Clinton was Governor of Arkansas he had to respond to several major floods so he understood and valued prompt emergency management response. James Witt was Clinton’s emergency management director in Arkansas and had worked with Clinton during the

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50 FEMA was asked by the National Security Council to take over terrorist-related training and programming efforts after the 1995 Oklahoma City bombing. However, Witt declined, deciding to focus on natural disasters.
response to the floods. Clinton knew the importance of working directly with emergency management director and had full confidence in Witt when he elevated FEMA to a cabinet level position. Witt reported directly to the president and had full authority and autonomy to operate FEMA. In the responses to the 1994 Los Angeles earthquake FEMA performed well because Witt was able to leverage FEMA’s autonomy to improve performance. FEMA’s reporting relationship allowed for this. In response to the earthquake Witt went immediately to effected area worked directly with California’s governor and began communicating directly with the president allowing for FEMA to receive direct support from the president. Within a day Witt was able to have a telephone registration center open to help victims process federal assistance claims.

In 1997 severe storms and tornados swept across Texas and through the middle Midwest. The storms led to serious flooding, the displacement of thousands of residents and millions in property damage. FEMA moved in quickly providing and processing hundreds of grants for temporary housing and housing repairs to those displaced. FEMA was credited with supporting local and state officials and not trying to take over all relief efforts (Schneider, 1998). Again Witt was able to report directly to the president which allowed him the authority and autonomy to act quickly and make decisions quickly which allowed him to get FEMA resources to the affected area quickly. When FEMA reported through DHS this quick and agile decision making process was circumvented because the decisions had to be cleared through DHS.

Since FEMA reported directly to the president Witt was able to leverage FEMA’s status in gaining resources from other organizations during emergency responses. This is evident in
FEMA’s response to Hurricane Marilyn which hit the U.S. Virgin Islands 1995. Witt needed to get cots, plastic sheeting and generators to the area and needed aircraft to get the items there. Witt requested the as many C-141 and C-17 transport aircraft as possible but was there were not enough aircraft in the area to respond quickly. Witt waited for the planes on the tarmac in St. Thomas and when they didn’t arrive he placed a call to the Secretary of the Air Force and had the following conversation (Cooper & Block, 2006);

Mr. Secretary, James Lee Witt here. To get right to the point, those damn planes have not landed yet and I want to know where they are. They better be getting here pretty quick because the next call I’m going to make you’re not going to like.

The secretary knew exactly what Witt meant and within an hour the planes were stacked up over the sky over the Virgin Island. With a reporting relationship direct to the president Witt was able to improve performance during disaster response.

As was noted previously, FEMA’s performance was considered poor in its response to Katrina. FEMA was unable to effectively coordinate the hurricane response and get supplies and housing to residents of the Gulf Coast area. FEMA was criticized for being slow to respond and to recognize the scope of the disaster. In an example of FEMA’s inability to complete one of its disaster functions, FEMA could not manage the distribution of relief supplies from depots near the affected areas and had to ask the military to take over this very basic response function (Miskel, 2008).

A key change that could have contributed to the poor performance at FEMA in response to Katrina is the change in reporting relationship for FEMA. As was described earlier FEMA had performed well when Witt reported directly to the president. He had the latitude to exercise
his leadership skills and to affect the other elements of authority structure to implement his reforms and improve FEMA’s performance. He had the ability to set policy, establish a budget and hire emergency management professionals. He had the discretion to determine the direction of FEMA. However with the merger to DHS FEMA now reported through DHS which resulted in a change of reporting relationship where FEMA was subject to DHS in all aspects of the authority structure such as policy, budget and administrative procedures. FEMA had lost its ability to set its own direction and the FEMA leader had lost his latitude to direct FEMA. DHS had FEMA concentrate on terrorism response at the expense of continuing fully to concentrate on natural disaster response. This example was true in the Hurricane Pam training scenario where a hurricane hit New Orleans. Many of the response issues were identified as problems in the training scenario which were realized during the Katrina response, such as evacuation problems, delivering food and water and establishing temporary housing. FEMA was supposed to rectify these identified problems however the budget was cut by DHS and nothing further was done to rectify the problems (Haddow & Bullock, 2006). If FEMA had still been an independent agency it would have most likely been able to implement the changes identified during the training exercise which could have prevented the response problems FEMA experienced during the Katrina response.

After the enactment of the Post-Katrina Reform Act following the poor performance of FEMA during Katrina, the next major hurricane was in 2008, when Hurricane Ike hit Texas. FEMA’s response was considered better than during Katrina, as evidenced by the Department of Homeland’s Inspector General Report (Management Advisory Report: FEMA's Response to Hurricane Ike 2009):
FEMA’s response to Hurricane Ike was well organized and effective, and FEMA and its federal and state partners implemented their incident objectives aggressively. By the end of October 2008, only 7 weeks after landfall, FEMA had registered more than 715,000 hurricane victims, completed 359,000 housing inspections, installed manufactured housing for 339 families, and disbursed $326 million for housing and other needs. FEMA also assisted more than 100,000 disaster victims at its DRCs.

However, FEMA did suffer again in its communication and coordination functions in certain aspects. FEMA made some response decisions outside of the designated response framework. FEMA did not always follow the agreed upon National Response Framework (NRF), which requires emergency managers to handle disasters at the lowest jurisdictional level possible. FEMA headquarters officials also deployed resources outside the Joint Field Office (JFO) unified command structure.

FEMA’s performance had been poor prior to reinvention, and then it was considered positive through reinvention and 9/11. During the 2004 hurricanes, FEMA received mixed reviews to its response which has been attributed to preparation and mitigation by the state. Two full years after the merger with DHS, FEMA’s response to Hurricane Katrina was considered poor. This led to another reorganization of FEMA with the Post-Katrina Reform Act. Assessment of the performance of FEMA after this act has been limited due to the fact there have been few major disasters since then. However, FEMA’s performance during one of those, Hurricane Ike, has been documented as mixed with problems associated with coordination and communication.

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51 The NRF presents the guiding principles, enabling all levels of domestic response partners to prepare for and provide a unified national response to disasters and emergencies. It supersedes sections of the NRP which relate to these areas. It was implemented by DHS in 2008 as a response to improve response after Katrina.
FEMA’s mixed performance over these decades has resulted in many government investigations and reports. There have been many ideas and conjectures regarding FEMA’s biggest performance failure, Hurricane Katrina (*Failure of Initiative: The Final Report of the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina*, 2006; *GAO*, 2005, 2006c; *Hurricane Katrina: A Nation Still Unprepared*, 2006; *Hurricane Katrina: The Role of the Federal Emergency Management Agency*, 2005; Townsend, 2006).

As has been noted, FEMA’s reporting relationship changed with its incorporation into DHS. Prior to this incorporation, under President Clinton, FEMA’s Director James Lee Witt reported directly to the President and held a cabinet-level position. In this reporting relationship FEMA tended to experience success in responding to various disasters. Under this reporting relationship Witt had the ability to set a clear mission, develop a strong culture, be an entrepreneurial leader, and develop a reputation and strong networks for FEMA because he had autonomy as a result of the reporting relationship. For example as noted earlier as an entrepreneurial leader Witt saw the need and reduced the amount of paper work required by victims to receive aid during the 1994 Los Angeles earthquake which sped up the aid process and the time victims had to wait for aid. In overhauling also the disaster assistance program to take advantage of developing technology. As a result during the response to the earthquake the disaster application process was streamlined through tele-registration, computerized application forms, computerized inspection through the use of palm-pad computers, which allowed victims to receive their aid checks faster. FEMA gave grants of $3,000 to each displaced family immediately after the quake. Previously FEMA required residents to show proof of their
displacement before FEMA could issue a check. Witt changed this and elected to provide the grants immediately, with recipients agreeing to provide proof of displacement when they were able.

He also conducted regular emergency management training exercises with state and local officials as well as private entities (Red Cross). These established strong networks so that during times of emergency the organizations had worked together and knew what each other’s capacities and needs were which led to faster and more organized disaster response. Witt also empowered employees to make decisions which improved FEMA’s disaster response because employees were allowed to make quick decisions in the field. The faster and more complete response allowed FEMA to develop a strong reputation.

The clear mission allowed the staff at FEMA to focus on disaster response and disaster mitigation and on developing mitigation programs such as Project Impact which provided funds to build disaster resistant communities. Witt changed the culture by getting rid of political appointees and hiring professionals with emergency management experience and instilling a sense of mission with them. He also empowered employees to make decisions which improved employee morale. It also improved FEMA’s response because employees were allowed to make quick decisions in the field. Witt had FEMA staff train with local and state emergency management officials on a regular basis. This allowed them to have a strong network and working relationship on a regular basis and fully understand what resources FEMA could provide so when a disaster hit it was not the first time they all had worked together thus improving emergency response. The clear mission, change in culture, and empowerment of
employees allowed FEMA to respond effectively and quickly. Everyone knew their job and could respond immediately in an emergency situation. The strong network developed with the state and local partners allowed for FEMA to understand each of their needs and vulnerabilities. This allowed FEMA to steer Project Impact mitigation dollars to at risk communities. The strong networks also allowed for direct and familiar communication with the state and local agencies during the response to emergencies. The clear mission, empowerment of employees and the strong networks allowed for the positive of performance of FEMA during the response to the 1994 earthquake, the Midwest floods and Hurricane Marilyn.

Witt exercised entrepreneurial leadership by addressing the response time of FEMA by reducing the number of internal regulations and procedures. This reduced internal red tape which sped up the relief to victims. During the Los Angeles earthquake response in 1994 FEMA was able to get relief to victims within hours of the quake compared to FEMA’s response during Hurricane Andrew (prior to Witt) which took over three days. FEMA’s reputation among the public and Congress was improved because of the improved response to the disasters this allowed greater autonomy for Witt because there was less propensity for Congress to interfere because FEMA was performing well which in turn allowed Witt to work to improve disaster response and mitigation.

Conversely it appears that when FEMA’s reporting relationship changed and it was absorbed into DHS it did not have the ability to maintain a high degree of autonomy because it had to report through many bureaucratic layers within DHS. As will be discussed in Chapter 5, the erosion of FEMA’s autonomy, through its loss of control of its budget, lack of clarity of
mandate, inability of its leadership to network and be entrepreneurial, loss of its decision making ability, and loss of professionally competent staff contributed to FEMA’s poor performance during Katrina (d’Almeida & Klingner, 2008; Roberts, 2006a). FEMA’s change of reporting relationship structurally put FEMA under a DHS undersecretary. As a result of this change FEMA lost the autonomy it once had to set its policy and mission. There was an implicit shift to a focus on terrorism response at the expense of natural disaster response by DHS. As a result of the merger, FEMA began losing experienced emergency management professionals that Witt had hired because they became frustrated working with DHS officials who did not understand emergency management response. FEMA also lost control of its budget as pieces of it were redirected to DHS. As will be discussed in Chapter 5, the change of reporting relationship impacted the other formal elements of the authority structure which eroded FEMA’s autonomy because FEMA lost the ability to control those elements. Since FEMA’s reporting relationship was to DHS, DHS had a propensity to interfere with FEMA adversely affecting its autonomy. The loss of autonomy as a result of the change of the reporting relationship and the impacts to the other elements of authority structure were a contributor to FEMA’s poor performance during Katrina.

As a result, after FEMA’s performance during Katrina various oversight groups determined it was necessary to reestablish some of FEMA’s autonomy (Failing to Protect and Defend: The Federal Emergency Response to Hurricane Katrina, 2005; Failure of Initiative: The Final Report of the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina, 2006). As a result the Post Katrina Emergency Reform Act was designed to give FEMA and its director greater authority.
The Post Katrina Emergency Reform Act of 2006 amended the Homeland Security Act of 2002 to make extensive revisions to emergency response provisions while still keeping the Federal Emergency Management Agency (FEMA) within the Department of Homeland Security (DHS). The act set forth provisions regarding FEMA's mission which included: (1) leading the nation's efforts to prepare for, respond to, recover from, and mitigate the risks of, any natural and man-made disaster, including catastrophic incidents; (2) implementing a risk-based, all hazards plus strategy for preparedness; and (3) promoting and planning for the protection, security, resiliency, and post-disaster restoration of critical infrastructure and key resources, including cyber and communications assets. It also set forth provisions regarding the role, qualifications, authority, and responsibilities of the Administrator of FEMA, who should: (1) have not less than five years of executive leadership and management experience, significant experience in crisis management or another relevant field, and a demonstrated ability to manage a substantial staff and budget; (2) report to the Secretary of Homeland Security without being required to report through any other DHS official; (3) be the principal emergency preparedness and response advisor to the President, the Homeland Security Council, and the Secretary; (4) provide federal leadership necessary to mitigate, prepare for, respond to, and recover from a disaster (Post-Katrina Emergency Management Reform Act, HR5441, 2006)

The Post Katrina Emergency Management Reform Act did not change FEMA’s reporting relationship. However it did clarify FEMA’s role within DHS and restore a degree of autonomy during emergency management situations. It clarified that the FEMA director reports directly to the Secretary of Homeland Security and not through anyone else within DHS. To date there
have not been any natural disasters the size of Katrina so it is difficult to determine if in practice
the more clarified role of FEMA within DHS had its desired effect.
IV. Methodology

A. Overview

The intent of this chapter is to introduce and discuss the theoretical and methodological framework used in this study. It identifies and explains the theoretical and methodological assumptions and the associated factors in the model. Additionally, this chapter will outline the methods used to assess the impact of the change in reporting relationship on FEMA’s autonomy and performance.

B. Conceptual Framework

The determination of whether the change in reporting relationship at FEMA as a consequence of the merger with DHS affected FEMA’s autonomy and performance requires a methodological model that includes the observation of the management and operational trends at FEMA prior to and after the merger.

The elements of Moe’s (1989) structural politics theory as well as Lewis’s (2003) refinement of that theory are used to assess how the change in reporting relationship may have impacted FEMA’s autonomy and performance. These structural elements are the agency head term of office, levels of professionally competent staff, administrative procedures, policy coordination, and budget allocations. The reason these determinants were chosen is because they have been identified as means of controlling the direction of an agency by policy-makers and interest groups. These elements have been shown to impact agency direction and responsiveness and have been used as measures of agency autonomy. They can be used in the context of the
change in reporting relationship to assess the impact of the merger on FEMA’s autonomy and performance. This is consistent with studies that have shown that an agency is responsive to the entity that has authority or control over these factors (Bendor et al., 1987; Krause & Douglas, 2005; Lewis, 2003; McCubbins et al., 1989; Meier, 2000; Wood, 1988; Wood & Waterman, 1991, 1993). However, most of these studies look at particular elements such as administrative controls or budgets and don’t cover the multitude of structural elements as Moe’s (1989) and Lewis’s (2003) research does. Also, instead of being applied in a political elite-to-agency context, these elements are being applied in an agency-to-sub-agency context. In other words, the impact on autonomy by a change of reporting relationship is viewed as an agency moves from independent to sub-agency status.

Of interest is how the change in reporting relationship impacted the agency head term of office, levels of professionally competent staff, administrative procedures, policy coordination and budget allocations. The informal elements investigated include, employee morale, employee empowerment, agency traditions and culture. As noted previously, performance is determined according to the perception of FEMA’s stakeholders as to how FEMA was able to mitigate disasters; coordinate the state, local and federal response to an emergency; and provide financial funds, temporary shelter and distribution of relief supplies (power, food and water) to those affected by a disaster. These have been the core mission and goals of FEMA since its inception. Additionally, the expectations of FEMA’s role as the federal government’s disaster response agency is assessed both prior to and after the merger.
C. Research Question

The main research questions posed in this study is: how did the change in authority structure at FEMA and the merger with the Department of Homeland Security affect FEMA’s autonomy and impact its performance? In 2000, at the beginning of the Bush administration, FEMA underwent a change in leadership. There was a major change in authority structure when FEMA was merged into DHS. With this merger FEMA was expected to not only maintain its emergency management function but also take on a greater role in terrorism response.

D. Research Design

Case studies are widely used in organizational analysis and are granted increasing legitimacy as a rigorous research strategy (Hartley, 2004). Case studies allow for the intensive study of a single unit for the purpose of generalizing across a larger set of units (Gerring, 2004). Case studies are an appropriate method of research when the desire is to understand complex social phenomena. Case studies have become a preferred method of strategy when the investigator has little control over events and when the focus is on a contemporary phenomenon within some real-life context (Yin, 2003). Public administration as a discipline is well suited for the use of case studies because the case study can satisfy the need for provisional findings and in-depth understanding of cause-and-effect relationships (Jensen & Rodgers, 2001). Furthermore, many studies have used the case study methodology when studying government agencies’ structure, design and autonomy (Berlin, 1974; Chisholm, 1989; Jennings & Ewalt, 1998; Khademian, 1996; Laegreid & Serigstad, 2006; Lambert, 2002).
The case study method is used for this study because it is an appropriate research method for the research question considered in this study. Case studies are the preferred strategy when answering “how” questions, as in the case with this research question (Yin, 2003). “How” questions often deal with such questions as operational links that need to be studied over time rather than frequencies or incidences. The use of a case study research method is also appropriate when the boundaries between the phenomenon and the context are not clearly defined (Yin, 2003). That is true of the question addressed here of how the change of authority structure at FEMA as a result of the merger with DHS affected FEMA’s autonomy and performance.

This case study is an exploratory case study which allows for the development of theory, research questions and propositions as the study progresses (Yin, 2012). As an exploratory case study, this research will tease out the complex interrelationships between the reporting relationship, the formal and informal elements of autonomy and performance. Case study research allows the researcher to thoroughly examine the factors associated with a particular cause and effect (Gerring, 2004).

FEMA is used as the case to answer the research question because FEMA was an agency that went from an agency with a relatively high degree of autonomy and that performed successfully under Witt to an agency that lost some of its autonomy and struggled to perform its mission after the merger with DHS. FEMA is also chosen as the case because it is an agency that has been and continues to be politically relevant and it receives a lot of attention from the
media and public. Agencies that tend to receive a lot of publicity and interest from congressional committees and interest groups are good selections for case studies (Sharkansy, 1965).

Miles and Huberman (1994) identify a typology of sampling strategies for qualitative inquiry. One approach is to select a case that is politically important. With FEMA, there has been much political debate about the agency, the merger with DHS, the structural changes as a result of the merger and FEMA’s performance since the merger. Therefore, this case study of FEMA remains relevant for an investigation into how a change of authority structure impacts an agency’s autonomy and performance.

The design of this case study lends itself to a form of quasi-experimental design known as an interrupted time series design. An interrupted time series design is a model where the effects of the treatment are inferred from comparing measures of expectations and performance before and after the treatment. Quasi-experimental interrupted time series design has been used in other studies of government structures and government organizational effectiveness (Berlin, 1974; Meier, 1980; Morgan & Kickman, 1999; Morgan & Pelissero, 1980). This is not a formal interrupted time series research, because it does not exhibit a true measurable, one-time interjection into the time series. Rather, the merger represents an event that can be examined in the context of the history of FEMA to determine the impact of the structural change as a result of the merger. The current study follows FEMA from 1993 to 2003, when the merger with DHS takes place and then from there to 2008. Figure 8 represents the timeline used in this study, which is similar to that of an interrupted time series research design.
For this case study, in-depth interviews were conducted and archival data was examined for structural trends, performance expectations, impacts to autonomy and outcomes prior to and after the merger with DHS. The merger with DHS became effective on March 1, 2003. The first observation period encompasses the period of the reinvention of FEMA during the Clinton Administration. This will allow for a historical perspective on FEMA including a previous major change in authority structure. The period of the merger with DHS is examined to identify what changed structurally as a result of the merger. The final observation period will that which follows the merger including any subsequent authority structure changes through 2008, the end of the George W. Bush presidency.

E. Validity

The case study allows for the collection of data from many sources. Using primary and secondary sources for data collection creates a more rigorous research method. Sources examined for this study included reports, archival documents and testimonies on FEMA and DHS, Congressional testimonies and reports, GAO reports, Brookings, Hoover Institution, Woodrow Wilson School and NYU Center for Catastrophe Preparedness & Response reports, Congressional Research Service reports, DHS documents on lessons learned during Katrina, and
follow up documents on the response to Hurricane Katrina published by the White House, all of which provide a full background of research and data on FEMA and its performance. Interviews have been conducted with past and present DHS and FEMA officials and with state and local emergency officials.

Case studies (and modified interrupted time series) are subject to different types of threats to internal validity (McDowall, McCleary, Meidinger, & Hay, 1980). The first is maturation where changes to the dependent variable are due to normal developmental processes. In this case, FEMA would have changed naturally over time and would have become more competent at handling emergencies over time. An example would be that they had to respond to several hurricanes in Florida in 2004 so they presumably would have performed better during later disasters. Although FEMA did not perform well during Katrina it must be acknowledged that size and scope of Hurricane Katrina relative to the other disasters contributed to that outcome. The catastrophic impact of Hurricane Katrina would have made it difficult for FEMA to respond effectively no matter how it was structured or how autonomous it may have been. Maturation therefore is noted here as an alternative explanation.

Another threat is history, the possibility that something other than the change of reporting relationship of FEMA being transferred into DHS influenced FEMA’s autonomy and performance. The historical threat is that something else may have occurred that caused the outcomes at FEMA and thus becomes an alternative explanation to the change in reporting relationship.

In this case it would be the changes that took place as a result of the change of presidential administrations. When George W. Bush became president James Witt left as the
director at FEMA and was replaced by Joe Allbaugh. Allbaugh began making changes at FEMA such as cutting Project Impact which gave federal dollars to local communities at risk to natural disasters. Allbaugh believed this was a waste of money and was federal pork so he removed the program. There was also a shift in focus at FEMA to a more of an emphasis on responding to terrorism as opposed to natural disasters with the change in administrations. Where Witt had concentrated on natural disaster response and had kept FEMA out of terrorism, Allbaugh began including terrorism in FEMA’s focus.

Studies have determined that although there were changes at FEMA as a result of the change of administration, those changes by themselves do not appear to be enough to account for FEMA’s performance failure during Katrina (Haddow & Bullock, 2006). However it is noted that the focus on terrorism could have been a factor in FEMA’s performance. The switch in focus may have led FEMA to concentrate less on responding to natural disasters and more on preventing or responding to terrorist activities. Although this dissertation contends that the change of reporting relationship was a key factor for FEMA it is acknowledged that the focus on terrorism could have had an impact.

F. Data Collection Methods

To obtain an understanding of the merger between DHS and FEMA, interviews were conducted with key officials. Interviews serve as a primary source of data deriving directly from the experiences of individuals involved in the study (Strauss & Corbin, 1990). An initial list of individuals was obtained from books, reports and articles regarding FEMA, DHS, Katrina and state and local officials who work closely with FEMA (see Appendix A). The list included officials who were at FEMA prior to the merger with DHS or were at FEMA during and after the
merger. State and local officials were included in the interview list to get the perspective of those who worked with FEMA but were not employed by them. Also, individuals who were working with DHS at the time of the merger and were part of the merger process were identified to understand what was actually happening with FEMA at the time of the merger from the DHS perspective. Interviewees were sought based on their level within the organization so there was a perspective from those at the top of FEMA in Washington as well as those in the districts and field.

Thirty-five individuals were initially identified and contacted. Of those, sixteen chose to not respond and five refused to be interviewed. Most of these were the senior leaders of FEMA during Katrina. During the interview process, all interviewees were asked if there was anyone else who they thought should be interviewed based on my criteria of the individual having involvement with FEMA and representing any of the various groupings identified previously. An additional fourteen interviewees were identified through this process. After conducting research on the individuals’ history to determine if they met the criteria, they were contacted. From this list, ten agreed to be interviewed, making a total of twenty-four interviewees. During the last ten interviews, the same common themes and concepts kept appearing. This indicates saturation and suggests that a sufficient number of interviews were conducted (Corbin & Strauss, 2008). Through the last ten interviews, two more individuals were identified who had not been considered previously (the other eight identified were already interviewed). These individuals did not respond to the requests to be interviewed. Based on identifying only two additional

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52 For example, the FEMA director during Katrina, Mike Brown, initially responded but wanted to discuss and debate the questions to be asked rather than discuss the answers from his perspective. Ultimately, he would not be interviewed.
persons as well as having the same themes and concepts arise during the last group of interviews, the further identification of individuals was ended. This led to a total of twenty-four individuals interviewed (see Appendix B for a completed list of the interviewees). Twenty-four provided a strong representation of FEMA and DHS staff (both career staff and political appointees), state and local officials, and provided an appreciable amount of data.

Table 1: Breakdown of Individuals Interviewed

<table>
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<tr>
<th>Number of Individuals Interviewed</th>
<th>FEMA Prior to DHS</th>
<th>FEMA During the Merger(^{53})</th>
<th>DHS</th>
<th>Local or State</th>
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<td></td>
<td>5</td>
<td>12</td>
<td>4</td>
<td>3</td>
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Interview questions were designed based on Moe’s six formal structural components including reporting relationship, the agency head term of office, levels of professionally competent staff, administrative procedures, policy coordination, and budget allocations, as well as the informal elements (employee morale, agency competence with other constituencies and existing agency traditions) as outlined by Khademian (1996) and Lewis (2003) (see Appendix C for a list of the questions).

The interviews followed standardized but flexible protocols. They averaged 45 minutes in length with a minimum of 20 minutes and a maximum of 60 minutes. All but two of the

\(^{53}\) This group not only includes those individuals who were in FEMA prior to 2001, but it also includes political appointees who were appointed to FEMA in 2001, when the presidential administrations changed and were there during the merger.
interviews were digitally recorded.\textsuperscript{54} The researcher took notes during the interviews, and all digital recordings were transcribed verbatim.

It is also noted that a good portion of the data collection in the interviews and in the archival sources focuses on FEMA’s performance during Katrina. This is because there is a rich source of archival data available about Katrina and it was a comparison factor for many of the interview responses. The interviews were conducted over a period of four months between March 2009 and July 2009.

G. Data Analysis

Transcripts of the interviews were analyzed through open coding where the data was grouped into ideas and categories. Open coding is a selective process for developing a meaningful set of concepts, categories and characteristics from the transcript data (McNabb, 2002; Strauss & Corbin, 1990). The coding was done with assistance of the computer software Atlas.ti. The software permitted accurate record keeping as well as storage of the data for continuous review and adjustments.

Initially all transcripts were analyzed inductively and seventy-seven codes were produced (see Appendix F). This allowed for themes and concepts to be developed organically to ensure that these concepts were captured in the data collection. Categories were further analyzed and refined into core categories. These were assigned to more inclusive groupings and categories. The data was then realigned to make connections between a category and its subcategories.

\textsuperscript{54} Two of the interviewees requested their interviews not be recorded, as they were still doing business with FEMA as a consultant.
(Glaser & Strauss, 1967). This allows for an open process where concepts and categories can be
developed freely from the interviews ultimately providing themes that can assist in explaining
the phenomena of the impact of FEMA’s merger with DHS and how it may have impacted
performance.

A total of 534 quotations from the interviews were captured with the codes. Memos were
also developed based on the categories of the interview questions (see Appendix H). Quotations
were assigned to both the codes and to the memo categories for analysis purposes. Ultimately,
twelve codes were developed from the transcripts (see Appendix G). A code hierarchy list was
produced to examine relationships with other codes. The final twelve codes were developed
deductively based on the formal and informal elements outlined in the questions. The memos
were also derived in this fashion. The initial inductive coding allowed for themes to develop.
The deductive coding allowed for concentration of the formal and informal elements that were to
be analyzed in this study. The inductive and deductive nature of the coding permitted the
analysis of the formal elements such as reporting relationships and budget but also the additional
factors that emerged from respondents. The inductive nature of the analysis also permitted an
understanding of the complex interrelationships that existed between FEMA leadership and DHS
leadership at the time of the merger.

The interviewees were assigned to document families based on their association with
FEMA and DHS. The categories were Pre-DHS, FEMA/DHS, DHS and Local/State. This
categorization allowed for the understanding of how the answers may be affected by political
affiliation. That is, pre-DHS, the interviewees were members of the Clinton administration;
FEMA/DHS were part of FEMA during Clinton and Bush; and DHS were mostly appointed by the Bush administration. These document families assisted assessing the veracity of the answers to the questions. This was important because the answers to the same question from a Bush official and from a Clinton official could be based on political affiliation and rather than on the basis of their experience at FEMA. The document families allowed for this distinction to be considered in the review of the transcripts. The document families also allowed for the non-political officials (state and local officials who were interviewed) to be categorized separately so as to compare their answers from an outside perspective to the answers from those associated with identifiable political affiliations.
V. Findings - Interviews and Archival Reports

A. Overview

This chapter presents a summary of findings from the interviews and also from archival reports. The interviews were the primary source of data for this research. Archival reports were gathered from various House and Senate committees as well as from the GAO. It is noted that many of these reports focused on FEMA’s performance during Katrina.

The organization of the chapter is based on the questions asked during the interviews with the intent of determining if the change of authority structure at FEMA impacted its autonomy and performance. Of particular interest is how the change in reporting relationship impacted the other formal and informal elements and thus how they impacted FEMA’s autonomy and performance. Each of the formal and informal elements are examined and analyzed with respect to how they were impacted by the change of the reporting relationship. Within each topic area there is a brief summary of the interview responses and what was found from archival reports. The formal elements researched are the agency head experience, administrative procedures, budget allocations, policy coordination and levels of professionally competent staff. The informal elements as outlined in figure 3 are also teased out from the question responses. Other themes that are presented and analyzed are as revealed through the coding and memo process. These themes are FEMA’s structural placement, FEMA’s mission, bureaucratic decision making, how performance was affected, FEMA as a lead agency at the time of the merger and agency leadership. These are examined because they emerged during the interview process and provide additional evidence on the overall impact of the structural change
With respect to FEMA’s merger into DHS it is important to determine which of the adverse consequences of the merger on FEMA were temporary and which systemic, that is long lasting consequences of the merger. A look at the formal elements of authority structure can help determine what had a systemic impact and which had a temporary impact.

B. Formal Components of Autonomy

Reporting relationship is the first component listed because that is the focal point of the study and the structural change according to which the impact of the other factors on autonomy and performance is assessed.

1. Reporting Relationship

Prior to the merger with DHS, FEMA was an agency that had the ability through the Stafford Act to coordinate emergency management activities with other federal agencies and state and local authorities. After the merger, FEMA was still the agency which coordinated the Stafford Act. However, it was now in a structure where it had gone from an organization that had reported directly to the president to reporting to a deputy secretary within DHS. To determine the impact of this change the interview respondents were asked how the merger with DHS affected FEMA’s reporting relationship.
Several respondents in the interviews believed that FEMA could maintain and have effective relationships as a stand-alone entity and was effective as such. These respondents were FEMA staff pre-DHS and stated that FEMA was a small coordination agency and was there to support state and local agencies. They felt they had been successful under Witt as a coordinating support agency. Typical quotes in response to the question on how the merger with DHS affected FEMA’s reporting relationship include the following:

It’s got to be a partnership…. The original legislation - the Stafford Act - is very explicit. The federal government supports the state and locals. It doesn’t run the operations; it doesn’t make all the decisions; it’s there to support state and local and not there to just do what the state and locals want them to do. It has to be a collaborative effort. And we had that model.

You don’t have to work for somebody, the same person, to work with somebody, you know? FEMA has these relationships with 60, 70 different departments and agencies that we work with and that we foster all the time; the CG (Coast Guard) was one of them. Frankly they are a minor player for the most part in events. They didn’t do anything for us in the North Ridge earthquake. Neither did the DOD because we didn’t need their response although it was a hell of a disaster. So really being able to pick and choose the resources that you need from the federal government’s list of assets was what FEMA was all about, we could do that certainly without FEMA being in the department.

Some of these respondents noted that the extra layers FEMA experienced within DHS hampered its ability to perform its function.

The main thing that it slowed down is that as a former FCO in the field I used to be able to make a decision in 5 minutes and we carried it out. What was happening during Hurricane Katrina is that all 3 states that were declared initially had a FCO but several months into the operation they were not, they were given a deputy. The deputy had to go through the PFO, which was Thad Allen. Thad, because he didn’t know the programs,
he could not make a decision so he went up to HQ. And Dave Paulisen as the director of FEMA couldn’t make a decision on it, he could recommend, then it went up to Michael Jackson where it spent weeks being worked by the staff before it went to Chertoff for approval. So the decision making process which used to take me 5 minutes as a FCO now was taking, probably, an average of 3 - 5 weeks.

I still worked through the FEMA chain. The FEMA chain stayed intact internally. It was ok. The only thing that was, I think, interfering with that reporting requirement relationship was the concept of the principal federal official (PFO) which I was getting reports from DHS federal HQ. I was being contacted by Sec. Ridge’s offices directly. There were certain things the offices did directly. There were people who were interfering with my roles and responsibilities as the FEMA regional director.

A very clear understanding that they were in direct conflict and fighting with each other even 2500 miles away.

The respondents who had come into FEMA after DHS or were part of DHS believed the relationships FEMA had as a result of its placement within DHS were much stronger. They indicated that although FEMA was several layers away from the president now, it was much better off.

They’re not operations guys. So now you’ve got this situation where you’ve got this very small agency in the middle of Washington DC and somebody has a crisis in San Diego - they don’t have anybody that knows anything about San Diego. They don’t know about the local laws; they don’t know about the local relationships; the political situation; the infrastructure. They don’t know any of that stuff. But DHS does because you’ve got CVP offices in San Diego; you’ve got ICE offices in SD; Secret Service is out there. There’s all kinds of other folks - critical infrastructure folks working out there - there’s all kinds of other folks working out there that do have the insight into what is going on out there that could help them enormously out there in terms of situational awareness.

The archival secondary data sources indicate there was a concern almost immediately that moving FEMA into DHS could cause management challenges for
FEMA. A GAO report identified issues that FEMA’s ability to maintain its operations and carry out its mission would be a struggle as FEMA would become subsumed within DHS (GAO, 2003b, p. 3).

The placement of FEMA within DHS represents a significantly changed environment in which FEMA will conduct its missions in the future. FEMA has traditionally operated in an “all-hazards” approach, preparing simultaneously for all types of disasters, and it will be important for FEMA and DHS management to ensure that sufficient management capacity and accountability is provided to both homeland security and natural hazards missions. Some of these missions—such as hazard mitigation and flood insurance—have not traditionally been security related.

Another GAO report outlined that creating a department for homeland security would improve coordination for preparedness and response programs but would also complicate priority setting because control and priority setting would rest with a new mega agency not the legacy agency like FEMA (GAO, 2002b, p. 5).

However, coordination would still be required with multiple agencies across departments. Many of the agencies involved in these programs have differing perspectives and priorities, and the proposal does not sufficiently clarify the lines of authority of different parties in the event of an emergency.

After Katrina there was much more focus on why FEMA performed poorly. Many reports have highlighted the change in reporting relationship for FEMA and the fact that when FEMA became subsumed in DHS, its direction became less focused because it now had to report through many layers of hierarchy to carry out its mission. This is apparent from the following quotes from the Final Report of the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina
With the creation of the Department of Homeland Security (DHS) and the development of the National Response Plan (NRP), an additional layer of management and response authority was placed between the President and FEMA.

Nevertheless, DHS’ actual and perceived weaknesses in response to Katrina revived discussion of the value of incorporation of FEMA into DHS. The HSA [Homeland Security Act] transferred FEMA functions, personnel, resources, and authorities to the DHS Emergency Preparedness and Response (EP&R) Directorate….. The emergency management community has complained since 2003 that FEMA was being systematically dismantled, stripped of authority and resources, and suffering from low morale, in part because of the department’s focus on terrorism.

For years emergency management professionals have been warning that FEMA’s preparedness has eroded. Many believe this erosion is a result of the separation of the preparedness function from FEMA, the drain of long-term professional staff along with their institutional knowledge and expertise, and the inadequate readiness of FEMA’s national emergency response teams. The combination of these staffing, training, and organizational structures made FEMA’s inadequate performance in the face of a disaster the size of Katrina all but inevitable.

Summary:

In the interview responses, there was a distinct split in the answers where the pre-DHS folks believed FEMA was a strong agency when it reported directly to the president and could mission assign other agencies during emergencies. It was a small agency but was effective in carrying out the Stafford Act by supporting and assisting state and local agencies. They indicated that during the Witt years FEMA had a strong record of success within the structure through relationships it had developed. When FEMA became part of DHS, those respondents indicated that their ability to respond to emergencies was
impacted and became much slower because everything had to go through DHS. The point that emerges from this set of interviews is how the change in reporting relationship adversely impacted FEMA’s relationships with other agencies (federal, state and local).

The archival reports acknowledge that the change in reporting relationship affected FEMA in many ways. They also highlight that FEMA’s inclusion into DHS adversely affected the once independent agency by adding layers of bureaucratic structure over it.

2. **Agency Head Experience/Term of Office**

A question was asked as to how the change in reporting relationship affected the agency head. This allowed for the interviewees to express their views on whether they believed the head of the FEMA needed to have experience as an emergency manager and how that may have been affected by the change in reporting relationship. As noted previously, this is different than how Moe (1989) uses the term “Agency Head Term of Office.” He identifies it as a means to control an agency by setting a director’s term of office and to thereby prevent removal by opponents. In this dissertation, this is changed to address a more encompassing question about the agency head’s experience and leadership.

Respondents can generally be delineated into two categories, ones that believed that the agency head needed emergency management experience to be successful and ones that believed the agency head needed to have good leadership, management and
communication skills. For those who believed emergency management experience was a requirement, typical responses were:

They need to be an experienced emergency management person so they can build relationships with the emergency management community.

Yes, FEMA needs expertise to understand complexity of big event, have to know how to collaborate.

It would be like, you need to have the FBI director be in law enforcement. That’s a given. Or the Secret Service guy needs to know something about diplomatic protection. It’s absolutely critical that the head of FEMA and that first tier; because that assistant administrative tier they’ve created. You can’t put bozos who don’t know the business in those spots, way too complicated for a number of reasons.

The majority of the respondents felt that emergency management experience was not the most important factor. They indicated the leader needs to understand management and leadership and communicate well at the government level, especially in Washington. They need to know how to lead through the politics in Washington. If that person had emergency management experience, that is an extra benefit; however, it is not the only factor.

I think the head of FEMA first and foremost has to be a leader; has to be a hands-down national-level leader. That’s the principal foremost criteria. Then of course having a subject matter background in EM and preparedness also goes a long way but you have to be a leader and you have to be a service before self-type of motivational structure or else things don’t go well.

So you need to be a good leader, good manager in a large complex organization. To me that’s even more important than the EM background. The ability to manage a large staff; a large and diverse, complex staff.

I don’t think it’s absolutely, fundamentally essential that that the person has to have emergency management experience. I think that they have to have good management skills. They have to be able to understand the fundamental mission; they have to be good politically; they have to be
articulate; they have to recognize that management during crisis has a lot of different components than day-to-day management of large organizations. But whether that requires them to actually have experience in EM, I am not entirely convinced that is essential. It is desirable, but I wouldn’t necessarily say it is essential.

The reports on Katrina highlighted that the change from the Witt era of experienced emergency managers to the political appointee with limited experience adversely impacted FEMA’s ability to react (Hurricane Katrina: A Nation Still Unprepared, 2006, p. 214).

Brown and most of his front-office staff had little or no emergency-management experience prior to joining FEMA. While it is unclear that emergency-management experience alone is the single qualifier for senior leadership at FEMA, the leadership at the time of Katrina also lacked basic management experience and the leadership ability required to coordinate the entire federal government’s response to a catastrophic event. Brown advocated to DHS and the White House to address FEMA’s needs, but he was generally unsuccessful. He presided over the agency as morale plummeted. He refused to operate within the chain of command in which FEMA resided. He failed to work collaboratively with state officials in Louisiana during Hurricane Katrina, the most significant disaster during his tenure.

Reports after Katrina concluded that FEMA leadership needed to have experience in emergency management (Redirecting FEMA Toward Success, 2006, p. 33).

A director of any agency must deal with stress and strain of achieving its organizational mission. But being director of FEMA carries with it a much greater pressure. Emergency management organizations must plan and train in obscurity and neglect with few resources. Then in one brief moment, in full glare of media and public scrutiny, they are expected to perform flawlessly. It is hardly a surprise that FEMA directors lacking emergency management experience performed inadequately in times of crisis. Choosing an appointee without emergency management background to manage FEMA is both reckless and dangerous.
Additionally, DHS leadership did not understand what FEMA’s mission was, which impacted the structure of the agency and its ability to perform (Hurricane Katrina: A Nation Still Unprepared, 2006, p. 213). Eric Tolbert, Director of Response at FEMA until February 2005, said (Hurricane Katrina: A Nation Still Unprepared, 2006, p. 214):

The impact of having political [appointees] in the high ranks of FEMA … that’s what killed us, was that in the senior ranks of FEMA there was nobody that even knew FEMA’s history, much less understood the profession and the dynamics and the roles and responsibilities of the states and local governments.

Summary:

A majority of the interviewees believed that the leader of FEMA needed to be a good manager, communicator and leader before they needed to be experienced in emergency management. There were a few who believed the leader needed experience in emergency management before anything else, but they were in the minority. There was no distinction between the groups of respondents in their answers; the answers were mixed across the respondents who had been in FEMA prior to the merger, during the merger, and who came after DHS with the majority stating that emergency management experience was not the most important factor. The leader needed to be able to manage and lead within the politics of Washington.

The change in reporting relationship impacted the role of the agency head of FEMA because it reduced his overall authority to make decisions and set direction for the agency. Therefore any type of top decisions or policy direction had to go through two levels within DHS whereas before the director could speak directly to the president. The change of reporting relationship also limited the scrutiny of the FEMA director’s
experience and job qualifications as noted by a respondent to a question about an
experienced agency head at FEMA;

If FEMA had been an independent agency, first of all it would have had
another leader besides Brown, and that leader, if it had been somebody
like James Lee or any other EM who had experience, or any good
politician, they would have been on the phone with the governor of
Louisiana and the mayor of New Orleans telling them “you will evacuate.”
The president would be on the phone if need be. I think that I felt it from
the beginning, there was going to be a major disaster and it was going to
be really screwed up. And it was not just going to be having foresight, it’s
just that you knew it was going to happen.

As a member of the cabinet the FEMA director was far more visible and his
qualifications would be under greater examination by the public and Congress. Within
DHS the FEMA director was somewhat buried and a lack of emergency management
experience would not be as visible.

3. Administrative Procedures

Administrative procedures has been outlined previously as one of the components
that can be affected by the change in reporting relationship because the procedures are
now subject to a different controlling entity than they were before. The interviewees
were asked how administrative procedures changed when FEMA became part of DHS.
The responses broke down into two categories. One was there did not appear to be
changes at the regional levels or in areas outside of Washington. These responses were
typical:

Actually, no, I couldn’t recall any.
I would say looking from the outside I didn’t see anything dramatically different. I worked closely with them for the response to Hurricane Isabelle and that looked like it was pretty routine.

I did not feel or see administrative changes in the field or regions.

However, the greater number of responses noted there were changes at the national offices in Washington. These changes related to the centralization of personnel services, budget and information technology.

Hiring was a change; procurement was - those were two things they tried to change quickly. I think FEMA may have been relied upon by the entire department. Some of its support systems may have been a little more developed than others. It seems to me that it was either IT or personnel, something - it was one of those kinds of things that we missed - FEMA’s got a pretty good system - why don’t we adopt that system as opposed to trying to build something new.

Well, of course, the budget became centralized. The IG became centralized. HR gradually became centralized. They did take over, for example, control of the whole SES program; they decided how many SES slots the agency would have and where they would be. That was, it was starting at the higher levels and working its way down; there’s a number of stories.

At some point, someone said to someone at DHS, you’re now responsible for mailroom operations; come up with a centralized mailroom for all the Washington components of DHS. Once he found out what was involved in taking over - it was a lot different than just simply receiving packages and letters and sending them to someone’s desk. It was much more sophisticated; and the sheer volume of mail was equivalent to the volume of all the rest of the agencies of DHS combined. I will have to say that to this day that has not happened. But that was part of what was underway at the time - there was an attempt to centralize everything that was going on.

There was also recognition that changes led to new layers of procedures, especially when it came to procedures that were localized at FEMA previously.

I think the budget information, financial information, roll up to, accountability to a new entity was certainly part of it. Management, who
do you have to go to now to get approval before you proceed on something. The more layers there are, the more you want something, whereas before as an independent agency it just sort of happened. It’s a fairly tight organization in many ways because the director as the authority figure had the ability to proceed on their own without asking for approval from DHS.

Yes without question; and again what happened is that contracts that were normally written with no oversight - you know the agency did it themselves - now had to have departmental approval. Also policy decisions had to have departmental approval rather than being signed off by the director. The director himself - Mike Brown and Dave Paulsen really were not given the latitude to make decisions about their agency without getting clearance from the secretary.

A report of the select bipartisan committee to investigate the preparation for and response to Hurricane Katrina noted in their findings that inflexible procedures hampered response by all agencies (Failure of Initiative: The Final Report of the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina, 2006, p. 1):

The failure of initiative was also a failure of agility. Response plans at all levels of government lacked flexibility and adaptability. Inflexible procedures often delayed the response. Officials at all levels seemed to be waiting for the disaster that fit their plans, rather than planning and building scalable capacities to meet whatever Mother Nature threw at them. We again encountered the risk-averse culture that pervades big government, and again recognized the need for organizations as agile and responsive as the 21st century world in which we live.

Several reports found that FEMA was confused in the placement of resources. FEMA suffered from poor communication, difficulty in deploying sufficient numbers of trained personnel, and insufficient management controls for some assistance programs (DHS, 2006b; GAO, 2006a). This was partly due to FEMA’s implementation of the National Response Plan which was a result of the merger with DHS. FEMA and DHS
were not completely clear on administrative roles in carrying out the plan, creating more delays and an inability to deliver resources. A GAO report noted problems in FEMA’s coordination with the Red Cross in response to both Hurricanes Rita and Katrina (GAO, 2006d, p. 3):

FEMA and the Red Cross’s differing views about their roles hampered efforts to coordinate federal mass care assistance. The two organizations differed in their understanding of the role of a key FEMA official tasked with providing strategic vision and leading efforts to coordinate federal mass care, housing, and human services assistance.

Another report identified the confusion amongst administrators in carrying out the National Response plan and the roles of the PFO and FCO, both crucial in carrying out functions in responding to disasters (Failure of Initiative: The Final Report of the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina, 2006, pp. 135,136).

The Secretary [Chertoff] was confused about the role and authority of the PFO [Principal Federal Officer]. According to Chertoff’s testimony, he designated Brown PFO because Brown was his “battlefield commander.” Yet, the NRP [National response Plan] specifically states, “The PFO does not direct or replace the incident command structure established at the incident, nor does the PFO have directive authority over the SFLEO [Senior Federal Law Enforcement Officer], FCO [Federal Coordinating Officer], or other federal and state officials.” Furthermore, the Stafford Act places all emergency response authorities with FEMA and the President and requires that the President designate a FCO for each disaster or emergency declaration. As a result, the legal authority to “command the battlefield,” as the Secretary put it, resides with the FCO, not the PFO. The apparent confusion over the authority and role of the PFO does not seem to have been recognized until almost two weeks after Chertoff selected [Thad] Allen to replace Brown as PFO. It was at that time that the unprecedented decision was made to appoint Allen the FCO for Louisiana, Mississippi, and Alabama, in addition to PFO. This step was

55 The NRP requires that unless extenuating circumstances dictate otherwise, all PFO-designates should satisfactorily complete this training program prior to performing PFO related responsibilities. According to DHS officials, Brown had not taken the required PFO training program and was not on the approved PFO roster.
necessary because DHS eventually recognized Allen, as the PFO only, did not have the legal authority to commit the expenditure of federal funds or direct federal agencies under delegated authority from the President. As described above, only the FCO has that authority. This confused and unprecedented series of actions by the department prompted the resignation and departure of Bill Carwile, one of FEMA’s most well respected FCOs, who was serving as FCO in Mississippi.

Summary:

It has been highlighted in this report there were a number of administrative changes as a result of the change of reporting relationship. A GAO report in 2007 identified that DHS had made moderate to limited progress in integrating the administrative changes among its agencies including FEMA. The following administrative areas were considered (GAO, 2007b, pp. 23-25).

- **Acquisition Management** – Include managing the use of contracts to acquire goods and services needed to fulfill or support the mission
- **Financial Management** – Include consolidating or integrating component agencies’ financial management systems
- **Human Capital** – Include pay, performance management, classification, labor relations, adverse actions, employee appeals, and diversity management
- **Information and Technology Management** – Include developing and using enterprise architecture, or corporate blueprint, as an authoritative frame of reference to guide and constrain system investments; defining and following a corporate process for informed decision making by senior leadership about competing information technology investment options.

The GAO (2007b) report found that DHS had achieved moderate progress in the areas of acquisition management and financial management. It found limited progress in the areas of human capital and information technology.
The interview responses indicate there were changes to the administrative procedures at FEMA after the merger. These changes in FEMA’s loss of control of its administrative procedures appear to have adverse and direct impact on FEMA and its autonomy because it could no longer control its own direction on its systems and procedures. It was now dependent on DHS to set the course on these. Procedures and system which were previously handled at FEMA required additional layers of approval at DHS. This led to the delays in decision making at FEMA.

4. **Budget Allocation**

The degree of autonomy an agency has over its budget has important implications for whether and how the agency can accomplish its mission. If the agency’s budget allocation is reduced or is subject to the control of another entity it may have more difficulty in using its resources in the ways it deems important. Prior to the merger with DHS, FEMA controlled its own budget; after the merger the budget was subject to control by DHS.

Interviewees were asked about budget to determine how this element may have affected FEMA after the merger. There have been many reports that FEMA was taxed in order to support the operations of DHS. The creation of DHS was supposed to be budget neutral. However, funds were needed to run DHS so the legacy agencies were taxed by DHS. Respondents indicated the tax did impact FEMA.

The DHS tax came from everybody and it was completely disheartening because we were struggling to make our budgets work and here we were, having to build an empire, literally, I mean build an empire whose secondary, third or fourth mission was to take the authorities and
responsibilities that we had away from us, even though they were working.

So they had not been used to paying a tax, so to speak, from funds that were appropriated to them each year, and that was certainly a big part of the change and I am using the word tax in sort of a broad term. But that definitely caused some things to discourage, at the least, or to not allow to happen at all, that FEMA had been doing before DHS. And that’s not to say that everything that FEMA had been doing had been wise spending or in the right places, but it’s a hard thing for a subordinated unit to get used to and I think that caused some angst on the part of the people running FEMA.

The DHS tax - they don’t like to refer to it as a tax - but I do understand why they did what they did; which was, here again, Congress put it all together and didn’t give it any administrative thought. They said, oh well, you’re going to have all of this saving of money from consolidation of IT systems, consolidation of finance systems, consolidation of this, that and the other thing - that’s just plain wrong; it didn’t happen. So for them to administratively run the department to try to put together IT and a potential IT solution they had to levy those taxes on different departments. Because that was the only way they could get money to run administratively.

And in its first year of existence [FEMA] had $80 million of discretionary funds essentially extracted from the agency to pay for DHS expenses that weren’t covered in the appropriation in its creation of DHS. So it was diluted, watered down, raped I guess you could say to some extent, in the process of becoming part of DHS.

The loss of resources also came in conjunction with the loss of control in how funds were used. FEMA lost authority in the ability to distribute grants. This led to feelings in FEMA that they had lost control and could not carry out their mission of preparedness.

They were gutted to the point where they couldn’t perform and they had no say over where the money went in their organization and even in the congress appropriations committee, DHS could still move it around any way they liked.
And so, you know in having to contribute to HS, some of the resources that FEMA, FEMA wasn’t in charge of all of those resources anymore and just as HS took the planning function over with George Forestman and the planning directorate and they combined all the grants of all the agencies into another pathway, for whatever reason, we never had the money to fill the positions that were needed.

We just didn’t have the flexibility in the grants as before. There are so many components of EM that it was helping pay for staff, it was helping pay for equipment, it was helping pay for emergency operation centers and that’s not first responder stuff.

They’ve used discretionary funds for FEMA to pay overtime for TSA employees. I think all you have to do is look at what happened to the earthquake program. FEMA used to have a very robust earthquake program; we gave out grants to states that at one point was several million dollars. It got down to maybe $500K that we gave to states to do earthquake planning, we gave it to regional consortiums - they dropped the grant program. Now I understand that this year they did add more money back, but I think that all of the non-terrorist related grant programs suffered.

A few respondents did indicate that at the state or regional levels they continued to get what they needed.

I was at the state level at that time and frankly we were getting what we needed.

We were getting very jumbled guidance which is not surprising given what was left at FEMA at the time because a lot of the good talent had exited at the same time I did. But at the state level, yes, we were getting what we needed.

They still had funding in the regions, still had president disaster relief fund, no change there.

One Bush appointee to FEMA after the merger did note that though there was a tax, FEMA received something for that tax. FEMA, as a result of the merger and paying the tax now, had much greater resources available to it.

Yes, I think the depending on who you talk to FEMA’s budget went way
up post-9/11 but what you’ll often hear from some of the insiders, the FEMA people, is that DHS taxed us so that’s the negative side to it. The positive is that you got a lot for that. You got an advocate as a secretary, you got public affairs and legislative affairs and a lot of other oversight that can help you. You were taxed, but you got something for it, so I think that is the more moderate position. Acknowledge that, yes, I got taxed, but also acknowledge that they got something for it. If you talk to someone on either side they will automatically pass that story. They got more resources as a result of 9/11. I don’t know that they necessarily got more resources as part of the department. I can’t say either way, but there was in fact a tax. So you would say “yeah they got more resources as a result of 9/11 and Congress being inspired for action and yes, there was some percentage of tax” but that was still far more resources than pre-9/11.

Some FEMA professionals also believed that FEMA had been cut to the bare bones prior to the merger and the impact of the tax really hurt FEMA because it took resources away that FEMA could not afford. They contend that the belief by some that FEMA had plenty of money was false. They also blame Congress and the Bush Administration for creating an agency that was to be budget neutral, stating that it was just not realistic. They outline that the anticipated savings from the consolidation of information technology and the centralization of other functions were never realized.

That was a serious problem for us because FEMA, for all the good work our leadership had done over the years, James Lee and others, we had never really turned that into additional resources. FEMA’s budget had been as flat as a pancake for 15 or 20 years. The discretionary funds that were within the FEMA budget over the years, throughout the ‘90s, had eroded. The only money we had left was the money we needed to keep the doors open. Now I am not talking about disaster relief money because that is a separate appropriation. But the kind of money to run our training programs, for example and to do exercises and so forth. The discretionary money had all dried up before we became part of the department. So when the department occurred, and we were taxed 10%, 15%, that was a far greater impact than it normally would have been to an organization like the DOD which could have absorbed that expense. I mean it wouldn’t have been comfortable for anyone, but FEMA just didn’t have to capacity
to do that. And it absolutely killed us. It had to be and I think we all understood that it had to be. But it was just a much more serious problem than it may have appeared on the outside.

First of all, this is where I would say again the administration made a huge mistake in saying that putting these projects and departments together was going to be budget neutral. That’s insane. That flies in the face of any major merger. I can remember we had conversations with Carly Fiorina at Hewlett Packard who talked about merging HP and Compaq. You can’t in the initial stage. This isn’t budget neutral. It’s going to cost money to do this. And there are going to be changes in the way things happen. So the fact that that’s an error, that I would say, that neither Ridge nor Brown made that mistake. This is an error that OMB and the president’s advisers made. It flies in the face of anything agreed about mergers in the corporate world.

Senate testimony revealed that the DHS tax impacted FEMA’s financial position and inhibited its ability to carry out its mission (Hurricane Katrina: A Nation Still Unprepared, 2006, p. 216).

Several witnesses testified that FEMA’s capabilities were harmed by limited funding and resources. For instance, some expressed concern that FEMA’s ability to respond to Hurricane Katrina was harmed by fees levied by DHS to cover costs associated with “membership” within the Department. These witnesses complained that DHS “taxed” FEMA – essentially redirecting funds Congress appropriated to FEMA to DHS. Director Brown testified that $77.9 million had been lost in this way between fiscal year 2003 and fiscal year 2005, a 14.8 percent decrease in FEMA’s discretionary spending account since joining DHS. In interviews with Committee staff, DHS Deputy Secretary Michael Jackson and Chief Financial Officer Andrew Maner disputed the idea that a DHS tax harmed FEMA, though Maner conceded DHS had taken a total of $25 million from FEMA’s base. Jackson explained that the “taxes” are actually consolidated costs designed to procure services for all component agencies at a lower unit cost (e.g., maintenance contracts for copiers or overnight package delivery contracts). However, Ken Burris, FEMA’s Acting Chief Operating Officer, said that in order to pay DHS’s contributions or

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56 Fiorina served as chief executive officer of Hewlett-Packard from 1999 to 2005, and previously was an executive vice president at AT&T, where she coordinated the spinoff and initial public offering of Lucent. Fiorina broke up HP, and merged the part she kept with the PC maker Compaq.
“taxes”, FEMA could no longer afford to refill personnel positions when they became vacant... FEMA’s budget shortages manifested themselves in several ways, thus hindering FEMA’s ability to be adequately prepared for and respond to a catastrophe.

Summary:

The interview responses indicate the DHS tax did clearly have a significant impact on FEMA’s budget and its ability to operate. It could not fill vacant positions or fund some of its programs. There was also an impact to FEMA’s ability to fund programs. FEMA lost its ability, at least at the national level, to fund programs without having to go through DHS for approval.

The archival reports show that the decision to make the formation of DHS budget neutral had a negative impact on FEMA as it was taxed to pay for DHS administration. FEMA was considered by longer term FEMA employees as a lean agency already so the DHS tax negatively affected their operational abilities. The state and regional levels realized less of the budget reduction impact and still were able to receive the funding they needed. This may have been because the disaster relief fund which was distributed by FEMA was not touched by DHS and was an off budget account to be used strictly for disasters.57

The loss of budget autonomy led to greater resources going to terrorism response as opposed to natural disaster mitigation and response. FEMA became subordinate to DHS for its budget and lost the budget autonomy it had during the Clinton

57 The Disaster Relief Fund is FEMA’s general fund for Individual Assistance, Public Assistance and Hazard Mitigation supporting response and recovery. The funds can be accessed by local and state entities once the President declares a disaster. The fund is governed under the Stafford Act.
administration. For example the issues identified in the Hurricane Pam training exercise where a hurricane hit New Orleans were never followed up on and rectified because the funding was cut for this. One of the problems identified was the evacuation of low income residents who might not have the means to evacuate. This affected performance during Katrina because FEMA had no immediate resources and solutions for a large evacuation of low income areas of the New Orleans.

5. **Policy Coordination**

Policy coordination and policy formulation is another formal element that can be affected by the change in reporting relationship. Interview respondents were asked the question about how policy coordination was affected with the merger in order to see how the policy and implementation may have changed at FEMA when it became part of DHS. The overall conclusion of those interviewed was that FEMA now had to go through DHS for policy decisions. There were some from the regional offices or state entities that felt they could still make their own policies locally but when it was policy on a larger scale or if it had to go through Washington, FEMA was no longer able to set policy or coordinate policy on its own. Typical responses were:

Preparedness changed dramatically. Coordination of preparedness policy just disappeared. It went away; DHS just took preparedness and made it very clear that they were preparedness. They had no concept of natural disasters or all-hazards disaster preparedness. They would use the term, but their version of preparedness was essentially terrorist preparedness; they let the pendulum swing so hard to the terrorism side that they forgot things like Katrina can happen, or even garden variety tornados in the Midwest. They just didn’t care.
Absolutely. For example, there is nothing more policy related than the declaration of disasters. Prior to becoming part of DHS the director of the agency, whether it was Allbaugh or James Lee Witt before him, you could go into their office and you could say here’s the package for the president, or we’re putting together the package for the president for this event, do you think he will go along with it or not? That person would have a pretty good idea of what was on the president’s mind in terms of whether a disaster would be declared or not which was very helpful in putting together the package in making sure we put a package together that was going to be well received. After the creation of DHS whoever was directing FEMA had to add several layers in DHS and even OMB got involved in the process. Under FEMA when we were an independent agency we would write a disaster declaration recommendation package to the White House, the director would sign it and we would put somebody in the cab and drop it off with the office of human affairs. That’s how it worked. Under DHS it went from FEMA to a DHS legal office to a DHS policy office to the deputy secretary to the secretary to OMB to the White House. That’s how the process changed.

I was the assistant administrator for mitigation, did I make independent decisions? Sure. Did I make decisions that I informed the administrator of so he would have awareness on? Sure. Were there decisions where I would say “hey, I want the administrator’s concurrence on?” There were some in that category too. And that’s just judgment.

What happened was: 1) you went from having just 1 or 2 authorization or appropriations committees to answering to 18 - 20 different committees who thought they had jurisdiction over to every secretary that was ever created in DHS believing that they could just ask for information and get it to this whole barrage of articles being written about what was going on in the new department and what wasn’t going on in the department - it all had to be answered. It took significant amount of time away from trying to accomplish the day-to-day activities - just trying to keep up with answering the mail, it was ridiculous; and it’s still ridiculous over there.

Reports have highlighted the fact the FEMA had been responsible for comprehensive emergency management response since its inception. However, with the inclusion into DHS, the policy direction on emergency management changed. FEMA’s preparedness functions were removed after the merger with DHS (CRS, 2006c, p. 4; GAO, 2007a, p. 5).
After the terrorist attacks, through enactment of the Homeland Security Act of 2002 (HSA), the 107th Congress and the Bush Administration continued the reorganization of the agency by divesting it of certain comprehensive emergency management responsibilities. Of particular relevance to this examination, the HSA transferred emergency preparedness functions related to terrorism from FEMA to the Border and Transportation Security (BTS) Directorate.

While FEMA moved intact to DHS and most of its functions were moved to other organizations within DHS…Once in the department, FEMA’s preparedness functions were transferred over 2 years to other entities in DHS, reducing its mission capabilities.

**Summary:**

The respondents indicated that policy direction did change. FEMA no longer could make policy changes and many respondents mentioned that policy had to go through DHS for approval. Often the policy changes implemented had to be accompanied by an explanation. DHS officials would not take FEMA’s staff word for it. This angered some FEMA staff who did not feel they should have to explain themselves to inexperienced DHS staff. Also, FEMA staff noted that with the inclusion in DHS, the number of congressional committees that reviewed policy for FEMA went from one or two to close to twenty, which significantly impacted the ability to be nimble and conduct daily operations as well as to develop and implement policy. Reports on FEMA after Katrina noted that the policy toward emergency management response changed and was focused on terrorism once it became part of DHS.

Policy coordination was changed as a result of the change of reporting relationship and this appears to be a systemic change. Policy coordination for FEMA was overseen through DHS and as has been shown in this study to have changed from
natural disaster mitigation and response to terrorism response. This is highlighted in the response from a person interviewed for this dissertation when responding to the question if policy coordination was impacted by the change of reporting relationship.

Oh yes, absolutely, I mean all you had to see were the policies on grants and most of the natural disaster grants got severely limited; terrorism was 95% of what everybody had to do. With everything else being 5% - if it was even that much - and obviously the policies followed too. A renewed emphasis on preparedness, though I don’t know exactly where it ever went because it wasn’t evident in the disasters that happened after Katrina; I mean Katrina and Rita and those other disasters.

Once included in DHS, FEMA’s focus shifted almost entirely to terrorism (Redirecting FEMA Toward Success, 2006, p. 24).

According to one senior FEMA official if you brought up natural disasters, you were accused of being a pre-9/11 thinker…. A review of FEMA’s training exercises illustrates the focus on terrorism. A July 2004 document detailing the agency’s national emergency exercises showed only two of the 222 simulations involved hurricanes.

The change in reporting relationship created a chain of command in emergency management where FEMA’s policy formation and implementation was subject to DHS direction on a permanent basis. This led to a formation of policy which focused on terrorism which adversely impacted FEMA’s capacity to perform its traditional mission of natural disaster response.

6. Professional Competency

Professional competency is another formal element that can be impacted by the change in reporting relationship. It is generally accepted that FEMA experienced a “brain drain” prior to Hurricane Katrina. This has been credited with the depletion of
experienced staff at FEMA which led to the problems FEMA experienced in responding to Katrina. The inquiry is whether the change in authority structure resulting from the merger led to experienced staff leaving FEMA.

The vast majority of the respondents credited the merger with DHS as a reason why so many qualified FEMA staff left after the merger. There was an acknowledgement that many were of retirement age and after the merger, believed it was best to move on or retire from the federal government. Typical responses were:

I think it was a combination of age-related retirement and the culture change that people left. We really had done a lot of recruiting of young people because the workforce at FEMA was definitely an older workforce and we knew there were going to be problems. We made a lot of effort to bring in new people and younger people and a lot of the really good ones left because of DHS, because of the culture. I also think that a lot of people who were on the point of retiring saw no value in staying because things weren’t going to change and they didn’t have an ability to really do their jobs the way they had been taught to do it or the way they had done it in the past. A lot of people left; a lot of good people left.

It was a combination of both. People just didn’t want to deal with the bullshit anymore and decided, you know what, I don’t need to deal with this, I can retire when I want, and they left.

But what I think one of the things though is that if you do have a culture change that says you federal workers are pretty bad and we are better off contracting this work out as often as we can. Then if you are at that age you think why shouldn’t I go to a contractor? They’re going to give everything or most of it anyways to them at an increased salary so why shouldn’t they do that. I think there was a great deal of that. People I didn’t expect to leave were leaving and people I didn’t think of as, they may have had their 25 years in, but only because they started when they were 22. And people I really thought of as apolitical generally, I couldn’t have guessed their affiliation; I just think they didn’t feel they were of much value or valued at work.

That the leadership and the senior people started to leave because all their resources and capabilities had been diminished; they didn’t control their
own destiny anymore; that there was another layer of bureaucracy. Then you had people in DHS who certainly didn’t understand what FEMA was and what it was about. Then you go back and look, and I hate to use this approach, but they were very much law enforcement oriented.

The effect that it had was that everyone was downgraded a complete level. So I was actually in charge of all recovery programs as a career SES and reported to an assistant secretary-level type person. Well I was replaced by a political appointee - I became that person’s deputy. So we had political appointees at the division level. The division level positions in many agencies were headed by GS-15s or SES’ depending on the size and complexity, by their career positions. At FEMA the effect of the reorganization plan when we came into DHS was essentially to downgrade everybody.

A small number of the political appointees indicated that folks left solely because they were at the point in their career where they could, and it was not the change in culture from the resulting merger.

But I am not familiar with anybody that, so to speak, was driven away because of the merger.

But there were, in the whole federal government, that period of time and now and for the ”x” foreseeable future faces the issue of a remarkably high percentage of senior leadership at retirement age. So again, FEMA wasn’t special in that regard.

That really didn’t change. The FEMA people were just working for a new person.

Archival reports emphasized how the change in reporting relationship affected staffing at FEMA (Redirecting FEMA Toward Success, 2006, p. 25).

Reminiscent of the 1980s many political appointees found a home within FEMA….five of the eight top FEMA officials came to their posts with virtually no experience in handling disasters and now lead an agency whose ranks of seasoned crisis managers have thinned dramatically since September 11, 2011. Shortly after the merger, FEMA experienced massive turnover among its high level officials, as veterans who once led the agency’s offices of response, recovery and preparedness left to take
consulting or managing positions. Similar to the reduction in upper management that occurred under President Reagan, personnel records indicate the number of career disaster management professionals in senior FEMA jobs was cut by more than fifty percent since 2000. The turnover had an effect on operations and diminished institutional memory.

Another report also emphasized the erosion of professionally competent staff (Failing to Protect and Defend: The Federal Emergency Response to Hurricane Katrina, 2005, p. 25):

> Professional staff are being systematically replaced by politically connected novices and contractors.

Likewise, another Congressional report found the loss of staff affected FEMA’s ability to respond effectively to Katrina (Failure of Initiative: The Final Report of the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina, 2006, p. 152).

FEMA response officials in both Mississippi and Louisiana testified that the department’s inability to field sufficient numbers of qualified personnel had a major impact on federal response operations. In addition, FEMA had lost, since 2002, a number of its top disaster specialists, senior leaders, and experienced personnel, described as “FEMA brain drain.” Many emergency management professionals had predicted this ”drain” would have a negative impact on the federal government’s inability to manage disasters of all types.

**Summary:**

There was a consensus that a number of experienced high and mid-level emergency management professionals left FEMA after the merger and before Katrina in 2003 and 2004. More than one third of FEMA’s senior emergency management staff by 2005 was made up of acting, somewhat inexperienced employees, because so many of the experienced employees had left the agency over frustration by inaccessible leadership
within DHS (Adamski, Kline, & Tyrell, 2006). There were comments from those who believed the retirements were simply because FEMA had an older workforce, and thus many professionals could retire. The majority of respondents indicated that most people left because they were at a point in their careers where they could. However the respondents indicated that the merger into DHS, whose leadership were new political appointees with no emergency management experience caused some to hasten their decision to leave because they became discouraged and saw FEMA heading in a direction they did not want to be a part of. Many respondents also identified the change in culture as a reason. As experienced staff, they did not like being questioned on policy and day-to-day operations by DHS staff that had no experience and were also younger. They also saw what they considered to be a shift in culture away from emergency management to terrorism at the expense of FEMA and its resources and thus felt it was time to leave the agency. Archival reports also indicated that “brain drain” as a result of the merger was a factor contributing to FEMA’s loss of experienced personnel.

The change in reporting relationship does appear to have had a systemic impact on levels of professionally competent staff. Professionally-qualified employees found FEMA a less attractive place to work subsequent to the merger with DHS and the number of career emergency professional staff at FEMA dwindled as a result. As one reported noted (Redirecting FEMA Toward Success, 2006, pp. 25-26);

Shortly after the merger, FEMA experienced massive turnover among its high-level officials, as veterans who once led the agency’s offices of response, recovery and preparedness left to take consulting or managing positions. Similar to the reduction in upper management that occurred under President Reagan, personnel records indicate the number of career
disaster management professionals in senior FEMA jobs was cut by more than fifty percent since 2000. The turnover has an effect on operation and diminished institutional memory. Three of the five FEMA chiefs for natural-disaster-related operations and nine of the ten regional directors are working in acting capacity [in 2005 at the time of Katrina].

The extent to which professionally competent people left FEMA can be attributed to the reduced stature of FEMA and because there were more political appointees who had no emergency management experience in leadership positions at FEMA. These factors created a systemic impact on FEMA.

C. Informal Components of Autonomy

1. Culture

Culture is the first informal element to be considered. As has been documented earlier in this dissertation, under James Lee Witt, FEMA had a clear and concise mission which the staff embraced, enabling them to do their job effectively. This created a culture at FEMA where everyone understood their role and where the employees believed in the agency, which led to positive employee morale. The question posed to respondents about mission is used to get an insight into how the culture at FEMA was affected by the merger. FEMA under Witt had a clear and concise mission of mitigation, response and recovery which empowered employees to be entrepreneurial and innovative. A clear mission can contribute to a positive culture (Khademian, 1996). Under Witt employees knew the mission and understood their contribution to it and this contributed to a strong culture (Haddow & Bullock, 2006).
FEMA’s mission has always been to handle mitigation, response and recovery for disasters. Under Witt, the mission of FEMA was to reduce the loss of life and property and protect our institutions from all hazards by leading and supporting the nation in a comprehensive, risk-based emergency management program of mitigation, preparedness, response and recovery. With the merger into DHS, FEMA’s mission remained virtually the same. However, now it had to fit within DHS’s mission which was to prevent terrorist attacks from occurring within the United States, reducing U.S. vulnerability to terrorism, minimizing the damages from attacks that occur and helping the nation recover from any attacks.

The responses to the question on whether there was a change of mission at FEMA became focused on the difference between the official mission and what many respondents categorized as the unofficial mission FEMA had to adopt or distractions to its mission. Typical responses were:

I don’t think that in reality the mission had changed, but there were people in the department that had different expectations about what that mission was.

I don’t think that in my mind the mission ever changed, I just think people view FEMA in a different light.

I don’t think their mission changed but I think there was a lot of distraction. And that’s always the case when there is – well not always, but it is often the case and most of my experience has been in the private sector – when one entity is acquired by another. This happens in the corporate world a lot. You have a difference of charter, so to speak. So there was a lot of distraction at FEMA in its core mission, I believe, once DHS was set up.

Folks who had been with FEMA experienced what they perceived to be a change in the unofficial mission.
I think it changed some. I think a lot more of the emphasis…it’s cyclical. I was there in 1979 and when the new administration came in ’81, the same way the new administration came in 2001 – 20 years later – there was an immediate emphasis on – in ’81 it was the cold war, in 2001, well we didn’t have the attack yet, but it was a preparedness and more of an anti-terrorism feeling and that kind of a domestic and natural disasters kind of would take care of themselves.

This is an interesting statement because it showed a change of mission at FEMA even prior to DHS, which indicates a change in culture and emphasis with the Bush administration coming into power.

State and local officials saw a change in what they perceived to be the direction of emergency management in general and FEMA. One official described his perception of a DHS-arranged conference.

DHS organized a meeting in Washington DC and what they did they invited the HS advisors and the state EM directors because only in a few states were those 2 positions the same person. So when the agenda was sent out for that meeting, it was all terrorism related issues and EM directors were saying, you know, we don’t need to come to this - this is not looking at it from an all-hazards approach. And that is going back to what I said earlier, which is they were talking the talk, but they weren’t walking the walk. So as a result of that, a lot of EM directors just didn’t see the need to go to Washington to go to this meeting hosted by Secretary Chertoff & Deputy Secretary Michael Jackson. I received a call about the - and I don’t remember exactly - but it was the week before the 23rd of August from Josh Filler, who worked for the secretary. He said, we just aren’t getting a lot of attendance from EM directors. At the time I was serving as legislative chair for NEMA so I was really involved legislatively. I basically told him the problem is if you look at your agenda, is that it is very terrorism centric, so as emergency managers we are saying, why do we need to be there? You need to look at the all-hazards approach; you need to add natural disasters because we are very vulnerable to this.

The interviewees who had come into FEMA after DHS and were appointed by the Bush administration saw the mission differently.
No I don’t [see a change in mission]. I am one of the few. I’m not sure the structure or mission or capabilities, as in roles and responsibilities [legal responsibilities] changed at all from 2003 – 2005; ’03 being when DHS was set up in March ‘til Katrina. There was nothing preventing – I don’t think there was anything structurally or authoritatively preventing Mike Brown from doing his job during Katrina.

I don’t think FEMA’s mission fundamentally changed at all except in the context that everybody, not just FEMA, in the federal government had to adapt to the realities of 9/11 attacks and the post – 9/11 environment. FEMA needed to step up to a bigger plate, as did everyone else, in dealing with that particular threat – the terrorist threat. If you take a look at some of its more dangerous foreboding, the WMD type of attack, FEMA really needed to be built up and beef up its capabilities across the board and its knowledge of what was and wasn’t happening across the state level to be able to deal with that.

I think its role in terrorism response was probably underemphasized and not adequately planned prior to DHS. There was certainly a greater role on the terrorism issue that FEMA plays. James Lee Witt actually shunned that role and it became DOJ (Department of Justice).

One FEMA official who came in with the Bush administration saw the problem as the way integration took place between DHS and FEMA. He thought the merger with DHS was the correct move, but it did have lasting effects on the FEMA mission.

It was decimated. The mission…absolutely there was a middle man put between FEMA and its response and recovery; and the middleman in this case was DHS. Just so you know up front, I believe DHS was absolutely right for America. I am not shy about that. I thought it was the right thing to do and I was one of the first PFOs ever appointed in this country. So I support DHS. I think the way they integrated with FEMA was just horrible. I think it changed the mission for several reasons. It made FEMA more bureaucratic and it took away the direct link between FEMA and local governments and FEMA and its mission of response and recovery.

Some officials, who had been with FEMA or worked with FEMA during the Witt years, saw the merger’s impact on FEMA’s mission as much more of a change.
FEMA’s mission is the four phases of EM: mitigation, preparedness, response and recovery. And it’s about helping people reduce impact; helping people repair; helping people respond to recovery. DHS’ mission is to prevent a terrorist attack from occurring, and prevent is not a word you use in EM because you can’t prevent hurricanes. You can prevent a flood from occurring in your home by moving, but you really can’t prevent flooding. So the missions were polar opposites and I think given all the demands and budget…there was a formal statement once in the media or in the records - they had opposite missions.

The thing I like to tell people is that when we started going to meetings with people in the department, we were the only ones that didn’t show up with uniforms and guns. That was something that was quite alarming. But underneath that is the fact that if you got mission that requires you to wear a uniform and carry a gun, you have a very clearly defined mission of law enforcement which you carry out in which ever narrow lane or broad lane that you operate in, you carry out in a proactive way. So everybody else’s mission in the agency was, in my view, clearly defined as a proactive, with their own authority to take action. And this is what I think was confusing to the leadership that took over DHS because I believe they did not appreciate, maybe Ridge did, but I don’t think anyone around him really appreciated the fact that FEMA’s mission was one of, more of, collaboration and being there to support the governor and to respond to the governor’s requirements and requests; as opposed to rushing in and pushing everybody else aside and taking care of the problem.

After the merger with DHS, employees felt the culture of the agency had changed. As one employee indicated (Morris, 2006, p. 288):

Those of us who worked there in the 1990s really thought we’d accomplished something as an agency. We had a good reputation; we worked hard to be an effective agency, and we were visible. When discussions began in 2002 to make us part of DHS, a lot of us felt like we’d been kicked in the gut. It was as if our reward for all we’d accomplished was a great big demotion.

There was also an overall erosion of in the satisfaction of employees at FEMA. In 2003, the year of the merger with DHS, a human capital survey conducted by the Partnership for Public Service found FEMA was ranked last among federal agencies in

Summary:

Very few of those interviewed felt that FEMA’s mission changed significantly after the merger. However, most stated that the mission was implicitly changed because of the focus by DHS on terrorism. Further, there was a breakdown along political lines. Many who were brought to FEMA after the merger or who were part of the transition believed that FEMA was lacking in terrorism response capabilities and needed to be strengthened along those lines and that the implicit emphasis on terrorism response was positive. Officials who were senior members of FEMA during Clinton and Witt believed that the implicit mission change had a negative impact on FEMA and took the organization away from what they believed made it successful, mitigation, along with response and recovery. Reports on employee satisfaction after the merger show a general decline in morale and a change of culture at FEMA after the merger with DHS.

The change in reporting relationship had a negative and systemic impact on culture. Under Witt, highly skilled emergency management officials worked in an environment where there was a positive morale and those officials felt valued and
contributed to the success of FEMA. They were empowered to make decisions in the
field allowing for quicker responses for victims. When FEMA became part of DHS the
culture created under Witt no longer existed as many emergency management
professional leaders were replaced by political appointees with no experience.
Experienced employees who remained lost their decision making abilities as the
decisions needed to be run through DHS officials who had no experience in the field.
Employee morale dropped and many left the agency. This culture was in effect during
Katrina and affected how FEMA staff responded to the events of the hurricane, it slowed
their response and there were less experienced staff responding, resulting in poor
performance.

Culture and FEMA’s autonomy are interrelated because the ability of culture to
contribute to the autonomy is contingent upon reporting relationship, the respect for the
agency’s expertise, and the presence of a clear measure of organizational performance.
As Khademian (1996) notes if these elements are in place, the agency has a much better
ability to generate a culture conducive to autonomy. With the change of reporting
relationship these elements no longer existed which inhibited a culture conducive to
autonomy at FEMA.

2. Leadership

The formal structural aspect of the leadership was addressed under the component
of agency head term of office. The concept of leadership here is considered in the
informal sense. The leader is the person who has the recognized authority to oversee the
agency. The leader needs to have clear access both up and down the organizational
structure and to understand the environment in which he/she is working. Can a leader contribute to autonomy, as Carpenter (2001) indicates through entrepreneurialism, opportunism and influence? At FEMA Witt was able take advantage of the autonomy of FEMA while also contributing to and advancing it. As a strong competent leader, he was able to establish FEMA as a strong agency allowing FEMA to develop greater autonomy. He was entrepreneurial and influential. As one of the interview respondents indicated in response to why Witt was a good leader:

The 5 things that made our director James Lee Witt so effective were: (1) he was a good politician; (2) he was a good communicator; (3) he was good at developing partnerships; (4) he knew how to manage an organization - especially a public organization and he had a great relationship with the president; and (5) he was a good emergency manager and an experienced emergency manager.

This is compared to Mike Brown, who became FEMA Director after the merger and had no emergency management experience. As a respondent noted as to why the perception was Brown was a poor leader:

Again it’s tough to say whether it was lack of leadership on the part of Mike Brown or whether it was because it [FEMA] went under the department. Frankly I think it was a result of a lack of leadership. Mike Brown had little or no relationship with the states, he had a very bad relationship with NEMA, with the state directors, he did not know his own staff or his regional staff, and he did not know where to go in the federal government to get the right resources.

Mike Brown also resisted the merger with DHS, which created relationships issues with DHS and created a situation where the FEMA leader was disconnected and ineffective as a leader. As respondents indicated:

I would say that for the most part, the folks I knew at that senior level, they worked hard to make that happen, but it was very much being fought
by Mike Brown and his very inner circle of people who were reporting
directly to him in FEMA HQ that really fought the integration with the
department on everything. Every single thing that crossed my desk on
behalf of Sec. Ridge that I was chartered by him to go out and fix they
were very stubborn. Mike Brown was very stubborn. Most of his SES’
however were not. They were very cooperative, collaborative and really
wanted to work together with me to get Sec. Ridge’s orders executed.

The thing that happens is the leaders of an organization - the organization
will always reflect the leaders - senior leaders of the organization - will
always do that. And if you have a senior leader who is discontented,
critical, and obstructionist, those are the values that get to be believed by
the, let’s say, common man as the ones that are valued; that are rewarded.
So it’s not about throwing rocks at individuals, but Michael really did not
do a good leadership job.

This resistance created a serious rift between FEMA and DHS, which resulted in
DHS not including FEMA in transitional meetings, because they knew FEMA would not
be accommodating and were thus not at the table during merger discussions. In response
to a question about leadership dynamics between FEMA and DHS a responded said;

Mike and the secretary did not get along at all - either secretary, Ridge or
Chertoff. And it created a real tension within the environment. Part of the
reason they had for a short time an undersecretary for preparedness, they
didn’t have those before that relationship that Mike Brown had with the
secretary. What that ended up doing was causing Mike Brown to be put
out of the loop. The secretary didn’t want to deal with Mike and he wasn’t
invited to the morning meetings that every other component head was
invited to. As a matter of fact initially Dave Paulisen said “hey, I need to
be at these meetings in the morning.” And they changed that. But it took
a long time.

FEMA was a troubled organization, in my judgment, culturally. The
problem with this situation was you had, at least in my perception, my
perception of it when watching them, the senior leadership at FEMA did
not want to be part of this department and resisted - and were frankly quite
vocal in criticizing the department. I’ll just say it: they were disloyal;
incredibly disloyal. And in my judgment, some of them should have been
fired and I made that recommendation based on some of the reports we
were getting about who was going to who and who was saying what about the department.

We couldn’t do it frankly because of the leadership resistance. They just didn’t want any part of it.

They never wanted to be part of the merger. They fought it tooth and nail and they used every political, legal, rhetorical argument they could muster to avoid becoming part of the department.

I mean, for Christ’s sake, the first thing they did was to do what? To keep the name FEMA. And then they spent the next year or 2 years doing everything they possibly could do to piss off the new leadership at DHS to alienate them to not be seen as team players and do everything they can behind the scenes to subvert the president’s policy and the president’s intentions. That that was tolerated by the White House is what blows my mind. Not that the outcome; the outcome is not what surprises me, it’s the White House allowing that to happen is what surprises me.

Their point, the leadership at FEMA during the merger was: “we’re more important, we’re much more powerful than you think so we’re not going to fight for more resources. We are not going to do this. We’re going to starve ourselves to prove our point that we’re right, that we shouldn’t be inside DHS.” With the actions, it’s like you almost need an organizational psychologist look at this. I don’t think it was intentional, I don’t think they sat down one day and said “We’re going to destroy FEMA so much that they will realize it needs to be separate.” I don’t think anyone intentionally said that or intentionally thought that, but one might make the case that that is what they were doing.

I was brought in under the belief that FEMA was going to rewrite the Federal Response Plan (FRP) and update it to incorporate elements of terrorism, hence the NRP. Allbaugh was really ok with that but as time went on and we started approaching a serious discussion of DHS coming into play, he was making it very clear that FEMA had no business being in there. And one of the quotes that I will never forget was him telling us, the regional directors that he was leaving. We were sitting around a table with him and he said in no uncertain terms, he says, I will not work for Tom Ridge and FEMA has no business working for anyone else except the POTUS.
Reports that looked at FEMA’s response to Katrina zeroed in on the lack of leadership throughout the senior ranks at FEMA (Hurricane Katrina: A Nation Still Unprepared, 2006, p. 214).

… the leadership at the time of Katrina also lacked basic management experience and the leadership ability required to coordinate the entire federal government’s response to a catastrophic event. Brown advocated to DHS and the White House to address FEMA’s needs, but he was generally unsuccessful. He presided over the agency as morale plummeted. He refused to operate within the chain of command in which FEMA resided. He failed to work collaboratively with state officials in Louisiana during Hurricane Katrina, the most significant disaster during his tenure.

Senate testimony considered whether FEMA leadership made a difference or whether FEMA inside or outside DHS mattered (Hurricane Katrina: Recommendations for Reform, 2006, p. 13).

There is some controversy about whether or not FEMA should continue to be in DHS or whether it should be spun out. There are pros and cons to that. But I would respectfully suggest that the quality and capabilities of FEMA’s leadership—and that is more than one person, I might add—as well as the adequacy of FEMA’s resources will probably have more to do with their ultimate success than whether or not they are in the Department of Homeland Security.

Summary:

With the merger and FEMA’s relative loss of autonomy, the head of FEMA had more constraints and hence fewer opportunities to exert leadership. Further, the mid-level managers were subject to DHS approval before moving forward, impeding their ability to act entrepreneurially. As noted above under “agency head experience,” a majority of the interviewees in this study believed that the leader of FEMA needed to be
a good manager, communicator and leader before they needed to be experienced in emergency management.

FEMA’s independent status during the Clinton administration afforded Witt the latitude to exercise his leadership skills. It also allowed him to be entrepreneurial and to make quick decisions and it allowed his staff to do the same. When the reporting relationship changed it limited the FEMA’s director’s ability to experiment, learn and innovate because his actions were subject to approval by DHS. The ability of FEMA’s director to act independently and exercise leadership even in responding to emergency situations was impacted because of the requirement to check with DHS leadership. This was evidenced in the response to Katrina where the FEMA FCO could not act decisively and independently as Witt had done because the FEMA FCO had to be responsive to the DHS PFO. This lack of independent leadership created confusion among state and local officials as to who was actually in charge which created delays in response while it was sorted out.

The reporting relationship under DHS constrained the FEMA leader in such a way that even an acknowledged leader such as Witt may not have been able to be as effective and successful under DHS because he would not have been able to execute his vision and reforms for FEMA because he would have been constrained within DHS thus thwarting his autonomy and the autonomy of the FEMA.
3. **Reputation**

The success of FEMA during the Witt era has been attributed to the reputation FEMA was able to build. Witt was able to build an agency with a reputation among stakeholders and politicians that it was an agency able to respond effectively to natural disasters. A specific question about whether FEMA’s reputation was damaged as a result of the change of reporting relationship was not asked of the interviewees. Instead, the interviewees were asked whether they believed that the merger was a good for FEMA and how it affected FEMA.

One perspective was that the merger was a negative to FEMA’s reputation and nothing was accomplished by the merger. Many of these interviewees were part of the Witt years; however, not all of them. Some were members of FEMA when the merger took place, and some became members of FEMA and DHS after the merger. Typical responses of these groups to the question of whether they believed the merger was a good for FEMA and how it affected FEMA were:

From the FEMA end I don’t think anything was accomplished as far as the nation’s ability to respond to disasters and mitigate against them and do an overall better job at EM. I think if anything it was a little bit hindered by the merger.

Chaos for FEMA! I really don’t see anything being accomplished by the merger. I was against it from the beginning. I don’t know whether it made the other agencies that came into DHS work more effectively. I really have to question whether the CG is working more effectively. It might be because they seem to be in most of the management positions at DHS. But it did nothing at all, in fact it subsumed FEMA and it took the country back a long way, which we evidenced in Katrina.

Let me put it this way, I don’t think FEMA was ever as bad as people believed it was after the merger; nor do I think it was as good as people said it was during the good years.
Many felt the merger was good for FEMA and would enhance FEMA. They believed that FEMA now had organizational, intelligence and operational resources it did not have prior to the merger. Although these responses included those who were brought in by the Bush administration, it also included employees who had been at FEMA prior to the merger as well state officials.

I think it is a very, very powerful organization now. I think being inside DHS has a number of key benefits to them. First and foremost, the breadth of, instead of the inter-department support and resources that they’ve got now, you know. I was, right after the department was created, the first big exercise was Top Off 2. What blew me away was how much additional support that, and having been an FCO and having been an ops chief, I was impressed with how much additional support and cooperation I got out of agencies that in the past I would never have thought to bring to the table. I was just glancing at the assembly of the budget that was just submitted for DHS. It was $55 billion. Think about that. Our original budget was, I think, $32 billion way back in 2003/2004. I would argue for the reasons I just laid out that it’s actually a much more powerful and efficient agency inside DHS than outside DHS.

I think a consolidation of intelligence; the consolidation, I think the development of a common operating picture. And for certain as one of the guys carrying a relatively high clearance, very high clearance, the knowledge of potential issues that could impact FEMA’s mission. So as we were perhaps not getting that intel prior to, we were getting the intel afterwards.

But today I think they are better off being part of DHS. Reason being is because they are with like-minded or similarly missioned organizations and when they are all in one department it’s easier for them to work together before, during and after an incident. They are not all just meeting each other as a disaster happens. They can better appreciate the issues within the department and unlike before now they have a secretary there as an advocate.

Prior to Hurricane Katrina, FEMA’s reputation still appeared to be good based on the evidence presented in various reports. The agency’s response to the hurricanes in
Florida in 2004 generally was positive (Redirecting FEMA Toward Success, 2006, pp. 26-27).

Under the Bush Administration’s leadership, FEMA was active from the very beginning of the 2004 hurricane season. FEMA’s relatively quick response to the hurricanes has thus far won mostly high marks from Florida officials, who remember well a time when the disaster agency seemed the last party to show up after catastrophes.

Guy Daines, former director of emergency services for Pinellas County, expressed pleasure with the rapid response…. The effort was repeated for Hurricanes Frances, Ivan, and Jeanne. By the end of September, FEMA processed 646,984 registrations for assistance….assistance to households reached more than $361 million, which included nearly 300,000 housing inspections and around 150,000 waterproof tarps for homeowners.

Despite the positive response to the 2004 hurricanes there was still concern from emergency managers that the agency had been affected by the merger. Among the emergency management community, the reputation of FEMA had begun to suffer as noted by former FEMA Director James Lee Witt in congressional testimony (The Homeland Security Departments Plan to Consolidate and Co-locate Regional and Field Offices: Improving Communication and Coordination, 2004, p. 91):

I am extremely concerned that the ability of our nation to prepare for and respond to disasters has been sharply eroded.... I hear from emergency managers, local and state leaders and first responders nearly every day that the FEMA they knew and worked well with has now disappeared. In fact one state emergency manager told me “it is like a stake has been driven into the heart of emergency management...” They are concerned that the successful partnership that was built and honed over many years between local, state and federal partners and their ability to communicate, coordinate, train, prepare and respond has gone downhill. And they are at a loss as to how to work with the federal government now and fear for their communities should a catastrophic disaster occur.

Summary:
There was no consistent theme here. There were those who felt that the merger did not accomplish anything for FEMA and that it actually hurt FEMA. This group felt that FEMA had the ability to task assign responsibilities to other federal and state agencies through the Stafford Act and as a result did not need to become part of DHS. They believed FEMA had the resources regardless and could get to them in an emergency. They also believed FEMA’s reputation was already strong. Others were of the belief that FEMA was now much stronger, because it did not have to “beg” for resources and that it had all it needed within one department. This included any intelligence but also if it needed airplanes or ships, it was able to get them much more easily.

Reports prior to Katrina provide evidence that FEMA’s reputation was still solid, although there were concerns among emergency management professionals that the merger with DHS was beginning to effect its reputation. There was the concern with the focus on terrorism and the inclusion in DHS that FEMA would have trouble responding to a natural disaster.

The interrelation of reputation, autonomy and performance is evidenced in the FEMA example. FEMA’s performance during the 2004 Florida hurricanes was perceived to have been relatively successful so at that point its reputation was still intact. After the poor performance during the Katrina response FEMA’s reputation suffered which led to the propensity of the political principles to interfere with the autonomy of the agency. It led to the Post Katrina Reform Act which instilled a greater amount of autonomy for FEMA. The change of reporting relationship impacted the other formal
and informal elements of authority structure which eroded its autonomy which impacted its performance during Katrina which in turned impacted its reputation.

4. **Networks**

As Carpenter (2001) has described, strong networks allow the agency to build a strong coalition that ultimately supports the agency leading to autonomy. The interview respondents viewed the effect of FEMA’s networks somewhat differently after the change in reporting relationship. There were respondents who believed the networks were enhanced with the combined strength of DHS.

In fact that was one of the greatest pieces of new news. Now there was this whole catalog of assets and people with capabilities that you didn’t have to go thru this cumbersome mission assignment process. You could simply have the secretary pick up the phone or in a daily meeting with his senior components and say “hey, make that happen. Send those guys and that equipment to that city in the next 12 hours.” If there was no bureaucratic process to go thru and it was more streamlined and more departmental resources at the beck and call of the FEMA director for any emergency, all he had to do was to ask for them thru the secretary.

How it was viewed by other federal agencies changed. Before FEMA went into DHS it was largely seen as a coordinating entity. It had no airplanes, it had no response assets, per se, but it had a massive checkbook and it had the ability to mission assign any federal agency within the government to undertake a mission and turn around and reimburse them for that. So in order for FEMA to have its mission accomplished it had to be pretty adept at making nice with other agencies and coordinating and all the things that goes along with the relationship building it takes to pull off big operations like that. After it went into DHS, DHS became an 800 lb. gorilla that had and continues to absorb other agencies’ authorized missions as its own because it has the wherewithal to pull them off itself without even going to another agency for assistance.

Other respondents felt that FEMA’s networks were negatively impacted with the change in reporting relationship.
Everybody says well, they are in DHS so the CG (Coast Guard) is there to help them. Well the CG was there to help us before - all we had to do was mission assign them, which is effectively what FEMA is doing still. The agreements were in place; the federal response plan worked. It worked because everybody agreed what resources they would bring to the table. All the federal agencies that signed the contract and they agreed how they’d be deployed and they agreed that FEMA would reimburse them. And it worked. There’s no other entity in federal government that I’ve ever seen that coordinated that many federal agencies, a single agency, and brought the full resources of the federal agency to bear on the issue. And they don’t have that capability even now.

Literally, I think, FEMA and myself included, felt left out of a lot of stuff. I mean stuff would go on with the states that we wouldn’t even know about. And the states would eventually say, “Oh, we’re working on this new communications thing with HS.” “Oh, you are?” You know, it just, um, it would have taken time anyway but due to a lot of political reasons and otherwise it just, um, I think it was, uh, kind of tough to get our arms around, although, I think everybody tried.

FEMA, really people misunderstand and like they were saying, because we are HS, with the Coast Guard, we can get helicopters quicker. Well, that’s horse shit because in the old days, FEMA has the authority to mission assign any federal agency to do anything they need to. And, you know, it’s very common practice to mission assign the military to provide helicopters or the corps of engineers to do this or that. Cause the way it came up, paid for other federal agencies to do FEMA’s work, that was with the national per diem, the federal response plan said.

HS, they were setting up all sorts of HS operations centers and direct pipelines to the states and stuff so they could stay on top of stuff for terrorism and stuff. And all of that bypassed FEMA. The FEMA regions were entirely left out of it and so FEMA had to kind of catch up to it. So a lot of the reporting relationships for planning changed; for funding changed; for operations changed.

After action reports on Katrina noted that FEMA’s merger with DHS had affected its ability to interact with other entities outside of DHS, as James Lee Witt had noted

*(Redirecting FEMA Toward Success, 2006, p. 35):*

FEMA having lost its status as an independent agency is being buried beneath a massive bureaucracy whose main and seemingly only focus is
fighting terrorism while an all hazards mission is getting lost in the shuffle.

As an independent agency, FEMA, under the Stafford Act, had the ability to mission assign other agencies in disaster response. FEMA had operated this way during the Witt years. However, once merged with DHS, FEMA became responsible for implementation of the new National Response Plan. This change created problems as noted in a report after Katrina (DHS, 2008, p. 15).

The purpose of the National Response Plan (NRP) was to establish a comprehensive, national, all hazards approach to domestic incident management across a spectrum of activities including prevention preparedness, response and recovery…. In August 2005, the NRP was used in response to Hurricane Katrina, but it fell short of seamless, coordinated effort…. Problems ranging from poor coordination of federal support, to confusion about the roles and authorities of incident managers, inadequate information sharing among responders all plagued the response to this catastrophic disaster. Of concern was confusion about the respective roles, responsibilities, and authorities of the Principal Federal Official (PFO) and the Federal Coordinating Officer (FCO).

Summary:

The interview responses were inconclusive. There those who indicated that FEMA was much better off with the change in reporting relationship, that the networks available to FEMA were much greater and made FEMA much stronger. There were also respondents who believed that FEMA was much more constrained structurally after the merger and did not have the ability to build and strengthen their own networks because they were not permitted to by DHS. After action reports on FEMA after Katrina indicate that FEMA had lost its ability to coordinate and work with in its networks in disaster recovery.
5. **Stakeholder Support**

Stakeholder support is another facet of an agency obtaining autonomy. The change of reporting relationship affected FEMA because as it was more removed from gaining stakeholder support from within Congress. Typical interview responses were:

But I do think it was becoming cumbersome in other parts of the agency where suddenly the legislative people could no longer talk directly to committees of appropriations committees without going through DHS’ office of administrative affairs and I think CFO’s office was not reporting to the CFO’s office at DHS. So I think in that way those were things that slowed up a lot of work and there was a pretty steep learning curve.

Prior to the merger with DHS FEMA had the autonomy to build and manage its political support through proactive communications with its stakeholders. It took feedback as it developed its strategic plan and replaced its hierarchal Emergency Operations Center with a network of public and private organizations that were vital to emergency response. In addition, FEMA created Project Impact which brought emergency management and mitigation into every community. This program diffused emergency management into the local communities which caused local and state officials to lobby Congress for financing and support for FEMA (*Written Statement of Joe Allbaugh, Director of FEMA, 2001)*.

It is an initiative to get "consumer buy-in." In many communities it became the catch-phrase to get local leaders together to look at ways to do mitigation. Project Impact was a successful initiative to get local leaders together to look at ways to do mitigation.

**Summary:**

Prior to the merger with DHS, Witt had been able to establish stakeholder support from individuals in Congress because he had direct access to members of Congress,
especially those whose districts were in areas prone to natural disasters. Witt met with
the congressional leaders of the committees and showed them the importance of their
support when it came to a disaster hitting their state. Witt had the freedom to make these
contacts as the director of an independent agency. Witt had the autonomy to make direct
contact to Congressional members. FEMA used various programs such as Project Impact
to garner local and national support. After the merger with DHS the FEMA director
could not make these direct contacts, any contacts had to be cleared by DHS first. This
type of structural control that limited the director of FEMA’s ability to communicate
outside of FEMA is illustrated in this interview response;

    It all had to go through DHS whatever happened went through the
    secretary’s office.

D. Autonomy and Performance

1. Bureaucratic Decision Making – Autonomy

    It has been established that FEMA had the ability to direct its own course as a
consequence of the relative autonomy it was able to obtain during the Witt era. How was
that ability changed with the change in reporting relationship at FEMA when it was
merged with DHS?

    One theme that came out of the interviews was the constant reference by
respondents to bureaucratic decision making. One of the changes was that there were
new layers of decision making and bureaucracy as a result of the merger. Many believed
this was an impediment for FEMA to do its job. It was a change from how they had operated in the past. Typical responses were:

It was hard enough to get stuff through the FEMA bean counters. But everything the FEMA bean counters bought off on now had to go through the HS bean counters; and lawyers, and administrative people. So things really slowed down and again that’s just part of the, that’s inevitable when you do that. HS wasn’t going to let a free agent run out there and do what they pleased.

But it added time and layers of bureaucracy on to things that we thought, those of us in the field, like especially after doing it for about 8 years, the federal response plan was beginning to work. And now the whole thing’s out the door with the national response plan.

Yea, if you just want to answer a reporter’s question it takes a week just to get approval. Think about that. When you want to spend money it’s going to take months. So that’s why in New Orleans it’s so screwed up. That’s why the Gulf Coast is screwed up.

Yes, many more layers of organization to go through. And hopefully those people involved in some of those were not used to that sort of approach or that sort of organization structure and I think that if you were political and you came in and you had authority one moment and the next minute you were reporting up through someone, and you had never been in a corporate world where you had to learn how to do that I think it made it more difficult for people to coordinate themselves under that umbrella; to communicate and meet and move ahead with the change.

As state director in Alabama for 4 years as a customer to the agency, I think that the bureaucracy has added weeks and sometimes months to the decision making process that used to take minutes.

Additionally, respondents noted that in addition to greater levels of bureaucracy to go through, FEMA had lost its authority to make decisions and in some cases duplicate programs were put in place by DHS, further diminishing FEMA’s authority and autonomy on issues or during emergency management responses.
Where once when FEMA was an independent agency I could go directly to the DOD and request assets from the deputy secretary of civil support at DOD. It now had to go from secretary to secretary. So Rumsfield now had to go to Chertoff and first they had to understand what FEMA needed so there was discussion at the lower levels and then it was elevated to the cabinet secretary level. I’d say there was at least another 2 layers of bureaucracy over and above that you have to navigate through in order to get something done.

As the regional director I went from being able to discuss things with the city of Seattle to you can’t discuss anything with the city of Seattle. You have to go through the state and then you have to discuss it with us because we are talking to them. It just severed a critical link automatically.

It hamstrung them and in the paper I wrote, the paper deals with roles and responsibilities of the FEMA Federal Coordinating Officer (FCO) vs. the DHS Principal Federal Official (PFO); so the role of DHS’ PFO vs. FEMA’s FCO. FEMA’s FCO had statutory authority to govern recovery and response of disasters - primarily natural disasters - but terrorism disasters as well. And with that authority that the FCO had, he or she had the money to go along with it but they weren’t given operational capability - basically coordinate the response, recover from the event and write all the checks needed to make it happen; access to all the resources and assets. DHS came in and implemented the concept of a PFO. PFO was truly the secretary’s representative on the ground. And the conflict that you saw between Thad Allen (Deputy Director FEMA) and Mike Brown (DHS Deputy Secretary) was a textbook example.

Post-Katrina reports also indicate that the inclusion of FEMA in DHS affected FEMA’s decision making ability especially in the time of crisis. The Stafford Act allowed for the FEMA senior staffer to be the Federal Coordinating Officer (FCO), the senior federal emergency management official on the ground with decision making authority during an emergency. DHS, wanting to ensure they had their own senior official at the disaster site, created the Principal Federal Officer (PFO). This led to
confusion in roles, and who had ultimate authority and the decision making abilities on
the ground (Hurricane Katrina: A Nation Still Unprepared, 2006, p. 18).

The roles and responsibilities of the Principal Federal Official (PFO) and
FCO overlap, and were a source of confusion during Hurricane Katrina.
The Stafford Act should be amended to clarify the roles and
responsibilities of the FCO, and the NRP should be revised to eliminate
the PFO position for Stafford Act-declared emergencies and disasters. It
should also be amended to ensure that the Act addresses response to all
disasters and catastrophes, whether natural or man-made.

In recognizing that FEMA had lost decision-making capability within DHS,
Congress gave greater authority to FEMA and independence through the Post-Katrina
Reform Act (CRS, 2006b, p. 5).

….the Post-Katrina Act gives FEMA more organizational autonomy than
it has had since becoming part of DHS. Like the U.S. Coast Guard and the
U.S. Secret Service, FEMA is now classified as a distinct entity within
DHS. In addition, the agency is no longer subject to the secretary’s broad
reorganization authority under HSA. The act authorizes the FEMA
Administrator, as of March 31, 2007, to provide emergency-management-
related recommendations directly to Congress after informing the
Secretary.

Summary:

Subsequent to the merger, FEMA went from an agency that had its own decision-
making ability and autonomy to an agency that had to take direction from DHS or had to
have most of its significant decisions run through DHS. This created many problems in
that it slowed down FEMA’s ability to be an agile organization during ever-changing
emergencies. It also led to an increase in the length of time during which decisions were
made and created more work for FEMA staff who had to not only submit to DHS but had
to create background material for justification of the decision. This led to frustration in
the FEMA workforce because in the past they had been able to make their own decisions,
or, if needed, go through the president for decisions. Now they had to go through multiple layers of authority and bureaucracy. For agency that needed to be agile and flexible in responding during emergency situations it became encumbered by the additional decisions layers within DHS. This slowed FEMA’s response and ability to make quick decisions impacting FEMA’s performance during Katrina.

2. Performance

The question of performance was asked of the interviewees to gauge their perspective on the outcome of the merger between FEMA and DHS: did it impact and affect FEMA’s performance? The majority of the respondents believed the merger had affected FEMA’s ability to perform in a negative way. Typical responses were:

We had been talking about an all-hazards approach when in fact our capability to respond and recover from a natural disaster had diminished because of personnel on the federal level, because of funding on the federal level and certainly the expertise had been lost because you didn’t have people at FEMA HQ with field expertise. So when people ask me this question I often like to go back to that, because I really think it goes to the root of the problem that we were just given lip-service on natural disaster preparedness. Then Katrina came and you know what happened then - it opened everybody’s eyes.

The ability to perform and the ability to coordinate are 2 different things. I don’t think being in the department impacted its ability to perform operationally because it was part of the department. I believe what happened was that it impacted its ability to coordinate the mission effectively because it added different layers to the process.

But a lot of the things we talked about are funding. You know what we would hear from HQ is we don’t have that anymore, that went to the HS.

And how much of it was a policy failure vs. a leadership failure kind of is hard to say. You can speculate about that but clearly just the system how it was immediately prior to Katrina and certainly during the first few days of Katrina was much more difficult to operate because of the changes.
Respondents also continued to mention the additional layers of approval and documentation impacted FEMA’s ability to respond by bogging them down and making it difficult to focus on their mitigation and response to emergencies. There were also indications of an impact on the morale and respect of the employees.

So it wasn’t that they were particularly unreasonable, it’s that when you have those levels with more people involved rather than, for example, just asking the FEMA administrator questions, the president had to ask this other level. And what I am describing to you, Mike, is not a trivial amount of work. It was profound.

One of the things we did in the 90s is our director empowered the employees out in the field and at HQ to make decisions on their own; to act on their own based on what we all agreed to do. We all had a common vision of where we were going. Right now, the DHS deputy secretary is making all those decisions so what you’ve got is a FEMA organization in which nobody makes decisions anywhere up the line. Which means what? Everything takes forever for decisions to be made.

I think since it was supported in some ways, I think the people from FEMA (the employees) felt that they weren’t a priority and they weren’t important so there was a morale shift and people being detailed from FEMA with the expertise in other parts of DHS. That I believe potentially weakened their ability and capability on the short term and not filling positions like they should have been filled and keeping on top of the organization.

But I think that DHS was just the one that put the knife in the back and finished it all off. The priorities were different and they needed those resources. I mean they took all the preparedness programs, all the grant programs and just EM got marginalized. So I believe it was weakened from that viewpoint only because nobody was paying attention to it.

There were a few respondents, primarily the Bush appointees, who believed that FEMA was better off after the merger. They noted that FEMA is only as good as the state they are working in and that FEMA really does not have the capabilities everyone
thinks they have. They are in essence only a small coordinating agency so the impact of
the merger was minimal.

They have almost no training programs that are very effective in terms of
actual, on-the-ground management of disasters. And they have very little
experience in on-ground management of disasters. They have a lot of
experience in supporting state managers of disasters. They have very little
experience themselves in managing disasters. So they are not man-
equipped trained to perform the function that they have, or maybe the
administration has touted to the American people as they are being able to
perform. They just don’t have those capabilities. They send out a 25 man
team to major disasters - they sent 25 people to Katrina, for example. And
that frankly stretched them. They simply do not have the operational
capabilities to independently handle large disasters.

I also think, and you have probably heard this from people, FEMA is only
as good as the state it works in. Why did 2004 work so well? Because
you had a governor who was very engaged and an EM director who knew
his stuff.

I don’t think so; I think it should have made their ability to perform much
better than when FEMA was a stand-alone ship that really had zero
internal capabilities to do anything other than be a contractor or a logistics
enabler. By being part of the department as opposed to being a stand-
alone agency or organization, now it was automatically fused with people
who had real capability – Coast Guard, Customs and Border Protection,
Immigration and Custom Enforcement, and Secret Service.

Archival reports also supported what was gleaned from the interviews that
FEMA’s merger into DHS contributed to its poor performance in response to Katrina.

For example, the Failure of Initiative concluded (Failure of Initiative: The Final Report
of the Select Bipartisan Committee to Investigate the Preparation for and Response to
Hurricane Katrina, 2006, p. 158):

For years emergency management professionals have been warning that
FEMA’s preparedness has eroded. Many believe this erosion is a result of
the separation of the preparedness function from FEMA, brain drain of
long term professional staff along with their institutional knowledge and
expertise, and the inadequate readiness of FEMA’s national emergency
response teams. The combination of these staffing, training, and
organizational structures made FEMA’s inadequate performance in the
face of a disaster the size of Katrina all but inevitable.

Another report noted (Redirecting FEMA Toward Success, 2006, p. 30):

For emergency managers around the country, FEMA’s response to Katrina
was a foreseeable tragedy. Prior to Katrina, many predicted that the
agency’s focus on terrorism would have negative consequences for
disaster response. For example, leaders of the National Emergency
Management Association, fearing that a disastrous FEMA response was
imminent, came to Washington just days before Katrina struck to warn
Secretary Chertoff that the shift from an all hazards approach to an
emphasis on terrorism was weakening FEMA’s readiness for disasters.

Summary:

There were some Bush political appointees who believed that FEMA either never
had the capabilities to respond effectively to disasters or they were much better off with
the resources DHS brought them. However, a larger group of respondents felt the merger
impacted FEMA in a negative way. They listed many of the elements already discussed
in this study: loss of budget, mission change, policy and administrative changes, loss of
competent staff and poor leadership infusion. They also consistently mentioned how the
loss of autonomy and empowerment and constantly having to justify their actions
affected their morale and created a situation where they had to take valuable time away
from their duties to respond to the questions. The interview respondents indicated that all
of these types of elements impacted FEMA’s ability to respond effectively to disasters, as
well as effectively prepare and mitigate for disasters. Archival reports concluded that
FEMA’s placement in DHS eventually eroded its ability to perform well during disasters,
and FEMA’s poor performance during Katrina was a result of the erosion.
E. **Additional Factor Considered - Structural Placement**

The respondents were asked about the structural placement of FEMA; kept within DHS or be made an independent agency? The majority of the respondents believed that FEMA was better off staying within DHS. There was also the belief that FEMA had gone through a great deal of upheaval with the merger and to remove it now would create more upheaval. Those who believed FEMA would be better off as independent agency conveyed that to undo it now would create greater problems.

It would be a major upheaval because since FEMA, initially when FEMA was put into DHS I was among the people who said it was a mistake. And I felt that way for a long time and I am not so sure now that I believe that FEMA should be in DHS; it’s just now that it’s been in DHS so long that it would be significant to pull it out. There are 2 types of problems in organizations. There are structural problems and there are personnel problems. While I think a lot of people want to make the case that this is an organizational flaw I don’t see that. If you think the POTUS isn’t talking to the combatant commander in the Middle East when he wants to and that combatant commander couldn’t get the president on the phone if he wanted to is just absurd.

I think FEMA would have been better off remaining an independent agency. But to undo it now and try to unbundle it, I don’t know that it’s good for FEMA or the country and I don’t know. I think it could be just as distracting to try to undo it now as when it was put together. It’s not something that you can flip a switch and go back to immediately.

I am very pleased to see the Obama administration has made the decision that they are going to keep FEMA within DHS. That’s where it should be. Again, with appropriate leadership and management both at DHS and FEMA there’s no reason why it shouldn’t work very, very smoothly. In fact I don’t think that FEMA has an organization of maybe at most 4000 people, if it’s that big, that would have the ability to survive on its own as an independent agency in the current environment.

It’s just the world is not the same as it was in the ‘90s - things have changed. And again a lot of my colleagues in EM have been fighting that battle for 6 or 7 years and many of them were so hopeful that Obama would pull FEMA out. I mean if you do that it’s like if you pull a string
on your sweater and the whole arm falls off and you can’t figure out why; you keep pulling on that string and you don’t know the stuff that’s going to come unraveled.

I just think this issue that Witt and his cohorts would beat on their drums endlessly when he was director of FEMA and he had direct access to the White House that’s truly the only FEMA director in history that had that; that simply was not the case. And in his case while he certainly had a personal relationship with Bill Clinton, he also had to go through the bureaucracy of the White House and its staff in order to do something. So there’s not that much difference between that and going through a secretary or deputy secretary of HS; the issue to me was not that the structure of the set-up of DHS was organizationally designed to cramp the style of FEMA. It was much more of the personal management style and capabilities of the individuals who were in those key positions.

The negative part that I told you about before is that it costs a lot of money, takes a lot of resources to integrate these departments, it took a lot of sweat equity and there was opportunity cost - all of that happened. Let’s not go through that again. So even if you could make a halfway decent argument to take it out, which I don’t think you can, even if you could I would say that the opportunity costs and other costs financially wise would make it crazy to do that.

There were still a few respondents who did indicate they believed FEMA should still be an independent agency and should be moved out immediately.

We tried it for some of the reasons you have articulated; it was a noble - well, maybe not so noble - experiment. I don’t see it has produced anything that has made us better as a nation. And the few things that have been less efficient in terms of especially disaster response, having to feed another level of bureaucracy, I think are substantial burdens on responsiveness of this country. So I would say without pointing fingers at anybody, we tried it, it didn’t produce a huge increase; let’s try to go back to a more direct response organization where FEMA can respond to the president.

It absolutely needs to be independent and report directly to the president.

But things like: during a disaster, does the director of FEMA report to the president; things like the ability of FEMA to carry out its mission independently without minute oversight by the secretary. I think that
people tried to fix the problem but it was a half effort in the post-Katrina bill. And it just didn’t work. I know the congressional staff I’ve talked to lately are…one of their priorities in this session of Congress will be things that were supposed to have gotten done, but haven’t been done yet, figure out why, and see if they can get done.

I think it should be a separate entity because the entire emphasis for the first several years of the genesis of DHS was all on terrorism. We probably have had a greater number loss of life from natural disasters. There have been more people that have lost their lives from natural disasters than terrorism. DHS’s focus on terrorism, even if you watch today, except Gov. Napolitano, is trying to get into world health business, I think, but I don’t quite understand that fit, we have more loss of life from natural disasters, rising oceans, earthquakes and activities in the islands than you do from terrorism.

Reports after Katrina recognized that organizational placement was a concern that affected FEMA’s performance. However, other factors must also be considered along with organizational placement (GAO, 2006b, p. 27).

Because of FEMA’s mission performance of Hurricane Katrina, concerns have been raised regarding the agency’s organizational placement, including whether it should be disbanded and functions moved to other agencies, remain within Department of Homeland Security, or again become an independent agency. Importantly, other factors, such as the experience of and training provided to FEMA leadership and adequacy of resources may be more important to FEMA’s future success than its organizational placement.

Similarly, a DHS report concluded that leadership is more important than organizational structure, but also noted that poor organizational structure can impede leadership (DHS, 2009, p. 18).

The success of an organization is often more about the organization’s leadership than its structure. The Hart-Rudman Commission recognized this when first considering a restructuring of national security policy. “Organizational reform is not a panacea. There is no perfect organizational design, no flawless managerial fix. The reason is that organizations are
made up of people, and people invariably devise informal means of dealing with one another in accord with the accidents of personality and temperament. Even excellent organizational structure cannot make impetuous or mistaken leaders patient or wise, but poor organizational design can make good leaders less effective.

Other reports recommended that FEMA did not have to be removed from DHS, but that FEMA’s organizational structure could be strengthened in DHS to make it more effective (Redirecting FEMA Toward Success, 2006, p. 35).

FEMA’s success in the 1990s is partially attributable to the open communication between the director and the president. Strengthening FEMA’s position with the White House and within the department’s structure will allow it to leverage the resources of the department in the event of a national crisis in a way that an independent agency could not. With these considerations in mind, we recommend requiring a direct line of reporting between the Director of FEMA and the President of the United States during incidents of national significance.58

Summary:

It was evident that there had been a great amount of resources and effort to integrate FEMA into DHS. Although there were still some respondents, primarily from the Witt era, who believed that FEMA should be pulled out immediately, most determined that FEMA had gone through a lot during Katrina and with the additional powers given back to FEMA as a part of the Post-Katrina Act legislation, it was better to keep FEMA part of DHS. There was also the understanding that the world is a much more complex place than it was when FEMA was independent, and thus the president is not in a position to give FEMA the attention it needs. FEMA can receive much more attention to its needs by reporting to a secretary and to the president only under a declared emergency as outlined in the Post-Katrina Act.

58 This recommendation was incorporated as a part of the Post-Katrina Reform Act.
There is also the understanding among the respondents that mergers take time to happen successfully, and there had been so much change at FEMA subsequent to the merger with the Post-Katrina Act that it was better to leave FEMA in DHS, where it could continue to work with DHS to become more effective.

Reports after Katrina debated whether FEMA should be in or out of DHS, but they also concluded that the structure within DHS needed to be improved to strengthen FEMA’s position within DHS. They also concluded that other factors such as leadership are as important as organizational structure and placement, and that they can impact each other, such as when structure impedes leadership.
VI. Discussion

A. Overview

This section will include findings from this research. It presents a meta-model which reflects findings from the literature as well as the results of this research on FEMA in which relationships between reporting relationship, autonomy and performance are outlined. Propositions relating to these relationships are drawn from the meta-model.

It should be noted here that this is an exploratory case study. An exploratory case study provides for further examination of the phenomenon observed (Yin, 2003) and allows for the development of hypothesis and propositions. The relationships depicted in the meta-model presented in this chapter are hypothesized based on the FEMA experience and the literature. The purpose is to further discussion of the relationships between reporting relationship, autonomy and performance.

B. Relationship between Reporting Relationship, Autonomy and Performance

The meta-model depicted in Figure 8 incorporates the findings of Moe (1989), who examined the CPSC, EPA and OSHA, Khademian (1996), who examined the Fed, FDIC and OCC, Carpenter (2001), who examined the Post Office, Department of Agriculture and Department of Interior and the three stages of FEMA presented in this dissertation, FEMA prior to the merger with DHS (FEMA I), FEMA after the merger with DHS (FEMA II) and FEMA after Katrina and the Post Katrina Emergency Management Reform Act (FEMA III).
The formal elements outlined in the meta-model are based on the work of Moe (1989) and Lewis (2003) who focus on the elements of authority structure that are used to control the autonomy of an agency. Reporting relationship is the main focus of this dissertation because that is what changed when FEMA was merged into DHS. The other formal elements are agency head term of office, administrative procedures, professional competency, policy coordination and budget allocation.

Agency attributes in the meta-model are based on the work of Khademian (1996). She outlines how agency autonomy is affected by the structural position of the agency, how much formal independence it has as a consequence of its structural position. Khademian also determines that an element of agency autonomy is the clarity of the agency’s mandate. If the agency has a clear mandate which the political principals and public understand the agency will have a greater amount of autonomy. Khademian contends that the existence of a clear indicator by which performance is assessed is also a determinant of autonomy. If the political principals and public have a clear metric to determine the performance of the agency and the agency performs well according to that metric the agency will have greater autonomy.

Autonomy propensity is introduced in the meta-model as the proclivity towards autonomy as a result of the formal elements and agency attributes. An agency is regarded has having high autonomy propensity if the formal elements and agency attributes are such that the development of autonomy agency autonomy is more likely. For example if an agency has an independent reporting relationship, has control over its budget, has clear performance metrics and a clear mandate the autonomy propensity is greater.
An agency can report directly to the president or through another entity. Moe’s (1989) study outlines how the CPSC and the EPA reported directly to the president whereas OSHA reported to the president through the Secretary of Labor. Khademian’s (1996) study showed how the Fed and the FDIC were independent and reported directly to the president whereas the OCC reported through the Secretary of Treasury. This study on FEMA has outlined how FEMA under Clinton was independent reporting directly to the president. FEMA then became a dependent agency reporting to the president through the Secretary of Homeland Security as well as an undersecretary of Homeland Secretary. After the Post Katrina Reform Act FEMA remained dependent but was given a direct reporting line to the Secretary of Homeland Security.

High autonomy propensity does not necessarily imply high autonomy. In the meta-model the effect of autonomy propensity on autonomy is mediated by the informal elements of authority structure. The informal elements are drawn from the work of Khademian (1996) and Carpenter (2001). Khademian and Carpenter both identify culture as a factor in agency autonomy. Carpenter identified the informal elements of autonomy as, leadership, networks, political differentiation, and organizational capacity. “Favorable” informal elements help foster autonomy and lead to good performance. For example, as in the case with FEMA under Witt networks were established, Witt was able to practice entrepreneurial leadership, build a strong culture, build organizational capacity and establish political differentiation all of which contributed to good performance. The good performance led to a good reputation for FEMA. The “favorable” informal elements contributed to good performance and a strong reputation which contributed to high autonomy as the public and political principals recognized that FEMA was performing well and allowed greater autonomy. Pursuant to the model, high autonomy
contributes to good performance which perpetuates good reputation, high autonomy and good performance. Poor performance will lead to low autonomy. If the agency performs poorly there will be an incentive for the political principal to interfere. This has been true several times with FEMA, for example after the poor responses to Hurricanes Katrina and Andrew.

In the meta-model where informal elements are unfavorable (despite high autonomy propensity) the result will be low autonomy. “Unfavorable” informal elements are based on the work of Carpenter (2001). Carpenter described this relationship in the Department of the Interior which had high autonomy propensity in part as a consequence of its independent reporting relationship but where the mezzo-level administrators could not exercise entrepreneurial leadership and develop networks. This resulted in low autonomy.

Figure 9 is the meta-model depicting the relationship between reporting relationship, autonomy and performance. Following the meta-model propositions as generated from the meta-model are presented.
Figure 9: Relationship between, Reporting Relationship, Autonomy and Performance
Implicit in the meta-model is the concept that autonomy propensity is a combination of both formal elements and agency attributes which positions an agency as prospectively autonomous. The nature of that combination cannot be specified beyond Proposition 1 below which states that an independent reporting relationship is not itself sufficient to achieve autonomy. The relationship between reporting relationship and autonomy is mediated by other formal elements which can impact autonomy propensity and thereby limit autonomy. Reporting relationship is also mediated by the agency attributes. For example Moe (1989) showed that one of the reasons the EPA lost autonomy, even though the reporting relationship was direct, was because the EPA was a highly political agency which led to various constituencies pressuring the principal, President Reagan, to interfere with the agency. In the case of EPA other formal elements such as budget and mission were also used to limit agency autonomy. Reagan used the OMB to tightly control EPA’s policies and underfund its budget thereby ensuring that the agency remained responsive to the president’s priorities.

Though the CSPC was independent, as a consequence of the concerns of business constituencies, control over the agency was exerted through the use of other formal elements to control the agency. These included the budget, administrative procedures and policy direction. For example business groups had a say in the development of consumer product standards through Congress which maintained veto authority over all CSPC rules. In both the CSPC and EPA cases other formal elements were used to limit autonomy in part as a consequence of agency attributes which caused the principals (Congress and the president) to interfere with agency operations. This in turn led to low autonomy.
FEMA also had an independent reporting relationship. In contrast with CPSC and EPA however, other formal elements were favorable because FEMA was relatively apolitical and there was little incentive for Clinton to interfere in FEMA. This led to high autonomy propensity which, coupled with favorable informal elements resulted in good performance, good reputation and high autonomy. Similarly to FEMA under Witt, Carpenter’s (2001) Post Office and Department of Agriculture experienced independent reporting relationships, favorable formal elements and agency attributes that were conducive to high autonomy propensity. This, coupled with favorable informal elements resulted in good performance and high autonomy.

As with any such endeavor, the meta-model represents a simplification of reality. Inevitably, causal relationships are more complex than depicted. Nevertheless, it is hoped that the model can serve as a means of promoting understanding of the different elements that combine to impact autonomy and performance. The meta-model and the propositions that follow capture key aspects of these relationships and make it possible to better understand the relative importance of reporting relationship as a factor in autonomy.

The propositions are intended to generate further discussion and research consistent with the purpose of an exploratory case study.

**Proposition 1:** An independent reporting relationship is a necessary but not sufficient condition for autonomy

Based on the evidence presented in this study of FEMA, a change in reporting relationship is an important element through which an agency can obtain or lose autonomy. This proposition supports the contention of Moe (1989), Lewis (2003) and Khademian (1996) that
reporting relationship can impact agency autonomy. Moe and Lewis categorize reporting relationship as a method of agency control and thus a determinant of how much autonomy an agency really has. They indicate that political elites often use reporting relationship to control an agency and protect it from its opponents.

Proposition 1 supports and is consistent with the work of Khademian (1996) who identifies reporting relationship as a key element of autonomy. In her review of the banking regulatory agencies she asserts that certain agencies were more autonomous and successful because of their relative isolation from the president and legislature. She concludes the Fed was more successful than the OCC because it reported to a governance board giving it isolation from the political principals which providing it with more autonomy and thus greater success in its performance. Khademian (1996) also notes that an independent reporting relationship contributes to the creation of a distinctive culture which in turn can enhance autonomy. She contends that organizational structure allows the creation of an environment through which the agency can develop expertise, empower employees and spark innovation that is critical to agency success. According to Khademian (1996), an independent reporting relationship can be an enabler of entrepreneurialism and better performance. Her conclusions are consistent with what was found in this study with FEMA. When FEMA was moved into DHS the degree of latitude accorded FEMA to manage its own affairs was reduced. Decisions formerly made at the FEMA level became subject to review, revision and/or reversal at the DHS level. DHS priorities thereby superseded those of FEMA. This is evident in following quotes from an interview made for this dissertation;
I think there were, obviously, some significant changes because now you had another level of bureaucracy that the administrator had to deal with. The administrator could not make those decisions anymore. Those decisions had to be run up the flagpole of the DHS leadership so it was obvious the shots were not being called by the FEMA staff. It wasn’t just procedures. Declarations took longer to get. It was obvious that so much of the policies and procedures that we had become accustomed to in FEMA were not in the hands of FEMA anymore - they were in the DHS leadership. Certainly being in the field and being the customer we always felt that our ability to help the victims and help local governments respond were hindered by the new organizational structure and the new policies that were put in play.

It added additional levels of authorization to fully exercise the mission of FEMA which was to coordinate federal government resources to respond to disasters. So it made it a more difficult proposition for the agency to move quickly responding to a large scale disaster.

Proposition 1 however refutes Carpenter’s (2001) contention that reporting relationship is not important. Carpenter (2001) argues that reporting structure itself is not valid as an element of autonomy because even though the structural design of the agency may initially allow for autonomy to develop, it does not guarantee the immediate organizational capacity needed for autonomy. It also does not guarantee that an agency will eventually grow and evolve into areas other than those provided by its original design structure both of which are necessary for the growth of reputation-based autonomy and capacity development. He argues that policy innovation does not come immediately out of the structure but rather emerges over time. Further, he outlines how agencies have reasons to depart from the structure they are given. They may have an incentive to stray into areas other than those dictated by their original structure. He also outlines how organizational structure does not account for the emergence of agency capacity because bureaucratic capacity is primarily an evolutionary outcome. In the cases he examined,
innovation and planning capacity arose only when long-tenured bureau chiefs could draw on their experience and also develop networks to enhance autonomy.

Carpenter (2001, p. 358) refutes Moe’s (1989) contention that organizational structure is an autonomy component as follows:

The first problem with the structural politics argument is that for the past 150 years, at least, much policy innovation in the United States has occurred within agencies that were created long ago. The bearing of agency design is questionable at best. The narratives here bear out this irrelevance. Stark differences in capacity across the Post Office, Agriculture and Interior Departments emerged only decades (in the case of the Post Office, a century) after their creation, and ten to twenty years after institutional reforms in the federal civil service and congressional appropriations.

Carpenter (2001, p. 359) further notes:

Organizational design poorly accounts for the emergence (or non-emergence) of capacity, both programmatic and political. Bureaucratic capacity was developed over time and the innovation and planning capacity only arose when the bureau chiefs could draw on their technical and programmatic expertise. Organizational design was, furthermore, irrelevant to the emergence of networks. As in many agencies today, collaborative work patterns and information flow were orthogonal to the formal command structure.

Carpenter’s (2001) argument against organizational structure as an element of autonomy is problematic because apparent from the cases he reviews is that autonomy is a consequence of structure. For example, in his study of the Department of Agriculture and the Post Office, the bureau chiefs required permission from their superiors to contact others outside the agency to form broad coalitions or networks. Carpenter describes how the mezzo-level bureau chiefs in the Interior Department did not have the freedom to implement their own ideas because their ideas

59 Such as the merger of FEMA into DHS, an independent agency merged with 22 other agencies to form one agency.
had to go through the clerical supervisors before they ever got to the secretary. As a result, those ideas were questioned and many did not make it beyond the clerical supervisors causing Carpenter to conclude that this was one of the reasons that Interior was not able to achieve autonomy. At the Post Office and the Department of Agriculture the mezzo-level administrators had the ability to try out their ideas because they did not have to go through another layer of administrators such as at the Department of Interior.

Carpenter’s (2001) example of the Department of Interior resembles what took place at FEMA to an extent. Carpenter identifies mezzo-level administrators as the bureau chiefs within the Department of Agriculture and the Post Office who had access to the Secretary of Agriculture and the Director of the Post Office to advance their ideas which allowed them to be entrepreneurial and innovative. They had the ability to identify issues and develop new programs to allow the organizations to grow which Carpenter indicates helped contribute to a relatively high degree of autonomy at Agriculture and at the Post Office. Carpenter contrasts Agriculture and the Post Office with the Department of Interior where there was another layer of administrators between the bureau chiefs and the Secretary. This additional layer thwarted the bureau chiefs’ ability to present new ideas and innovations to the secretary. Carpenter contents this contributed to the Department of Interior’s low autonomy.

In a similar sense when FEMA was merged into DHS the director of FEMA became similar to the mezzo-level administrators (bureaus chiefs) in the Interior who were impeded in making decisions by having to report through an additional layer of administrators. This thwarted the director’s ability to be innovative and entrepreneurial as Director Witt had been when he reported directly to the President Clinton.
Proposition 2: Distinct from the other formal elements, a change in reporting relationship has derivative consequences for agency autonomy

Proposition 2 derives from the FEMA experience because it is the only agency of those reviewed here including the ones studied by Moe (1989), Khademian (1996) and Carpenter (2001) that experienced a change of reporting relationship. The contention here is that reporting relationship is an important factor in agency autonomy because it has an impact on the other formal and informal elements. The FEMA experience provides a detailed look at how the change of reporting relationship impacted the other elements of authority structure and ultimately FEMA’s autonomy. Although these impacts have been outlined before in this dissertation, this section will provide more detail to allow for a better understanding of how the change of reporting relationship impacted FEMA’s autonomy. The loss of autonomy as a result of the change in FEMA’s reporting relationship was both direct through the formal elements of autonomy like budget and policy and indirect through informal elements like leadership and culture.

FEMA’s administrative procedures were affected by the change in reporting relationship. DHS attempted to centralize all the administrative systems inclusive of personnel systems, information technology, budgets and even mail systems. The Directorate for Management was in charge of standardization of the administrative structure of DHS. This standardization was difficult for the legacy agencies that had their own administrative systems and in a relatively short time had to change to a new system. FEMA had to adapt to the new systems and as a consequence lost control over its administrative systems which had a direct and adverse impact on its autonomy. As one interview respondent noted during this study;
Certainly there were huge changes in administrative procedures and protocols given the fact that they used to be an independent agency and now they were part of a cabinet secretary operation. So there were very big changes in procedures and coordinating processes.

A DHS Inspector General report in 2006 stated that while progress had been made in integrating the department's separate components, much work remained (DHS, 2006a). The report cited concerns about the dual accountability structure for the management of the department's business functions which left line of business chiefs and their counterparts at the agencies within DHS jointly responsible for integrating systems across the department. FEMA experienced problems with its IT systems in processing claims after Katrina and DHS staff worked with them to improve the ability of the systems to work together. However, despite many attempts to integrate the systems, there was still work to be done. Based on the interviews, this was a result of resistance at FEMA to the new systems, as well as the mammoth task of trying to integrate the systems of 22 agencies in DHS.

It appears that the administrative changes as a result of the change of reporting relationship may also have affected the culture of FEMA. The administrative procedure changes impacted culture by restricting innovation and by creating a negative view by long-term FEMA employees who had to adapt to these new procedural changes. The impact of the loss of control over the administrative processes as a result of the change in reporting relationships appears to have had a direct and adverse impact on FEMA’s autonomy.

FEMA’s budget was also affected as a result of the change in reporting structure. FEMA’s budget became subject to review by DHS. FEMA lost the ability to distribute grants which led to feelings in FEMA that it had lost control and could not carry out the mission of
preparedness. FEMA lost its ability to fund programs without having to go through DHS for approval. This created a focus on terrorism response. As one report noted (Redirecting FEMA Toward Success, 2006, p. 24);

Funding for first responders went mostly to terrorism focused programs. Almost three out of every four grant programs funded by DHS were for three primary programs that had an explicit focus on terrorism.

Positions were also frozen by DHS which impacted FEMA’s ability to staff its response programs. As one interview respondent noted;

I was in charge of the operations branch which was authorized for about 150 to 160 people. I only had 101 and all the other vacancies were not being filled because all that money was going over to pay what we called the HS tax.

A GAO (GAO, 2007a, p. 14) report noted that the hiring freeze had an impact on FEMA. Nearly all of the FEMA program officials we spoke with said that this hiring freeze made it difficult to run existing programs or contributed to delays in implementing new programs.

The merger also initiated a period of movement of budget and programs in and out of FEMA, leaving the staff unclear as to what their resources actually were. In 2003, over $1.3 billion in new funding for expanded programs came to FEMA. However, by 2005, nearly $1.5 billion left FEMA (GAO, 2007a). This created significant challenges for FEMA staff. In 2003, with the same number of employees, FEMA had to respond to the new responsibilities only to have them taken away in two years leaving fewer resources at its disposal. Figure 10 illustrates the movement of programs and associated budgets in and out of FEMA (GAO, 2007a).
FEMA also had $998 million in terrorist-related programs transferred to DHS along with approximately $32 million for start-up costs. This, along with the transfers noted in Figure 9 support what many of the interview respondents indicated in this study, that the structural change had a negative impact on FEMA’s budget autonomy and a negative effect on the morale at FEMA.

Figure 10: Programs and Funding Moved in and out of FEMA from FY 2003 - FY 2005
FEMA’s loss of control over its budget as a result of the change in reporting relationship had a direct and adverse impact on the agency’s autonomy. Although FEMA could have adapted to the initial transfer of funds, that FEMA’s base budget would henceforth be subject to DHS review and approval represented a significant loss of authority and hence autonomy. For example, FEMA’s budget became increasingly focused on terrorism response at the expense of natural disaster response. As noted previously an example was the cancellation of the Hurricane Pam training exercise. The training exercise identified many issues which would later be apparent during Hurricane Katrina. However the entire budget for the follow up to rectify those problems was cut. FEMA director Mike Brown indicated (Cooper & Block, 2006);

Homeland Security took money from us so we could not take any steps at all to address the gaps (identified in the Hurricane Pam exercise).

The change in reporting relationship impacted FEMA’s policy coordination as well. The merger created a situation where FEMA did not have the ability to distribute aid and resources in a timely fashion. Not only did policy coordination have to go through multiple layers of approval in DHS, creating delays, it also created a situation where FEMA’s staff was not completely sure of what was being done to position food, water and housing prior to an emergency. Several reports found that FEMA was confused in the processes for the placement of resources during Katrina. FEMA suffered from poor communications, difficulty in deploying sufficient numbers of trained personnel and insufficient management controls for some assistance programs (DHS, 2006b; GAO, 2006a). This was partly due to FEMA’s implementation of the National Response Plan (NRP) which was a result of the merger with DHS. FEMA and DHS were not completely clear on administrative roles in carrying out the
plan, creating more delays and an inability to deliver resources (GAO, 2006d).\textsuperscript{60} Both FEMA and DHS were trying to adapt to the NRP and they struggled to adhere to it.

Prior to the merger with DHS, FEMA was an agency that had the ability through the Stafford Act to coordinate emergency management activities with other federal agencies and state and local authorities. When FEMA became a dependent reporting agency through DHS it created difficulty for FEMA in trying to coordinate emergency response activities. During the Clinton Administration, FEMA operated under memos of understanding with other agencies and state and local entities. These were cooperative agreements, and, in some cases, Witt would dispatch a FEMA official to work with the other entities prior to the disaster or immediately afterward to further promote assistance and strong relationships. In between disasters FEMA participated in joint conferences as well as performance partnerships where the states were encouraged to participate in pre-disaster mitigation programs and would receive funding from FEMA to do so. When FEMA went to DHS, FEMA was tasked with creating the Federal Response Plan, followed by the National Response Plan and then the National Incident Management System. The challenge with these plans was that they tended to strip away the flexibility and agility that is required of an agency such as FEMA as it tries to respond quickly to emergencies (Sylves, 2008). DHS also put such an emphasis on terrorist response that it neglected the legally mandated non-terrorism missions of many state and federal organizations, including FEMA (Haddow & Bullock, 2006).

\textsuperscript{60} The GAO identified problems with FEMA’s coordination for the National Response Plan during Hurricane Rita, in addition to Hurricane Katrina.
The change in reporting relationship also impacted FEMA’s professional competency. A brain drain adversely impacted FEMA’s ability to manage disasters. Much of the experienced staff left as a result of the merger and were replaced with inexperienced staff that had little emergency management experience. (Hurricane Katrina: The Role of the Federal Emergency Management Agency, 2005; Roberts, 2006b). The reports on FEMA’s response to Katrina indicate that the change in focus led to staff reductions. After the merger with DHS, staff from FEMA’s five Mobile Emergency Response Support detachments was reduced by a third (Prah, 2005). These teams deploy quickly to set up communications gear, power generators and life-support equipment to help federal, state and local officials coordinate disaster response. This reduction, as a result of the change in reporting relationship, impacted not only the competent staff available but also the resources available for the immediate response and coordination of emergency management activities by FEMA.

The change in reporting relationship also negatively impacted FEMA’s ability to maintain networks it had established with federal, state and local agencies, as well as with other stakeholders. Carpenter (2001) showed that an important element of autonomy is the ability of the agency to establish and maintain networks. Under Witt, FEMA established strong relationships with state and local officials through various training programs and grants. It also established a strong relationship and partnerships with the emerging emergency management community (Daniels & Davis, 2001).

Many FEMA employees mentioned that James Lee Witt’s success was in part attributable to the structural autonomy allowed FEMA. That autonomy allowed Witt to establish strong
network ties within and outside the government with state and local agencies as well as with professional agencies and private support organizations. However, after the change in reporting relationship, FEMA had to go through DHS to establish those networks. In some cases FEMA was able to maintain some of their local networks but often DHS was establishing its own networks with a terrorism response focus so local communities and stakeholders became confused as to who was in charge. Many of the training programs that had been established by Witt and which fostered strong network relationships were reduced or cut completely.61

d’Almeida and Klingner (2008) highlight Witt’s ability to establish external networks. As soon as Witt took over, he began meeting with the chairs of the congressional committees who had oversight of FEMA and with representatives of states that had been hit by disasters in 1992. When a disaster was imminent, he would call the congressional member from the affected area to see what FEMA could do for her/his state. He also streamlined administrative processes for those suffering from disasters. FEMA became more focused on being flexible and on working with the local agencies during a disaster to solve the problems. As an example, when Witt arrived in Los Angeles after the Northridge earthquake, he found 6000 people waiting in line for financial applications. The next day, FEMA distributed applications in the Los Angeles Times. It would have been difficult for the FEMA director to establish these types of networks because the DHS leadership insisted on taking the lead role in establishing and maintaining the relationships. FEMA built and managed its political support through proactive communications.

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61 The most noted exercise was Hurricane Pam, which was a simulated exercise in 2004 where a hurricane hit New Orleans. A follow-up training was to take place later in 2004 to address many of the issues identified in the first exercise (which ultimately happened during Katrina, stranded residents, lacked transportation and resources, etc.), but this exercise never took place because of budget cuts.
with its stakeholders. It took feedback as it developed its strategic plan and replaced its hierarchal Emergency Operations Center with a network of public and private organizations that were vital to emergency response. In addition, FEMA created Project Impact, which brought emergency management and mitigation into every community which caused local and state officials to lobby Congress for financing. d’Almeida and Klingner (2008) believe this allowed FEMA to obtain better results, more exposure and greater autonomy and legitimacy. The d’Almeida and Klingner (2008) study provides evidence of how FEMA established networks during the Witt years. They argue that after the change in reporting relationship, FEMA was confined structurally even though it had more resources at its disposal. It did not have the ability to branch out and form its own networks either because the decision had to go through DHS or because DHS worked their own networks at the expense of FEMA’s.

It is suggested here that the roles and the relationships which had been developed by FEMA were negatively affected by the merger and the change in reporting relationship which impeded the ability of FEMA to successfully carry out its mission. FEMA needed to rely on strong, established networks when responding to a quick changing emergency. Hurricane Katrina revealed a lack of familiarity with response plans by DHS which included having an understanding of incident management, the planning discipline, legal authorities, capabilities and field-level crisis leadership. DHS had developed the National Response Plan in 2004 which was supposed to establish a framework understood by all entities on how to respond during emergencies. However, many federal, state, and local officials lacked a fundamental understanding of the National Response Plan and conversely state and local response plans.
The informal element of culture was also impacted by FEMA’s merger with DHS. With the merger into DHS, FEMA had to fit within DHS’s culture and mission which was preventing terrorist attacks from occurring within the United States, reducing U.S. vulnerability to terrorism, minimizing the damage from attacks that occur and helping the nation recover from any attacks. During the 1990s, Witt had a clearly defined mission that all employees understood and could work toward which was to mitigate and respond to natural disasters. The clearly stated mission outlined the agency’s special competence and the reason for the agency to exist. It also helped identify the new competencies or capacities the agency needed to acquire (NAPA, 1993). When FEMA’s mission became clouded with preventing and responding to terrorist acts when it was merged with DHS; the clarity of mission disappeared resulting in a lack of clear understanding of mission by the employees.62

The additional layer of bureaucracy created by DHS also prevented FEMA’s experienced employees from feeling valued and contributing to the direction of the agency. As one interviewee noted;

I think at the administrative level you had to do 3 times as much work with the same number of people. It wasn’t any longer that you had to answer a question that the FEMA director wanted to know. You had to answer a question that the deputy secretary wanted to know or the secretary wanted to know or the guy running the operations center wanted to know; the undersecretary of management wanted to know; the CFO wants to know. It was everything you were doing multiplied times 2. And you still had the same number of, or less number, people who you were required to do it with.

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62 As Khademian (1996) noted, not having clarity of mission, which is understood by not only the staff but also the political elite and the public, is difficult for the agency to have or maintain autonomy.
This is evident in the change of morale at FEMA after the merger which contributed FEMA losing the culture it had established under Witt where the employees were all valued for their input and experience.

Another impact of the change of reporting relationship was on leadership. When Witt took over in 1993, he met employees at the front door of FEMA headquarters to introduce himself to the staff. Witt was able to innovate and experiment under the autonomous structure when FEMA reported to the president. Witt was able to experiment with programs and policies and allowed his staff to do the same. This philosophy was exemplified by a sign Witt had in his office which read (Ellig, 2000, p. 27):

“Don’t tell me we’ve never done it that way before.”

The staff did not have the fear they would be terminated if an experiment did not work. The evolution of disaster housing assistance during the 1990s is an example. Initially, FEMA would move trailers into a disaster area. By the end of the decade they provided lump sum payments to disaster victims as an incentive to get their homes repaired quickly. Witt changed the agency culture to allow FEMA to redesign programs in response to customers’ needs.

In 1989 after Hurricane Hugo hit South Carolina, residents who had lost their homes had to provide personal documentation before they could receive assistance even though they had lost all of their belongings (Schneider, 1995). During the 1994 Los Angeles earthquake, in contrast, Witt relied less on standard operating procedures and more on helping victims (Schneider, 1998). A staff member summed it up in an interview (Ellig, 2000, p. 25):
Witt gave employees this sense that they needed to do whatever it took, within the law of course, to get out there and get help to people as quickly as possible, bureaucracy be damn…There was this sense that we could sort out the administrative details later, if necessary, so long as people were getting the help they needed now.

During Katrina the FEMA response may have been delayed because there was a confusion of roles between DHS officials and FEMA officials because of the structural arrangement. Previous to the merger, FEMA would have been able to act on its own with everyone understanding their role. As one interview respondent reported that during Katrina both FEMA and DHS were reporting back to the White House and, in many cases, giving conflicting information, leaving FEMA employees unsure of their role.

Reports have shown that the director of FEMA was at a disadvantage under the new structure because he no longer reported to the president and lacked the direct decision-making authority that Witt had (Failure of Initiative: The Final Report of the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina, 2006). The change in reporting relationship resulted in problems and questions regarding lines of authority with respect to not only the DHS secretary (who now held the cabinet level position and reported to the president) and the FEMA Director, but also the key officials reporting to them, the Principal Federal Official (PFO) and the Federal Coordinating Officer (FCO). The change in reporting relationship created a situation of uncertainty when it came to the roles of the FEMA Director, DHS Secretary, the PFO and FCO (GAO, 2006a). This created a lack of cohesiveness and clarity in decision making in emergency response.
Proposition 3: Formal elements combine with agency attributes to create “autonomy propensity”

Khademian (1996) showed in her study that both the Fed and FDIC had independent reporting relationships. Both agencies reported to a board and were self-supporting. This reduced the chances for the principals to use “other formal elements” to try to control the agencies. Likewise the other formal elements of administrative procedures, policy coordination, and levels of professional competency were generally controlled by the board so the principals had less opportunity to use them to interfere with agency operations. One of the ways the principals have tried to interfere at the Fed is through the political process to influence monetary policy. As Khademian noted when writing about the Fed (1996, p. 93)

Both the Congress and the president have exerted significant influence over the content of monetary policy…..The agency must navigate the turbulent waters of opposing economic expectations……For it to act as if it were independent of rather than independent within government could disrupt the delicate balance that prevents congressional definition of monetary and supervisory policy.

In maintaining this “delicate balance” the agency has been able to limit the propensity of a key principal, Congress, from interfering with monetary policy. Both the Fed and FDIC experienced favorable formal elements which resulted in high autonomy propensity. The formal elements along with agency attributes contributed to a high level of autonomy propensity with the Fed and FDIC. As independent entities they had control over their formal elements. They also had clearly defined mandates, clear indicators of performance and they experienced recognition of expertise in what did. As a result they also had the agency attributes which along with formal elements resulted in autonomy propensity and high autonomy.
Khademian (1996) suggests that agency autonomy is enhanced when there is a clear indicator that elected officials agree can be used to assess the performance of the agency as outlined in the agency attributes. At FEMA, Witt created an accountability system where expectations were clear. Results-based performance measures were developed at the corporate, sub-unit and personal levels using both top-down and bottom-up inducements. This allowed employees to know what was expected of them, it allowed disaster victims to understand how soon they could expect to get various types of assistance, and it allowed other partners to benchmark their process and performance. FEMA was also able to maximize political support by giving legislators the performance measures and benchmarks to measure agency performance. The formal elements and agency attributes combined to allow FEMA the autonomy propensity and agency autonomy.

The change in reporting relationship at FEMA changed the agency attributes as the clear mandate became cloudy. FEMA’s clear mission of natural disaster response and mitigation was changed to a dual concentration on natural disaster response and mitigation and terrorism response. This created a situation where employees were not clear on what their role was. The merger with DHS also created a situation where the FEMA director no longer had the ability to work with legislators on benchmarks and performance measures as Witt had done because the director had to get approval from DHS before doing so. After the change of reporting relationship, FEMA was in a dependent reporting relationship which led to unfavorable other

63 Other partners would include organizations such as the American Red Cross.

64 This was effective, as d’Almeida and Klingner note, as Hurricane Marilyn caused $750 million in property losses when it hit the Virgin Islands in 1995, but stricter building codes cut losses from Hurricane Georges in Puerto Rico to $5 million in 1998.
formal elements and lack of clarity in agency attributes resulting in a low autonomy propensity and low autonomy.

**Proposition 4:** The relationship between autonomy propensity and autonomy is mediated by performance

Poor performance can adversely impact autonomy because it will lead to interference by the political principal to rectify the performance issue which will limit the autonomy of the agency. If an agency performs poorly then the political principals will interfere with the agency to investigate why the agency performed poorly and then enact measures to correct the performance. This is evidenced in the FEMA example when it performed poorly during Hurricanes Andrew and Katrina which led the political principals to investigate and become involved in FEMA.

Khademian (1996) also indicates that the OCC’s poor performance led to greater scrutiny. The OCC was a bureau of the Treasury but had some formal independence because it was self-funded, and its leader, the comptroller for currency is appointed by the president and confirmed by the Senate for a five-year term. However when the OCC was responsible for most of the bank failures of any regulatory agency during the 1980’s savings and loan and bank crisis it became more subject to the Treasury’s regulations as well as oversight from the Office of Management and Budget. The Office of Management and Budget exercised their prerogative for oversight of the bureaus activities and budget as a result of the banking failures. The Treasury reviewed and approved all the OCC’s regulatory activities going forward after the banking crisis.

**Proposition 5:** Autonomy enables good performance
The results of this study and those of Carpenter (2001) and Khademian (1996) suggest that autonomy is an enabler of better performance. Khademian (1996) determined that the Fed and FDIC performed better than the OCC in setting money policy and responding to the bank crisis of the 1980’s. The FDIC and Fed performed better by quickly and decisively responding to crisis thus enhancing their performance. She concluded that the Fed and FDIC were more autonomous agencies than the OCC and this afforded them the ability to perform better.

Carpenter (2001) implicitly describes a link between autonomy and agency ability to perform its mission. When the agency successfully performs in the eyes of the public and political elite it gains more autonomy leading to continued successful performance. Not until the cycle is broken, when performance is poor, does the agency start losing autonomy.

The belief in DHS however was that emergency response to natural and manmade disasters were the same and FEMA could respond to both as an agency within DHS. Therefore the perception was that FEMA’s performance would not be affected. As an interview respondent noted:

I think FEMA became part of DHS because it was believed that, especially in the post 9/11 response, that to leave the lead federal agency in charge of response and recovery for disasters of whatever kind out of the department would cause coordination issues. So I think that in trying to take a comprehensive look at how the nation could best respond to dealing with HS regardless of whether it was a terrorist event or a natural event, that it was believed that FEMA needed to be in the mix, in that department.

In assessing performance it must be acknowledged that performance is relative, especially if stakeholder perception is used to measure performance. As was evidenced in the interview responses certain stakeholders viewed the DHS counter-terrorism performance as
acceptable while judging FEMA’s disaster mitigation and response performance as unacceptable even though FEMA is part of DHS.

**Proposition 6:** High autonomy propensity coupled with leadership results in good performance and high autonomy

The contention here is that high autonomy propensity is an enabler of entrepreneurial leadership. The change of reporting relationship made it more difficult for the leader of FEMA to be entrepreneurial because he was buried under bureaucratic layers within DHS.

When the FEMA director, James Lee Witt, held a cabinet level position the structure allowed him to be entrepreneurial. Witt was able to focus on disaster mitigation and response. He had the ability to enact the changes needed for FEMA as recommended in the NAPA report which criticized FEMA’s response to Hurricane Andrew in 1992 (NAPA, 1993). He created Project Impact, which provided money to build disaster-resistant communities. Witt also had the autonomy to put in place the “all hazards” approach to disaster management and shed FEMA of its national security responsibilities. Witt had the autonomy to meet with legislators in affected disaster areas to ensure them of response activities in their districts. He was able to streamline the response process to get aid to the affected areas more quickly. As a report noted FEMA’s response to the 1993 Midwest floods under Witt’s direction (*Redirecting FEMA Toward Success*, 2006, p. 16):

> Besides increasing the number of operators for its telephone lines, FEMA opened more disaster-aid centers and added more staff to help process applications for federal aid. They have done every single thing we’ve asked them to do, bar none. There is assistance we didn’t even know about, said Des Moines mayor.
These successes allowed Witt and FEMA to gain greater autonomy as they built on their successes. This in turn allowed Witt to become more entrepreneurial. During the response to the 1994 Northridge earthquake FEMA employed for the first time advanced technologies. In past disaster responses communications tended to be one way with FEMA dispersing information from Washington. During the Northridge response FEMA used interactive data communications between Washington and response teams in the field.

Carpenter (2001) did not identify reporting relationship as an element of autonomy and as a result did not account for it as an element of autonomy propensity and thus did not account for a relationship with leadership. This dissertation has argued Carpenter was inconsistent in his own work because the reason the Department of Interior did not perform well was because the mezzo-level administrators were structurally blocked by the clerical staff from being entrepreneurial leaders. The leadership in the Department of Agriculture and Post Office were permitted to be entrepreneurial and adapt to their environment and develop strong networks. This enabled these agencies to perform well which led to a strong reputation and greater autonomy. This parallels what happened to the director at FEMA, he was blocked by the staff at DHS from having the autonomy to be entrepreneurial. As one interview respondent noted;

What’s happened is that there is now a layer of bureaucracy on top of FEMA that makes it harder to get things done.

C. Discussion Summary

The meta-model represents a simplification of the complex relationships at work in determining agency autonomy and performance. The meta-model and the resulting propositions
are contingent in nature and require further study to determine how their interaction with each other contributes to autonomy.

The purpose of the meta-model and resulting propositions is to summarize the current state of knowledge regarding how a change in reporting relationship impacts autonomy and performance and should not be regarded as conclusive in this regard. Rather, it should be regarded as an attempt to generate further discussion on reporting relationship as a factor in autonomy and performance as well as on the other formal and informal elements and agency attributes identified in the meta-model.

Proposition number 1 proposes that an independent reporting relationship is necessary but not sufficient for autonomy. Reporting relationship in conjunction with the other formal elements and agency attributes contribute to high autonomy propensity. This proposition highlights that an independent reporting relationship can be a key factor in agency autonomy and disputes Carpenter’s (2001) assertion that reporting relationship is not an important element of agency autonomy. Proposition 2 posits that a change in reporting relationship as compared to other formal elements has derivative consequences for agency autonomy.

Proposition 3 outlines there are a combination of formal elements and agency attributes which lead to autonomy propensity. These elements and attributes may be positive or negative but they mix together to determine autonomy propensity. As Khademian (1996) notes there is a greater chance of high autonomy propensity if specific agency attributes are present; a clear agency mandate, a clear indicator of performance and structural independence. Likewise, as identified in this dissertation through the FEMA experience, there is a greater chance of high
autonomy propensity if the formal elements of an independent reporting relationship, an agency head who has overall authority to make decisions and set direction for the agency, control over administrative procedures, control over policy coordination, control over budget and is able to maintain a professionally competent staff, exist. If the agency attributes and formal elements mix and there is a great number that are negative there is a greater chance the autonomy propensity can be low.

Proposition 4 posits that the relationship between autonomy propensity and autonomy is mediated by performance. If an agency has high autonomy propensity, favorable informal elements and performs well it will most likely maintain autonomy. If the agency performs poorly the political principals will become involved with the agency to correct the poor performance reducing its autonomy.

Proposition 5 proposes that autonomy enables good performance. The discussion of Khademian’s (1996) work indicates that the more autonomous agencies, the Fed and FDIC tend to perform better than the less autonomous agency the OCC. Similarly the more autonomous FEMA tended to perform better during the 1990’s under Clinton whereas the less autonomous FEMA under DHS did not perform well during Hurricane Katrina.

Proposition 6 suggests that autonomy propensity coupled with leadership results in good performance and high autonomy. This is true of the FEMA experience where Witt was able to exercise strong entrepreneurial leadership. He streamlined emergency response and had the authority to make quick decisions during emergencies and FEMA performed well during the
Witt years. Comparatively when FEMA became part of DHS the autonomy propensity became low and the leadership was unable to be entrepreneurial and make decisions on its own.
VI. Conclusion

A. Overview

This chapter will summarize the major findings as well as the limitations of this study, possible alternative explanations for FEMA’s poor performance during Katrina and the generalizability of the findings from this study and future research possibilities.

B. Summary of Major Findings

One of the findings of this study which is consistent with the work of Moe (1989) and Khademian (1996) is that reporting relationship is a key element of autonomy. The FEMA experience has highlighted that a change from an independent to a dependent reporting relationship can adversely impact agency autonomy. Additionally this study, through the hypothesized meta-model and propositions, has identified that autonomy propensity can be determined by a mixture of the formal elements of autonomy as well as the agency attributes. Further the informal elements can mediate the relationship between autonomy propensity, performance and autonomy.

Another key finding is that distinct from the other formal elements a change in reporting a relationship appears to have derivative consequences for agency autonomy. Again the FEMA experience illustrated that a change in reporting relationship impacted the other formal and informal elements which in turn appears to have impacted agency autonomy. This supports the theory that autonomy is multi-faceted and complex. The multi-dimensional relationship is consistent with the findings of previous research by Caughey et al., (2009), Kim (2008), and Verhoest et al., (2004).
One of the consequences of the change of reporting relationship was the impact on leadership. An agency which becomes a dependent agency will create a structure and environment where the leader’s ability to be entrepreneurial will be limited. When FEMA reported to the president Witt was able to be entrepreneurial and had the ability to change the direction of FEMA during his tenure. However when FEMA merged into DHS the FEMA director’s ideas and decisions became subservient to an undersecretary of Homeland Security. This was two levels below where the FEMA director had previously reported.\(^{65}\) This limited what the FEMA’s director could do. The agency head in a dependent structural relationship is constrained in what s/he could do because of the additional reporting layers. Witt would most likely have not been as entrepreneurial and successful under the dependent structure as a result of the change in reporting relationship. This is consistent with the findings of Khademian (1996).

The conclusion presented here is that FEMA’s loss of autonomy contributed to the negative impact on FEMA’s performance during Hurricane Katrina. This appears to have contributed to FEMA’s inability to successfully provide support and relief to the victims as well as to the local and state governments. This does not necessarily mean that FEMA would have performed well during its response to Hurricane Katrina had the old structure remained. Katrina was such a catastrophic event FEMA may have still struggled under the old structure.

The change in reporting relationship revealed a hierarchy of priorities and implicit tradeoffs between those priorities. These priorities can impact the perception of performance. Therefore, the assessment of agency performance is a matter of framing. An agency may be perceived as performing well in one frame but not another. In subordinating FEMA to DHS, the

\(^{65}\) The two levels would be the Secretary of Homeland Security and the undersecretary of Homeland Security.
disaster mitigation performance may have suffered but the terrorism prevention performance may have been enhanced. If FEMA had responded to a terrorist act on a large scale rather than a natural disaster it may have been in a better position to perform better due to the focus on terrorism response. For example, although it was on a much more local scale than Hurricane Katrina, FEMA’s response to 9/11 was considered good; in essence it had performed well during a response to a terrorist act.

This dissertation also presents a meta-model based on the autonomy literature as well as on the FEMA experience. The meta-model summarizes the findings of the different authors and of this study on the relationship between reporting relationship, autonomy and performance. It also outlines the relationship of performance to autonomy where poor performance may often lead to low autonomy as the political principal will become involved to rectify the poor performance. As noted earlier, the relationships outlined in the meta-model represent hypotheses intended to generate further discussion and testing of those relationships. This study also introduces the term “autonomy propensity” to capture a proclivity towards autonomy as a result of the formal elements and agency attributes. “Autonomy propensity” is a term that can be used in future research when determining the likelihood of whether autonomy will be high or low based on the formal elements and agency attributes present.

C. Limitations

One limitation of this research is that a case study method was used which focused on one agency. Future research is needed that looks at multiple agencies that were subject to changes in authority structure generally and in the reporting relationship specifically. Multiple
agencies need to be studied to see if there is evidence that can confirm the links posited here between autonomy, structure and performance.

Another limitation of this study is that although archival data was used, the findings are based in part on the interview responses. The findings are therefore based on the perceptions of the twenty-four people interviewed. Although the individuals interviewed were selected so as to provide different perspectives on the phenomena of interest, their views are nevertheless subjective.

The study employed a time series format where FEMA was examined prior to and after the merger with DHS. However, the time series was used only as a format and this study did not adhere to a formal time series study because the elements used for this study, the formal and informal elements of authority structure, prior to and after the merger were not necessarily exactly the same. Therefore they could not be measured exactly the same prior to and after the merger as would be done in a formal time series study.

This study also relied on Moe’s (1989) identification of the formal components of autonomy (agency head term of office, administrative procedures, budget, policy coordination and professional competency). It is noted here that the agencies Moe (1989) studied to form his theory are regulatory agencies (CPSC, EPA). The reporting relationship dynamic for regulatory agencies may be different than for distributive agencies because the regulatory agencies are often designed as independent agencies. However, the formal structural components outlined by Moe (1989) are good elements that can be used when examining the agency reporting relationship and autonomy like with DHS and FEMA because they are used in other studies as measures of autonomy (Caughey et al., 2009; Lewis, 2003; Yesilkagit, 2004).
D. Alternative Explanations

This section will consider alternate explanations as to why FEMA may have lost its autonomy and performed poorly. The alternative explanations considered here are the following: 1) too many political appointees, 2) internal reorganizations within FEMA prior to and after the merger, 3) bureaucratic red tape, 4) leadership and 5) change of mission. These alternative explanations have been cited by investigations of and testimonies about FEMA (Bier, 2006; Townsend, 2006).

The first alternative explanation is too many political appointees. FEMA had been a dumping ground for political appointees in the past but that had changed under the Clinton Administration when more experienced emergency management professionals were brought into the agency. A NAPA report in 1993 had recommended limiting the number of presidential appointments to ensure that future leaders were qualified and trained for their jobs (NAPA, 1993). The same report noted that the FEMA director during the Reagan administration said the agency had become too political. When George W. Bush became president FEMA again became a dumping ground for political appointees. As one report noted (Redirecting FEMA Toward Success, 2006, pp. 25, 26).

Reminiscent of the 1980’s, many political appointees found a home within FEMA. …five of the eight top Federal Emergency Management Agency officials came into their posts with virtually no experience handling disasters… Similar to the reduction in upper management that occurred under President Reagan, personnel records indicate the number of career disaster management professionals in senior FEMA jobs was cut by more than fifty percent since 2000.

It is argued here that the change of reporting relationship caused there to be more political appointees because FEMA had a lower profile as a result of its subordinate status so that
the poor performance was in part a result of political appointees which was in turn a result of the change of reporting relationship. This influx of political appointees also led to experienced FEMA officials leaving the agency as they became frustrated with the lack of qualified professionals with experience working in emergency management (Lewis, 2008).

It is acknowledged that due to the change of presidential administrations and the influx of political appointees as a result of the merger with DHS too many political appointees may have impacted FEMA’s ability to perform. As noted above FEMA had historically been a dumping ground for political appointees especially during the Reagan and George H.W. Bush presidential administrations when FEMA performed poorly. Therefore an alternative explanation for FEMA’s poor performance that likely contributed to the low level of performance observed was an excessive number of political appointees.

A second alternative explanation is that the changes prior to the merger may have impacted FEMA’s autonomy and performance. These changes were put in place when George W. Bush took office. The new director at the time, Joe Allbaugh, ended Project Impact, combined the response, recovery and readiness groups, and created the Office of National Preparedness within FEMA. These changes were reflective of the new Bush Administration’s beliefs. One was that the agency could be made leaner by combining functions and by reducing wasteful spending, which they associated with the Project Impact grants.66 The second was to strengthen the agency’s focus on terrorism by creating the Office of National Preparedness. Project Impact was put in place in 1997 four years after Witt took over FEMA and FEMA had

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66 Project Impact was started by Witt in 1997. Money was provided to communities to mitigate future disasters. The idea was that if a community fixed a problem beforehand, then it would be less likely to suffer a greater impact from a disaster. Allbaugh thought this was wasteful spending and wanted more money available for terrorism prevention and response grants for local governments.
performed well during the 1993 floods, so FEMA could exist and perform well without Project Impact. The Office of National Preparedness was created to handle the covert security operations of FEMA similar to what was in place during the Reagan years. It was removed in the Clinton years to focus on disaster management. However there is no evidence that the Office of National Preparedness or its predecessors under Reagan ever impacted FEMA’s ability to respond to disasters. During the response to the Oklahoma City bombing FEMA responded well while still having the Office of National Preparedness. It wasn’t until after this time period that FEMA actively refused to take part in the covert operations as they escalated after the bombing and with the release of the U.S. Commission on National Security reports (Road Map for National Security: Imperative for Change: The Phase III Report, 2001). Despite the removal of Project Impact and a focus on terrorism, FEMA still maintained an all hazards approach and still experienced successes. There have been questions whether the change of presidential administration impacted FEMA’s autonomy and performance (Roberts, 2006a). However because there was a change which included a new FEMA director, the introduction of new programs and the eliminations of others, the change of administration cannot be ruled out as an alternative explanation to FEMA’s loss of autonomy and performance and likely contributed to the low level of performance observed subsequent to the merger.

A third alternative explanation is that FEMA was an ineffective agency because it was mired down in bureaucratic red tape which prevented it from responding quickly effectively to disasters. FEMA has also always been criticized for being overly bureaucratic for example by requiring that forms be filled out before the release of resources (Sobel & Leeson, 2006). There were many cases of this during various emergencies including previous hurricanes. The
following are examples where FEMA has been criticized for being too bureaucratic in the response to Hurricane Katrina (Townsend, 2006);

- Failing to respond to the area under the provisions of the National Response Plan and the Stafford Act until FEMA is requested to by a state or local government
- FEMA’s procurement system was not flexible enough to purchase the enormous quantities of supplies needed
- FEMA had no effective mechanism to accept donations and support from charitable organizations or other countries so valuable resources went unused
- FEMA delayed in providing victims temporary housing and financial support because the victims had to provide personal records but those records were often lost as a result of the Hurricane

It is argued here that that there were many more elements that contributed to FEMA’s poor response beyond just red tape as a result of a change of reporting relationships. However FEMA’s performance previously (FEMA’s response to Hurricanes Hugo and Andrew) had been considered poor because they took too long to get aid to victims and required victims to fill out paperwork. Therefore the alternative explanation of red tape cannot be ruled out based on FEMA’s past experiences.

A fourth alternative explanation was leadership. As noted previously Mike Brown who was FEMA’s director during Katrina had no emergency management experience. As a result FEMA could have performed poorly because FEMA leadership did not have the experience to manage the agency effectively during a natural disaster. Conversely FEMA is considered to have performed well under James Lee Witt who had emergency management experience. It has been presented in this dissertation that the change of reporting relationship had a negative impact on the Director if FEMA and limited his ability to be innovative and entrepreneurial as Witt had been because the additional bureaucratic layer in DHS.
However it was apparent from the interviews for this dissertation was that Witt had strong leadership qualities, was a good communicator and was well respected as a leader. Mike Brown did not receive the same respect as a leader and, as noted by several interviewees, had not led any sizeable organization and was unprepared to lead FEMA. Browns poor leadership skills were noted in many of the interview responses as well as in the archival data. He did not understand emergency management and was unprepared to run FEMA. Under Witt FEMA had a director who not only had emergency management experience but was a good leader who developed networks and stakeholder support. During this time FEMA performed well. Brown in contrast was not well respected and did not build stakeholder support and strong networks. During his tenure FEMA was perceived to have performed poorly. As a result leadership cannot be ruled out as an alternative explanation as to why FEMA performed poorly and in fact poor leadership likely contributed to that outcome.

A fifth explanation is that FEMA experienced a change in mission as a result of 9/11 and was adjusting to this change. It is plausible that over time FEMA would have adjusted to the change of mission and would have performed better. This dissertation has argued that as a result of the merger FEMA was forced to focus on terrorism because that was the focus of DHS. An alternative explanation is that all of the agencies within DHS including FEMA became focused on terrorism because of the events on 9/11 when the general focus of the federal and state governments focused on prevention and response to terrorism. FEMA and DHS were in the process of adjusting to the changes and processes within each agency at the time of the Katrina response. Had FEMA and DHS had the time to fully adjust to the changes which focused on terrorism it could be assumed they would have performed better.
E. Validity

Selection is a threat to internal validity (Yin, 2003). Internal validity is a concern when the study infers casual relationships. In this case, inferences are made regarding FEMA’s merger with DHS and the impact of the structural change on FEMA’s autonomy and performance. Internal validity concerns arise with regard to whether, in this case, the merger caused the change or whether the change was due to other factors. The alternative explanations outlined above cannot be ruled out. However the research presented here based on the FEMA experience and the literature is still valid because it has been argued in this dissertation that reporting relationship was a contributor to and not necessarily exclusively accountable for the loss of autonomy and poor performance. In addition to internal validity, one also needs to consider external validity. External validity raises the question of to what populations, settings, treatment variables and measurement variables the observed effect can be generalized (Campbell & Stanley, 1966).

Within this study’s context external validity deals with the extent to which the results obtained from this study can be generalized to other agencies. The results of this study have shown how the change of reporting relationship can impact the other formal and informal elements of autonomy. The meta-model hypothesis on the relationship between reporting relationship and autonomy illustrates the link between reporting relationship, autonomy propensity, performance and autonomy. The meta-model also outlines how autonomy propensity is impacted by the formal elements, agency attributes and favorable and unfavorable informal elements. These impacts can lead to low or high autonomy for an agency. The meta-model is also based on studies other than this study and reflects the experience of nine agencies
in addition to the FEMA experience. These results can be generalized to other agencies because they can show how an agency can be impacted by a change in reporting relationship. Understanding the relationship between the reporting relationship, autonomy and performance can be a path for further study to determine the impact of government reorganizations such as the creation of DHS. It can serve as an outline for understanding the potential effects of future agency reorganizations or realignments. Structural change such that the level to which an agency head reports is lowered can lead to the loss of organizational autonomy. The results of this study can be used to inform government officials when a reorganization of an agency is considered. The results can be especially informative when an agency with autonomy that performs well is considered for reorganization where it will experience a hierarchal change of reporting relationship. A change of reporting relationship where the agency becomes dependent structurally can have a negative impact on the agencies autonomy and performance. This is useful information for future government reorganizations.

The key question with regard to external validity is the unique aspects of the FEMA experience which may not apply to other agencies. One such aspect relates to the emergency response functions of FEMA. For example, FEMA has to respond quickly to emergency situations which are constantly changing during a disaster. As a result, the impact of the change of reporting relationship on the other formal and informal components may be more pronounced in FEMA than in agencies that operate outside the emergency management realm. An agency that performs the same tasks on a routine basis has a much longer time to adapt to changes whereas FEMA had to be ready to act quickly, especially in reacting to a disaster the size and

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67 These additional studies are Carpenter’s (2001), Khademian (1996) and Moe (1989) and the nine additional agencies to the three FEMA examples (FEMA I, II, III) are the Fed, FDIC, OCC, EPA, OSHA, CSPC, Department of Agriculture, Post Office and Department of Interior.
scope of Katrina. FEMA was faced with trying to implement a new plan (NRP), as well as trying to adapt to the change of reporting through DHS. The key point here is that because of FEMA’s unique mission, the change of reporting relationship, which slowed decision making, had particularly large consequences for performance. FEMA needed to act quickly during emergencies and with the merger its ability to act quickly was limited which impacted its performance.

F. Future Research

Future research is needed to fully understand the relationship between informal elements and autonomy. Khademian (1996) and Carpenter (2001) determine that informal elements by themselves can contribute to low autonomy. It has been determined in this dissertation that informal elements are an important element of autonomy; however they are in part influenced by formal elements such as reporting relationship. Therefore the relationship between informal elements and autonomy need further study to determine if there is a direct link.

Future research is needed that looks at multiple agencies that have experienced a loss of autonomy and were subject to a change in reporting relationship. A unique aspect of this dissertation is that of all the agencies examined between Moe (1989), Khademian (1996), and Carpenter (2001), FEMA is the only agency that experienced a change of reporting relationship. All the other agencies had an existing reporting relationship. Therefore other agencies which have experienced a change in reporting relationship need to be studied to see if there is evidence that can confirm a link between a change of reporting relationship, autonomy and performance. Additionally research needs to be conducted on agencies that don’t have emergency response as
part of their function. The loss of autonomy as a result of the change in reporting relationship can have a more profound impact on emergency management agencies because these agencies need to be able to respond quickly and must be nimble to adapt to the ever changing nature of emergencies as they are happening. Conversely further research should be conducted which can lead to a greater understanding of how emergency management agencies’ reporting relationships should be structured. A better understanding of the impact of reporting relationship on autonomy is needed so agency performance is not affected during critical emergency management response.

Another possibility for future research is that the loss of autonomy may in some cases result in improved performance. It has been noted that based on the work of Carpenter (2001), Khademian (1996) and the results of this study that autonomous agencies tend to perform better. However it is conceptual that the reduction of autonomy may result in better performance. Government reorganizations are often used to improve agency effectiveness, efficiencies, coordination and communication. Reorganizations require tradeoffs and in the creation of DHS the expectation was to improve the agencies as noted above which created the tradeoff of the loss of autonomy. An example of this type of reorganization is the creation of the Department of Defense. The Army, Navy and Air Force lost some autonomy, and although it took decades and several supplemental reorganizations, the result is that all agencies work more effectively together and generally perform better within the DOD (Davis, 2005). Therefore future research

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68 Admittedly this is somewhat of a challenge because FEMA is the main Federal agency that is responsible for emergency response. However studies could be conducted with the Coast Guard and state emergency management agencies to determine the impact of their performance as a result of a change in reporting relationship.
into the tradeoffs that result from reduced autonomy as well as improved agency performance as a result of the loss of autonomy will help inform the discussion on autonomy and performance.

It is also acknowledged that the results of a merger take time and that overtime FEMA would perform better as it became acclimated in its new structure, at the time of Katrina FEMA had not had that time. Future research is needed into FEMA’s response to Hurricane Sandy to determine if FEMA performed well within the structure of DHS.

The meta-model is presented in this study as a hypothesis and the resulting propositions are presented to enhance the discussion in understanding the relationship between reporting relationship, autonomy and performance. This allows for a rich topic for future research.
APPENDICIES

APPENDIX A: POTENTIAL LIST OF INTERVIEWS

2. Joe Allbaugh – FEMA Director, 2001-03.
4. Admiral Thad Allen – FEMA Director, 2005-06.
5. David Paulison – FEMA Director, 2006-present.
7. Janet Hale – Under Secretary for Management for DHS, had the task of integrating the agencies under the Department of Homeland Security began upon its inception on March 1, 2003. As chief of the DHS management directorate, Hale played a vital role in melding the 22 legacy agencies and 180,000 employees that make up the department.
8. Leo Bosner – emergency management specialist at FEMA’s disaster operations division, veteran of the agency, also Watch Officer FEMA Headquarters, with agency since 1979.
9. Michael Lowder – served as the Director of the Office of Intelligence, Security, & Emergency Response for the U.S. Department of Transportation, prior to that he was Deputy Director of the Response Division for the Federal Emergency Management Agency (FEMA) in Washington, D.C., where he was responsible for policies and procedures and for response operations in major disasters and emergency incidents, and other Incidents of National Significance.
10. Bruce Baughman – Director of the Office of National Preparedness and Director of Operations. While at FEMA, he directed response operations for more than 110 presidential disaster and emergency declarations, including hurricanes, earthquakes, bombings and flooding. He retired from the Department of Homeland Security as one of FEMA's top senior executives in 2003 to head Alabama’s emergency agency.
11. Craig Fugate – Head of Florida’s Division of Emergency Services and has worked with FEMA on many disasters, became FEMA Director under Obama.
APPENDIX A: (CONTINUED)

15. Michael Jackson – Deputy Director of FEMA under Michael Chertoff.
17. Terry Ebbert – New Orleans Emergency Director during Katrina.
21. Robert Fenton – FEMA regional response official, and currently Director of Response and Recovery Division IX for FEMA.
23. Edward Buikema – Regional Director/Administrator for FEMA Region V in Chicago and was Acting DHS/FEMA Response Division Director in Washington D.C.
25. Mike Walker – FEMA Deputy Director, Acting Secretary of the Army.
26. Jane Bullock – Former Chief of Staff to James Witt.
27. Fran McCarthy – Longtime FEMA staff member.
28. John Copenhaver – Former FEMA Regional Director.
29. Ken Burris – Former COO and Regional Director at FEMA.
31. Mike Byrne – was with FEMA for a number of years working out of Region 2. He worked at the WTC in New York after 9/11. He moved up to Homeland Security and was involved with the decision to move FEMA into Homeland Security.
APPENDIX A: (CONTINUED)


34. Gary Hart – Co-chair of the U.S. Commission on National Security/21st Century, which was the framework for the creation of DHS and the inclusion of FEMA into DHS, currently a scholar in residence at the University of Colorado in Denver.

35. Warren Rudman – Co-chair of the U.S. Commission on National Security/21st Century, which was the framework for the creation of DHS and the inclusion of FEMA into DHS, currently with Paul/Weiss law firm in Washington D.C.
APPENDIX B: INTERVIEWS COMPLETED

1. Bruce Baughman – Director of the Office of National Preparedness and Director of Operations. While at FEMA, he directed response operations for more than 110 presidential disaster and emergency declarations, including hurricanes, earthquakes, bombings and flooding. He retired from the Department of Homeland Security as one of FEMA's top senior executives in 2003 to head Alabama’s emergency agency.


4. Edward Buikema – Regional Director/Administrator for FEMA Region V in Chicago and was Acting DHS/FEMA Response Division Director in Washington D.C.


6. Robert Latham – Executive Director of the Mississippi Emergency Management Agency after serving 6 1/2 years in that position. During his tenure as MEMA Director, Mr. Latham oversaw the state’s response to more than forty-five Governor’s State of Emergency, including eleven Presidential Disaster Declarations and the state’s terrorism preparedness efforts after September 11. Mr. Latham directed the state’s preparedness and response to Hurricane Katrina on August 29, 2005.

7. Mike Walker – has served as a professional staff member of the Senate Appropriations Committee and staff director of the Subcommittee on Military Construction, 1993; Assistant Secretary of the Army (Installations, Logistics and Environment), 1993-97; was Army Acquisition Executive, 1997-98; was Under Secretary of the Army, 13 November 1997-15 October 1998; was Acting Secretary of the Army, 2 January 1998-2 July 1998; Deputy Director of the Federal Emergency Management Agency, 1998-99; was FEMA Deputy Director, Acting Secretary of the Army.

8. Ron Castleman – Regional Director for FEMA in Region VI, Denton, Texas, and Chief of Staff for Mike Brown in D.C.

9. Jane Bullock – Former Chief of Staff to James Witt.

10. Fran McCarthy – Longtime FEMA staff member in various roles.

11. John Copenhaver – Former FEMA Regional Director.

12. Ken Burris – Former COO and Regional Director at FEMA, ran Federal operations at World Trade Center site.
APPENDIX B: (CONTINUED)


14. Mike Byrne – was with FEMA for a number of years working out of Region 2. He worked at the WTC in New York after 9/11. He moved up to Homeland Security and was involved with the decision to move FEMA into Homeland Security.


16. Dave Maurstad – FEMA regional director of Region 8 in Denver from 2001 to June of 2004, directorate assistant administrator for the mitigation directorate and had the responsibilities of the administrator of the national flood insurance program 2004 – 06, then took off the regional directorate hat and assumed the responsibilities of the administrator for the mitigation directorate and the national flood insurance program until September 2008.


18. George D. Haddow – Deputy Chief of Staff to the Director of FEMA during the Clinton Administration. He was responsible for policy formulation in the areas of disaster response and recovery, public/private partnerships, public information, environmental protection and disaster mitigation.

19. Steve Sharro – FEMA officially for 16 years, from 1990 – 2006. He was a civil service employee and a senior executive with FEMA for the last 6. There, he worked as a manager of FEMA’s training programs and did odd jobs and a good bit in disaster work.

APPENDIX B: (CONTINUED)

21. Daniel Kaniewski – Earlier in his career he was a Congressional Liaison for Terrorism Preparedness and Consequence Management at the Federal Emergency Management Agency. Prior to 9/11, Kaniewski served as a Homeland Security Fellow to members of the U.S. House of Representatives, where he conducted research on congressional coordination for homeland security. Served as first Deputy Director of George Washington University’s Homeland Security Policy Institute from October 2002 to July 2005. He then served as a co-author and editor of the White House report, *The Federal Response to Hurricane Katrina: Lessons Learned*. He advised the President and White House senior staff during domestic incidents (including both man-made and natural disasters). He chaired the Domestic Readiness Group at the White House; managed the Presidential Disaster Declaration process; oversaw the development and approval of the *National Response Framework* and *National Incident Management System*.

22. Bob Stephan – Special assistant under Secretary Ridge at DHS 2003-05, led integration activation of department. Worked with FEMA on National Response Plan and National Incident Management Training Program with programs like TOP off with top officials at FEMA. Led strategic and contingency planning across the departmental groups to include FEMA. 2005-08 Assistant Secretary for Infrastructure at DHS worked with FEMA on contingency planning.

23. Ellen Gordon – former chief of emergency management operations for the State of Iowa. Gordon is the past president of the National Emergency Management Association. She is currently associate director of the Naval Postgraduate School Center for Homeland Defense and Security in Monterey, California. Gordon was one of the members of the Gilmore Commission, which was officially known as an "Advisory Panel to Assess Domestic Response Capabilities for Terrorism."

24. Bruce Lawlor – He was a member of the Homeland Security Advisory Council (HSAC), was the former Chief of Staff of the Department of Homeland Security, former Senior Director for Protection and Prevention, White House Homeland Security Council. As DHS Chief of Staff, he managed the department’s policy decision-making process, coordinated department operations and provided oversight for implementation of the DHS Secretary’s decisions. While a member of the Homeland Security Council staff, he directed the development of U.S. government strategic plans and policies, provided oversight of interagency coordination of inter- and intra-governmental programs, and provided policy input to senior U.S. government officials concerning a broad range of homeland security-related issues. MG Lawlor was one of five senior White House staff members who wrote the plan to create the U.S. Department of Homeland Security.
APPENDIX C: INTERVIEW QUESTIONS

1. What is your position and job responsibility?
2. Describe your involvement with FEMA?
3. Why do you think FEMA became part of DHS?
4. How do you think FEMA’s mission changed as a result?
5. How do you think the merger with DHS affected FEMA’s ability to perform?
6. Were you aware of any changes happening at FEMA prior to the merger?
7. Do you believe the agency head and leadership at FEMA needs to be experienced?
8. Were there changes in administrative procedures when FEMA became part of DHS? If so, how were they implemented? Was there adequate training?
9. How do you think the reporting relationship structures changed with the merger? Were these good or bad, and why?
10. Did the coordination of policy direction change with the merger? Was there a difference emphasis? Did relationships with other government agencies change? If so, how?
11. How were budget allocations affected with the merger? If affected, how do you think they impacted FEMA’s ability to carry out its mission?
12. Describe how the professional competency of staff at FEMA may have changed as a result of the merger?
13. What do you think was accomplished by the merger?
14. How do you think FEMA needs to be positioned structurally in the future to operate effectively?
15. Over the last eight years FEMA’s placement has been debated and changed many times. Do you have any other thoughts or comments on where you feel FEMA should be placed structurally, and what could be done so that FEMA can perform better?
APPENDIX D: IRB WAIVER APPROVAL

UNIVERSITY OF ILLINOIS
AT CHICAGO

Office for the Protection of Research Subjects (OPRS)
Office of the Vice Chancellor for Research (MC 672)
203 Administrative Office Building
1737 West Polk Street
Chicago, Illinois 60612-7227

Exemption Granted

March 5, 2009

Michael DeLorenzo
Public Administration
601 E. John St., Suite 120
Champaign, IL 61020
Phone: (217) 333-1300 / Fax: (217) 244-6623

RE: Research Protocol # 2009-0045

“The Change in Authority Structure at FEMA, and the Merger with the Department of Homeland Security; Did it Conform to the Expectations and Impact Performance?”

Dear Michael DeLorenzo:

Your Claim of Exemption was reviewed on March 5, 2009, and it was determined that your research meets the criteria for exemption. You may now begin your research.
APPENDIX D: (CONTINUED)

Exemption Period: March 5, 2009 – March 4, 2012

Your research may be conducted at UIC and with adult subjects only.

The specific exemption categories under 45 CFR 46.101(b) are:

(2) Research involving the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures or observation of public behavior, unless: (i) information obtained is recorded in such a manner that human subjects can be identified, directly or through identifiers linked to the subjects; and (ii) any disclosure of the human subjects' responses outside the research could reasonably place the subjects at risk of criminal or civil liability or be damaging to the subjects' financial standing, employability, or reputation; and

(3) Research involving the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures, or observation of public behavior that is not exempt under paragraph (b)(2) of this section, if: (i) the human subjects are elected or appointed public officials or candidates for public office; or (ii) Federal statute(s) require(s) without exception that the confidentiality of the personally identifiable information will be maintained throughout the research and thereafter.

Please note the Review History of this submission:

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You are reminded that investigators whose research involving human subjects is determined to be exempt from the federal regulations for the protection of human subjects still have responsibilities for the ethical conduct of the research under state law and UIC policy. Please be aware of the following UIC policies and responsibilities for investigators:

**Amendments** You are responsible for reporting any amendments to your research protocol that may affect the determination of the exemption and may result in your research no longer being eligible for the exemption that has been granted.

**Record Keeping** You are responsible for maintaining a copy of all research-related records in a secure location in the event future verification is necessary, at a minimum these documents include: the research protocol, the claim of exemption application, all questionnaires, survey instruments, interview questions and/or data collection instruments associated with this research protocol, recruiting or advertising materials, any consent forms or information sheets given to subjects, or any other pertinent documents.

**Final Report** When you have completed work on your research protocol, you should submit a final report to the Office for Protection of Research Subjects (OPRS).

**Information for Human Subjects** UIC Policy requires investigators to provide information about the research protocol to subjects and to obtain their permission prior to their participating in the research. The information about the research protocol should be presented to subjects in writing or orally from a written script. When appropriate, the following information must be provided to all research subjects participating in exempt studies:

The researchers affiliation; UIC, JBVMAC or other institutions,

The purpose of the research,

The extent of the subject’s involvement and an explanation of the procedures to be followed,

Whether the information being collected will be used for any purposes other than the proposed research,

A description of the procedures to protect the privacy of subjects and the confidentiality of the research information and data,

Description of any reasonable foreseeable risks,

Description of anticipated benefit,
APPENDIX D: (CONTINUED)

A statement that participation is voluntary and subjects can refuse to participate or can stop at any time,

A statement that the researcher is available to answer any questions that the subject may have and which includes the name and phone number of the investigator(s).

A statement that the UIC IRB/OPRS or JBVMAC Patient Advocate Office is available if there are questions about subject’s rights, which includes the appropriate phone numbers.

Please be sure to:

- Use your research protocol number (2009-0045) on any documents or correspondence with the IRB concerning your research protocol.

We wish you the best as you conduct your research. If you have any questions or need further help, please contact the OPRS office at (312) 996-1711 or me at (312) 355-2908. Please send any correspondence about this protocol to OPRS at 203 AOB, M/C 672.

Sincerely,

Charles W. Hoehne
Assistant Director, IRB # 2
Office for the Protection of Research Subjects

Enclosure: None

cc: Michael A. Pagano, Public Administration, M/C 278
    James Thompson, Public Administration, M/C 278
Dear Mr.

My name is Michael Delorenzo, and I am a PhD student working on my dissertation in Public Administration at the University of Illinois at Chicago. The focus of my research is to understand the direct and indirect collateral consequences for FEMA, as a result of the change in authority structure when it became part of the Department of Homeland Security (DHS).

I will investigate what might be expected when FEMA is subject to a change in authority structure and how it might be expected that such a change affects performance given the expectations of the change. The research question is how did the change in authority structure, as a result of the merger with DHS, affect FEMA’s ability to perform and meet its performance expectations?

I plan to interview administrators and officials who were associated with FEMA prior to the merger, during the merger and after the merger with DHS. The data I collect from the interviews will be recorded and only used for the dissertation.

Since your association with FEMA fits my research focus, I ask if you would consent to a recorded phone interview. The interview will consist of approximately 15 questions. I have attached a copy of the questions for your review as well as a list of those I am interviewing. I look forward to hearing from you, so we may set up a time for a phone interview.

Sincerely,

Michael DeLorenzo, PhD Dissertation Student
APPENDIX F: INITIAL SET OF CODES

Code-Filter: All

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Accomplished merger
Administrative Procedure Changes
Affect Performance
Agencies Screwed
Agile Organization
Allbaugh Changes
Authority Structure
Autonomy
Became part of DHS
Budget Impact
Budget Neutral
Bureaucratic decision making
Capabilities
Centralization of administration
Compete for Resources
Competency
Congressional impact
Congressional Oversight
Consolidate
Coordinate vs Perform
Create a DHS Office
Culture
DHS led to FEMA’s downgrade
DHS Tax
Disaster Budget
APPENDIX F: (CONTINUED)

Disaster Preparedness
Dysfunctional governments
Employee Treatment
Experienced leader
Federalism
FEMA's mission
FEMA's resources
FEMA's role?
FEMA relationships
FEMA Districts
FEMA Expectations
FEMA had challenges I Service Functions
FEMA hurt themselves
FEMA Independent
FEMA Lead Agency
FEMA Regions
FEMA Resisted Merger
FEMA Stafford
Fit
Greater involvement
Greater Resources Available
Incompetent Leadership
Information Access
Internal relationships
Local Strength
Merged too much
Merger Time
Mission Change
Mission Official Unofficial
Morale
More resources for FEMA
Myths of expectation
APPENDIX F: (CONTINUED)

Odd Fit I Guns
Organizational Upheaval
Personal Relationships
Policy Changes
Profile I Status
Raise level of risk
Reorganizations
Requires Skill Set
Resist Change
State Effectiveness
Structural Impediments
Structural Placement
Structural Relationships
Symbolic reorganization
Technician
Terrorism
Terrorism Coordination Unit
Transfer w/o resources
Turf Battles
Who is in charge
APPENDIX G: FINAL SET OF CODES

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Accomplished merger
Administrative Procedure Changes
Affect Performance
Budget Impact
Bureaucratic decision making
Competency
FEMA's mission
FEMA Lead Agency
FEMA relationships
Leadership
Policy Changes
Structural Placement
APPENDIX H: LIST OF MEMOS

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Administrative Procedure Changes {33-Me} -
Agency head exp. {29-Me} -
Autonomy {16-Me} -
Budget {38-Me} -
Changes before merger {19-Me} -
Culture Change {3-Me} - Mike
FEMA part of DHs {36-Me} -
Merger affect performance {69-Me} -
Mission {36-Me} -
Policy Coordination change {34-Me} -
Professional Competency {32-Me} -
Relationships {55-Me} -
Structural Placement {37-Me} -
CITED LITERATURE


VITA
Michael DeLorenzo

Work History

October 2011- Present  Associate Chancellor, University of Illinois at Urbana-Champaign.
Chancellor’s liaison and primary staff person responsible for day to day activities in the Division of Intercollegiate Athletics, Public Safety, Emergency Management, Governmental Relations and local community relations. Handle administrative issues, budget, contracts and personnel for Office of the Chancellor. Involved in and assist the Chancellor with campus strategic initiatives, budgeting, and capital planning. Represent the campus on the University capital finance committee which sets forth the debt financing with Treasury Operations.

July 2007- October 2011  Associate Vice Chancellor for Student Affairs/Director of Auxiliary Services University of Illinois at Urbana-Champaign.
Oversee the Auxiliary units on campus, consisting of the Illini Union, Campus Recreation, McKinley Heath Center, Housing, Conference Center and Assembly Hall, these units have a combined budget of close to $175 million and 800 employees. Member of the Student Affairs leadership team which sets the strategic course of Student Affairs. Responsible for all Auxiliary facilities, and the capital and deferred maintenance projects for those facilities. Assisted with the development of a $450+ million major renovations of Campus Housing residence halls this included debt financing, construction, and capital delivery. Maintain financial outlook for all units, as well as strategic position both inside and outside the University. Work with the administration and students on all student fee implementation and management. Represent the campus on several external community committees, as well as Student Affairs on campus committees.

June 2006 – July 2007  Assistant Vice Chancellor for Student Affairs/Executive Associate Director Auxiliary Services, University of Illinois at Chicago, Illinois.
Oversee day to day operations of Auxiliary Services. Direct all activities associated with the Auxiliary units.

May 2005 – June 2006  Acting Associate Vice Chancellor for Student Affairs/Director of Auxiliary Services, University of Illinois at Chicago, Illinois.
Coordinate and oversee the day to day operations of the Campus Auxiliary Services unit. These units include Housing, Retail Operations, Pavilion, Dining, Student Centers (including campus programs, and recreation), Auxiliaries Human Resources, Information Technology and Finance, Publications and Children’s Center. Additionally oversee the University’s
South Campus development that includes student resident housing, retail, and office space. As a member of the Vice Chancellor for Student Affairs Executive Team coordinated activities between Auxiliaries and other Student Affairs offices including the Counseling Center, Financial Aid, the Career Center, Student Support Services, International Services and Athletics. Member of the team that developed the Student Affairs Strategic Plan. Involved in the significant decisions related to the direction of Student Affairs both internally and externally and in coordination with the academic colleges. Had significant interaction with the student organization leaders and their development through the student learning initiative.

**July 2001 – May 2005**

*Executive Associate Director of Auxiliary Services, University of Illinois at Chicago, Chicago, Illinois*

Assist with the overall strategic direction of Auxiliary Services that consists of Housing, Campus Unions, Pavilion, Children’s Center, Dining, Strategic Planning, Meetings and Conferences, Publications, Retail Operations, Auxiliaries Human Resources, Information Technology and Finance encompassing a fifty million dollar budget. Oversee Auxiliary Services in the absence of the Associate Vice Chancellor for Student Affairs/Director of Auxiliary Services.

**April 1997 - July 2001**

*Director, Pavilion, University of Illinois at Chicago, Chicago, Illinois*

Responsible for the overall operation of the Pavilion, a 10,000 seat multi-purpose arena with a three million dollar operating budget. The Pavilion hosts and promotes concerts, athletic competitions, family events, religious conferences, trade shows, corporate meetings, and university events. Supervise a staff of fifteen full-time and one hundred and fifty part-time. The Pavilion runs its own box office with support services through Ticketmaster.

**December 1989 - April 1997**

*Associate Director, Stephen C. O’Connell Center, University of Florida, Gainesville*

12000 seat multipurpose arena that hosted concerts, family events, intercollegiate athletics, trade shows, banquets and university events. Responsible for all day-to-day activities in the center. Coordinated all physical operations and maintenance of the facility. In charge of the staffing and coordination of every event in the Center.

**December 1987 - 1989**

*Assistant Director, Stephen C. O’Connell Center, University of Florida, Gainesville, Florida*

Responsible for scheduling, coordinating, staffing, and supervising all intercollegiate athletic events for eight University of Florida athletic teams. Planned and coordinated all athletic practices, clubs and class activities.
Organized and maintained practice schedules for eight intercollegiate sports, intramural programs and five student clubs. This entailed maintaining a master schedule that organized events with the other events to ensure no conflicts.

**November 1985 - December 1987**
*Assistant Facility Manager, United States Military Academy, New York*
Assisted with the opening of Army’s new Basketball and Hockey arena. Primary contact for all event bookings. Coordinated all varsity sports and community activities.

**April 1985 - November 1985**
*Operations Manager, Leron Inc. New York, NY.*
Facilitated work orders for a retail operation. Coordinated and tracked work orders to and from workrooms across the world. Responsible for all shipments out of shipping department.

**September 1984 - April 1985**
*Student Assistant - Public Relations/College Athletic Events. New Jersey*
*Sports Authority/Meadowlands, East Rutherford, New Jersey*
Student Intern handling various duties.

**EDUCATION**

**1978-1982**
*Colorado State University, Ft. Collins, Colorado*
B.A. History

**1983-1984**
*Ohio State University, Columbus, Ohio*
M.A. Sports Management

**2003-Present**
*University of Illinois at Chicago, Chicago, Illinois*
Working on a Ph.D. in Public Administration, anticipated degree spring of 2013.

**PROFESSIONAL DEVELOPMENT**

**1988-1989**
International Association of Assembly Managers Public Assembly Facility Management School. International Association of Assembly Managers Certified Facilities Executive, CFE

**2001-Present**
Member of the National Association of College Auxiliary Services (NACAS)
Have made several presentations at NACAS Conferences and hosted a NACAS webinar

**PUBLICATIONS**

**2007**
Hendrick, R., Delorenzo, M., Haller, M., Hurasek, L., Jacob, B., Khovanova,

PRESENTATIONS

2011

2010-
DeLorenzo, M., (2010) Students can be your Advocates when it comes to Fees; Presented a national webinar for the National Association of College Auxiliary Services Annual Conference.

2009

2009 and 2011
DeLorenzo, M., (2009, 2011) Students can be your Advocates when it comes to Fees; Presented at the National Association of College Auxiliary Services Annual Conference, Hawaii and at the NACAS Regional Conference in the Dells Wisconsin.

2006

2006

AFFILIATIONS

2007 – Present
Past President of the Champaign County Convention and Visitors Bureau
Current member of the Executive Board

2009 – Present
Board member of the Champaign County Economic Development Corporation

2008 – Present
Member Champaign Rotary

2012 – Present
Board member of the Champaign County Chamber of Commerce