

FY2009 Annual Report on Disaster Assistance

U. S. Small Business Administration

Annual Report on Disaster Assistance. Section 12091 of Title XII, Subtitle B of the Food, Conservation and Energy Act of 2008 (P.L. 110-246), the Small Business Disaster Response and Loan Improvements Act of 2008 (the “Act”), amended the Small Business Act to add Sec 43 requiring an annual report on disaster assistance not later than 45 days after the end of a fiscal year.

Sec 43. requires SBA to:

- (1) Specify the number of Administration personnel involved in disaster assistance operations;
- (2) Describe any material changes to those operations, such as changes to technologies used or to personnel responsibilities;
- (3) Describe and assess the effectiveness of the Administration in responding to disasters during that fiscal year, including a description of the number and amounts of loans made for damage and for economic injury; and
- (4) Describe the plans of the Administration for preparing to respond to disasters during the next fiscal year.

Section 12072(c) of the Act requires SBA to:

Conduct a disaster simulation exercise at least once every 2 fiscal years, and include a report on the disaster simulation exercises conducted each time the SBA submits a report under Sec. 43.

Section 12075 of the Act also amended the Small Business Act to add Sec. 40 requiring SBA to:

Develop, implement and maintain a comprehensive written disaster response plan which is updated on an annual basis, and include a report on the plan whenever the SBA submits the report required by Sec. 43.

Section 12076 of the Act to add Sec. 41 requiring SBA to:

Develop long-term plans to secure sufficient office space to accommodate an expanded workforce in times of disaster and include a report on these plans each time the SBA submits a report required under Sec. 43.

The following report covers SBA disaster operations in FY2009.

(1) SBA personnel involved in disaster assistance operations

The number of SBA personnel involved in operations for FY09, by month:

FY09 by Month	Number of Staff
October	2,626
November	2,374
December	1,990
January	1,705
February	1,345
March	1,250
April	1,315
May	1,331
June	1,211
July	1,096
August	1,059
September	1,108

Additionally, key declarations and ODA field staff numbers:

Declaration	ODA Field Staff Onsite
Illinois – Severe Storms and Flooding	48
California - Wildfires	31

(2) Material Changes to Operations; including changes to technologies and personnel responsibilities;

Disaster Credit Management System (DCMS) – The Disaster Credit Management System (DCMS) is used by ODA to process all home and business disaster loan applications, including applications submitted through the Electronic Loan Application (ELA) system. ODA established FY09 goals of implementing continued improvements and enhancements to DCMS and ELA. The improvements helped to re-engineer and enhance the consistency and responsiveness of ODA’s end-to-end disaster loan process as well as improve the productivity and quality of work by ODA staff for disaster victims.

During FY09, 28 improvement projects were completed (23 DCMS and 5 ELA).

Continuous Process Improvement Projects produced numerous benefits including:

- Reduced project risks
- Decreased response time for audit and other requests
- Improved quality of testing and fewer bugs introduced to the systems
- Improved cross-training of staff and knowledge sharing
- Increased customer satisfaction

- Reduced the number of duplicated service desk tickets, outstanding projects, system change requests, and bugs
- Increased first call resolution on the Service Desk
- Produced better communication with internal and external stakeholders
- Increased number and use of quantitative metrics throughout the Operations Center
- Improved documentation for audit and other purposes

Electronic Loan Application (ELA) – The Electronic Loan Application was launched in August of 2008. In FY09, 30 percent of all applications received were submitted using the ELA and there were 5 ELA enhancement projects that improved the ELA user experience and significantly enhanced DCMS user functionality. Victims of disasters may continue to apply for disaster loan assistance at their convenience over any computer connected to the Internet. The ELA website is accessible to the public from the SBA’s main website (http://www.sba.gov/services/disasterassistance/SERV_APPLY_FOR_A_DISASTER_LOAN.html.)

Enhancement of the Disaster Information Gateway (DIG) within ODA – The DIG portal originated as a place to post and share consistent information for all ODA users. With the release of Microsoft Office SharePoint Server 2007, the DIG has been upgraded with new and improved functionality. The upgraded DIG is more user-friendly, easier to navigate and has improved search capabilities. They include:

- Easier and timelier access to the information employees need to perform their duties
- An organized one-stop shop for information by making it easier to find authoritative information
- Improves ability to share and exchange information across the organization by providing an electronic publishing method that is easily leveraged
- Improves the "time to talent", the speed with which new employees become productive
- Improves organizational learning by providing easier access to critical information and organizational knowledge and more intuitive navigation and ergonomic design
- Improves project execution by providing an opportunity for work teams to collaborate and to electronically store project information in fully searchable, organized team containers

Disaster Assistance Improvement Plan (DAIP) – SBA continued full participation in the DAIP mandated by Executive Order 13411, meeting all goals set by the Executive Order. Costs associated with complying with this mandate have been included in upcoming budgets.

Retirement of Associate Administrator (AA) – Mr. Herbert Mitchell retired from SBA in March 2009. Mr. James Rivera was appointed Acting AA for Disaster Assistance.

The Executive Office of Disaster Strategic Planning and Operations (EODSPO) – This office, reporting directly to the Administrator, was established in August 2008 to implement requirements of the Act. With continued improvements in disaster loan assistance, and the implementation of lessons learned since the 2005 Gulf Coast Hurricanes, some of the responsibilities of EODSPO have been mainstreamed into major SBA Program Offices under the direction of SBA’s Associate Administrators. The name of EODSPO has been changed to the Office of Disaster Planning, reporting directly to the Administrator, with continued responsibility for disaster strategic planning and other duties, meeting all requirements of the Act.

(3) Effectiveness of the Disaster Loan Program based on Key Performance Indicators

Key Performance Indicators	Type of Measure	FY2009 Goal	FY2009 Actual
Disasters having field presence within 3 days (%)	Output	95%	100%
Loans with initial disbursements within 5 days of loan closing (5)	Output	95%	100%
Average time to process home applications (days)	Output	14	6
Average time to process business physical applications (days)	Output	18	14
Average time to process EIDL applications (days)	Output	18	14
Percentage of Businesses sustaining Economic Injury restored within 6 months after final disbursement	Outcome	77%	90%
Percentage of Businesses sustaining physical damage that are restored within 6 months of final disbursement	Outcome	60%	57%
Percentage of Homeowners restoring their homes within 6 months of final disbursement.	Outcome	77%	70%
Percentage of Renters restoring their damaged property within 6 months after final disbursement	Outcome	84%	70%
Customer Satisfaction Rate: Approvals Declines	Outcome	71%	72% 41%

FY 2009 Approval Figures

For Fiscal Year 09 ending September 30, 2009, the SBA approved 21,780 disaster loans for \$1,129,515,400 with the following breakdown:

Physical loans – 21,132 totaling \$1,079,642,500

Economic Injury loans – 648 totaling \$49,872,900

(4) Plans for responding to disasters during the next fiscal year

The SBA, through its upgrades of the Disaster Credit Management System, plans to meet its FY2010 outcome and performance goals using fewer resources.

During FY2010, the Agency will continue to build upon the lessons learned as a result of past disasters, including the catastrophic 2005 Gulf Coast hurricanes. The Office of Disaster Assistance will continue to reevaluate and re-engineer business processes to meet the ever changing needs of the disaster victims it serves. The implementation of changes to office operations will be ongoing, and the changes will result in a more efficient operation which will reduce the staff necessary to process major disaster declarations and enhance customer service. Other SBA program offices including the Office of Field Operations, Office of Entrepreneurial Development, Office of Capital Access, and Office of Government Contracting and Business Development will play an ongoing role in delivering all SBA programs and services to the victims of disaster.

SBA is working closely with FEMA on an interagency working group to develop a National Disaster Recovery Framework (NDRF). SBA will also participate in the White House working group on Disaster Recovery chaired by the Secretary of Homeland Security and the Secretary of Housing and Urban Development. Additionally, SBA continues to work with the FEMA National Exercise Division for full SBA contribution to planning, and subsequent participation in, interagency national disaster response and recovery exercises.

In FY2010 SBA seeks to improve the access of small businesses to disaster contracting. The first report on disaster contracting required by the Act was submitted on November 16, 2009.

During FY2009, SBA reassessed its disaster marketing and outreach strategy. We are now leveraging our existing SBA bone structure and employees to vastly expand our force of trained counselors prepared to assist in all types of disasters. The Office of Disaster Assistance recently completed another round of training for District Office and Disaster Office Public Information Officers and SBDC and SCORE counselors. As we move into fiscal year 2010, our strategic training plan is to provide continued training at the regional level for mission critical partners.

For the FY2010 Budget, SBA has requested an appropriation to fund a pilot program to progress on the implementation of private disaster lending authorized in the Act.

The SBA will continue to work with its federal partners to coordinate the delivery of disaster assistance available to disaster victims throughout the nation.

(5) Biennial Disaster Simulation Exercise

SBA conducted a disaster simulation exercise in FY08. As required by the Act, SBA plans to conduct a biennial Senior Leadership Seminar (SLS) in early calendar year 2010. As was done in FY08, a functional test of information technology, communications, and reserve notification will be run concomitantly.

(6) Disaster Recovery Plan

A revised, streamlined, and more focused SBA Disaster Recovery Plan (DRP) was issued in November 2009. SBA plans to conduct a biennial Senior Leadership Seminar in early calendar 2010 to exercise this plan. Insights and lessons learned from the 2010 SLS, NDRF process, and national level exercises will be utilized for the annual update of the DRP, required by the Act.

(7) Plans for Sufficient Office Space

The DRP includes SBA's plans to maintain sufficient office space for an expanded disaster workforce. The Agency currently maintains more than 360,000 sq. ft. of space in multiple locations across the country with 180,000 sq. ft. specifically allocated as permanent space for the Processing and Disbursement Center in Fort Worth, TX. This space accommodates a total of 1,750 work stations. Additionally, ODA maintains approximately 20,000 sq. ft. for backup and surge processing in Sacramento, CA to accommodate approximately 350 work stations. The California space was used as part of the response to the 2008 hurricanes to test the equipment and connectivity in order to ensure that the space is ready if and when it is needed. SBA can further capitalize on the existing work stations by implementing the double shift approach to accommodate more than one employee at each work station. Should SBA estimate that it requires additional capacity for a given surge, the Agency can utilize space in its District Offices and will immediately leverage pre-existing relationships with GSA to negotiate the procurement and utilization of additional infrastructure.