

GAO Highlights

Highlights of [GAO-24-105557](#), a report to congressional requesters

Why GAO Did This Study

In September 2017, hurricanes Irma and Maria caused billions of dollars in damage to Puerto Rico's infrastructure, housing, and economy. Earthquakes in 2019 and 2020 caused additional damages. More than 6 years after hurricanes Irma and Maria, Puerto Rico's recovery is ongoing.

FEMA is the lead federal agency assisting Puerto Rico's recovery operations. It administers the Public Assistance program to provide grant funds to repair and rebuild damaged infrastructure, such as schools and the power grid, among other things.

GAO was asked to review federal recovery efforts in Puerto Rico. This report addresses: (1) the status of permanent recovery work in Puerto Rico using Public Assistance; (2) the extent to which FEMA and Puerto Rico's government have addressed challenges to starting and completing permanent recovery work; and (3) the results of FEMA efforts to monitor Puerto Rico's use of grant funds. For this report, GAO analyzed relevant FEMA and Puerto Rico government documents and data; conducted site visits; and interviewed FEMA, Puerto Rico, and grant subrecipient officials.

What GAO Recommends

In prior work, GAO made two recommendations to FEMA related to the management of risks to the remainder of Puerto Rico's recovery that still warrant action. FEMA concurred with these recommendations and has drafted a risk management plan in response, but has yet to finalize this plan and demonstrate efforts to continuously monitor risks to the recovery.

View [GAO-24-105557](#). For more information, contact Chris Currie at (404) 512-1875 or curriec@gao.gov.

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PUERTO RICO DISASTERS

Progress Made, but the Recovery Continues to Face Challenges

What GAO Found

The Federal Emergency Management Agency (FEMA) had awarded about \$23.4 billion in Public Assistance to Puerto Rico's permanent recovery work related to hurricanes Irma and Maria and the 2019 and 2020 earthquakes, as of June 2023. Of that, Puerto Rico has expended about \$1.8 billion and a substantial amount of permanent work remains. Further, about \$11.3 billion of the awarded funds needs FEMA's authorization before Puerto Rico can expend it. Puerto Rico subrecipients plan to submit project applications and obtain FEMA's authorization to access and expend these remaining funds through 2030 and possibly beyond.

Work on Puerto Rico Aqueduct and Sewer Authority's Central Laboratory in 2021 and 2022



Source: Puerto Rico Aqueduct and Sewer Authority. | GAO-24-105557

To help jump-start permanent work construction, FEMA and Puerto Rico have taken actions, such as providing advance disbursements of funds; however, projects face additional challenges. Specifically, grant subrecipients that received awards from FEMA through an expedited process in Puerto Rico have identified increased project costs that pose risks to the completion of work on their facilities. For example, officials from Puerto Rico's Aqueduct and Sewer Authority said that the costs for one water treatment plant project exceeded its original estimate by 42 percent. Under the expedited process, these cost increases are of concern because a subrecipient's award acts as a fixed budget to complete projects across its various facilities. Therefore, increased costs for one project could excessively reduce the established budget to complete later projects.

In May 2021, GAO identified a number of risks to Puerto Rico's recovery, including subrecipient difficulties in starting project construction, and recommended that FEMA take several actions to manage them. FEMA has partially addressed these recommendations; however, further steps are needed, including finalizing its risk management plan and taking actions to continuously monitor recovery risks. As challenges continue to complicate Puerto Rico's recovery, fully implementing GAO's prior recommendations remains important.

FEMA has monitored Puerto Rico's use of Public Assistance grant funds through two oversight activities: improper payment reviews and grants management compliance reviews. Both efforts found improvement in Puerto Rico's ability to manage FEMA grant funds since the 2017 hurricanes. For example, by fiscal year 2020, FEMA found that Puerto Rico's potential improper payments fell below the amount considered significant by statute.