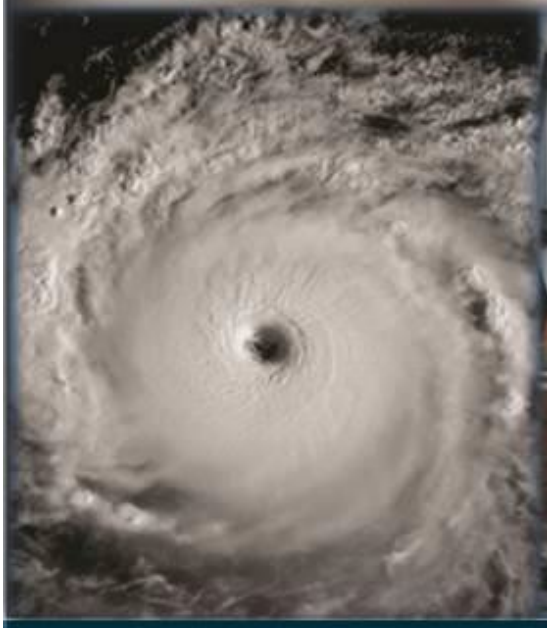

Disaster Preparedness and Recovery Plan

2016

U.S. Small Business Administration

Message from the SBA Administrator

At SBA, we are committed to serving our fellow citizens when their communities are ravaged by natural and man-made disasters. We strive to be at our best when our fellow Americans are facing the worst crisis of their lives.

For SBA, "preparedness" means we'll be there before the disaster, too, with access to capital, counseling, and contracts to support America's small businesses. We will help entrepreneurs develop resilient businesses that can endure disaster – physical and otherwise.

When disaster strikes, SBA's disaster assistance offices perform one of our most important functions. Whether we're making direct loans to businesses, homeowners, or renters, it's our job to help American families and businesses rebuild when they need us the most.

In addition to capital, businesses impacted by disaster often need additional assistance to get back on their feet. That why SBA's Regional Administrators, District Directors, and resource partners help small businesses access the full range of available disaster recovery tools and business resources.

This Disaster Preparedness and Recovery Plan guides our support to the National Disaster Recovery Framework. **Today's Smart, Bold and Accessible SBA stands ready to serve communities in their times of greatest need.**

Maria Contreras-Sweet
Administrator

Summary of Changes

This 2016 edition of the Disaster Preparedness and Recovery Plan (DPRP) expands the description of SBA's efforts to support community disaster recovery plans. Specific updates since the 2015 edition include:

- Language and statistics have been updated throughout.
- Initial application of the provisions of the Recovery Improvements for Small Entities After Disaster Act of 2015 (RISE Act, PL 114-88; further refinements will be included in subsequent editions.
- The outline-style Executive Summary has been replaced with a shorter, topically organized version.

Contents

Summary of Changes ..... **i**

List of Figures iv

List of Tables v

Executive Summary ..... **vii**

1. Introduction **1**

2. Preparedness and Risk **3**

Preparedness Frameworks 3

Risk Analysis 5

3. Mission **11**

Pre-Disaster Protection and Mitigation 11

Post-Disaster Response and Recovery 14

4. Execution **19**

Indications and Warning 19

Preparation – Notice Event 19

Response 20

Recovery 29

5. Coordination and Logistics **39**

Disaster Oversight Council/Executive Management Team 39

Coordination of Disaster Loan-Making and COOP 40

Scaling Disaster Loan-Making Operations 41

Disaster Loan-Making Budgeting 45

Office Responsibilities 47

COOP Logistics 57

6. Public Communications 59

Target Audiences 59

Roles and Responsibilities 60

Pre-Disaster Communications Outline 61

Scaling Post-Disaster 62

Appendix I. Abbreviations 65

Appendix II. Preparedness 67

Appendix III. Forecasting and Modeling 71

Appendix IV. Accommodating Need 77

Appendix V. Assessing Disaster 83

List of Figures

Figure 1. The Disaster Continuum 1

Figure 2. Preparedness Frameworks Across the Disaster Continuum 3

Figure 3. Declared Disasters 5

Figure 4. Presidential Declarations for Hurricanes 6

Figure 5. Seismic Risk 7

Figure 6. Annual Disaster Loan Applications 10

Figure 7. SBA Disaster Decision Tree 23

Figure 8. Range of Disaster Impacts 29

Figure 9. SBA Disaster Recovery Engagement 30

Figure 10. Capacity Expansion 41

Figure 11. Components of SBA Staffing Strategy 42

Figure 12. ODA Functional Centers 48

Figure 13. Level of Activity -- Preparedness Frameworks 67

Figure 14. Application Shift 73

Figure 15. Overview of Disaster Scaling Process 77

List of Tables

Table 1. PPD-8 Frameworks. 4

Table 2. Presidential Declarations per Year by Region. 9

Table 3. Planning Levels. 23

Table 4. Recovery Phases 31

Table 5. Planning Parameters 43

Executive Summary

At no time do communities, small businesses, and individuals more need access to the Small Business Administration's (SBA's) "3 C's" of capital, counseling, and contracts more than in the wake of disaster. SBA's *Disaster Preparedness and Recovery Plan* (DPRP) ensures that *all* available agency resources are both provided and *integrated* into the federal government's overall support to disaster survivors.

Recovery Cycle: When focused on recovery, the 3 C's are sequenced as capital, contracts, counseling, and capital again. SBA's immediate effort begins with the deployment of Disaster Assistance staff from one of its two Field Operations Centers (FOCs) to make disaster loans available to homeowners, renters, businesses of all sizes, and private nonprofits. These *physical and economic injury disaster loans* are critical to repairing damage and sustaining cash flow in a community. Almost as quickly, the Office of Government Contracting and Business Development (GCBD), often in concert with the local District Office, reaches out to other federal agencies to offer waivers and other contracting flexibilities to ensure the *engagement of small businesses* – especially ones in impacted communities – in the process of rebuilding and recovering. Through counseling and technical assistance, small businesses are able to adjust their plans to *account for the "new normal*" after a disaster. Ultimately, this is at the heart of successful recovery: Small businesses, in combination, are sometimes the local economic engine, but they are almost always critical to a community's character. The recovery process can be said to have resolved into the business cycle when the final steps in small business recovery are financed with SBA Offices of Capital Access (OCA) and Investment and Innovation (OII) programs *investing in that same "new normal."*

Legal Authority: SBA's disaster planning is focused by Presidential Policy Directive (PPD) 8, *National Preparedness*, and Section 40 of the Small Business Act (15 U.S.C. 657l).[1] The latter directs SBA to maintain a comprehensive, scalable plan that **integrates all elements of the agency** to meet the needs of disaster survivors. The former establishes an overall framework linking five mission areas – prevention, protection, mitigation, response, and recovery – and associated planning and training to create a *National Preparedness System*.[2]

[1] Section 40 requires SBA to maintain a comprehensive disaster response plan. The requirement was established by the 2008 Small Business Disaster Response and Loan Improvements Act and revised by the 2015 Recovery Improvements for Small Entities After Disaster Act (RISE Act).

[2] PPD-8 results from the Post-Katrina Emergency Management Reform Act (PKEMRA), amending the Homeland Security Act of 2002 and the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The Stafford Act provides the primary framework for all federal post-disaster efforts in support of state, tribal, territorial, and local governments. (The Stafford Act was also amended by the Sandy Recovery Improvement Act of 2013.)

Planning Hierarchy: PPD-8 establishes a tiered planning structure:

- National Preparedness Goal – The goal sets national targets for 32 core capabilities necessary to deal with great risks, and can be applied in an integrated, layered, and all-of-Nation approach as a foundation to planning.
- National Planning Frameworks – Five mission area frameworks (Prevention, Protection, Mitigation, Response, and Recovery) describe how the whole community integrates the core capabilities and works together to achieve the National Preparedness Goal. They are designed to enhance understanding of how we, as a nation, coordinate, share information and work together to prevent, protect from, mitigate against, respond to, and recover from natural and manmade disasters. SBA has a role in mitigation and response frameworks, but its major effort focuses on the *National Disaster Recovery Framework* (NDRF).[3]
- Federal Interagency Operational Plans (FIOP) – For each mission area, there is also a FIOP that builds on the guidance outlined in its respective framework. These FIOPs guide the activity of the federal government within the respective mission area. SBA, again, focuses primarily on the Recovery FIOP and the *joint* Response and Recovery incident annexes that have been created.[4]
- Departmental and Agency Operational Plans – PPD-8 directs each department and agency to develop a suite of operational plans to ensure timely, integrated contributions to the federal efforts outlined in the FIOPs to support the whole-of-nation approach contained in the planning frameworks. Because SBA focuses primarily on long-term disaster recovery – with contributions to mitigation and coordination with response – we maintain a single operational plan, the *Disaster Preparedness and Recovery Plan* (DPRP).

DPRP: The DPRP is revised annually and made available to all staff through the intranet and to the public through the SBA website. It supports four outcomes:

- Processes coordinated with federal guidance and protocols for preparedness, especially for recovery as specified in the NDRF.

[3] All five frameworks can be accessed at https://www.fema.gov/national-planning-frameworks

[4] All FIOPs are available at http://www.fema.gov/federal-interagency-operational-plans

- A customer-focused, transparent, scalable, outcome-driven model of performance.
- Timely decision-making and available resources (human capital, facilities, technology, and partnerships) throughout the Disaster Loan Making process.
- Support of long-term economic recovery by providing access to capital, counseling, and contracting services for disaster survivors to rebuild and withstand economic injury.

The DPRP lays out an overall plan for the Disaster Loan Program, both for smaller scale events when ODA resources easily meet demand and for larger scale ones requiring greater participation from all agency leadership and resources. Because Disaster Loans are only the initial tool SBA applies to facilitate small business and community recovery, the plan also specifies how **all SBA offices contribute to long-term recovery**. Key to long-term coordination of SBA's efforts is the designation of the impacted District Director(s), along with Regional Administrators, as the face of SBA's recovery efforts. Typically, these individuals will interface with field coordinators from the Department of Commerce's Economic Development Administration, which coordinates the overall Economic Recovery Support Function established by the NDRF.

To provide support to District Directors (DDs) and Regional Administrators (RAs) faced with disaster recovery challenges, the DPRP designates the Disaster Preparedness and Operations Team (DPOT). The national DPOT prepares DDs, their staffs, and local resource partners on how to best enhance existing community relationships with emphasis on disaster preparedness and recovery, as well as how to best connect with state and federal interagency partners. The team also provides post-disaster reach-back capability for DDs needing specific subject matter expertise or assistance to contribute best to the overall recovery coordination structure.

1. Introduction

The U.S. Small Business Administration was created in 1953 as an independent agency of the federal government to aid, counsel, assist and protect the interests of small businesses, to preserve free competitive enterprise, and to maintain and strengthen the overall economy of our nation. SBA's mission is to promote small business development and entrepreneurship through business financing, government contracting, and management and technical assistance. SBA also works with other federal agencies to reduce the regulatory and paperwork burdens of small businesses. In addition, SBA serves as the government's long-term lender to homeowners, renters, businesses, and private nonprofits damaged by disasters.

SBA recognizes that small business is critical to the nation's economic recovery and strength, to building America's future, and to helping the United States compete in today's global marketplace. So often the character of a community lies within its small businesses. Although SBA has grown and evolved in the years since it was established in 1953, its bottom line mission remains the same. SBA helps Americans start, build and grow businesses. Through an extensive network of field offices and partnerships with public and private organizations, SBA delivers its services to customers throughout the United States, Puerto Rico, U. S. Virgin Islands, American Samoa, Guam, Northern Mariana Islands, Federated States of Micronesia, and the Republic of the Marshall Islands.

The Small Business Administration plays a critical role in assisting the survivors of natural and other disasters. SBA provides disaster assistance through capital, counseling, and contracting services. Its Disaster Loan Program helps homeowners, renters, businesses of all sizes, and private nonprofits fund their recovery. Counseling by SBA and its resource partners helps small businesses navigate through the recovery process. Federal contracting guidance and other SBA efforts bring customers to impacted businesses.

SBA is a part of the federal government's comprehensive approach to preparedness and domestic disaster incident management. Presidential Policy Directive (PPD) 8, issued in 2011, prescribes a national preparedness goal and directed the development of a coordinated and comprehensive system of frameworks to ensure national preparedness and resiliency. The five frameworks directed under PPD-8 are: response, recovery, prevention, protection, and mitigation.

The *National Response Framework* (NRF) provides the guiding principles that enable all response partners to provide a unified national response to disasters

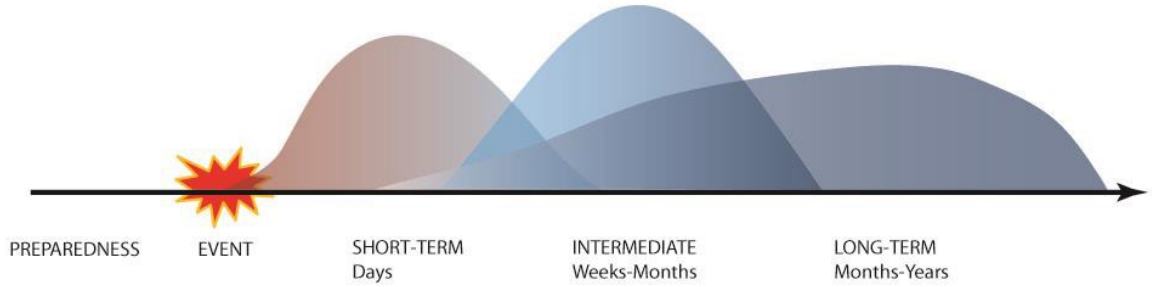

Figure 1. The Disaster Continuum.

and emergencies – from relatively small incidents to the largest catastrophe. The NRF establishes a comprehensive, national, all-hazards approach to domestic incident response and short-term recovery. The NRF assigns responsibilities to federal entities through Emergency Support Functions (ESF). The Office of Disaster Assistance (ODA) supports NRF processes, including emergency management, mass care, and external affairs. ODA also coordinates directly with state and local officials to support disasters not justifying a major disaster declaration under the Stafford Act.[5] To enhance these channels, SBA's outreach efforts ensure frequent contact and coordination with the National Emergency Management Association.

SBA's support to long-term community recovery under the NRF has transitioned to structures found in the *National Disaster Recovery Framework* (NDRF). It provides the guiding principles that enable all recovery partners to provide a comprehensive national recovery effort facilitating the collaboration of all levels of federal, state, and local government with the private sector and other recovery oriented entities. The NDRF is focused on large catastrophic incidents, but is equally applicable in localized smaller disasters. NDRF guidance is expanded by the Recovery Federal Interagency Operational Plan (FIOP). The FIOP describes the concepts of operations for integrating and synchronizing federal capabilities to support local, state, tribal, and territorial plans.

Supporting SBA's ability to facilitate federal response and recovery efforts is its Continuity of Operations (COOP) Plan. First and foremost, COOP planning aims to assure continuous agency leadership and the ability to conduct its mission essential functions, including disaster loan-making and Long-Term Recovery Coordination. COOP also focuses on employee safety and, once affected employees and their families are secure, resuming operations at any impacted SBA facility.

In carrying out SBA's mission as a primary support agency for the NDRF's economic recovery support function, many of SBA's program offices play a significant role. While SBA's disaster loan-making (DLM) Program is a crucial first step in providing assistance and needed capital for recovery, other SBA programs are important in the longer term. Long-term disaster recovery, which is largely economic recovery through economic development and SBA's routine, steady state programs effected locally through SBA district offices, are important contributors following any disaster.

[5] *Robert T. Stafford Disaster Relief and Emergency Assistance Act*, Public Law 93-288, as amended, 42 U.S.C. 5121 et seq.

2. Preparedness and Risk

To obtain and maintain prepared, resilient communities requires the capabilities to prevent, protect against, mitigate the effects of, respond to, and recover from those threats that pose the greatest risk. These capabilities combine to provide national *preparedness*.[6] The Small Business Administration's *Disaster Preparedness and Recovery Plan* (DPRP) outlines how SBA conducts operations in support of the national preparedness frameworks required by PPD-8 and the National Preparedness Goal.

Preparedness Frameworks

The five frameworks specified by PPD-8 are prevention, protection, mitigation, response, and recovery. Figure 2, below, displays the relation between an incident and these frameworks. (The mitigation framework continuously underpins the other four frameworks.)

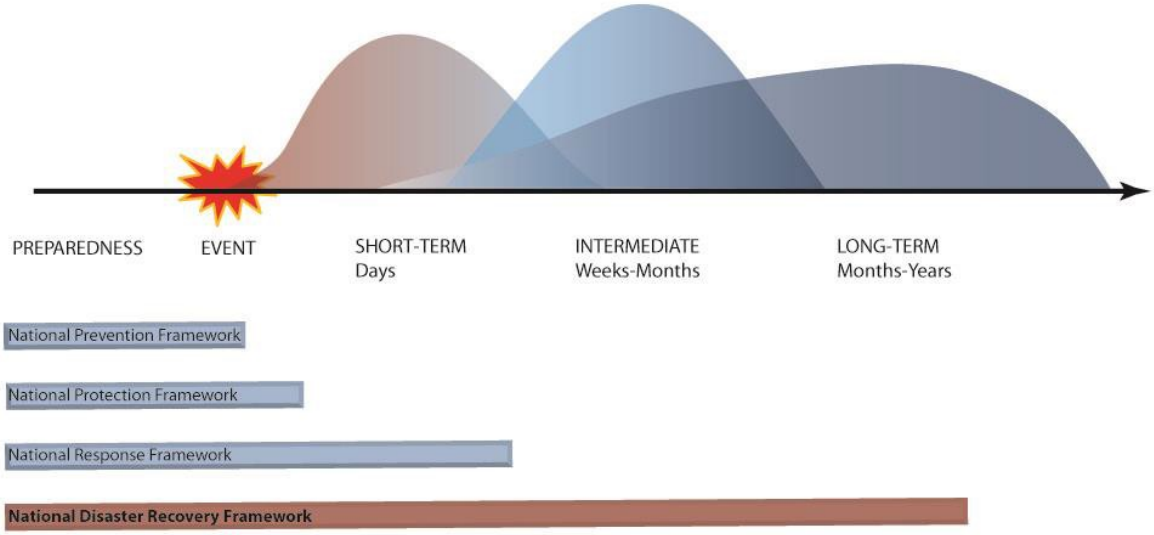

Figure 2. Preparedness Frameworks Across the Disaster Continuum.

The activities undertaken within these five frameworks are constantly underway, whether caused by actual events, exercises, or simply through ongoing planning efforts. Certain measures consume or commit resources to a degree that it is unwise to activate them until a specific probability of an event rises above a generally recognized level.[7]

[6] Presidential Policy Directive 8, National Preparedness, March 30, 2011, p 2.

[7] Greater context for preparedness planning is provided at Appendix II.

Table 1. PPD-8 Frameworks.

Framework	Definition*	SBA Contribution
Prevention	Capabilities necessary to avoid, prevent, or stop a threatened or actual act of terrorism.	None
Protection	Capabilities necessary to secure the homeland against acts of terrorism and manmade or natural disasters.	Continuity of operations planning, employee safety planning, and business continuity counseling.
Mitigation	Capabilities necessary to reduce loss of life and property by lessening the impacts of disasters.	Continuity of operations planning, employee safety planning, and business continuity counseling. Physical Disaster Loans can be increased to include improvements for mitigation.
Response	Capabilities necessary to save lives, protect property and the environment, and meet basic human needs after an incident has occurred.	Support NRF processes, including emergency management, mass care, and external affairs (preliminary damage assessments)
Recovery	Capabilities necessary to assist communities affected by an incident to recovery effectively, including, but not limited to, rebuilding infrastructure systems; providing adequate interim and long-term housing for survivors; restoring health, social, and community services; promoting economic development; and restoring natural and cultural resources.	Disaster loans for physical damages provide long-term housing, personal property, and business assets. Economic injury loans provide working capital to promote economic development. Small Business Recovery: Access to capital, counseling, and access to markets all promote economic redevelopment and long-term recovery.
***Definitions from PPD-8, pp 6-7.**		

As Table I, above, indicates, SBA has a role to play in four of the five frameworks. Because it has no role in "preventing imminent threats," SBA is not active in prevention. Before an incident occurs, SBA has an internal protection and mitigation role through employee safety and COOP plans. SBA's external protection and mitigation roles in service to citizens and small businesses are primarily counseling and the allowance for mitigation funds added to physical disaster loans to mitigate the effects of any subsequent disaster.

SBA does not have a "life-saving" or "life-sustaining" mission, but it conducts operational coordination with ESFs to be fully integrated with FEMA's efforts and does, in fact, begin deploying elements of ODA rapidly after an incident. The rapid activation of ODA resources following a disaster is one of the important first steps in recovery.

Risk Analysis

SBA must assess risk from two perspectives. First, it must address the risk to its own resources and capabilities through its employee safety and continuity of operations plans aimed, first and foremost, at preserving its ability to perform its mission essential functions, including disaster loans and long-term recovery coordination. Second, because of its disaster mission, SBA must evaluate the demands various disaster scenarios can place upon the agency regardless of impact to its own assets. Most incidents requiring action – internal or external – by SBA are natural disasters; the most demanding of these are presidentially declared disasters under the Stafford Act. Figure 3 shows the most likely locations of major disasters based on historical analysis.

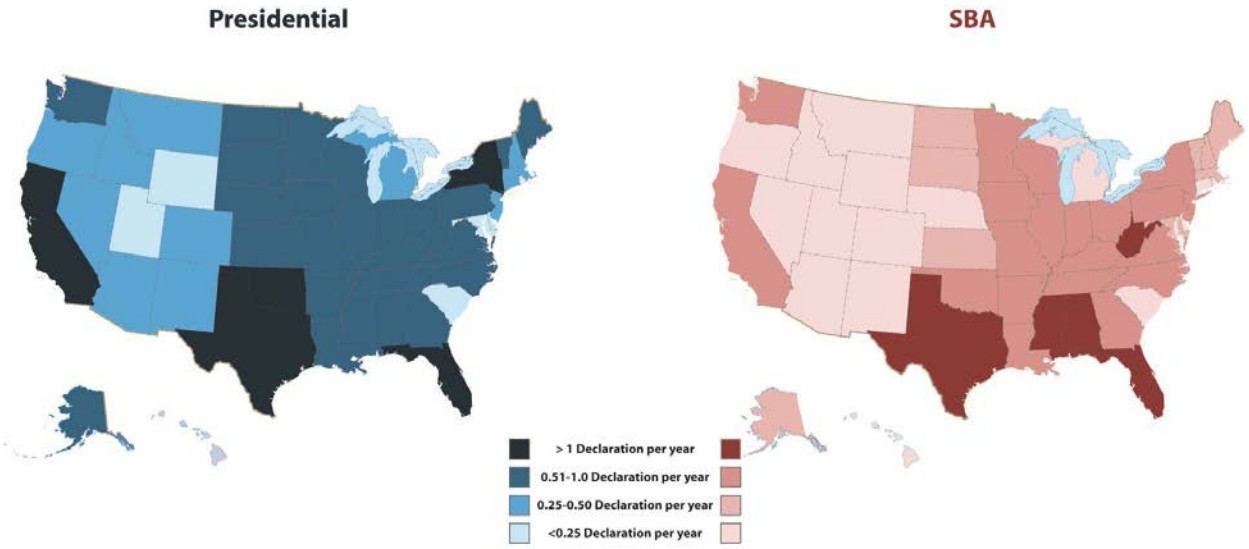

Figure 3. Declared Disasters (Reflects Presidential Disaster Declarations since 1953 and SBA involvement with major disasters requiring Individual Assistance since 1991).

Several types of natural events can result in disasters under the Stafford Act, but not lead to high demand for SBA disaster loans:

- ***Tornadoes*** are difficult-to-predict weather phenomena that occur primarily in the South and Midwest each spring and summer. Tornadoes generally cause more localized damage than other types of natural weather and they are generally covered by private hazard insurance. Consequently, while damage in a tornado's path may be locally catastrophic, SBA's tornado lending is substantially less than that for other causes.

- ***High Winds*** destroy natural and man-made structures, both directly and via material carried through the air that collides with other objects. Such events are typically smaller in scale.

- ***Severe Winter Weather*** can occur throughout the United States and includes extreme snow and ice. It can also include crop freezes in southern states. Such events typically generate relatively few loan applications.

- ***Floods*** can result from excessive rain or runoff from melting snow, or from a combination of both.[8] Either can result in localized or widespread flooding. Damage can be predicted by the amount of rainfall/snowfall, the nature of the watershed area, and the assets at risk. SBA has ample historical data on floods that it uses for pre-disaster planning and forecasting.

Other events can cause damage leading to greater demand for SBA disaster

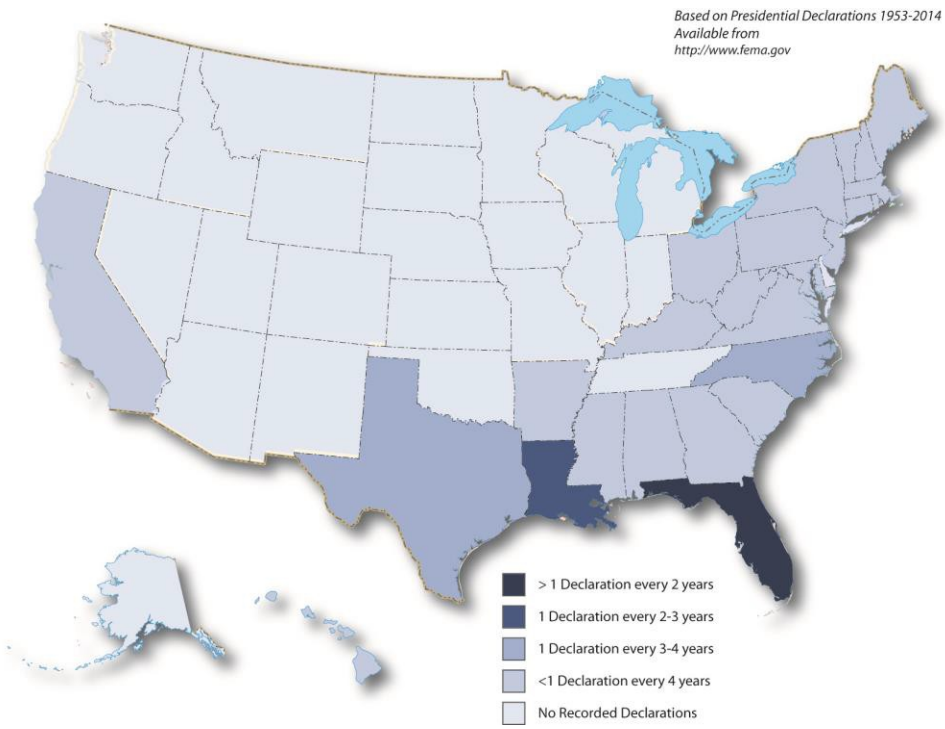

Figure 4. Presidential Declarations for Hurricanes.

assistance loans:

- ***Hurricanes*** cause damage through a combination of high winds and flooding, but may vary substantially as to levels of damage. Predictions are made based on amount of rainfall, velocity of wind, and level of storm surge (generally the most destructive component). A hurricane's effects may cover several states and may occur in quick succession (as in 2005

[8] For purposes of this plan, flooding damage from storm surge is considered part of a hurricane.

and 2011). At the same time, multiple SBA offices, employees, and the families of employees can be placed at simultaneous risk. The greatest risks from hurricanes are along the Atlantic and Gulf Coasts of the United States (Figure 4).

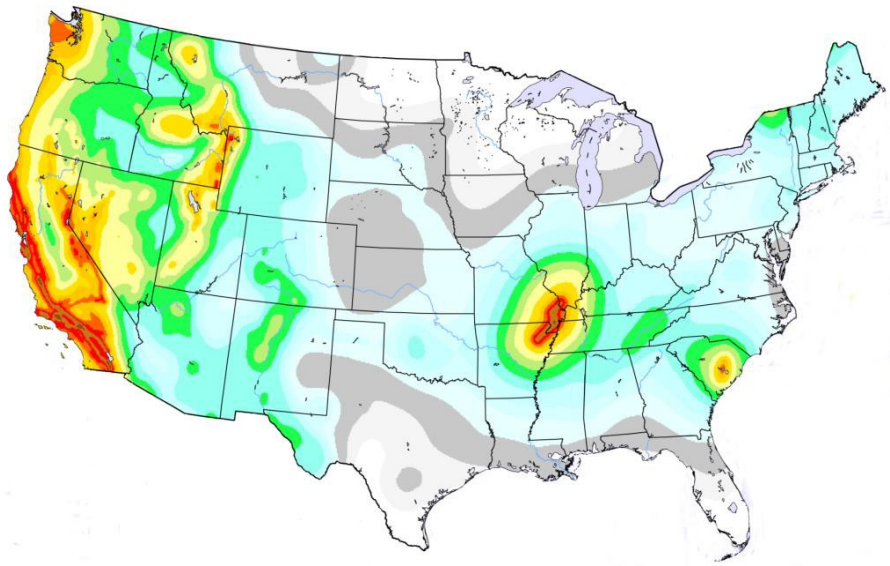

Figure 5. Seismic Risk.

- ***Seismic activity*** causes damage near fault zones, most frequently on the West Coast. Figure 5, from the U.S. Geological Survey, highlights those areas where serious earthquakes are most likely to occur. Destruction from an earthquake can vary greatly; the map indicates potential risks, but does not predict any specific quake's effect. Once an earthquake has occurred, SBA estimates the number of disaster loan applications expected based on the magnitude.

- ***Other disasters*** include riots or terrorist attacks. Certain terrorist attacks could constitute a major challenge to SBA disaster loan operations, but these disasters are generally one-of-a-kind events. Once such a disaster occurs, SBA assesses the situation and employs the best means necessary to respond.

Managing Internal Risk

The interaction of SBA's COOP plans and its planning for assisting the nation in recovery from a disaster should be well understood. The key trigger for both is a specific incident or expected incident. Both can involve last minute, pre-incident activities, and post-event actions under adverse conditions. COOP is the internal tool, within SBA, that ensures that the agency continues to perform its mission essential functions during a wide range of emergencies.[9] Thorough and layered planning allows the agency to continuously provide most services to nearly all parts of the country almost regardless of the challenge faced.

SBA staff and facilities face the same array of risks as the country at large, as described above. Any single event will impact only a specific area, whether it be small such as that following a tornado or large as after hurricane or earthquake. Most SBA functions, especially the disaster loan function, are designed so that the risk of systemic failure following a single disastrous event is negligible. Thus, after an event, COOP plans focus on ensuring the safety of employees at and restoring the functions of individual SBA facilities. While those COOP activities take place, if the event qualifies for disaster loan assistance, ODA begins providing

Disaster Example

A Category 3 hurricane strikes Miami causing severe wind and water damage, including flooding of SBA's South Florida District Office. The storm crosses into the Gulf of Mexico, re-strengthens, and reverses back across North Florida before finally losing strength back over the Atlantic. During its second pass, it spawns tornados damaging the neighborhood around SBA's Jacksonville District Office.

As forecasters develop storm track information, COOP, disaster loan program, and potential recovery activities begin. COOP functions, led by the two Florida District Directors assisted by Headquarters staff first focus on employee safety. After the storm has passed and employees accounted for, appropriate alternative means are activated (facilities, telework, etc.) as conditions allow to restore normal services. This restoration may reduce the availability of services in the immediate aftermath of the storm in affected Districts.

ODA field operations personnel deploying into a disaster area can provide services for immediate citizen disaster assistance needs. SBA personnel in impacted facilities in the disaster area can initially focus on their own safety and that of their families, then on continuity of SBA operations and restoring facilities to full function.

Disaster loan functions, managed by ODA Headquarters staff assisted by center directors, are activated so ODA representatives deployed into the affected area are rapidly available alongside FEMA staff as Individual Assistance programs support the survivors of the storm. Such assistance may include support for District employees and their families.

Long-term recovery coordination is conducted by combined efforts of the DPOT. As the storm approaches, Headquarters elements will work with the District Directors to scope potential activities. After storm passage, Headquarters elements can coordinate with FEMA and Commerce to initiate SBA recovery efforts, while the District Director deals with immediate impact of the storm. The District Director transitions as able to leading SBA efforts in long-term recovery coordination.

[9] *Federal Continuity Directive (FCD) 1*, which provides the specific direction needed to enable the National Continuity Policy established by National Security Presidential Directive (NSPD) 51, dated May 2007, and defines COOP as "an effort within *individual* organizations (i.e., federal executive branch departments and agencies) to ensure they can continue to perform their essential functions during a wide range of emergencies, including localized acts of nature, accidents, and technological or attack-related emergencies." Department of Homeland Security, Federal Emergency Management Agency, *Federal Continuity Directive 1*, October 2012, p 3.

disaster loans to survivors. SBA offices and centers may be using alternative, COOP, procedures and facilities. ODA, however, uses its "normal" operating procedures in all but a handful of specific scenarios.

External Risk – The Disaster Loan Function

SBA uses risk analysis to develop risk-based, regionally oriented outreach programs before disasters strike. For example, hurricane-oriented materials are distributed to the public and businesses in Regions I, II, III, IV, and VI each year before the start of "hurricane season" on June 1. Earthquake-oriented materials are distributed periodically in Regions IX and X based on West Coast earthquakes and Regions IV, V, VI, and VII based on the risks of the New Madrid Seismic Zone and similar geologic threats. SBA continues to explore means to better tailor this material to the regions and risks, as well as to better pre-coordinate with state and local governments in areas most likely to be affected. Table 2 categorizes disaster frequencies by region.

Table 2. Presidential Declarations per Year by Region (annual average number of declarations through 2014).

Region	I	II	III	IV	V	VI	VII	VIII	IX	X
Hurricane	0.5	0.7	0.7	1.3	0.0	0.7	0.0	0.0	0.1	0.0
Earthquake	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1
Tornado	0.1	0.1	0.3	1.7	1.5	1.5	1.3	0.3	0.0	0.0
Flood	1.7	1.2	1.7	2.8	3.1	2.9	2.7	1.8	1.4	1.5
Slide	0.1	0.2	0.3	0.2	0.1	0.0	0.0	0.2	0.3	0.5
Wildfire	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.3	0.1
Winter Storm	0.5	0.3	0.5	0.6	0.4	0.5	0.5	0.6	0.1	0.5

Measurable frequency **Significant frequency**

Risk analysis and historical trends are also used to appropriately size and tailor planned response to disasters. From 1992 through 2015, SBA received and processed an average of 104,000 disaster loan applications per year (dotted line in Figure 6). During that same period, SBA received more than 100,000 applications (indicative of a Level II event) in nine years and exceeded 250,000 applications in only three years. SBA continues to work with the Federal Emergency Management Agency (FEMA) to assess extraordinary risks through modeling, analysis, and exercise. The FEMA-coordinated National Exercise Program periodically looks at such scenarios. SBA is active in the planning and analyses for such exercises.[10]

[10] SBA's budgetary process uses five-year averages, which indicate an annual demand of 100,000 loan applications.

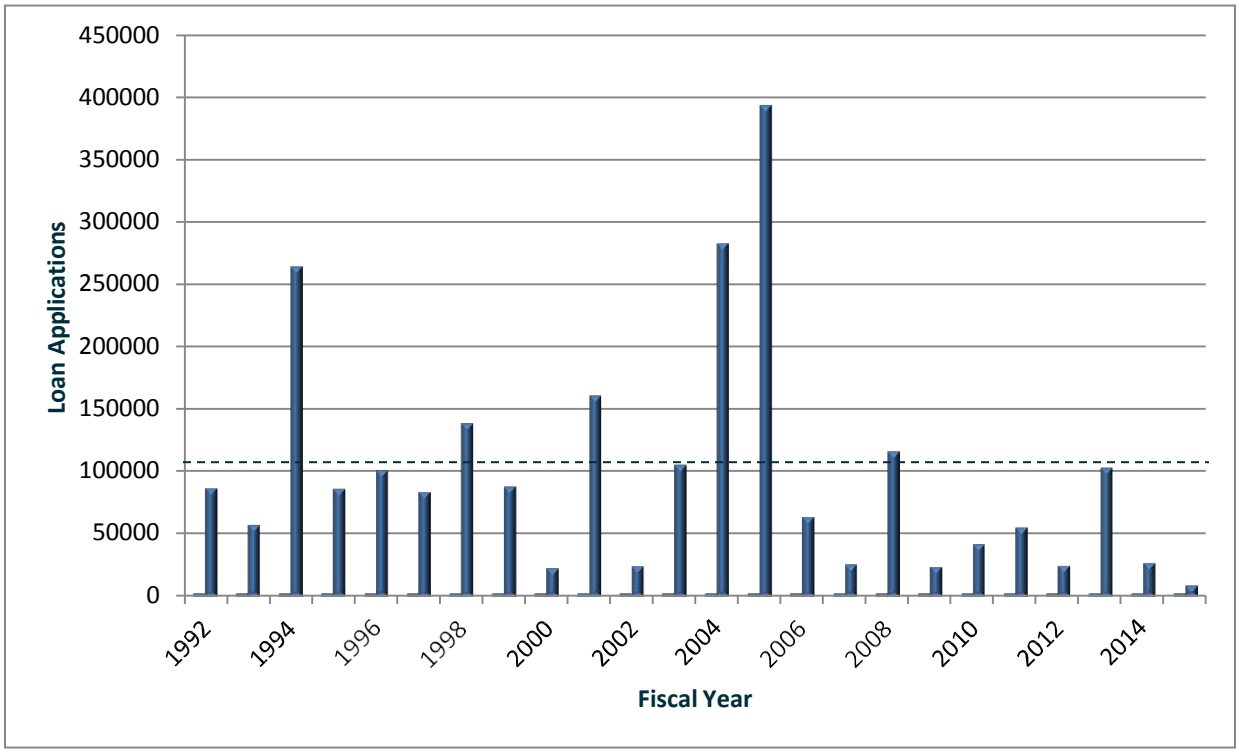

Figure 6. Annual Disaster Loan Applications (By fiscal year of Presidential declaration).

3. Mission

SBA focuses on empowering American small businesses with capital, counseling, and contracting services. These roles apply before, during, and after disasters and include specialized disaster programs and applications of steady state programs throughout the disaster continuum.

The mission of the Small Business Administration is to maintain and strengthen the nation's economy by enabling the establishment and vitality of small businesses and by assisting in the economic recovery of communities after disasters.

Capital: At all times, SBA facilitates loans for small businesses with third party lenders, guarantees bonds, and helps small businesses find venture capital. When disaster strikes, SBA's Disaster Loan Program provides specially targeted capital directly to businesses of all sizes, private nonprofit organizations, homeowners, and renters.

Counseling: SBA provides small business counseling, mentoring and training through a variety of programs and resource partners, located strategically around the country. SBA is dedicated to helping small businesses succeed. Counseling includes many business topics including: starting a business; managing a business; financing a business; and contracting. SBA provides tailored materials and resources to help small businesses make plans to recover from disaster-related financial losses and business interruption, and to protect their employees, the community, and the environment.

Contracting and Other Services: In supporting small businesses to grow America's economy, SBA encourages small business access to all markets. It places special emphasis on government contracting and export markets. Contracts with the federal, state and local governments represent an unparalleled opportunity for small businesses. Disaster related contracts can be critical for small businesses to stay in business, maintain jobs, and help their local community and the Nation recover. Teaming with the U.S. Department of Commerce, the U.S. Export-Import Bank, and other public and private organizations, SBA also operates U.S. Export Assistance Centers to provide the help small businesses need to compete in today's global marketplace.

Pre-Disaster Protection and Mitigation

To prepare for disasters, SBA develops its internal COOP plans and encourages small business readiness through business continuity planning. Both of these initiatives also aid individual preparedness among SBA staff, small business

owners, small business employees, and the family members of all of these groups.

Prior to Event	Event to 12 Hours	12 Hours to 30 Days	Beyond
Preparedness & Readiness	*Notification & Relocation*	*Continuity Operations*	*Reconstitution*
Ensure staff has updated information on situation and in alerting systems, response staff has been trained, alternate site is prepared, and plans tested	Notify and account for staff, protect assets as appropriate, relocate as needed, ensure availability of designated leadership	Continue/restart MEFS, including disaster loan function, account for staff, minimize impact on other functions , begin restoring agency infrastructure as needed	Assess damage and reestablish normalcy

Continuity of Operations

The goal of SBA's COOP planning is to protect staff and assets, continue the mission essential functions, and minimize the disruptions to other functions following any disaster. Through a unified agency plan linking generally redundant systems and offices, COOP planning provides coherent and thorough guidance to meet contingencies at any of the agency's operating locations and for Disaster Assistance staff deployed to field locations. This planning aims to ensure the availability of adequate leadership, staff, facilities, and communications throughout the disaster continuum.

Mission Essential Functions

1. Declare disasters, process applications for disaster loans from individuals and businesses, and disburse approved loans.
2. Issue acceptance letters to procuring federal agencies in response to offering letters submitted under the 8(a) Business Development Program and negotiate and execute 8(a) contracts.
3. Servicing and liquidation of all SBA direct and guaranteed loans made pursuant to the Small Business Act and servicing and management of SBA surety bond guarantees issued pursuant to the Small Business Investment Act.
4. Process and approve SBA guaranteed loans made by delegated and non-delegated lenders pursuant to Section 7(a) of the Small Business Act and process and approve loans made by Certified Development Companies pursuant to Section 504 of the Small Business Act and approve and administer SBA surety bond guarantees pursuant to Section 411 of the Small Business Investment Act.
5. Coordinate with recovery partners at national, regional, state, and local levels to support the long-term economic recovery of small businesses and communities impacted by disaster.
6. Receive, evaluate and forward for disbursement requests from resource partners for payment.
7. Issue Approval Notices for Small Business Investment Companies to allow for investments into small businesses.
8. Approve the repurchase of debentures pursuant to SBA's guarantee upon demand.

Mission essential functions (MEFs) are those functions that enable a department or agency to provide vital services, exercise civil authority, maintain the safety of the public, and sustain the industrial/economic base during disruption of normal operations.[11] National policy requires MEFs to be restarted, if interrupted by a disaster, during the 12-hour to 30-day continuity operations period. All other

[11] FCD 1, p 6.

functions may wait until reconstitution is effected, as much as 30 days after the precipitating event. Disaster loan-making and Long-Term Recovery Coordination are two of eight SBA MEFs, supporting the National Essential Function to provide "rapid and effective response to and recovery from the domestic consequences of an attack or other incident."

Small Business Readiness

Businesses can protect themselves by identifying the risks associated with natural and man-made disasters and by creating a plan for action should a disaster strike. SBA assists small businesses to prepare for disasters through various risk assessment and planning guides. Planning checklists parallel SBA's own internal COOP process leading businesses to spell out: recovery leadership team, risks and hazards, alternate locations, communications, employee support, technology and data, operations, supply chain, safety, and testing and plan maintenance.

SBA and the American Red Cross join forces to work with SBA District Offices and SBA resource partners such as SCORE, the Small Business Development Centers (SBDCs) and the Women's Business Centers (WBCs) to promote and, along with local Red Cross chapters, sponsor preparedness training workshops. The two agencies work to increase awareness in the business community about the Red Cross Ready Rating™ program – a free, self-paced, web-based membership program that helps a business measure its ability to deal with emergencies, and gives customized feedback on how to improve those efforts.

In addition to Ready Rating,™ the Department of Homeland Security offers its Ready.gov website, which includes specific business guidance.[12] Among suggestions for how to organize a business continuity program, Ready.gov offers software designed to create, improve, or update business continuity plans. The Business Continuity Planning Suite is scalable to organizations of any size and includes continuity training, plan generators, and a self-directed exercise.[13]

SBA provides affordable, timely, and accessible financial assistance to business of all sizes, non-profits, homeowners and renters and provides technical assistance, advocacy, and access to capital for small businesses to help citizens recover from disasters and reestablish their lives while protecting and stabilizing the economy to maintain the public's confidence.

[12] See https://www.ready.gov/business.

[13] See https://www.ready.gov/business-continuity-planning-suite.

The Disaster Preparedness and Operations Team (DPOT) assists District Directors and resource partners to develop counseling programs for small businesses to enhance their disaster preparedness. (See Section 4.)

Post-Disaster Response and Recovery

When disaster strikes, SBA immediately activates appropriate elements of its COOP planning and, working in close cooperation with FEMA and impacted states/territories/tribes, ODA initiates actions to provide qualified survivors (business of all sizes, private non-profits, homeowners, and renters) with disaster-tailored financial assistance. SBA also quickly joins with interagency partners to assist in facilitating the long-term recovery of affected communities and regions.

COOP

The introspective purposes of COOP planning have already been described. Except in cases where ODA centers and/or SBA Headquarters in Washington are struck by a disaster, COOP processes and the disaster loan and long-term recovery functions outlined below operate in coordinated and complementary, but relatively independent, channels. In these "routine" disasters, Headquarters staff will assist affected District/Center Directors in accounting for staff, executing planned continuity options, and, when circumstances permit, reestablishing a routine operation and presence in the affected region. Under these circumstances access to some non-disaster SBA programs may be limited in directly impacted regions for some period of time.

Disaster Loan-Making

SBA, through its Office of Disaster Assistance, is responsible for providing affordable, timely and accessible financial assistance to businesses, private nonprofits, homeowners, and renters following a disaster. ODA has been a part of the Agency since its inception in 1953, and has provided over two million disaster loans totaling over $54 billion to disaster survivors.[14] Providing funds to affected residents and businesses, as it does, SBA DLM is a tool of intermediate recovery providing cash flow to businesses and individuals.

Disaster losses are unexpected and create financial hardships for disaster survivors. Fortunately, many disaster survivors in America have insurance which covers part or all of their private property losses due to tornadoes, hurricanes, floods, earthquakes, wildfires and other disasters. However, for disaster losses not covered by insurance or other sources, the primary form of federal financial assistance is a disaster loan from SBA. SBA can loan funds to disaster survivors temporarily until insurance proceeds have been provided. Disaster loans for property damages are available to non-farm businesses of all sizes, private

[14] As of March 2016.

nonprofit organizations, homeowners, and renters. Small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private nonprofit organizations are also eligible for Economic Injury Disaster Loans (EIDLs) to help with ongoing operating expenses until they recover from the disaster. For many, SBA disaster loans with low interest rates and long repayment terms make recovery possible.

National Response Framework: SBA is a part of the federal government's single comprehensive approach to domestic incident management to respond to major disasters. The NRF, using the National Incident Management System (NIMS), provides the guiding principles that enable all response partners to provide a unified national response to disasters and emergencies – from the smallest incident to the largest catastrophe. The NRF establishes a comprehensive, national, all-hazards approach to domestic incident response. The NRF assigns responsibilities to 38 federal entities through 14 ESFs.[15]

The ESFs align categories of resources and provide strategic objectives for their use. NRF structure allows the flexibility to assign ESF resources according to their capabilities, tasking, and requirements to augment and support the overall response and recovery effort in a collaborative manner. Through the ESF structure, federal and state coordinating officials assure coordination and application of resources.

SBA is a support agency for three ESFs:

- ESF #5 Emergency Management;
- ESF #6 Mass Care, Emergency Assistance, Housing, and Human Services; and
- ESF #15 External Affairs.

In addition to the NRF structure, ODA's field personnel coordinate directly with state and local officials to support disasters not warranting activation of the NRF. To enhance these existing channels, SBA's outreach efforts ensure frequent contact and coordination with the National Emergency Management Association.

Mitigation. Generally, SBA physical disaster loans for businesses or homeowners may not be used to upgrade homes or make additions except as required by local building authority or building code. However, loans may be increased up

[15] FEMA, National Response Framework, May 2013, http://www.fema.gov/national-response-framework. See also FEMA, Response Federal Interagency Operational Plan, July 2014, http://www.fema.gov/federal-interagency-operational-plans. An update process for all PPD-8 frameworks and FIOPs was initiated in the Spring of 2015.

to 20 percent of the total amount of disaster damage to physical property, as verified by SBA, to make improvements that lessen the risk of property damage by future disasters of the same kind, including the construction of a safe room or similar storm shelter designed to protect property and the occupants.

Recovery

The NDRF defines three phases of recovery:

- Short-Term (days): Health and safety needs beyond rescue, the assessment of the scope of damages and needs, the restoration of basic infrastructure and the mobilization of recovery organizations and resources, including restarting and/or restoring essential services for recovery decision-making.

- Intermediate (weeks to months): Returning individuals, families, critical infrastructure and essential government or commercial services to a functional, if not pre-disaster, state; activities characterized by temporary actions that provide a bridge to permanent measures.

- Long-Term (months to years): Complete redevelopment and revitalization of the impacted area, rebuilding or relocating damaged or destroyed social, economic, natural and built environments, and a move to self-sufficiency, sustainability, and resilience.

Recovery encompasses more than the restoration of a community's physical structures to its pre-disaster conditions.

National Disaster Recovery Framework, 2011

SBA disaster loans, processed in the early weeks and months after an event, are an intermediate recovery tool that provide the financial bridge to the long-term recovery goal of rebuilding or relocating homes and businesses. SBA's routine, steady-state programs providing access to capital, counseling, and markets provide some of the tools of long-term recovery for affected small businesses.

Like the NRF, the NDRF establishes a comprehensive, national, all-hazards approach to domestic incident recovery. The NDRF assigns responsibilities to federal entities through six Recovery Support Functions (RSF).

SBA is a primary agency for the Economic RSF (coordinated by the Department of Commerce).

It is a supporting agency for three RSFs:

- Community Planning and Capacity Building (coordinated by FEMA);

- Housing (Department of Housing and Urban Development); and
- Health and Social Services (Department of Health and Human Services).

The FEMA-chaired Recovery Support Function Leadership Group (RSFLG) has established a set of federal targets for recovery support. Each department and agency has set support statements to assist the coordinated federal effort to meet those targets. In general, SBA's support is as follows:

- District Directors provide locally based interface with recovery coordination efforts; this includes providing analysis of local small business needs and engagement with state, territorial, tribal, and local (STTL) officials and businesses; deployed Disaster Field Operations staff provides direct interface at Joint Field Offices and similar coordination elements.
- Engage District Offices to ensure all audiences (including survivors – especially impacted small businesses – as well as STTL officials) receive timely information regarding the range of SBA programs and services: capital (business loans, disaster loans, surety bonds, and venture capital), counseling (by SBA and its resource partners), and contracts (post-disaster contracts and other SBA access programs).
- Integrate efforts of deployed public information officers with District Office activities to ensure agency message reaches all appropriate audiences, including state and local officials and, especially survivors (homeowners, renters, businesses of all sizes and private nonprofit organizations) and is fully synchronized with overall engagement efforts coordinated by ESF #15 (External Affairs).
- District offices and resource partners provide counseling to small businesses and entrepreneurs both to recover from the impacts of the event and to engage opportunities in the post-event economy.
- Disaster Field Operations Center establishes outreach locations to interface with business and individual survivors (disaster recovery centers with FEMA, disaster loan outreach centers, business recovery centers, etc.) – with greatest presence during first 60 to 90 days post-incident.
- Publicize ongoing availability of SBA non-disaster loan and investment programs (7a, 504, surety bonds, SBIC, etc.) and provide counsel (to recovery planners and small businesses) on the integration of these programs with other available resources.
- Government contracting/business development staff performs outreach to government agencies to contract with small businesses in impact area.

The DPOT is designed to assist the integration of SBA services into the range of recovery assistance provided by the Economic RSF to assist communities recovering from any disaster. (See page 33.)

4. Execution

This chapter outlines operational reaction to a disaster. It is supported by SBA's COOP plan, as well as ODA and other agency standard operating procedures.

Indications and Warning

SBA monitors a number of official information channels such as FEMA's daily situation report and the Homeland Security Information Network, as well as open source media.

Preparation – Notice Event

The most common events SBA can effectively react to in advance are hurricanes and floods.[16] These events take days, even weeks, to develop into significant incidents within the United States. During this time, affected office and center directors can refine COOP guidance for their respective staffs, guidance that includes how to maintain contact with SBA management, priorities to protect employee and family safety, and potential benefits if employees become survivors. ODA Headquarters tracks impending events and makes preliminary estimates of the size of response that will be required – how many and what type reservists or other personnel will be required, likely numbers of loan applications expected, probable loan volumes, etc. Models, staff experience, and other factors will all be used in this process. If required, SBA will respond to pre-disaster declarations issued by the President through FEMA under the Stafford Act. ODA uses the warning time to coordinate with FEMA and plan the initial mobilization of field teams.

Forecasting and Modeling – The primary goals of forecasting and modeling are to predict as accurately as possible the application volume that will result from a disaster and the timing of when the applications will be received. The timing of when loan applications arrive subsequent to a disaster depends on the type, scale, and footprint of the disaster. SBA's forecasting model includes historical intake patterns for the categories of disaster type mentioned above. SBA utilizes models both before and after disasters occur to guide the application of appropriate staff and resources.

Pre-positioning Resources – ODA participates in the U.S. Department of Homeland Security's FEMA Regional Response Coordination Centers (RRCC) when they are activated. At their highest operational level, these centers

[16] While tornadoes can be forecast, lead time is short; they are fast moving, localized events. Other than reacting in the same way the general population should near an affected office or center, there is little systemically for SBA to do. ODA's Disaster Loan Program response to tornadoes is generally the same as a no-notice event.

operate around the clock to prepare for the potential effects of predicted events.

Representatives from all the federal and volunteer agencies that support state and local governments with disaster assistance work out of the RRCC. This staff orchestrates the pre-event staging of personnel, resources, and relief supplies across the potentially affected area in anticipation of the chartable event.

Staffing Projections – ODA makes staffing projections to estimate the resources (in each of the various job classifications required) it will need to respond to disasters. These projections are based on the number of disaster loan applications expected, which is based on the projected number of disaster-damaged homes and businesses and the geographic range of the damage zone.

ODA's permanent, cadre, and reserve disaster employees provide initial staffing augmentation as required to manage and process the influx of loan applications following a disaster. Core reservists allow ODA to rapidly expand and subsequently contract its capacity during typical conditions. The term reserve roughly doubles ODA's capacity during more challenging disaster periods. The additional capacity outlined below describes how ODA expands to meet the largest of disaster demands with newly recruited employees.

Recovery Preparation – When a particularly significant event is forecast, the DPOT will review the situation and provide the impacted District Director(s) early advice on the event and subsequent recovery. The DPOT will also begin seeking District Director's assessment of the small business environment in the area about to be impacted. (See Appendix 5.)

Response

Regardless of the degree of indication and warning available before an event occurs, once it does take place, SBA assesses the magnitude of the event's impact on SBA resources and the scope of disaster loan activity required by the affected population.

No-Notice Event

When a no-notice event occurs, SBA must effectively conduct all of the actions outlined in preparation for an event with notice, but do so as quickly as possible and potentially in a confused post-event environment. The greatest challenge presented by a no-notice event is internal agency continuity of operations; ODA can rapidly deploy the resources needed to initiate disaster loan operations

under almost all conditions.[17] District-level COOP planning accounts for the need to begin long-term recovery coordination within days, but does not compromise staff safety.

COOP

Employee safety is the number one concern in the immediate aftermath of an event. When leadership feels all required effort has been directed towards assuring the safety of employees, other response elements can be undertaken.

Headquarters – Unless the Headquarters itself is seriously impacted by the event, SBA Headquarters will continue to oversee routine program management. COOP staff, the Office of Administrative Services, and impacted program offices (most often Field Operations) will assist senior leadership in assessing the event's impacts and offering needed assistance to those offices and centers.

Once the status of employees has been determined, the Headquarters offices, working with the local office/center leadership as conditions permit, will evaluate the status and recoverability of damaged resources. Headquarters will work with the U.S. General Services Administration (GSA), the local federal Executive Board, and others as appropriate to coordinate and facilitate the reconstitution and restoration of impacted services and facilities.

In the event that SBA's Washington Headquarters is impacted by an event, the agency's COOP plan outlines telecommuting, relocation, and devolution options to minimize the overall degradation of SBA's ability to perform its missions. As for any other SBA location, the plans place employee safety and accountability as the number one priority. The disaster loan mission, an identified Mission Essential Function (MEF), will be resumed in a few hours, if it is interrupted by the event at all. Long-Term Recovery Coordination will resume at both Headquarters and District levels (as needed) within days. In most cases, Headquarters can carry the needed load until the local District Director can reestablish District operations.[18] Other MEFs will be resumed within days.[19] Other SBA missions may be suspended for 30 days or more as alternate processes focus on the MEFs and the overall reconstitution of Headquarters' functions.

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[17] ODA's two Field Operations Centers work closely with FEMA to coordinate staff deployment when conditions choke logistics channels (e.g., responses to Alaska, Hawaii, and insular areas where access routes are limited).

[18] The colocation of Headquarters and the Washington Metro Area District Office creates a situation where reestablishing the Long-Term Recovery Coordination MEF may be delayed for several extra days in very unique circumstances.

[19] In addition to Long-Term Recovery Coordination (MEF #5), district offices have a distinct role in MEF #2 dealing with the issuance of acceptance letters for 8(a) procurements. They place importance on these roles in their local COOP appendices.

Impacted Locations – Local COOP and occupant evacuation plans outline specific guidance in the event of disaster for each of SBA's facilities nationwide. First, office/center leadership ensures that staff is safely away from any impacted SBA facilities and accounted for. Once employee safety is assured, multiple actions and assessments can be performed:

- Overall impact on local operations can be assessed;
- Employees, some of whom are likely also survivors of the event, can be allowed time to arrange for personal and family needs;
- Assistance for affected employees (e.g., insurance, employee assistance plan, and SBA's disaster loans for individuals and homeowners) can be arranged; and
- Restoration and reconstitution actions.

In general, local office/center directors are not responsible for facilities evaluations and restoration; these are conducted by local GSA and SBA Headquarters elements. The local leadership can focus on operations using the local COOP appendix, including helping impacted employees and assisting in the initial assessment of the event's effects on local small business.

ODA will deploy staff to the affected area to execute the disaster loan mission (see below). ODA staff will coordinate closely with impacted District Director(s) to ensure consistency of messaging, effective relations with local media, and adequate coordination with the local business community. When requested and as practical, District Directors begin coordination with the Department of Commerce-led Economic RSF as SBA's face of long-term recovery. The DPOT will provide reachback support to District Directors and may deploy members on-site in extreme cases.

DLM Decision-Making and Mobilization

When an event occurs, SBA executives assess the situation and make decisions depicted in the Disaster Recovery Decision Tree (Figure 7). First, the Associate Administrator for Disaster Assistance (AA/ODA) assesses how much ODA's capacity must expand to meet the disaster. ODA's internal capacity suffices for disasters that generate less than 50,000 applications (Level I). Level II disasters that generate between 50,000 and 250,000 applications build on that internal capacity by rapidly hiring additional term employees. If the AA/ODA decides that internal capacity will initially suffice, the members of the Executive Management Team/Disaster Oversight Council (EMT/DOC – see Section 4) continually monitor the situation with a focus on supporting the timely delivery of disaster-related services. If the number of expected loan applications exceeds approximately 250,000 initially or new hires cannot meet application demand in

a timely manner, the AA/ODA will discuss with the membership of the EMT/DOC whether to make a surge recommendation to the Administrator. A surge is not executed merely because a specified number of applications has been projected. Elevating the Agency to a surge level of response is a specific decision to be made by the Administrator after considering the overall nature of the disaster. SBA operates at surge capacity during and after disasters that generate more applications than supportable by ODA's internal capacity.

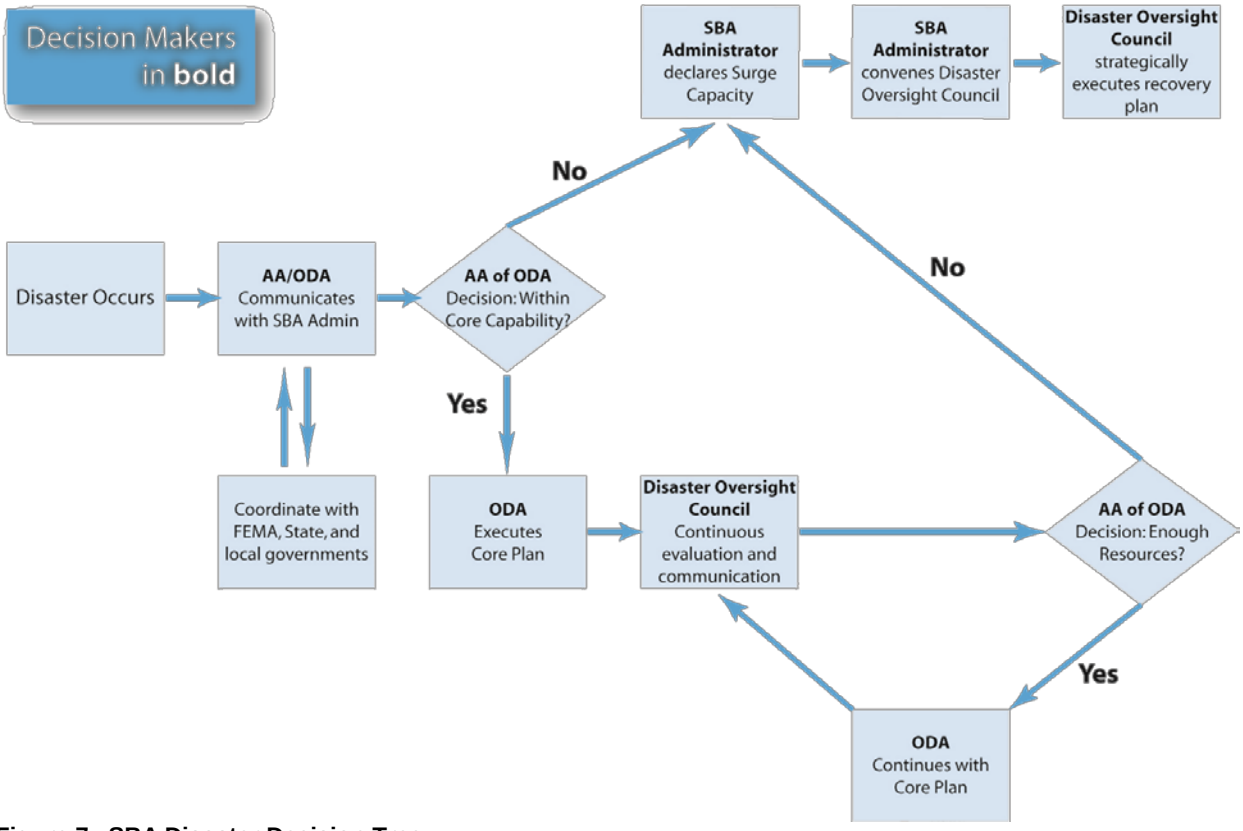

Figure 7. SBA Disaster Decision Tree.

Table 3. Planning Levels.

LEVEL	APPROXIMATE RANGE OF EXPECTED APPLICATIONS
Level I	50,000 and below
Level II	50,000 to 250,000
Level III	250,000 to 500,000
Level IV	500,000 and above

As the assessment of the disaster with regard to SBA's disaster loan-making capacity is being conducted, coordination with FEMA, state, and local government also begins. The responsible Field Operations Center deploys staff to the affected area. This initial staff in the affected area will work with FEMA to conduct a Preliminary Damage Assessment (PDA), which is normally needed to validate the occurrence of a "major disaster" under the Stafford Act.[20]

Disaster Declaration and Notification – SBA disaster loans are available when one or more government entities declare that a disaster has occurred. SBA publishes the availability of assistance in the *Federal Register* and the SBA website. The published notice identifies the kinds of assistance available, the date and nature of the disaster, and the deadline and location for filing loan applications.

There are six ways disaster declarations are issued that make SBA disaster loans possible:

1. Presidential Disaster Declarations: The President declares a Major Disaster and authorizes Individual Assistance (Assistance to Individuals and Households Program) or Public Assistance. FEMA provides a disaster declaration summary to SBA after it is signed by the President. When a Presidential Disaster Declaration is issued, ODA issues a disaster declaration notice (after both of the above actions are complete).

Interoperability with FEMA

When disasters strike, FEMA and SBA respond together to requests from state, tribal and territorial governments to conduct a preliminary damage assessment. Following a major Presidential disaster declaration for individual assistance, SBA's disaster loan program is automatically activated. SBA deploys staff to work in all FEMA-State DRCs, joint field offices, and FEMA's joint information center. Such close coordination ensures that the two programs provide the best service possible to survivors.

Cooperation with FEMA continues down to the applicant level. Survivors that register online for FEMA grant assistance using DisasterAssistance.gov are automatically screened to determine if they should be referred to the SBA disaster loan program. If referred to SBA, disaster survivors immediately are presented the option to begin the SBA disaster loan application. FEMA's online registration process on DisasterAssistance.gov and SBA's Electronic Loan Application (ELA) work together seamlessly. SBA and FEMA also maintain an interface which allows our systems – FEMA's National Emergency Management Information System (NEMIS) and SBA's DCMS – to share applicant information in order to avoid duplication of benefits (DOB). SBA loan officers retrieve updated FEMA grant award information directly from NEMIS when completing a DOB analysis and determining disaster loan eligibility. Additionally, SBA transmits loan decision information to FEMA which they use to determine if the disaster survivor may be eligible for possible additional grant assistance.

[20] On particularly damaging events, declarations can be made without the completion of PDAs. This allows more rapid delivery of Individual Assistance by FEMA and SBA disaster loans.

2. Agency Physical Disaster Declarations: SBA makes a physical disaster declaration, based on the occurrence of at least a minimum amount of physical damage to buildings, machinery, equipment, inventory, homes and other property. Following a request from a state governor, SBA reviews Agency disaster declaration criteria to make an appropriate Agency Disaster Declaration.

3. Governor Certification (7b2D) Declarations: SBA makes an economic injury declaration following a governor's certification that at least five small business concerns in a disaster area have suffered substantial economic injury as a result of the disaster and are in need of financial assistance not otherwise available on reasonable terms. (This can also be in response to a determination issued by the Secretary of Commerce, regarding certain fishery resource disasters.)

4. Secretary of Agriculture Declarations: SBA makes an economic injury disaster declaration in response to a determination of a natural disaster by the Secretary of Agriculture. The Department of Agriculture – Farm Service Agency provides notifications to SBA that it has made emergency loans available.

5. Military Reservist Economic Injury Disaster Loan: SBA may make a Military Reservist Economic Injury Disaster declaration as authorized by the Veterans Entrepreneurship and Small Business Development Act of 1999. SBA makes low interest, fixed rate loans available to a small business owned by or employing a military reservist if the reservist is called up to active military duty during a period of military conflict, and he or she is an essential employee critical to the success of the business's daily operation and whose call-up has caused or will cause the business substantial economic injury.

6. Additional Disaster Assistance: SBA may declare eligibility for additional disaster assistance in the event of a Presidentially declared disaster that has resulted in extraordinary levels of casualties or damage or disruption, is comparable to the description of a catastrophic incident in the *National Response Framework*,[21] and is of such size and scope that regular disaster assistance is inadequate or a significant number of businesses outside the disaster area have suffered substantial economic injury.

Application Intake – When each loan application is received, it goes through three steps before processing begins.

[21] The NRF defines a catastrophic incident as "any natural or manmade incident, including terrorism, that results in extraordinary levels of mass casualties, damage, or disruption severely affecting the population, infrastructure, environment, economy, national morale, or government functions." (NRF, pg 1)

1. Application Screening: SBA disaster loan applications are available at disaster recovery centers (DRC), through the mail, and electronically. Approximately 80-90 percent of all disaster loan applications are submitted online using SBA's electronic loan application (ELA). When completed loan applications are received, they are first screened for acceptability. Loan officers also review the application to determine repayment ability based on the minimum income level and debts as reported on the application.

2. Application Entry: Once an application is screened, it is sent to Application Entry and recorded in the Disaster Credit Management System (DCMS). The loan application is further assessed for credit and repayment ability. Then, a determination is made to advance the loan or decline the loan. Applications that meet the initial credit and repayment threshold are sent on to Loss Verification. After application entry, all application documents are sent to Scanning.

3. Scanning: The Scanning Department receives input from the Application Entry group, Loan Processing, Loss Verification, Mail Association, inbound faxes, and the Legal Department. After scanning the documents, they are sorted, counted for reporting purposes and prepared for longer term storage as a backup to electronic records consistent with the record-keeping requirements currently in place.

Loss Verification – All applications for physical disaster loan assistance require on-site inspections. Physical disaster loans are for permanent rebuilding and replacement of uninsured, or under-insured, disaster-damaged, privately owned real and/or personal property. SBA can loan funds until insurance proceeds are paid.

ODA's Damage Verification Center (DVC) performs inspections to establish the cause and extent of disaster damages. The DVC verifier views disaster-related damages for both real and personal property, and records observations in a report form contained on a tablet computer. DVC submits the report to guide the Loan Department in establishing eligibility.[22]

[22] ODA can adapt the loss verification process, when needed, to avoid long delays when damaged properties are inaccessible. These tools include use of reports from insurance adjustors and overhead imagery.

Loan Processing – Loans are processed in accordance with the regulations and policies that govern DLM. SBA lends taxpayer funds to disaster survivors and must base their decisions on a balance between the needs of the survivor and prudent underwriting. Because the interest rate on loans to most borrowers is below the rate charged in the private sector, and the term of the loans goes out as far as 30 years, the loan service costs are often significantly below market loans, thereby broadening the pool of applicants who are able to pay back SBA loans. Nevertheless, SBA can only make disaster loans to those survivors that can demonstrate a reasonable ability to repay the loan.

Loan decisions are based on repayment ability, damage eligibility and credit-worthiness, all of which are analyzed during loan processing. In processing disaster loans, SBA can incur risks that many private lenders will not and applies more lenient credit standards than private lenders. At the same time, SBA must adhere to fundamental credit standards and must thoroughly process loan applications to ensure that each loan is likely to be repaid. In Presidential declarations, most home loan applications that are declined in processing are referred back to FEMA for possible grant assistance. Businesses declined are referred to SBA resource partners for additional counseling services.[23]

Disaster Loan Assistance Portal

To support disaster loan program applicants with quality customer service and transparency, SBA maintains the Disaster Loan Assistance Portal. The portal provides:

- General Information
  - Disaster Loan Program Overview
  - Interest Rates
  - Location of Disaster Recovery Centers, Business Recovery Centers and Disaster Loan Outreach Centers
  - SBA Fact Sheet Information
- Application Status Check
  - Application Status – e.g. Received - In Review; Received - Pending Information; In Application Processing; Declined; Withdrawn; Approved
  - Documents Required
  - Contact Information
- Notifications
  - Email
  - Via the Portal
  - Includes application status, e.g., please contact us; we received your application but additional documents are needed to continue processing; we could not accept/process your application due to missing information; your application has been declined, withdrawn, approved, etc.

[23] Recent changes to SBA's business disaster loan application form (SBA Form 5) provide a limited waiver from the applicant to SBA to allow release of information covered by the Privacy Act of 1974 "to federal, state, local, tribal or nonprofit organizations (e.g. Red Cross, Salvation Army, Mennonite Disaster Services, SBA Resource Partners) for the purpose of assisting me with my SBA application, evaluating my eligibility for additional disaster assistance, or notifying me of the availability of such assistance." This waiver is intended, in part, to enable more proactive engagement with small businesses denied disaster loans to repair incomplete or erroneous loan applications, modify business plans to accommodate the post-disaster environment, and/or seek other potential aid.

To speed processing, the Processing and Disbursement Center maintains two processing tracks – one for home loans and one for businesses. Home loan applications can, in general, be processed more quickly than business applications and account for the great majority of applications received. Further, individuals tend to submit home applications more quickly than businesses. The use of separate tracks allows SBA to fairly treat both categories with a first-in-first-out approach, without slowing business applications because of a high volume of home applications submitted sooner.

Rather than analyze every applicant's personal or business cash flow, which can sometimes be a time consuming process, SBA regulations allow for a modified approval – RAPID – process for both home and business loans which considers the applicant's credit without the need to complete an entire cash flow analysis.[24] SBA analyzes personal or business cash flow to determine repayment ability only for those applicants that do not have strong credit; however, regulations allow SBA to expedite processing of applications from disaster survivors with strong credit. This complements SBA's practice of expediting initial declines for home loan applicants with low credit scores so that they may be quickly referred back to FEMA for available grant assistance. Expediting the processing of disaster loan applications based on credit reduces overall processing time for all loans because it allows SBA to dedicate additional staff to more time-consuming applications.

Closing and Loan Disbursement – Once a loan is approved, loan closing documents are completed and sent to the borrower. Borrowers have several options for completing their loan documents, such as:

- Completing the documents by themselves and returning them to SBA.
- Scheduling a loan closing appointment to execute the documents with an SBA representative.
- Contacting SBA by phone to review the loan closing documents.

Secured loans are disbursed in stages that correspond with the borrower's needs. SBA also monitors the use of disaster loan funds to ensure compliance with program guidelines and the terms and conditions of the loan authorization and agreement as these loans are subsidized by the federal government. The law establishes severe civil penalties for misuse of disaster loan proceeds. When disbursing the real estate portion of a disaster loan, SBA personnel maintain contact with the borrower as necessary to determine an appropriate disbursement schedule and to confirm that construction is progressing as

[24] CFR Title 13, §123.6 effective for disasters declared on or after April 25, 2014.

planned. As noted in the Loan Authorization and Agreement, the disbursement period on the disaster loan is generally limited to 6 months; however, SBA can extend this period on a case-by-case basis for ongoing projects.

Recovery

When disaster strikes a community, a business experiences a variety of impacts – direct, indirect, and induced. (See Figure 8.) SBA and its resource partners position themselves to combine resources and services in a flexible manner capable of meeting the demands of a specific incident.

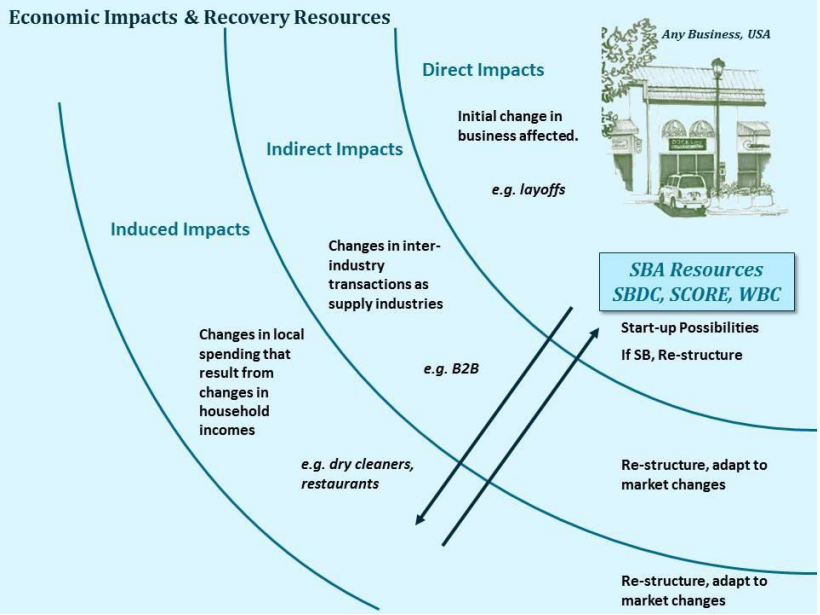

Figure 8. Range of Disaster Impacts (adapted from Minnesota IMPLAN Group. 2008)

SBA remains a support agency to several Emergency Support Functions in the NRF, but it has been actively engaged in shaping the *National Disaster Recovery Framework*, with a significant emphasis on being the voice of small business within the Economic Recovery Support Function.

The NDRF points out that the best recoveries from disaster are those that begin before the disaster itself with pre-disaster recovery planning. Decisions made quickly in disaster response can have impacts that shape a community's recovery. The sooner tailored recovery expertise can be applied at local, state, and federal levels, the more effective and integrated a recovery can be.

SBA does not wait to apply its small business expertise for recovery purposes, but is ready to engage with its interagency partners in the early days of a response to assess the long-term recovery challenges.

Intermediate

The NDRF defines intermediate recovery as the phase of recovery where activities are often characterized by temporary actions that provide a bridge to permanent measures. Two SBA program areas support intermediate recovery: Disaster Assistance and Government Contracting and Business Development.

Disaster Loans – SBA offers disaster property loans to businesses of all sizes, private nonprofits, homeowners, and renters to cover uninsured physical losses. Economic injury disaster loans are available to small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private nonprofits to offset lost revenues and assist with ongoing operating costs. By making these loans available, SBA accelerates restoring the affected community's cash flow and moves it toward an end state that includes permanent housing and resumed business operations, including the operations of small businesses.

To establish this recovery capability, SBA works alongside FEMA responders to conduct damage assessments and establish one-stop recovery centers for individuals and businesses.

Reinstating HUBZones

The National Defense Authorization Act for Fiscal Year 2016 provided SBA authority to SBA to designate as a "Qualified Disaster Area" Historically Underutilized Business Zone (HUBZone) for at least five years any area whose HUBZone designation expired in the preceding five years and is in an area for which the President has declared a major disaster. This gives local firms based in those areas the ability to become HUBZone certified and obtain preference in federal contracting dollars, helping to stimulate local economies.

Guidelines for implementing this authority are under development.

Government Contracting – In general, the first "new business" coming to a community following a disaster is the business of cleaning up – debris removal,

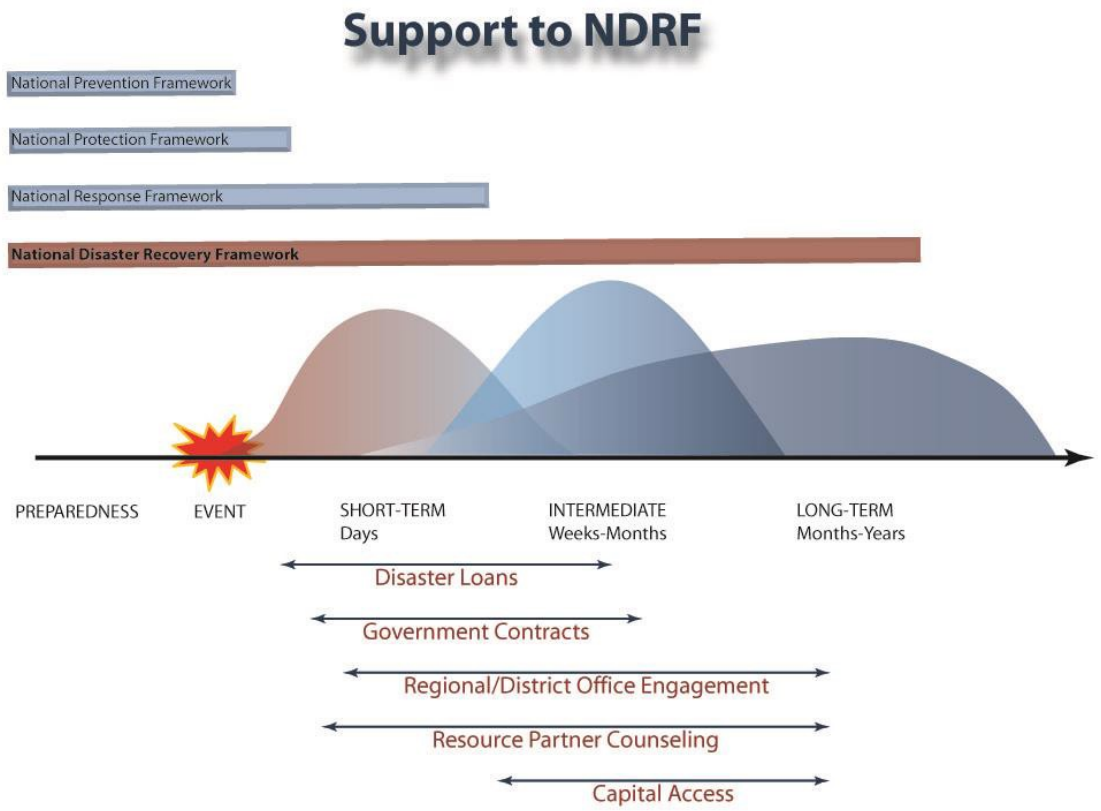

Figure 8. SBA Disaster Recovery Engagement

drying and cleaning of flooded buildings, etc. – and shoring up – roofing tarps, temporary phone and electric lines, and the like. By employing locally based contractors for this purpose, governments (federal, state, and local) contribute to local cash flow, job retention for local residents, business resumption, and other aspects of economic recovery, while performing critical services needed to prepare for the community's long-term recovery.

SBA's Office of Government Contracting and Business Development (GCBD) works pre-disaster to ensure as many small businesses as practical are included in the response and short-term recovery contracts arranged by FEMA and ESF agencies for activation in the event of a disaster. FEMA is required by the Post-Katrina Emergency Reform Act of 2006 to "maintain a registry of contractors willing to perform debris removal, distribution of supplies, reconstruction, and other disaster or emergency relief activities." All federal agencies are to consult this registry when conducting applicable acquisition planning; GCBD monitors these acquisitions at the time of a disaster and encourages the maximum use of local small businesses.[25]

Table 4. Recovery Phases.

NDRF Definition	Primary SBA Focus
Short-Term Recovery – Phase of recovery which addresses the health and safety needs beyond rescue, the assessment of the scope of damages and needs, the restoration of basic infrastructure and the mobilization of recovery organizations and resources including restarting and/or restoring essential services for recovery decision making.	• Disaster Assistance (support to damage assessments)
Intermediate Recovery – Phase of recovery which involves returning individuals, families, critical infrastructure and essential government or commercial services to a functional, if not pre-disaster, state. Such activities are often characterized by temporary actions that provide a bridge to permanent measures.	• Disaster Assistance (loans) • Government Contracting and Business Development • Disaster Preparedness and Operations Team
Long-Term Recovery – Phase of recovery that may continue for months or years and addresses complete redevelopment and revitalization of the impacted area, rebuilding or relocating damaged or destroyed social, economic, natural and built environments and a move to self-sufficiency, sustainability and resilience.	• Office of Field Operations (lead coordination) • Disaster Preparedness and Operations Team • Entrepreneurial Development (Resource Partners) • Capital Access

[25] Semiannually, pursuant to the Small Business Disaster Response and Loan Improvements Act of 2008, SBA reports to Congress the total number of contracts awarded as a result of each major disaster; the total number of contracts awarded to small business concerns as a result of each major disaster; the total number of contracts awarded to women and minority-owned businesses as a result of each major disaster; and the total number of contracts awarded to local businesses as a result of each major disaster. SBA is developing policies and regulations to effect RISE Act provisions to create a preference for small business concerns in a disaster area to provide work required by Federal agencies under contract in the disaster area.

Long-Term

While SBA participates as a supporting agency for three other Recovery Support Functions under the NDRF, it is most active as a primary agency and as the small business advocate within the Economic Recovery Support Function (ERSF). The Office of Disaster Planning and Risk Management (ODP/RM) serves as SBA's primary national-level point of contact with the ERSF coordinating agency, the Department of Commerce, and ERSF contacts in the other primary agencies (FEMA, and the Departments of Agriculture, Labor, and the Treasury.) As displayed in Figure 8, above, while the planning horizon is "long-term," action begins very quickly. To maintain local-level cooperation with RSF partners, ODP/RM will coordinate with the Associate Administrator for Field Operations (AA/FO) to engage the DPOT, as needed, to reach out to Regional Administrators and District Offices and, through OED, to resource partners within days of the triggering event.

As the goal of long-term recovery is the complete redevelopment and revitalization of the impacted area, **economic recovery *is economic development***. The recovery process recognizes that there is a sense of urgency not necessarily attached to "routine" economic development. If critical elements of a community cannot be revitalized quickly enough, those elements or others dependent upon them can be quickly lost. The ERSF process also is designed around the premise that "restoration" – that is, a near total re-creation of conditions prior to the disaster – is not sufficient and leaves a community behind any progress it might otherwise achieved had the disaster not occurred. The ERSF process accounts for a "new normal" that retains the strengths of the pre-disaster community and capitalizes on new opportunities, but may have to let elements now that are weak or absent slip away.

At some point in the long-term recovery process, economic recovery becomes routine economic development supported by steady state programs. Indeed, the key metric of economic recovery is that all efforts in the endeavor ultimately are supplanted by steady state programs. For this reason, SBA's District Offices and its resource partners provide the face of the ERSF's small business efforts in an impacted area.

Typically, in the aftermath of a disaster, Commerce reaches out to SBA (ODP/RM) and other primary agencies upon notice of ERSF activation (or, for particularly large disasters, potentially in anticipation of formal activation) to begin gathering data applicable to assessing the economic impacts suffered. As information on the disaster becomes available, Commerce, working with FEMA, determines how substantial ERSF activity must be to meet the needs of the impacted communities. The ERSF typically operates in three tiers: broadly applicable tools; regional assistance; and tailored business-level assistance. See Annex VI for SBA support to RSF targets.

ODP/RM works with ODA and Field Operations to establish a flow of pertinent and tailored data regarding the affected communities. ODA routinely provides loan application data (applications received and funded by ZIP code) to Commerce as one indication of damage location and severity. Districts are asked initially to provide qualitative assessment of the predisaster small business environment and post-disaster impacts. (See Appendix 5.) As the ERSF agencies provide data and analysis, Commerce, working in coordination with the Federal Disaster Recovery Coordinator (FDRC), develops a plan for completing its picture of impacts and providing a Mission Scoping Assessment (MSA). This may include sending interagency teams to key communities in the affected region. Such teams may be primarily local ones, in which case SBA's local District Office will likely lead agency participation, or combined Headquarters and local efforts, for which the DPOT will coordinate agency representation. When assessments are complete, the ERSF will contribute to the FDRC's Recovery Support Strategy (RSS).[26] In turn, the RSS will outline to the affected community specific avenues for obtaining disaster-specific assistance and steady state federal programs applicable to achieving the community's own long-term recovery plan.

Economic RSF Approaches

Resources widely available:

- Federal Financial Assistance
  - SBA Disaster Loans
  - CDBG Disaster
  - "Steady-state" Loan Funds (e.g., EDA Revolving Loan Funds, USDA Business and Industry Loans, SBA 7(a)/504 loans, and CDFI Lenders)
- Best practice Information (e.g., business continuity planning guides, insurance guides)
- Information Resources (e.g., IRS tax record retrieval, information about federal, state, local, private/non-profit resources)

Regional assistance:

- Access to Capital Events – multi-jurisdictional, multi-organizational events intended to integrate many resource partners into a single venue/event to enable local and regional stakeholders access to what resources exist
- Peer-to-Peer Events – leaders with disaster recovery experience present lessons learned and facilitate recovery planning efforts with impacted counterparts
- Business Assistance and Risk Management Presentations – provide business assistance and risk management information at existing business association meetings

Tailored business-level assistance:

- Business Disaster Case Management – a focused effort, often led by a local Chamber or SBA resource partner, providing direct business counseling to assist impacted businesses in completing loan applications, retrieving vital records, and re-designing business plans.
- Business Disaster Help Desk – available to businesses to call for direct assistance for specific issues/questions. The help desk lacks the ability to conduct follow-up of business disaster case management.

[26] The MSA and RSS are closely coordinated with the impacted state and local communities, as the ultimate goal is to achieve the recovery objectives set by the impacted communities.

Disaster Preparedness and Operations Team -- The Disaster Preparedness and Operations Team (DPOT) supports Regional Administrators and District Directors in their role as the face of long-term economic recovery at SBA. The DPOT develops and refines working relationships with interagency partners, the community, and resource partners before an event to both better prepare for a disaster and to ensure holistic efforts to support small business recovery after one. The building of recovery support networks and understanding of all potential sources of small business assistance prior to disaster will enhance the support which Regional Administrators, District Directors, and resource partners can provide to small businesses both before and after disasters strike.

The national DPOT trains and prepares SBA District Directors, their staffs, and local resource partners (SBDCs, SCORE, and WBCs) how to best enhance existing community relationships with emphasis on disaster preparedness and recovery, as well as to best connect with state and federal interagency partners. Training may be in-person or delivered through virtual means. After a disaster event, the DPOT will assess the impact to the business community and provide support to the impacted District Office, when needed, to assist the District Director and staff in their efforts to support small business recovery.

DPOT Membership	
Lead	AA, Office of Field Operations
Coordinator	Lead Program Analyst, ODP/RM
ODA Representatives	Deputy Associate Administrator Program Analyst
OFO Representative	Field Operations Specialist
OED Representatives	Deputy Associate Administrator, OSBDC OED/ODA Business Analyst
GCBD Representatives	Associate Administrator GC Area Directors
ODA Field Operations	Director, FOC-East Director, FOC-West
ODA Reserve Force	Individuals to be identified
District Directors	Individuals with specific disaster experience may be recruited
Local Membership	
Regional Administrators	All
District Offices	All: District Directors Deputy District Directors District Public Information Officers
GC Area Offices	All: Area Directors Deputy Area Directors Procurement Center Representatives

The national DPOT team is led by the AA/OFO and consists of representatives of ODP/RM, OFO, and ODA, and either headquarters or selected field representatives from OED and GCBD. Field Operations Centers (FOCs), which already maintain close working relationships with all SBA Regional Offices and those District Offices and Government Contracting (GC) Area Offices impacted by disasters, initially advise and assist impacted District Directors and GC Area Directors. Additionally, District Directors who have experienced significant disasters and

contributed to long-term post-disaster small business recovery may be called upon to advise the DPOT and other District Directors.

At its core, long-term small business disaster recovery is a coordinated effort between federal, state and local partners; however, that effort is more successful when the impacted District Director(s) is prepared and supported by the assistance of the national DPOT to take on the leadership role. District Directors, Deputy District Directors, and District Public Information Officers engage in the overall recovery effort; they develop and maintain local working relationships necessary to ensure clear and consistent guidance to the business community on how to access both local and federal disaster assistance.

Due to limited resources, the DPOT will not generally travel to each District Office prior to disaster. ODP/RM will develop training material that can be delivered either in-person at national or regional level OFO Field Conferences or by webinar to those District Offices and their local resource partners unable to otherwise participate.

Following a disaster, the National DPOT members will assess the disaster's impact to the business community and local economy. When the National team determines that it would be in the best interests of impacted small businesses, parts of the DPOT may deploy to the area of a disaster for up to seven days to provide immediate assistance and support to the District Office(s) as the District Director(s) assumes the role as SBA's lead for long-term recovery after the initial immediate efforts of ODA. The AA/OFO will coordinate with the impacted District Director(s) to keep some DPOT members deployed for longer periods if needed. These short DPOT deployments can ease the immediate impact on the district office and support the District Director longer term. Both immediately and longer term, non-deployed DPOT headquarters members serve as an ongoing "reach-back" network to support the District Director in connecting to both interagency resources and resources internal to SBA across all program areas.

Regional and District Offices – The coordination of long-term local support to small businesses in disaster-impacted communities, and thus to the communities themselves, is accomplished by the same Field Operations staff that supports routine economic and small business development in the same communities. Regional Administrators and District Directors are the face of this activity. Their tools remain the same ones as in routine economic development, but, working within the ERSF, they can also access and link programs managed by other agencies (disaster-specific and steady state) that will promote small business interests in the community. In general, these long-term recovery activities become appropriate priorities carried out with the District's and Region's existing, budgeted resources. In limited cases, some additional effort can be

funded (primarily for overtime) by the President's Disaster Relief Fund (DRF), which is managed by FEMA, through a mission assignment from the FDRC to the ERSF.[27]

Counseling – To understand how best to use capital and seek markets in the new normal of the post-disaster environment, small businesses require tailored counseling provided by District Offices and SBA's resource partners such as Small Business Development Centers, SCORE, and Women's Business Centers. In certain areas, SBA also has established relationships with economic development "clusters" – resource partners usually focused on tying together groupings of small business capabilities across a defined geographical area.[28] SBA's Office of Entrepreneurial Development (OED) coordinates with resource partners efforts to develop and present appropriate counseling programs for areas struck by disaster. Subject matter can include use of SBA disaster loans and assistance in the application process[29], business planning in the post-disaster environment (which can include the exploration of alternative markets for goods and services), long-term resiliency, and the exploration of entrepreneurial opportunities created

Sandy Case Study

As part of the Disaster Relief Appropriations Act of 2013 (Public Law 113-2), SBA received $20 million in supplemental appropriations for SBA to support organizations providing technical assistance related to disaster recovery and long-term resilience to small businesses recovering from Superstorm Sandy.

The funds accelerated existing counseling and training services and spurred long-term collaboration among resource partners to build expanded partnerships to build community and business resiliency.

OED has reviewed the experience with this aspect of the supplemental appropriation. Key points identified for consideration following future large disasters include the following:

- Processes have been documented to improve funds release.
- Unfunded administrative costs created burdens; Administrative Resource funds will be included in the future.
- ODA will share applicant data, as appropriate, with Resource Partners and District Offices in order to facilitate assistance with Disaster Loan applications and to allow more rapid sharing of information on other recovery resources available.
- In conjunction with DPOT development, predisaster business continuity and other resilience advice will be shared with Resource Partners for inclusion in their counseling services.

The RISE Act of 2015 provided permanent authority for post-disaster financial assistance to resource partners (with no match requirement). If an appropriation is received, SBA may provide this assistance to resource partners to spur disaster recovery and growth of small businesses impacted by a major disaster.

[27] A *mission assignment (MA)* is a work order issued by FEMA Operations to a federal agency directing completion of a specific task, and citing funding, other managerial controls, and guidance. The directed effort involves only non-permanent work and utilizes a federal agency's unique resource(s). MAs have not been developed for SBA activities in any disaster to date.

[28] Since 2010, SBA has funded Regional Innovation clusters, Advanced Defense Technology clusters, and Jobs and Innovation clusters in 33 locations throughout the U.S.

[29] Disaster loan application assistance can range from simply explaining the process to the re-creation of needed records lost in the disaster itself.

by the disaster. Counseling can also include business continuity and related disciplines, which constitutes mitigation of the effects of future disasters on the same businesses.

Preparedness Counseling

OED is working to address the need for preparedness, resiliency, and recovery services in the counseling of small business. The goal of the effort is to provide small business counseling in support of achieving preparedness related goals as outlined in the Presidential Policy Directive-8 to include:

- Disaster response;
- Recovery;
- Prevention;
- Protection; and
- Mitigation.

Resource partner disaster recovery assistance has evolved to generally include:

- Assisting clients with the SBA Disaster Loan process;
- Small business counseling relating to rebuilding or relocating damaged or destroyed businesses; and
- Moving towards regaining self-sufficiency, sustainability, and long term resilience.

Resource partners are encouraged to have in place their own disaster continuity plans with partners, individually, and in cooperation with SBA and other federal agencies as well as state and local entities, and are urged to provide disaster recovery assistance to support impacted small businesses in local economies.

Because SBA's resource partners are independent entities and not built on a single model, their application to a specific disaster will vary. When appropriate, OED will renegotiate performance goals set for some resource partners so as to better serve the impacted small business community. DRF and other funding may become available in some disasters to expand services at some resource partner locations.

Capital Access – SBA's disaster loans are a first step in capitalizing the revitalization of small business in a disaster-struck area. Through the ERSF, a variety of federal programs (e.g., state uses of the Department of Housing and Urban Development's Community Development Block Grants or the Department of Agriculture's Rural Development Business and Cooperative Programs), state or local disaster investment funds, and private funding sources can all be brought to bear on a community's recovery. In that mix are all of SBA's steady state capital programs: 7(a) and 504 loans, surety bonds, Small Business Investment Companies, etc.

One initial step frequently taken by the Office of Capital Access (OCA) is to encourage participating 7(a) lenders and Certified Development Companies (CDCs) to provide deferment relief for borrowers with lender-serviced SBA-guaranteed 7(a) loans and CDC-serviced 504 loans in affected areas.[30]

[30] OCA Information Notices highlighting lender options can also point out how deferments can be extended to loans sold in the secondary market. Guidance regarding SBA procedures for deferments of 7(a) and 504 loans can be found in SOP 50 50 (4), Chapter 4, Para. 13.d., Chapter 5, Para. 8 and Chapter 8, Para. 8.c.(3).

5. Coordination and Logistics

As outlined, program offices in SBA have a role in responding to and recovering from a disaster – both the internal response required for continuity of operations and the external response required by the general population and small businesses struck by any disaster. This section spells out coordination mechanisms and the various disaster responsibilities of major SBA components, especially as they relate to the agency's disaster loan-making mission.

Disaster Oversight Council/Executive Management Team

As outlined in the Section 3 discussion of execution decision-making, when the Administrator, upon recommendation from the AA/ODA, activates a surge, the authority for strategic management of the disaster response is elevated from the AA/ODA to the Disaster Oversight Council. The Disaster Oversight Council is a subset of SBA's Executive Management Team (see below) consisting of:

- Administrator (or designee, chair)
- Deputy Administrator
- Chief of Staff (COS)
- Chief Operating Officer
- Chief Financial Officer (CFO)
- General Counsel
- Assistant Administrator of CLA (AA/CLA)
- Associate Administrator for ODA (AA/ODA),
- Associate Administrator for the Office of Field Operations (AA/OFO),
- Associate Administrator for OCA (AA/OCA),
- Associate Administrator for GCBD (AA/GCBD),
- Associate Administrator for Entrepreneurial Development (AA/ED),
- Assistant Administrator for OCPL (AA/OCPL),
- Associate Administrator for Management and Administration (AA/M&A),
- Chief Information Officer (CIO), and
- Director, ODP/RM.

During a surge, the Disaster Oversight Council coordinates, as needed and usually through normal, day-to-day processes, to direct and support ODA's centers and all of SBA's resources to ensure an adequate response. Accordingly, SBA rapidly expands office space, augments staff to meet the anticipated workload, adjusts schedules, employs a double-shift approach, and

works with resource partners (SBDCs, SCORE, WBCs) as necessary to respond effectively.

Coordination of Disaster Loan-Making and COOP

The COOP Plan is a tool that preserves the ability of SBA to execute its most important functions, including disaster loan-making, in a way that provides near-maximum routine service. Dispersal and redundancy of ODA assets minimizes the likelihood that any single event significantly degrades SBA's ability to carry out its disaster loan mission. The coordination of ODA field activities within affected SBA Districts was addressed earlier in this plan; this section addresses coordination when SBA Headquarters falls victim to disaster.

If the decision is made to relocate to any of SBA's alternate operating sites, members of the Executive Management and Incident Management teams (EMT and IMT, comprising the Emergency Relocation Group – ERG) will be required to report to the alternate site within 12 hours of the event. Comprised of SBA's senior leadership, the EMT is responsible for the oversight and command and control of the agency at all times, especially during a continuity event. It provides the leadership and management level decisions required to support SBA's mission essential functions, as well as other emergency response and recovery operations.

Because the disaster loan-making function is a dispersed one, executing the Headquarters COOP plan and activating the EMT has little direct or immediate impact on the DLM mission essential function. Were a critical decision required during the 12-hour relocation window, several options would be explored: convening the Disaster Oversight Council telephonically, executing an immediate decision of the Administrator, or executing an immediate (but possibly interim) decision by the AA/ODA. In a severe circumstance where communications cannot be immediately raised with the DOC members, elements of the devolution plan can be applied.

SBA begins work on MEF #1, Disaster Loan-Making, and MEF #5, Long-Term Recovery Coordination, immediately following a disaster. While ODA rapidly deploys staff to a disaster-impacted area, the DPOT members (national and local, as appropriate) begin the assessment and coordination process for planning and implementing long-term recovery.[31]

[31] Although peak long-term recovery effort may not be achieved immediately following a disaster, two long held concepts are now antiquated. "Recovery" is not a phase that follows response; it begins on Day 1, not Day 30 or Day 60. In addition, disaster recovery is not the sole province of ODA. ODA manages a powerful recovery tool, but all SBA programs have a role to play in a small business community's overall recovery from a disaster. Local COOP appendices ensure that District-level focus can be placed on recovery coordination as federal efforts increase.

Scaling Disaster Loan-Making Operations

SBA's Disaster Loan operations have resource components that scale: human capital, facilities, and information technology (IT). Each component can scale, separately or in concert with the others, according to the expansion that is required to meet various levels of disaster activities. These components scale to ensure that SBA can achieve a level of performance consistent with both external requirements (needs of survivors) and internal goals: functional requirements increase as the agency is called upon to respond to the larger loan application volumes associated with each disaster level.

Figure 10 illustrates how human capital, facilities, and IT measures are triggered as demand (measured by the number of disaster loan applications to be processed) increases. To illustrate this approach this section provides an overview by each key component. (Appendix IV contains additional description of the process.) The strategy for expanding capacity balances the need for meeting loan application demand in the few years when demand reaches Level II or greater and the requirement to conserve expenditures in the many years when it does not (see Figure 6 earlier in this plan). Human capital being the most costly resource, ODA has developed a staffing strategy involving pre-identified staff that can be incrementally added to its active workforce, as needed. Similarly, surge facilities have also been identified to be available as needed. Level IV circumstances are assessed as being low probability, unique events that are sufficiently buffered by the capacity developed in Levels I-III; SBA will be able to procure facilities and IT, and continue to expand its workforce, rapidly enough to meet demand.

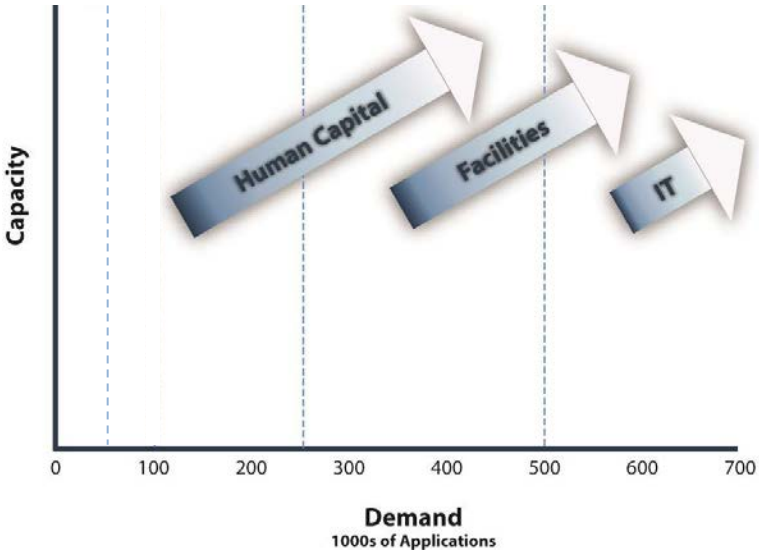

Figure 10. Capacity Expansion.

Staffing Strategy

The SBA Disaster Staffing Strategy is designed to standardize staffing across all Centers and enable a sustainable staffing approach. Key to this strategy is that the pre-identified reserve staff ("Term Seasonal" and "Term Intermittent") is

processed onto SBA's payroll[32] already and can be activated immediately and deployed as necessary.

During the typical year, ODA must adjust its staffing levels based on current demand. The actual total number of active staff from the four categories in the lighter shaded boxes of Figure 11 will vary accordingly. Term Intermittent staff and the Excepted Service Attorneys in boxes with medium shading are activated for large Level I disasters (e.g., Superstorm Sandy). Temporary new hires and contractors, the dark shaded box, will be needed for Level II and higher disasters.

Figure 11. Components of SBA Staffing Strategy.

When faced with extreme demand above Level I, ODA must activate reserve and new hire staff in a timely manner. Critical to achieving SBA's production goals, is to achieve peak staffing in all required categories before a loan application backlog occurs. Table 5 below displays maximum staffing requirements for each level and the time available to achieve such staffing. The Staffing Strategy described above allows ODA to adjust readily. *The critical action for Level II events and beyond is to achieve the New Hire goal within the time available*.

As described in Appendix 3, Modeling and Forecasting, the Electronic Loan Application has reduced the time available to achieve maximum required staffing. SBA has reviewed all parameters – estimates of staffing requirements, production goals, and ability to acquire and train new hires – to determine the most cost effective approach to addressing Level II and III needs.[33] It should be noted that Level IV is essentially "all other cases." It has no maximum, but reflects a never before seen level of demand for SBA. While any number of low probability combinations of events could drive demand to this extreme, only a handful of individual events, e.g., a major earthquake in the New Madrid Seismic Zone, could generate this level of demand.[34]

[32] These individuals have been selected through a competitive hiring process, completely processed through SBA's human capital requirements, and are maintained in a non-pay status until deployment is required.

[33] Options include expanding the current reserve force, process improvements to reduce staffing requirements, and adjusting production goals (increasing time available to process an application) in Level II, III and IV disasters.

[34] The New Madrid scenario used in National Level Exercise 2011 was estimated to generate a demand of 520,000 disaster loan applications. SBA's largest challenge to date was, really, three events in rapid succession – Hurricanes

Table 5. Planning Parameters.

	Core			Reserve	Term		
	Permanent	Cadre	Max Term Seasonal	Max Term Intermittent	Max Sched A & Contractor	Production Goal (weeks)	Max Time to Activate (weeks)
Level I	24	500	500	0	0	2-3	0
Level II	24	500	500	1500	1200	3-4	2
Level III	24	500	500	1500	4400	4+	4
Level IV	24	500	500	1500	As Required	>4+	4

Numerous flexibilities exist within this strategy that allow ODA to fully tailor its work force to meet the precise requirements it faces after a given event. No disaster is exactly like another, the disaster levels are planning guides. If the Associate Administrator of ODA judges a situation more demanding than it might appear based on forecast application levels, the Administrator can elevate the Agency's response to provide ODA more cross-SBA help.

The staffing strategy process, within ODA, allows the determination of appropriate staffing levels and skills required for specific disasters.

1. Assess Application Volume: When deemed necessary, the ODA Scalability Model is executed to validate the staffing needs. (See Appendix III.)

2. Validate Staffing Levels: ODA crosswalks availability models, as well as other disaster information, with Centers' staffing projections, and identifies the staffing levels to ensure that they have the staff needed to respond. To validate staffing levels, ODA looks at unique characteristics of each disaster.

3. Determine Unique Disaster Characteristics: In addition to validating that their current staffing level projections meet the requirements to respond to the disaster, Centers will also identify unique disaster requirements to ODA to ensure that the staff possesses the requisite skills.

4. Identify Resources: Once the unique requirements are identified by ODA then the Centers, working with Office of Disaster Personnel, will identify specific staff to activate to provide the needed skills.

Katrina, Rita, and Wilma. The overall demand of approximately 425,000 applications was actually the sum of 320,000 (Katrina), 60,000 (Rita), and 45,000 (Wilma) applications originating from events spaced at roughly 30-day intervals.

5. In-Process/Hire Staff: ODA, in coordination with Centers and the Office of Disaster Personnel, will place staff in pay status, hire staff, or execute a contract based on the needs for responding to the disaster.

Non-ODA Surge Staff – A limited number of non-disaster SBA staff have previous experience or skill sets that can be useful in various areas of the Disaster Loam Program, such as processing loans and issuing disbursements. Working with other program offices, ODA can engage these staff members to assist with the effort. In general, non-ODA surge staff serves on a voluntary basis for a limited time (four to six weeks), with the specific agreement of their respective program offices, and in accordance with Article 31 of the Master Labor Agreement.

ODA is prepared to adapt materials from its ongoing training programs to cross-train these personnel in cost-effective locations, as the need arises and conditions warrant.

External Hiring – If SBA cannot meet staffing projections with pre-identified staff or contractors, then ODA performs a national hiring initiative, placing classified ads in publications throughout major U.S. metropolitan markets.[35]

Utilizing District Office Employees – SBA utilizes its nationwide District Office infrastructure to assist with disaster activity when warranted. District employees can be instrumental in coordinating local resources through resource partners, Chambers of Commerce, and other local professional and charitable organizations to improve outreach and accelerate response in the field. ODA has also trained District Public Information Officers and Regional Communication Directors on the disaster loan program, crisis communications, dealing with the media, best practices, and disaster assistance provided by other federal agencies.

Resource Partners -- In addition to the long-term recovery efforts of SBA's resource partners described in Section 3, during responses at all levels, SBA leverages its partners to help ODA with local outreach:

- Making potential applicants aware of SBA's services and handing out disaster loan applications;
- Screening and interviewing – helping applicants complete documents and collect requisite background information; and
- Application assistance.

[35] ODA is pursuing the establishment of a standing contract to provide rapid recruiting of new term hires. Contract award is expected by late 2016.

Infrastructure

ODA maintains a 150,000 sq. ft. facility as permanent space for the Processing and Disbursement Center (PDC) in Fort Worth, TX. This space accommodates a total of 1,750 work stations. This amount of space is expected to support operations well into a Level III disaster. Additionally, ODA has identified and maintains approximately 20,000 sq. ft. for backup and surge processing in Sacramento, CA, accommodating approximately 350 work stations. The agency is able to immediately ramp up while assessing if additional surge space will be needed. SBA can implement a multiple shift approach to accommodate more than one employee at each work station. (Loss verifiers – who perform their primary duties out in the field – do not require office space in these facilities.)

Information Technology

DCMS provides a broad range of geographically-dispersed SBA employees access to the system. Specifically, SBA employees performing surge processing across the agency's nationwide infrastructure have access to the system to maximize efficiency. DCMS has been tested and verified to support 10,000 concurrent users.[36]

Disaster Loan-Making Budgeting

Securing sufficient funding for SBA's disaster program administration and lending is a strategic support function. This process involves two main components: completing the original demand forecast and then carefully monitoring all available data as the situation progresses to determine whether the original forecast needs updating.

SBA's process for tracking disaster fund usage involves a coordinated effort between the ODA and the Office of the CFO (OCFO). ODA develops the initial estimates of a disaster's loan demand based on the following sources of information:

- Estimated number of referrals from FEMA;
- Historical average rate of applications received as a percentage of FEMA referrals;
- Historical average rate of applications approved;
- Historical average loan size for comparable disaster type (e.g. hurricane); and

[36] Following Superstorm Sandy, DCMS procedures and supporting networks were modified to reduce the "latency" (slow processing) experienced processing that volume of applications.

- Results from the Internal Demand Forecast Model (see Appendix III).

After initial demand levels are established using this approach, SBA determines whether additional funds (supplemental appropriations) are needed. If so, SBA works with the Office of Management and Budget (OMB) to request funds from Congress.

As it begins to process loans following a disaster, ODA tracks the following information for home loans, combination business and EIDL, and stand-alone economic injury disaster loans:

- Total applications received
- Approved applications
- Withdrawn applications
- Pre-processing declines
- Declined applications
- Applications remaining in process
- Loans closed
- Loans disbursed

From these numbers ODA calculates approval rates and average loan amounts that can be compared to historical averages and recent trends. It also projects actions on applications in-house but not yet processed, and applications issued, but not yet received. Progress on application processing and related activities is tracked weekly or even daily in the case of major disasters. The frequency of reviews and updates to the original forecast depend on the magnitude of the disaster and the availability of funds. The original assumptions and latest data are reviewed and revised by ODA and then reviewed by OCFO. If significant divergence is noted, the information is shared with SBA senior management. Such variances are researched and can trigger an immediate review of the key forecast assumptions if necessary. For minor events where sufficient funds are available, assumptions are only updated every few months.

A tracking report of all disaster loans provides net loan approval amounts, net numbers of loans approved, average loan size, estimated days remaining of funding availability at current average daily rates, program and subsidy amounts used to date, and program and subsidy current available balances.

SBA uses these tracking methods to closely monitor disaster funding requirements and provide timely information to OMB and the congressional offices on disaster budget issues as appropriate.

Office Responsibilities

Office of Disaster Assistance

Upon declaration of a disaster, the SBA's assets are immediately put into motion to help with recovery. As an event unfolds, SBA's Office of Disaster Assistance expands office space, calls on staff and reservists to meet the anticipated workload, and adjusts schedules to accommodate the increased workload and various time zones.

The ODA organizational structure and assets are functionally-based and geographically dispersed, minimizing reliance on a single region.

ODA Headquarters – This office, part of SBA Headquarters in Washington, DC, coordinates and leads disaster responses for Level I and Level II. Level I disasters are smaller in scale and do not generally require SBA Headquarters to be actively engaged on a day-to-day basis. For Level I and Level II disasters, the ODA Headquarters staff performs the following functions:

- Coordinate with FEMA, Congress, CLA, and OCPL.
- Coordinate and lead information-sharing with all Centers, ODA management, SBA executives, Regional and District staff, and SBA Resource Partners.
- Participate in or lead meetings and activities with the NRCC, FEMA, and other relevant disaster response teams.
- Assess programmatic needs and project level of activity and budget. Damage estimates are based on surveys, historical information for similar types of events in the state and/or region, information from imaging, state and local reports, media, insurance in force, demographics, and timing of event (e.g., local events, festivals, off season or in season).
- Prepare and publish SBA disaster declaration in the *Federal Register* and on its website following disaster declarations.
- Approve or decline requests for disaster declaration submitted by ODA's Field Operations Centers.
- Coordinating with PDC, CSC, and Field Operations Centers (FOCs) regarding the supply of English and Spanish applications on hand.

- Review and set policy, procedures, and guidelines for all ODA operations.
- Provide membership to DPOT and coordinate with DPOT activities.

Quality Assurance – ODA quality assurance focuses on monitoring that the staff is in compliance with SBA policy, regulations, and law.

A Quality Assurance Team, reporting directly to ODA Headquarters, looks for exceptions or departures from stated policy. The Quality Assurance Team performs ongoing reviews of the loan processing and disbursing functions. Additionally, the team conducts any specific reviews requested by management; the Quality Assurance Team also conducts a semi-annual erroneous payment review.

ODA also has a quality assurance plan for monitoring the various functions of the CSC, identifying areas for improvement and training opportunities. ODA provides checklists, job aides, and other training materials to each customer service representative. ODA monitors communications with customers, in an effort to assure courteous, accurate, and professional customer service.

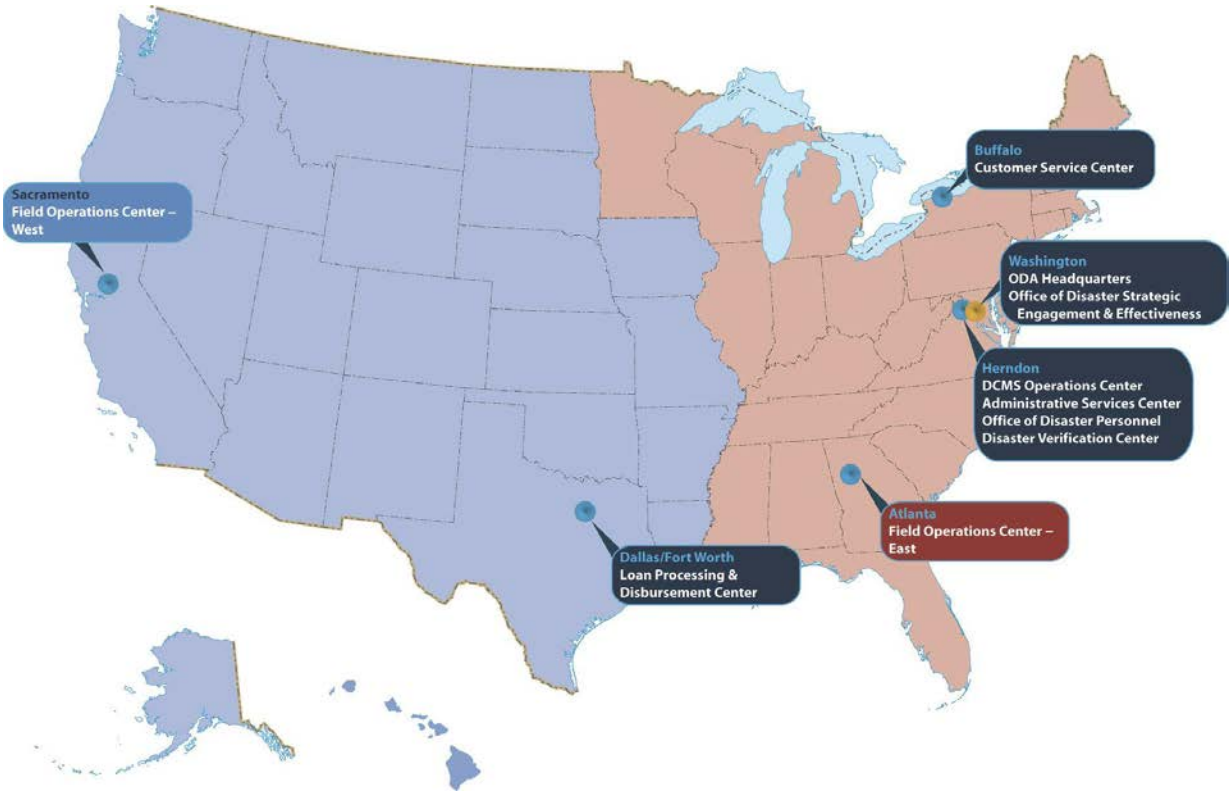

Figure 12. ODA Functional Centers.

Customer Service Center – Frequently, disaster survivors have questions about how to file or fill out a disaster loan application. Many disaster survivors have little experience in completing loan applications. Operationally, ODA supports this need through its CSC, located in Buffalo, New York. It is a single nationwide point of contact for disaster survivors who have questions about SBA disaster loans. It provides them with the following services: a call center, e-mail response, disaster application mailings, and pre-application entry.

The CSC baseline state of readiness allows it to adequately respond to Level I and II disasters, representing a workload of approximately 2,000 calls per day or less.

CSC is responsible for the following tasks:

- Determining staffing requirements based on workload projections.
- Based on the forecasted call volume for the new disaster, projecting hourly call patterns using the CSC's Daily Call Forecasting tool.
- Requesting activation of specified number of reserve technicians and specialists in the local commuting area in a disaster, when necessary.
- Ensuring Mailbox and Problem Resolution teams are in place. A specialized team of customer service agents is dedicated to respond to email inquiries received through ODA's Customer Service mailbox (disastercustomerservice@sba.gov). The mailbox team typically has a dual responsibility of manning the Disaster Recovery Center line, a dedicated 800-line for exclusive use by district and regional personnel.
- Staffing the Help Desk which is the front line interface to users. The Help Desk is responsible for handling requests, primarily from ODA staff, for assistance with DCMS operational questions and issues.

Field Operations Centers – FOCs coordinate disaster field operations and reach out to ODA's external partners to publicize ODA's Disaster Loan Program in advance of and following disasters. Outreach targets include FEMA Regional Offices, State Offices of Emergency Services, SBA's Regional Administrators and District Directors, Congressional offices, and SBA's resource partners (SBDCs, SCORE, WBCs), private sector professional organizations, etc.

FOCs are responsible for:

- Establishing, staffing, and maintaining field operations onsite in declared disaster areas, including Disaster Recovery Centers and SBA Disaster Loan

Outreach Centers (DLOCs). DRCs are partnerships between FEMA and SBA.

- Coordinating disaster surveys with FEMA, state, and local officials.
- Communicating with media outlets.
- Communicating with Congressional District offices and other elected officials, including proactively conveying SBA's disaster response accomplishments.

Field Operations Center – East (FOC-E) is located in Atlanta, Georgia and serves the states east of the Mississippi River, plus Minnesota, the U.S. Virgin Islands, and the Commonwealth of Puerto Rico.

Field Operations Center – West (FOC-W) is located in Sacramento, California and serves the states west of the Mississippi River (except Minnesota) plus American Samoa, Commonwealth of the Northern Mariana Islands, Federated States of Micronesia, Guam, and Republic of the Marshall Islands.

Processing and Disbursement Center – All disaster loans are processed and funds are disbursed by the PDC, located in Fort Worth, Texas.

The PDC is responsible for the following functions:

- Mailing disaster loan applications requested by survivors of a declared disaster.
- Screening for acceptance of all received disaster loan applications.
- Reviewing and processing all accepted disaster loan applications.
- Closing all approved SBA disaster loans and the disbursement of the disaster loan proceeds.
- Performing onsite loss re-verifications.

If the size of a disaster requires a larger response, or if an incident yields the Dallas/Fort Worth PDC facility inoperable, SBA's Sacramento, California location provides backup capability.

Administrative Services Center (ASC) – ASC provides the necessary administrative support functions during disaster operations, including:

- Executing payroll, including filing of all time and attendance data generated in the field.

- Handling day-to-day procurement needs of ODA centers, with an emphasis on purchasing from local small businesses whenever practicable.

- Making travel arrangements and processing travel vouchers for personnel involved in disaster operations.

Office of Disaster Personnel – provides the necessary human resources functions during disaster operations including the hiring of disaster staff, consistent with the ODA's Staffing Strategy.

Office of Disaster Strategic Engagement and Effectiveness (ODSEE) – implements the ODA training plan consistent with ODA's competency framework.

Disaster Credit Management System Operations Center – The DCMS Operations Center supports ODA's information technology requirements. The systems supported by the operations center are essential to ODA employees' ability to help disaster survivors recover.

The DCMS Operations Center has two departments. The Technical Operations group is responsible for the infrastructure, hardware, network, database, system administration and security issues. The Functional group is responsible for the software applications, planning, development, testing, training and communications, and reports.

DCMS is responsible for the following functions:

- Monitoring, tracking, and analyzing system metrics to keep the system up and operational.

- Procuring, maintaining, and supporting tablet computers for use in disaster locations.

- Closely monitoring tablet inventory for DVC in order to procure additional units, with sufficient reserve if needed.

- Completing upgrades and reprogramming requests to address operational needs and process improvements

- Assessing system capacity during a disaster and executing surge plans to expand capacity if necessary. Specific triggers have been identified to indicate when the system is reaching capacity.

- Ensuring connectivity of disaster recovery satellite offices.

The DCMS Operations Center in Herndon, VA gives up to 10,000 personnel the ability to use the system simultaneously. A redundant DCMS Operations Center in Irvine, California serves as a backup, should the Herndon Center be incapacitated; it also has capacity for 10,000 concurrent users.

Damage Verification Center – DVC conducts disaster surveys with FEMA, state, and local officials. It also verifies the cause and extent of physical damages to a loan applicant's property. It is responsible for completing all original loss verification reports. All approved applications for physical disaster loan assistance require on-site inspections. Physical disaster loans are for permanent rebuilding and replacement of uninsured, or under-insured, disaster-damaged, privately owned real and/or personal property. SBA's physical disaster loans are available to homeowners, renters, businesses of all sizes, and private nonprofit organizations. The DVC's verification report is an essential element in the loan making process that guides the PDC in establishing eligibility.

The DVC verifier views disaster-related damages for both real and personal property, and records observations in a report form contained on a portable personal tablet computer. The DVC verifier has specific responsibilities that include, but are not limited to: determining the estimated cost of repair or replacement of real, personal and business property; providing information gathered during the on-site inspection to guide SBA loan officers in establishing eligibility within program guidelines; and estimating replacement and pre-disaster Fair Market Value of property.

Office of Disaster Planning and Risk Management

ODP/RM ensures disaster planning and readiness for the SBA and the efficient use of resources. The Director of ODP/RM coordinates the efforts of other SBA offices both internally and external to SBA to execute disaster recovery as directed by the Administrator. Specific functions include:

- Creating, maintaining, and implementing the comprehensive disaster preparedness and recovery plan of the Administration;
- Serving as the primary point of contact for the Administration within the RSF structure of the NDRF;
- Ensuring there are in-service and pre-service training procedures for the disaster response staff of the Administration;
- Coordinating and directing the training exercises of the Administration relating to disasters, including disaster simulation exercises and disaster exercises coordinated with other government departments and agencies;

- Providing coordinator for DPOT and ensuring DPOT efforts aligned with Economic RSF.
- Maintaining and coordinating SBA's Continuity of Operations Plan; and
- Other responsibilities relevant to disaster planning and readiness (including serving as SBA focal point for coordination with the Domestic Resilience Group and the White House National Security Staff), as determined by the Administrator.

Office of Administrative Services

The Office of Administrative Services (OAS) supports execution of COOP plans whenever an SBA facility is impacted by a disaster. When Headquarters is hit by a disaster, OAS also supports overall continuity operations at SBA's alternate facilities and manages the reconstitution process.

In the event of a major disaster requiring execution of the disaster loan mission, OAS provides the necessary support to ensure that adequate space and facilities are available. To ensure the availability of space and facilities, OAS works closely with officials from the General Services Administration to maintain the relationship, communication, and commitment needed to make certain of the immediate availability of space and facilities in those areas of the country most likely to be subjected to natural disasters.

Office of Human Resource Solutions

The Office of Human Resource Solutions (OHRS) coordinates with ODA to determine if there is a need to augment ODA disaster personnel staff. If a disaster requires surge operations, OHRS will work with ODA and other program areas to implement the surge procedures. Specifically, OHRS will notify employees who are being affected and notify the SBA's union of activation of surge procedures. Depending on the severity and location of the event, OHRS is able to move its operations to the OHRS Denver Personnel Center. Should the OHRS Payroll Operation be impacted by the disaster, OHRS has measures in place with the National Finance Center (NFC) to ensure that SBA employees continue to be paid. OHRS would activate its "go teams" to a NFC backup location to manually input time and attendance data into the NFC. NFC has measures in place and emergency backup facilities to ensure payroll will be processed in a timely manner.

Field Operations

While ODA has the primary responsibility for the delivery of SBA's disaster loan program, district and regional offices must play a role in all disasters to ensure a seamless and effective response to our customers. The extent to which a regional, district or branch office will be called upon to support a disaster

recovery operation will be determined largely by the severity of the disaster and how widespread it is. Many local offices lack sufficient staff to support a large endeavor and in many cases their own employees may be suffering the effects of the event and need to take care of their own families and home situations.

The Office of Field Operations at Headquarters will coordinate with OA, ODP/RM, ODA, and other offices to ensure the support to impacted District offices, as well as employees and their families, while providing assistance to the disaster loan mission, as required. As the ERSF stands up, OFO will determine which field staff will serve as SBA's on-scene representatives to the ERSF and for the FDRC. *Typically, local District Directors serve as SBA's local lead for long-term recovery*.

AA/OFO leads the DPOT to ensure District staff has adequate support throughout a long-term recovery.

Office of Entrepreneurial Development and Resource Partners

OED, in conjunction with SBA resource partners (SBDCs, SCORE, WBCs and clusters), supports the small business community in preparing for and recovering from disasters. SBA's resource partner networks and entrepreneurial services contribute significantly to disaster preparedness for small businesses and provide counseling services tailored to regional and local circumstances post-disaster to help small businesses recover. OED serves as SBA's central point-of-contact for resource partners and coordinates national and regional training for resource partners on disaster preparedness, response, and recovery. OED determines requirements for additional funding to resource partners post-disasters, as well as whether to authorize any SBDC to provide out-of-state recovery assistance.

OED coordinates with resource partners (SBDC, SCORE, WBC and clusters) to work with ODA, SBA district offices, the DPOT, and other local resources to provide "one stop" resource availability. Placing SBA and its resource partners at one physical or virtual location can enable a seamless process for small businesses needing assistance. Resource partners participate in pre-disaster preparations when advance notice is available, as well as counseling small businesses on business continuity practices.

At all disaster levels, resource partners:

- Provide other general small business counseling and training, to include future risk mitigation and resiliency strategies (see page 35).
- Can apply expertise on the SBA Disaster Loan Program to:
    - Make potential applicants aware of SBA's services and hand out disaster loan applications;

- Screen and interview applicants and help complete documents and collect requisite background information;
- Provide:
  - Application assistance,
  - Direct counseling assistance to help small businesses,
  - Financial record reconstruction,
  - Alternative marketing recommendations for small businesses to reach current/new customers;
- Promote use of the Electronic Loan Application (ELA); and
- Form business support groups in conjunction with SBA efforts.

Other Offices Supporting Disaster Recovery

Office of the Chief Financial Officer – When supplemental appropriations are required to meet loan demands, the Office of the Chief Financial Officer (OCFO) works closely with ODA to prepare the requirement and submit it to the Office of Management and Budget. When Congress has appropriated the funds, OCFO processes the funds within financial systems to make the funds available for ODA processing and disbursement.

Additionally, the Acquisition Division, within the Denver Finance Center, is responsible for meeting the acquisition needs of ODA during a disaster response. To facilitate ODA's needs in an expeditious manner, a senior Contracting Officer will be assigned to support their needs on an ongoing basis. That individual will work very closely with ODA to handle both routine and emergency requirements. The senior Contracting Officer will also work closely with the federal Emergency Response and Recovery Contracting team to utilize contracting vehicles developed specifically for disaster needs. When a disaster strikes, the Division will provide additional contracting support, as needed, to help ODA define their requirements, effect a streamlined acquisition process, and procure the right solution for their needs within budget and on time.

Office of the Chief Information Officer – OCIO is responsible for developing and implementing information technology policy, standards, and procedures in accordance to applicable laws and regulations for use throughout the agency. It provides oversight, management, and operational support of SBA's IT units, including the agency's continuity of operations, disaster response, and recovery capabilities for the infrastructure and critical systems. OCIO manages and monitors the agency's network to ensure a fast response to any problems that

may arise during critical times, regarding stability, reliability and availability of all critical systems. OCIO supports SBA's websites, and ensures they are accessible at all times, so those affected by disasters can get to disaster related information from the first responders phase through to the recovery phase.

Office of Communications and Public Liaison – The Assistant Administrator, OCPL is responsible for all public communications and creates the Agency's communications-related policy, for both normal and disaster operations. As part of this responsibility, OCPL creates the Agency's core messages to ensure customers and government entities understand SBA's mission, capabilities, and services. OCPL disseminates the messages at the national level and to SBA Field and Disaster Offices for local distribution.

Congressional and Legislative Affairs – The Assistant Administrator, CLA is responsible for SBA's communications with members of Congress and their staffs. CLA responds to Congressional inquiries and seeks to keep members informed of SBA's recovery activities. CLA focuses on members of the districts affected by a disaster to ensure their constituents' needs are addressed, as well as members of the authorizing and appropriating congressional committees to ensure resource needs are well understood.

Office of Government Contracting and Business Development – GCBD works to create an environment for maximum participation by small, disadvantaged, veteran, and woman-owned businesses in federal government contract awards and large subcontract awards. This effort is focused on creating an environment where maximum participation by small business – including disadvantaged, veteran, and women-owned businesses – can be achieved through support such as financing, training, counseling, communication, and procurement and legislative policies. GCBD also has the authority to offer flexibility with certain sole source thresholds for 8(a) firms to assist contracting officers quickly procure emergency services and supplies. For businesses who want to play a role through federal contracts, disaster recovery begins before an event occurs. GCBD encourages small business involvement in the federal procurement process that develops catalogs of companies that provide recovery-oriented services, such as FEMA registries and U.S. Army Corps of Engineers debris removal contracts.

The GC Area Offices work closely with federal agency buying offices through the team of Procurement Center Representatives to ensure that contracts issued for disaster relief are done in accordance with the provisions of the Stafford Act. This Act ensures that local businesses impacted by the disaster are afforded the first opportunity to receive contracts.

Office of Capital Access – SBA's programs to provide small businesses access to capital are many and varied. Once the immediate needs generated by a disaster are addressed by insurance proceeds and SBA disaster loans, established businesses and entrepreneurs both can address business opportunities created by the event. Because the purpose is the same post-disaster as it is steady state, SBA Capital Access programs can help facilitate a loan with a third party lender or guarantee a bond using its day-to-day programs. SBA provides a number of financial assistance programs for small businesses, managed by OCA, that have been specifically designed to meet key financing needs, including debt financing and surety bonds.

COOP Logistics

The goal of continuity planning is to provide resiliency to the Administration; this is best achieved by relying to the maximum extent possible on resources residing totally within SBA itself. While total self-reliance is not practical, SBA's COOP planning achieves it to large measure. By and large, a local office experiencing a disaster will be supported by neighboring offices and SBA Headquarters in Washington. Centers are designed so that counterparts can pick up important functions. Logistical support is no exception.

In most cases, any support that is lacking will be provided by or through Headquarters. In the case of an incident affecting SBA Headquarters, the procurement function is part of the Emergency Relocation Group specified in the COOP plan, including devolution elements. Resources that cannot be rapidly obtained from unaffected portions of SBA can be obtained through these procurement channels.

The largest logistics challenge in a continuity situation is reconstitution, the transition from continuity operations to "normal" operations once the threat of further disruption is passed. Current plans allow reconstitution to mean anything from a simple resumption of full operations at an original location (the usual occurrence) to a complete replacement of a facility in the original or different community in extreme circumstances. (For example, a building fire at Headquarters might be quickly contained and all workers returned in a matter of days. A terrorist attack on Washington with a weapon of mass destruction might require a long-term approach to replacing facilities or even the relocation of the seat of national government.)

6. Public Communications

In a disaster situation, SBA plays an essential role in restoring the affected area's economic health and vitality. Each year SBA handles tens of thousands of disaster loan applications for small businesses, homeowners, and renters to help them return to their pre-disaster standard of life. Ensuring accurate, timely, and consistent information exchange between disaster survivors and the government institutions upon which they rely is a vital part of SBA's disaster recovery mission.

Target Audiences

SBA will provide accurate, timely, and consistent information to several audiences simultaneously:

- ***Disaster Survivors and SBA Customers***: Provide accurate, timely, and consistent information on contacting SBA, agency services (especially about how to apply for disaster loans and long-term recovery counseling), and how to ease the application process.

- ***State & Local Officials***: Provide accurate, timely, and consistent information about SBA's services, how to access them, and the status of SBA operations in their area (with ongoing status reports throughout the process). District directors and regional administrators will also advise on the small business environment.

- ***Federal and Congressional Officials***: SBA maintains partnerships with FEMA, DHS, Commerce, and other federal partners to ensure smooth recovery operations. These partners understand SBA's role in supporting disaster recovery and remain in close contact throughout a recovery operation through ODA, ODP/RM, and other channels. SBA coordinates with agency partners that offer financial assistance programs that (a) could impact SBA benefits or (b) be leveraged through Recovery Support Functions to enhance the long-term recovery of affected small businesses. As necessary, CLA, in coordination with appropriate other SBA elements, will explain how SBA is responding to particular events to Congressional delegations.

- ***National, Regional, and Local Media Outlets***: Enhance strong relationships with media to facilitate dissemination of SBA's message, provide an accurate picture of SBA operations, and encourage reasonable expectations as to what the agency can and cannot do.

- ***National Business & Government Associations***: Partner with ERSF agencies, economic development organizations, non-profits, and government

associations to provide additional channels for increasing awareness of SBA services and how they can be leveraged to aid in economic recovery.

- ***Strategic Partners***: Partner with ERSF agencies, economic development organizations, non-profits, and SBA resource partners to provide additional channels for increasing the awareness of SBA services and aid in economic recovery.

Roles and Responsibilities

AA/OCPL is responsible for all communications and creates the Agency's communications-related policy, for both normal and disaster operations. As part of this responsibility, OCPL creates the Agency's core messages to ensure customers and government entities understand SBA's mission, capabilities, and services. OCPL disseminates the messages at the national level and to SBA Field and Disaster Offices for local distribution.

AA/CLA is responsible for SBA's communications with members of Congress and their staffs. CLA responds to Congressional inquiries and seeks to keep members informed of SBA's recovery activities. CLA focuses on members of the districts affected by the disaster to ensure their constituents' needs are addressed, as well as members of the authorizing and appropriating congressional committees to ensure resource needs are well understood.

SBA's early interaction with its customers and state and local stakeholders is a joint effort between ODA and regional and district public affairs personnel. These personnel maintain up-to-date contact with state, county, and municipal officials to educate them on SBA's role in disaster recovery prior to a disaster, and to facilitate early recovery operations afterwards. They also maintain contact lists for local media outlets to ensure the public is aware of SBA's services and how they can be accessed. District Office personnel have established relationships with local development organizations and professional organizations (e.g., civic organizations, Chambers of Commerce), who will often be the first point of contact for local business leaders in the event of disaster.

SBA retains a robust crisis communications capability within ODA, with dedicated Public Information Officers (PIOs) at its FOC (East & West). When a disaster occurs, these experienced professionals deploy to the on-site Joint Information Center (JIC) alongside personnel from FEMA and other federal agencies to facilitate intra-government communications. ODA Field Communication Managers also lead the early interaction with the local media outlets to answer inquiries and inform the public of SBA activities.

As recovery focus shifts from Disaster Loans to longer term requirements, the communications role shifts from ODA leadership to Regional Administrators and District Directors, working in conjunction with Commerce and other agencies supporting the Federal Disaster Recovery Coordinator and independently performing SBA's mission of empowering small businesses. ESF #15 coordinates interagency recovery messaging.

SBA employees have received significant training in crisis communications and public relations and are well prepared to interact with affected customers, federal, state and local officials, and the media. SBA has created communications materials, which will be disseminated immediately in the event of a disaster.

Pre-Disaster Communications Outline

Pro-active communication, before disasters occur, is central to SBA's strategy. These "pre-disaster" communications are not specific to any one disaster, but are general preparations. To this end, OCPL:

1. In coordination with ODA,

    a. Initiates SBA-wide training for all public affairs staff related to handling disasters in their districts.

    b. With DHS and FEMA, establishes seasonal pen and pad briefings for national media on disaster-related issues.

    c. To the extent practical, provides region-specific materials on disaster loan programs (e.g., hurricane-relevant releases each year in Regions I, II, III, IV, and VI prior to June 1).

    d. Conducts regional-specific marketing and outreach through the National Emergency Management Association, SBA resource partners, and others.

2. In conjunction with ODA, ODP/RM, and CLA,

    a. Develops and disseminates basic materials explaining SBA's disaster services to all levels of government and media;

    b. Enacts an earned media campaign (media tour) with a paid media option (advertisements): FOCs circulate tips and relevant information to hurricane states during the month before hurricane season, in coordination with OCPL.

The DPOT, working with District Directors and resource partners, develops and shares information relevant to business continuity planning, resilience, and mitigation to support counseling efforts to small businesses that can enhance the readiness of firms to cope with disaster.

Scaling Post-Disaster

This communications plan outlines the course of events for communicating prior to a forecast disaster and during the execution of recovery operations; it has two major objectives:

1. Educating customers about SBA services and how to use them.
2. Facilitating operations with other recovery partners.

The plan is aligned with the Emergency Support Function #15 Standard Operating Procedure established by DHS, enabling communications compatible with NIMS.

Level I Disaster Communications

In the case of disasters such as hurricanes, where there is the opportunity to prepare for a disaster before it occurs, the ODA PIO reviews the communications operating procedures, sets an initial communication strategy, and creates requisite disaster-specific materials. For other disasters, such as tornadoes, SBA begins its recovery operations once a disaster declaration has been issued.

ODA PIOs contact the affected regional and district offices at the onset of a disaster. The public affairs personnel at the regional and district levels immediately reach out to local officials to inform them of classification of the disaster and what services SBA will provide to assist in the recovery. SBA maintains a Disaster Toolbox for the field representatives to use in the period immediately following a disaster that contains ready-to-use materials providing basic information on SBA disaster loan services.[37]

The PIOs entering a disaster area and SBA's field assets coordinate communications to the media in order to deliver a coherent message to the local population. These communications occur daily until DLM operations end. Once in the affected area, the PIOs, working with local District Directors, lead the communications efforts with federal, state, and local stakeholders from the JIC. They provide trained spokespeople to interact with local media outlets in order to further disseminate SBA's message. The PIOs interact closely with FEMA's

[37] The "Disaster Toolbox" linked to the SBA Yes page includes information on Disaster Loans. The OFO SharePoint site contains a second "Disaster Toolbox" containing local stakeholder contact lists.

Community Relations staff to coordinate outreach actions. ODA personnel also interact with congressional officials visiting the affected area.

During Level I disasters, the OCPL provides communications oversight in order to ensure SBA's customers and stakeholders receive accurate, timely, and consistent information. When required, OCPL staff interacts with national media. The OCPL also serves as an additional communications resource to internal SBA operations such as PDC, and other federal agencies, primarily with contacts in the Washington, DC area.

CLA retains oversight of responses to congressional inquiries, interacts directly with members and their staffs in the Washington, DC area, and ensures that members visiting the affected area receive an accurate picture of SBA operations. The PIOs provide information to members of Congress who are visiting the affected area.

Level II, III, and IV Disaster Communications

For Level II disasters, the same concept of operations and basic sequence of events applies. However, the AA/OCPL is responsible for coordinating all internal and external communications in the event of a major disaster event (Levels III and IV). All external messaging, to include press releases and information sharing with various local, tribal, state and other federal government agencies will be coordinated and approved by OCPL. This includes coordination of messaging from all SBA regional and district field offices, as well as ODA disaster center offices. The coordination of this messaging is important during larger events in order to ensure that the agency stays on message and is providing the most accurate and up-to-date information to the public. The SBA Administrator, in consultation with the AA/OCPL, AA/ODA, AA/OFO, and Director, ODP/RM, will monitor the ongoing disaster situation to determine the appropriate level of communications necessary, as well as ensure that appropriate and timely coordination is taking place with ODA center personnel and the impacted SBA field offices.

OCPL may choose to set up a centralized communications function at SBA headquarters in Washington, DC or other location in response to any disaster on the high end of Level II or for Level III and IV events. Such centralization can increase the Agency's ability to conduct recovery operations and reach out to its customers. It provides a clearinghouse for Agency communications to create a clear picture of SBA recovery operations. The AA/OCPL can also deploy headquarters personnel to the JIC to facilitate information flow between the headquarters and on-site activities.

During Level III and IV disasters, OCPL takes on broader communication responsibilities. To that end, a clearinghouse would respond to inquiries

regarding the laws and policies that govern SBA recovery operations and all media inquiries that do not originate from the affected area. It would serve as the main communications hub within SBA, for federal partners, and for members of Congress.

Long-Term Recovery

SBA's responsibility to support community economic recovery is served first by its Disaster Loan Program. This program, which is designed to quickly meet critical capital needs of the impacted community, is supplemented over the long term by SBA's engagement with the Recovery Support Functions outlined in the NDRF. Regional Administrators and District Directors increasingly assume responsibility for delivering SBA's recovery message as the Disaster Loan mission is completed. OCPL continues to set the core SBA message, which is delivered by RA/DD. As with the Disaster Loan message – the long-term recovery message – involving the tailored involvement of all SBA steady state programs – is coordinated with ESF #15. This FEMA-led effort has responsibility for the interagency coordination of all post-disaster public communication.

Appendix I. Abbreviations

AA	Associate (or Assistant) Administrator
ASC	Administrative Service Center
CDC	Certified Development Company
CFO	Chief Financial Officer
CIO	Chief Information Officer
CLA	Congressional and Legislative Affairs
COOP	Continuity of Operations
COS	Chief of Staff
CSC	Customer Service Center
DCMS	Disaster Credit Management System
DLM	Disaster Loan-Making
DLOC	Disaster Loan Outreach Center
DOC	Disaster Oversight Council
DPOT	Disaster Preparedness and Operations Team
DPRP	Disaster Preparedness and Recovery Plan
DRC	Disaster Recovery Center
DRF	Disaster Relief Fund
DVC	Damage Verification Center
EIDL	Economic Injury Disaster Loan
ELA	Electronic Loan Application
EMT	Emergency Management Team
ERG	Emergency Relocation Group
ERSF	Economic Recovery Support Function
ESF	Emergency Support Function
FDRC	Federal Disaster Recovery Coordinator
FEMA	Federal Emergency Management Agency
FOC	Field Operations Center
GC	Government Contracting
GCBD	Office of Government Contracting and Business Development
GSA	U.S. General Services Administration
IMT	Incident Management Team
IT	Information Technology
JIC	Joint Information Center
MA	Mission Assignment
MEF	Mission Essential Function
MSA	Mission Scoping Assessment
NDRF	National Disaster Recovery Framework
NRF	National Response Framework
OA	Office of Administration
OCA	Office of Capital Access
OCIO	Office of the Chief Information Officer

OCFO	Office of the Chief Financial Officer
OCPL	Office of Communications and Public Liaison
ODA	Office of Disaster Assistance
ODP/RM	Office of Disaster Planning and Risk Management
ODSEE	Office of Disaster Strategic Engagement and Effectiveness
OED	Office of Entrepreneurial Development
OFO	Office of Field Operations
OHRS	Office of Human Resource Solutions
OMB	Office of Management and Budget
PDA	Preliminary Damage Assessment
PDC	Processing and Disbursement Center
PIO	Public Information Officer
PPD	Presidential Policy Directive
PSA	Public Service Announcement
PS-Prep	Voluntary Private Sector Preparedness Accreditation and Certification Program
RRCC	Regional Response Coordination Center
RSF	Recovery Support Function
RSS	Recovery Support Strategy
SBA	U.S. Small Business Administration
STTL	State, Territorial, Tribal, and Local
SBDC	Small Business Development Center
WBC	Women's Business Center

Appendix II. Preparedness

Preparedness is the sum of actions taken to meet an almost infinite array of threats and risks, but can also be looked at in individual slices of time before, during, and after an event or as sets of specific actions. SBA prepares for disasters, whether natural or man-made, large-scale or small, and ones that affect both parts of the general population and SBA, as well as ones that spare the Agency. Most disasters are singular points in time or of short duration – an explosion, a fire, a storm, an earthquake. Those few that linger, a pandemic for example, still can be viewed as having a finite duration. In PPD-8, the President directed agencies to group these sets of actions into five frameworks: prevention, protection, mitigation, response, and recovery.

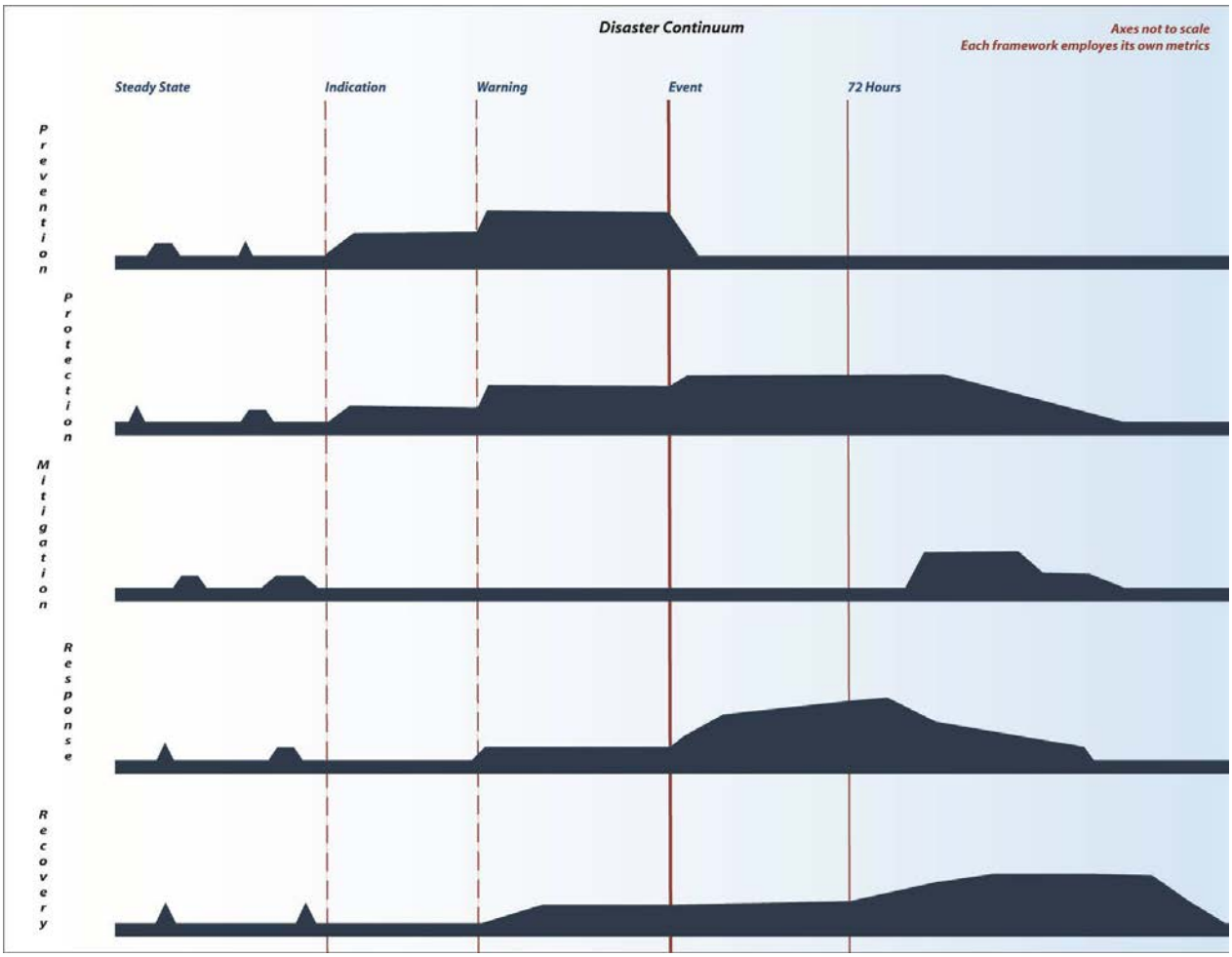

Figure 13. Level of Activity -- Preparedness Frameworks.

The activities undertaken within these five frameworks are constantly underway, whether caused by actual events, exercises, or simply through ongoing planning efforts. Figure 13, above, presents a stylized view of how activities ebb and flow over time, across the disaster continuum. For simplicity, time has been broken

into five windows centered on an event. During routine periods between events, shown as "steady state," activities within all five frameworks peak – sometimes in synchronized fashion, sometimes independently – based on established planning cycles, exercises, and perceptions of prevailing threats. Here "indication" is used to mean when an expert consensus forms that a specific risk has markedly elevated. A deepening tropical depression off the African west coast is an indication that a hurricane may strike the U.S. along the Gulf or Atlantic coasts. Increased intelligence "chatter" may be an indication of an impending terrorist attack. The tropical depression may trigger increased protective measures. The chatter may trigger both protective and preventive measures.

Certain measures consume or commit resources to a degree that it is unwise to activate them until a specific probability of an event rises above a generally recognized trigger level. This trigger is termed "warning." As hurricane models are refined to produce the likely location of landfall, response resources are moved into position to be most useful post-event. Protective actions, such as shuttering windows, are taken or recommended. Depending on the nature of intelligence, the same mobilization of response assets and activation of protective measures may occur for a potential terrorist attack, but warning will certainly lead to a maximum effort to interdict the terrorist and prevent such an attack.

When an event occurs, further efforts to prevent are futile (though preventive activities for related event may accelerate further), but protective actions may and response activities will spike toward a maximum. Any protective actions – such as the closure of U.S. airspace following the 9/11 attacks – will continue for some indeterminate period based upon threat perceptions. Response actions are generally designed to peak within 72 hours of an event so as to maximize life saving and sustainment, but may continue a slow growth for some additional time period.

The linkages between prevention, protection, and response are rather intuitive. Recovery is often described as something that takes place "when the community is ready for it" sometime beyond the response period. A community's most effective approach to recovery actually begins well before any event. Community planning (land use, economic development, etc.) can address threats and risks and lay the groundwork for what happens in the event of a disaster. For example, coastal counties in the state of Florida are required to prepare hurricane recovery plans. While the bulk of recovery activities will start sometime after the major response that spools up in the first 72 hours post-event, prepared communities may initiate certain efforts during the indication and warning phase.

Mitigation can occur at any time pre- or post-event. Developers who construct new buildings that resist seismic shocks in California are practicing mitigation. Rebuilding conducted as part of a recovery effort will often have to meet new building code standards designed to mitigate hazards. Similarly, recovery plans may shift redevelopment from a floodplain. Mitigation and recovery, thus, go hand-in-hand and eventually become part of steady state protection.

Appendix III. Forecasting and Modeling

The primary goal of forecasting and modeling is to estimate as accurately as possible the loan volume that will result from a specific disaster, so that SBA can tailor an appropriate disaster loan effort. Obtaining reliable information about the number of disaster loan applications a given disaster will generate will have positive outcomes throughout SBA's disaster response process. Modeling, simulating potential damage and effects of disasters and leveraging historical disaster information, provides SBA with insight to the necessary, appropriate, and most efficient response.

For disaster planning, SBA employs two internal models. The first model draws on readily available economic and demographic data from outside sources and combines this information with historical SBA experience to estimate loan volume expected from a given disaster. This information is used as a source of data for decision-making regarding whether SBA has sufficient disaster loan authority available or will require a supplemental appropriation. The loan demand forecast from the first model will also be used as an input to the second internal model. The second model forecasts the level and timing of staffing requirements.

The assumptions in these forecasting models are actively updated throughout an event as conditions change and more information about the specific situation becomes available. SBA recognizes the added value of external modeling approaches, and uses information from FEMA's HAZUS modeling process to provide additional, event-specific information to refine and improve SBA's ongoing response. SBA has further incorporated HAZUS into its overall modeling process to independently validate the outputs from its internal modeling tools. Where internal modeling and HAZUS are insufficient, such as in projecting the effects of terror acts or analyzing the presence of insurance in a particular community; SBA will turn to additional external modeling resources to augment its capability.

The data outputs from the models described below inform SBA leaders in making decisions in the areas of human capital, infrastructure, technology, partnership needs, and communications. These tools are critical to SBA in designing a surge implementation plan that is both successful and cost-effective.

- Internal Demand Forecast Model – This model is designed to estimate the dollar amount of disaster assistance loans that will be made in response to a disaster, based on the information available at the time the disaster occurs.

When a disaster takes place, reliable information is available about the counties affected. To translate these geographical areas into likely loan volume estimates, the model has an internal database of economic, demographic, and physical data for each of 3,300 counties (or equivalents), including a proxy for the assets at risk, and equations to estimate loan volumes from measures of assets at risk and disaster severity. It also has information about the loan volumes and characteristics for large historical disasters to provide a basis for comparison.

Using the database and equations allows the agency to identify one or more scenarios involving the individual counties affected and the severity of the disaster. Then, this information is translated into alternative estimates of the potential loan volumes that might result. As more information about the size of the impact area becomes available, the estimates can be refined.

- Internal Resource Requirements Model – This model is designed to forecast the staffing levels necessary for SBA to handle a wide range of disaster events. Key assumptions and inputs to the model include the following:

    - The target application review and decision timeframe;
    - The requirements for specialized staff skills such as loss verification, loan processing, and legal review in the application process;
    - Staff productivity and training requirements;
    - The total expected loan volume; and
    - The type of disaster.

  Using this information, the model forecasts the staff necessary, by specific skill area, to meet the targeted loan application review time on a weekly basis following the disaster event. The model can also be reversed to show the backlog in applications generated by a given set of available staff.

  The most critical assumptions in the model include the estimate of applications expected, the expectation regarding the timing of the receipt of the applications (the "intake curve") and the staff productivity. The estimate of expected applications leverages the initial risk assessment, which is led by FEMA and includes input from other agencies including SBA. Equally important to knowing the total volume of loan applications is having a strong understanding of the timing of application receipt. SBA's analysis has shown that the loan application "intake curve" depends on

the type and scale of the disaster. Therefore, the model includes historical intake patterns for six categories of disaster type and scale (e.g. disasters with less than 5,000 applications, earthquakes, floods, etc.). This timing information is an important factor in determining when staff will be needed and how the resources will be deployed. Finally, staff productivity is a significant factor in the model but difficult to measure. The productivity estimates are based on a mix of data and expert opinion.

SBA's staffing modeling is based primarily on the notion that the entire SBA loan volume is not received immediately. Particularly given the variable nature of disaster events and their effect on populations, each disaster will have its own characteristics and the application flow will reflect those. SBA's modeling has looked at historical disaster events to determine the most likely application flow that will result from various events. At the onset of a disaster scenario, SBA will apply its initial modeling results against the staffing model in order to determine the resource and staffing needs as well as the appropriate, situation-specific surge plan.

The introduction of the Electronic Loan Application (ELA) has shifted the intake "to the left" increasing early staffing requirements. SBA has accommodated this shift with earlier activation of additional staff as described in Section 5 of this plan. Figure 14 demonstrates how the availability of the ELA has shifted requirements. The shift is due to both the convenience and speed of the Internet-based application and to the elimination of postal handling time.[38]

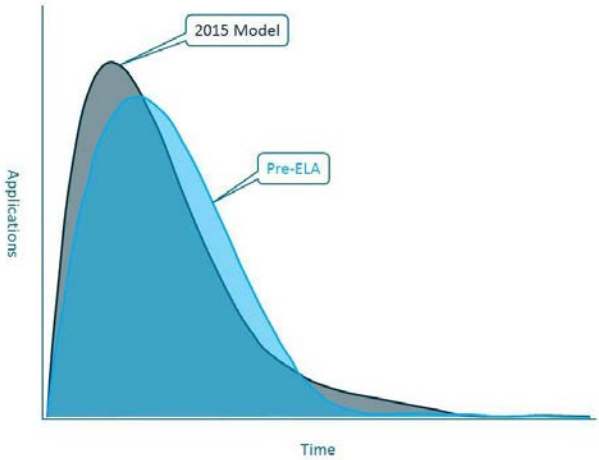

Figure 14. Application Shift

- FEMA's HAZUS Model – HAZUS is a Geographical Information Systems based system created by FEMA that enables decision-making in disaster mitigation, response, and recovery by projecting the impact of potential and actual disasters and also by projecting potential losses that will result from these disasters. SBA uses HAZUS to evaluate the various impacts that hurricane, flood, and earthquake disaster scenarios will have on different parts of the United States. The results from the evaluation of these scenarios provide essential information that SBA uses to determine the

[38] In 2015, more than 91 percent of all applications received came via ELA.

scope of its disaster response effort and to further refine its disaster response processes. Specifically, SBA culls information about disaster scope; uninsured property loss; persons displaced; businesses displaced; physical property loss; and demographic information. This information is useful both for relative adjustments to the specific disaster response and for long-term refinement to the entire SBA disaster response process.

Further, HAZUS helps SBA integrate with the operations of other governmental organizations (such as FEMA and many state governments and local governments that use the program for their emergency response). It provides SBA a real-time ability to track disasters as they occur and rapidly react to changes in scenarios. In certain "what if" scenarios (i.e., "what if a Category 4 hurricane hit Jacksonville, Florida?"), SBA uses information from HAZUS that is useful in predicting what SBA's response must be in situations like these.

ODA has developed a close working relationship with the HAZUS user community and HAZUS model developers. Through this partnership, ODA has refined and enhanced its use of HAZUS model outputs in order to provide more accurate and actionable information from both internal HAZUS models and FEMA's official model results in response to disaster specific scenarios. These improvements streamlined ODA's efforts in determining staffing and resource requirements to support a wide range of disaster events.

Modeling and the Scaling Process

Modeling the impacts associated with disasters is a fundamental element of the surge process. Modeling takes place leading up to and during an event and continues to have a role throughout the process to scale resources.

When a disaster appears to be so large that it will overwhelm the core capabilities of the ODA, modeling techniques are essential in gauging the scale needed to enhance that core. Because models provide only estimates, actual scaling decisions ultimately rest on judgment. Each level of SBA's plan is bounded by an estimate of approximate application volume, but simply having an estimate of such volume is not an automatic trigger for assuming a particular level.

The following are areas in which modeling is used to spur and support the scaling process:

- ***Initial Severity Assessment*** – SBA uses internal modeling to conduct a severity assessment of any disaster situation. This takes place prior to

scaling decisions (and, when possible, prior to the disaster event) and is used to determine the expected level of resources required.

- ***Early Return Modeling*** – Within the first two weeks post-event, SBA uses internal modeling as well as information from HAZUS and external modeling providers to determine the accuracy of initial estimates and any unforeseen circumstances that have resulted from the disaster activity. This is particularly important in scenarios in which SBA must concurrently manage the influx of loan applications from multiple disasters. SBA uses this early return modeling to help plan staffing and other requirements.

- ***Real-Time Assessment*** – Throughout the scaling process, modeling continues to be performed to provide real-time assessment of the efficiency of the SBA response and to provide suggestions and opportunities for streamlining the response and improving overall service.

- ***End-of-Event Modeling*** – Modeling is instrumental in determining the appropriate time to scale back SBA disaster response and also to discern any "Lessons Learned" or best practices that resulted from the effort.

Appendix IV. Accommodating Need

The size of a disaster affects the number of loan requests SBA receives, and consequently the resources SBA must activate to serve its customers. While the 2005 Gulf Coast Hurricanes represent the highest level of disaster activity that SBA has faced to date, the Agency prepares to serve the needs of disaster survivors at even greater levels of disaster activity.

For DLM purposes, disasters are categorized into levels based on estimates of the number of anticipated applications to be processed during the same period of time. This categorization enables SBA to determine an appropriate surge level for scaling resources and operations to meet the needs of disaster survivors. The disaster categories are shown in Figure 15.

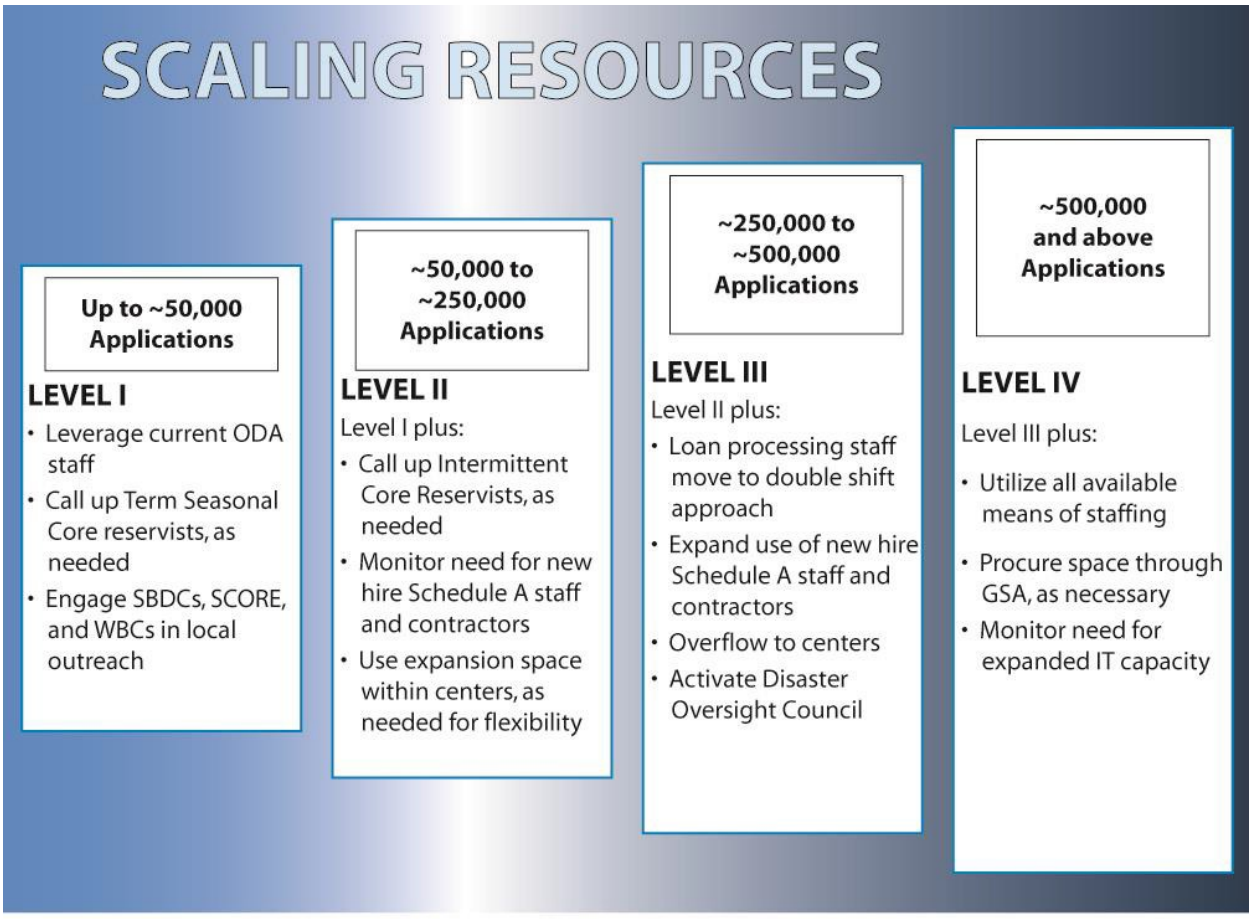

Figure 15. Overview of Disaster Scaling Process.

In a typical year, disasters result in fewer than 100,000 loan applications to SBA spread out over the year so as to not exceed Level I operations at any one time. Shortly after a major event, ODA uses modeling tools to determine whether the volume of loan applications from any given disaster likely will overwhelm its core

capability. In a Level I situation, ODA has pre-identified staff ready to expand its workforce to meet the need. Level II requires a call up of Term Intermittent reservists as needed and to monitor the need for additional Schedule A personnel or contractors. Scaling the SBA operation to a Level III or IV requires agency-wide support to adequately fulfill the needs of SBA's customers within desired performance parameters. With an understanding of current capacity levels and potential activity increase, ODA immediately and proactively requests additional SBA resources and support from the SBA Administrator.

Within each level, ODA can make adjustments to best balance resources, demand, and risk to achieve optimal services to disaster survivors.

- Relaxing performance standards to reduce maximum staffing levels, increase hiring time, or both.
- Leveraging available funds to maximize early staff activations rather than waiting for an expected supplemental appropriation.
- Accepting increased credit risk by expanding the number of applications receiving RAPID processing based on better than average credit evaluation.

Level I Plan Execution

SBA's routine on-board strength, reserve staff, operations processes, and infrastructure capacity, positions SBA to handle up to 50,000 disaster loan applications within its performance goal of two to three weeks (from receipt of the application to decision).[39] For Level I disasters, ODA activates reserves as necessary to ensure that the proper balance of staff is readily accessible to respond to disasters at this level where the flow of applications tends to occur more rapidly. While SBA is fully prepared at this level, the occurrence of numerous disasters of this size would result in the deployment of SBA resources associated with higher levels.

Level I – Up to 50,000 Applications	
Human Capital	➢ Leverage current ODA staff ➢ Call up Core reserves, only as necessary
Infrastructure	➢ Leverage current composition of ODA facilities
Technology	➢ DCMS core capability provides adequate capacity
Partnerships	➢ Engage District Offices and resource partners (SBDCs, SCORE, WBCs) in local outreach
Communications	➢ CLA communicates with affected congressional offices ➢ ODA PIOs communicate with the affected SBA regional and district offices and with the media ➢ The public affairs personnel at the regional and district levels inform local officials of the classification of the disaster and SBA services available; listen to local needs ➢ ODA and OCPL constantly communicate

Level II Plan Execution

A Level II response (approximately 50,000 – 250,000 applications) requires ODA to leverage both its reserve staff and, as needed, rapidly bring new hires or contractors onboard to ensure adequate processing capability. ODA's active space (PDC, FOCs – East and West, CSC, and Herndon Center) provides enough workstations for the necessary loan processing personnel.

[39] To ensure that SBA responds to the average applicant within the performance goal, ODA tracks numerous factors for both business and individual loan applications. These metrics include percentage of applications completed within the established goal, loan production per day per loan officer, aging of applications, and other factors.

Level II – 50,000-250,000 Applications	
Human Capital	➢ Leverage current ODA staff ➢Call up Term Intermittent staff , as necessary ➢Initiate new hiring of Schedule A, as needed
Infrastructure	➢ Leverage current composition of ODA facilities, including space in Sacramento and Buffalo on standby the agency find benefit in running concurrent operations
Technology	➢ DCMS core capability provides adequate capacity
Partnerships	➢ Engage District Offices and resource partners (SBDCs, SCORE, WBCs) in local outreach
Communications	➢ CLA communicates with affected congressional offices ➢ ODA PIOs communicate with the affected SBA regional and district offices and with the media ➢ The public affairs personnel at the regional and district levels inform local officials of the classification of the disaster and SBA services available; listen to local needs ➢ ODA and OCPL constantly communicate ➢OCPL activates information clearinghouse, if deemed advisable

While SBA has the ability to achieve its pre-set performance goal at Level II of three to four weeks, it closely monitors and anticipates disaster loan application volume. Once the volume is anticipated to exceed significantly 250,000 (due to a single disaster or due to multiple disasters), ODA's Associate Administrator recommends and the Administrator triggers a move to Level III.

Level III Plan Execution

Once disaster loan application volume is anticipated to exceed approximately 250,000 (due to a single disaster or due to multiple disasters), SBA's Administrator triggers an agency-wide surge. Scaling strategies in the loan processing and loss verification functional areas maintain a performance goal of approximately four-plus weeks.

At Level III, ODA expands use of Schedule A appointments and contractors and employs hiring strategies in key functions to ensure that a full complement of staff is deployable in the week in which SBA's modeling indicates that they are required.

At Level III, ODA has the flexibility to provide for up to three shifts at disaster centers. For example, a double-shift approach at PDC yields an equivalent of 3,500 available workstations (1,750 actual workstations, deployed at double the standard number of hours per 24-hour period) for application intake, loan

Level III – 250,000-500,000 Applications	
Human Capital	➢ Leverage current ODA staff ➢Call up Term Intermittent staff ➢Initiate new hiring of Schedule A ➢Activate existing Contract to augment staff ➢Loan processing staff on double shifts
Infrastructure	➢Leverage current composition of ODA facilities, including space in Sacramento and Buffalo on standby the agency find benefit in running concurrent operations ➢Operate double shifts to maximize resources
Technology	➢ DCMS core capability provides adequate capacity ➢Closely monitor DCMS utilization and capacity ➢Closely monitor tablet inventory for DVC
Partnerships	➢ Engage District Offices and resource partners (SBDCs, SCORE, WBCs) in local outreach
Communications	➢ OCPL activates information clearinghouse, if deemed advisable ➢OCPL/CLA/clearinghouse communicates with affected congressional offices, partner agencies, media ➢ AA/CPL deploys personnel to JIC, as necessary

processing, and disbursement activity.[40] In addition, DCMS provides the ability for staff to work remotely from any location.

Level IV Plan Execution

A Level IV disaster (more than approximately 500,000 disaster loan applications) will be larger, and generate more loan applications, than any previous event, including the 2005 Gulf Coast Hurricanes. This number of applications (due to a single disaster or due to multiple disasters) will require SBA to leverage disaster planning modeling tools to determine if it is necessary to adjust the performance goal for processing beyond four-plus weeks.

In addition to the strategies previously outlined, ODA will immediately accelerate hiring strategies in key functions to ensure that a full complement of staff is deployable in the week in which ODA's modeling indicates that they are required. Rapidly initiating hiring ensures that the peak application periods are staffed.

[40] The additional space in Sacramento, as well as space available in ODA's Buffalo facility, may be utilized at any level of response to increase the utilization rates of reservists and/or reduce overall costs of reserve activation. In response to demand created by Superstorm Sandy, ODA used both spaces because reservists were readily available in both locations. This alleviated the hardship of deploying staff to Fort Worth.

Level IV – More than 500,000 Applications	
Human Capital	➢ Leverage current ODA staff ➢Call up Term Intermittent staff ➢Initiate new hiring of Schedule A ➢Activate existing Contract to augment staff ➢Loan processing staff on double shifts
Infrastructure	➢ Leverage current composition of ODA facilities, including space in Sacramento and Buffalo on standby the agency find benefit in running concurrent operations ➢Operate double shifts to maximize resources ➢Work with GSA to lease additional facilities
Technology	➢ DCMS access is distributed and monitored across each work shift to ensure the system remains viable ➢If necessary, execute contingency plan to expand DCMS capacity ➢Procure additional tablet inventory for DVC, as necessary
Partnerships	➢ Engage District Offices and resource partners (SBDCs, SCORE, WBCs) in local outreach
Communications	➢ OCPL activates information clearinghouse, if deemed advisable ➢OCPL/CLA/clearinghouse communicates with affected congressional offices, partner agencies, media ➢ AA/CPL deploys personnel to JIC, as necessary

At Level IV ODA has the flexibility to provide staffing for three shifts at Center locations. In addition, DCMS allows staff to work remotely from any location.

Finally, through the application of SBA's disaster planning tools, the agency will be in a position to determine in the early weeks of a response if the agency possesses adequate infrastructure to house the required amount of staff to meet the process-to-decision production goal. Should SBA estimate that it requires additional capacity for a given disaster, the agency will immediately leverage pre-existing relationships with GSA to negotiate the procurement and utilization of additional infrastructure. GSA is aware that SBA may need to acquire space quickly when a Level IV disaster occurs. SBA continually monitors available space, in case of such a need.

Surge capacity for DCMS is built into the system. DCMS has sufficient memory and processing power capacity online to handle transactions from 10,000 concurrent users. The server has maximum flexibility to automatically direct computer resources to any system bottleneck that may occur. There are enterprise wide licenses in place to allow the immediate provision of services when needed. Software suppliers are contracted to modulate licenses and use as needed. SBA is invoiced and pays for only what is used based upon demand. The DCMS network has installed burstable communication lines for use when necessary. SBA pays a standard amount for a low usage, but any transaction load automatically and immediately can burst to the level necessary.

Appendix V. Assessing Disaster

There are few sources that can be found that can quickly document both the baseline small business economy of an impacted area and provide quantitative assessment of the impacts of a given disaster on that small business economy. The checklist that follows is designed to guide District Directors, who are in the best position to understand pre- and post-disaster conditions, in providing a qualitative assessment of disaster-related circumstances.

- What disaster effects are most impactful to small businesses?
    - Is it direct physical damage?
    - Loss of local customers?
    - Loss of tourist customers due to transportation issues or perceptions?
    - Broken supply chain?
    - Lack of power, communications, or fuel?
    - Other?
- Are there any concentrations of impacted small businesses (by type, not firm – e.g. "mostly retail, light manufacturing, and distributors")?
- Of the communities acutely affected, are any substantially dependent on a single "magnet employer" (e.g. a mill, medical center, or commodity like timber or fisheries).
- Does the community rely on a set of small businesses such as an artists' community?
- What, if any, local events drive the local economy that might drive recovery timing? (For example, fall foliage in New England or Memorial Day on the Jersey Shore.)
- Are there any "novel" attributes to the local small business environment (e.g. high dependency on a specific transportation asset, legacy-driven businesses, personal relationships between and among local and state officials, any "under-the-table" cash economy, etc.)?
- What mechanisms exist to draw small businesses into the rebuilding effort? Are there any other small business opportunities the disaster has created? Which of these might create an unsustainable, "false economy?"
- If your entire district is not within the declared disaster area, what critical linkages exist between the impacted areas and the unaffected ones? Could any of these create an untoward drain on unaffected areas? Could any of these bolster the impacted areas?

When an event is expected to require the activation of the Economic RSF, the DPOT ask the impacted District Director(s) to answer these questions. This qualitative assessment will be shared with other RSF members.