

Chapter 7

Federal Assistance Available to States and Individuals

State and local governments share responsibility for protecting their citizens from disasters and for helping them recover when a disaster strikes. In some cases, however, the scale of a disaster exhausts the capabilities of the state and local governments. The previous chapter described the immediate assistance available to states under presidential emergency and disaster declarations and the processes for obtaining that assistance. This chapter outlines additional and long-term assistance available from the federal government for states, local governments, and individuals.

Actions Following a Presidential Declaration

As soon as is practical after the President declares major disaster or emergency, the state, with assistance from FEMA, should conduct a briefing for state, local, and eligible private nonprofit organization officials on the type of assistance that will be available to them, what the eligibility requirements are, how to apply for the assistance, and how the funds for eligible projects will be provided. The state needs to appoint a coordinating officer who will ensure that state agencies administering individual assistance programs (such as the state labor department, which administers disaster unemployment assistance, or the human services agency) take action to hire adequate staff, initiate funding requests, and process disaster applications.

The state should submit for approval by the FEMA regional director a single assistance application for all disaster-related projects. The state will serve as the program grantee, with overall management and financial responsibilities. A team of federal, state, and local officials should inspect the damage area. Federal inspectors will then prepare project worksheets with recommended scopes of work and estimated project costs in accordance with FEMA eligibility criteria.

Federal regulations allow for repair or restoration of facilities to their predisaster condition, in accordance with applicable codes, specifications, and standards. Following the applicants' briefing, and after identifying public or private nonprofit facility damages, state or local representatives attend an initial meeting with a FEMA representative — generally the public assistance coordinator (PAC). At this meeting, damages will be discussed, needs assessed, and a plan of action put into place. The PAC will go over what is expected of the state and will provide detailed instructions on the process for applying for and receiving federal assistance. This meeting also is the appropriate time and place for state officials to raise questions or voice concerns about how the public assistance process works.

Assistance Available to State and Local Governments

Public assistance, oriented to public entities, can fund the repair, restoration, reconstruction, or replacement of a public facility or infrastructure that is damaged or destroyed in a disaster. Eligible recipients include state governments, local governments, any political subdivision of the state, as well as Indian tribes or authorized tribal organizations, and Alaska native villages. Private nonprofit organizations such as educational organizations; nonprofit utilities; emergency, medical, rehabilitation, temporary, or permanent custodial care facilities (including those for the aged and disabled); and other facilities that provide essential services of a governmental nature to the general public also may be eligible to receive assistance.

State agency, local government, and nonprofit organization officials must submit requests for public assistance to the state public assistance officer — a state official situated in the emergency operations center — within 30 days of the date of the disaster declaration.

Applicants may combine damaged sites into work projects. Projects are considered small if they fall

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below an inflation-adjusted threshold. In fiscal 2006, that threshold was \$57,500. Applicants may complete their own small projects and document their damages on a project worksheet. If the applicant is unable to complete the worksheet, federal representatives are available to develop the worksheet for the applicant. For large projects, a federal representative will work with the applicant and the state to develop the worksheet. Large projects fall in the following categories:

- Category A: Debris removal
- Category B: Emergency protective measures
- Category C: Road systems and bridges
- Category D: Water control facilities
- Category E: Public buildings and contents
- Category F: Public utilities
- Category G: Parks, recreational, and other

For insurable structures — primarily buildings — within special flood hazard areas (SFHA), FEMA reduces its assistance by the amount of insurance that could have been obtained under a standard national flood insurance program (NFIP) policy. For structures located outside a SFHA, FEMA reduces the amount of assistance by any insurance proceeds.

FEMA reviews and approves project worksheets and obligates the federal share of the costs (at least 75 percent of the total) to the state. The state then distributes funds to the local recipients. For small public assistance projects, payment of the federal share of the estimated total is made upon approval of the project, and no further accounting to FEMA is required. For large public assistance projects (currently \$57,500 or greater), payment is made on the basis of actual costs after the project is completed, although interim payments may be made. Once FEMA obligates funds to the state, the state is responsible for further management of the assistance, including disbursement to local governments and nonprofit organizations. FEMA

will continue to monitor the recovery process to ensure the timely delivery of eligible assistance and compliance with applicable laws and regulations.

Following a major disaster declaration, state and local governments may obtain assistance to pay part of the costs of rebuilding a community's damaged infrastructure. Federal public assistance programs typically pay for 75 percent of the approved project costs.

Assistance Available to Individuals

After the President has declared a major disaster, FEMA, in coordination with the affected state, will inform citizens how to apply for various forms of federal assistance. The application process generally commences when those affected by the disaster call a FEMA toll-free teleregistration number. Through this number, applicants can access all FEMA programs for individuals. FEMA also may refer applicants to disaster programs operated by the Small Business Administration (SBA) and other federal, state, and local programs. FEMA generally mails the applicants information on accessing other federal programs.

In some cases, FEMA, in coordination with the state, will establish disaster recovery centers (DRCs) in heavily affected communities. DRCs provide a location in which disaster applicants can speak directly with FEMA representatives and obtain information about applying for disaster assistance. States also have the opportunity to staff DRCs with representatives of various state agencies that want to provide greater access to their programs and services. The state also has a major role in managing donated goods and services.⁴²

Individual assistance

Individual assistance is available from the federal government in a wide range of categories, including:

Disaster Unemployment Assistance. Weekly benefit payments for up to 26 weeks are available to those out of work because of the disaster. Recipients

include the self-employed, farm workers, farm and ranch owners, and others not covered by regular unemployment insurance programs. This assistance is available through state unemployment offices.

Crisis Counseling. The Crisis Counseling Assistance and Training Program (CCP), authorized by the Stafford Act, is designed to provide supplemental funding to states for short-term crisis counseling services to people affected by presidentially declared disasters. Two separate portions of the CCP can be funded: immediate services and regular programs. A state may request either or both types of funding.

The immediate services program is intended to enable the state or local agency to respond to the immediate mental health needs of disaster victims. Immediate services include screening, diagnosis, and counseling as well as outreach services such as public information and community networking. The regular services program is designed to provide up to nine months of crisis counseling, community outreach, consultation, and education services to people affected by a presidentially declared disaster. To be eligible for crisis counseling services funded by this program, applicants must be residents of the designated area or must have been in the area when the disaster occurred. The person also must have a mental health problem that was caused by or aggravated by the disaster or its aftermath or must otherwise benefit from services provided by the program.

Disaster Housing Assistance. Disaster housing assistance is available to people in the affected area whose primary residence has been damaged or destroyed and whose losses are not covered by insurance. This assistance provides for temporary housing, repair, placement, and permanent housing construction.

Legal Services. Through an agreement with FEMA, the young lawyers division of the American Bar Association (ABA) provides free legal advice to low-income people whose cases will not produce a fee. ABA turns over cases that may generate fees to local lawyer-referral services.

Veterans' Assistance. Veterans' assistance includes death benefits, pensions, insurance settlements, and adjustments to home mortgages held by the U.S. Department of Veterans' Affairs (VA) if a VA-insured home has been damaged.⁴³

Tax Relief. The Internal Revenue Service (IRS) provides assistance to people claiming casualty losses as a result of the disaster. State tax assistance is available as well. The IRS also can expedite refunds due to taxpayers in a federally declared disaster area.

Federal Disaster Loans

The federal government also provides low-interest loans through SBA and the U.S. Department of Agriculture's Farm Service Agency (FSA). This assistance is intended to aid individuals, farmers, ranchers, and businesses in repairing or replacing uninsured property that was damaged in a disaster.

Small Business Administration

SBA offers two primary kinds of disaster loan programs to help business owners recover from a disaster:

Business Physical Disaster Loans. Up to 100 percent of the uninsured, SBA-verified loss, not to exceed \$1.5 million, is available to repair or replace damaged business property, including inventory and supplies. Within this limit, the loan may be increased by up to 20 percent for the purchase of mitigating devices for damaged real property.

Economic Injury Disaster Loans. The purpose of economic injury disaster loans (EIDLs) is to permit small businesses and small agricultural cooperatives to meet necessary financial obligations that could have been met had a disaster not occurred. EIDLs are working-capital loans and are made only to provide relief from economic injury caused directly by the disaster and to permit people to maintain a reasonable working-capital position during the period affected by the disaster.

EIDL assistance is provided only to businesses that cannot obtain credit elsewhere and is limited to a

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maximum of \$1.5 million (together with any business physical-disaster loan for damage from the same disaster). However, the actual amount of the loan will be based upon the economic injury to the business and its financial needs. The interest rate on EIDLs may not exceed 4 percent per year, and the term of these loans may not exceed 30 years. The actual term will be based upon the ability of the business to repay the loan.⁴⁴

Farm Service Agency

The Farm Service Agency (FSA), provides an assortment of loans to farming and ranching operations that have suffered a loss caused by a natural disaster.

Emergency Conservation Program. The Emergency Conservation Program (ECP) helps agricultural producers rehabilitate eligible farmlands damaged by natural disaster. ECP cost-share assistance may be available to agricultural producers for all designated natural disasters. To be eligible, an applicant must have suffered a natural disaster that created new conservation problems that, untreated, would impair or endanger the land; materially affect the land's productive capacity; represent unusual damage that, except for wind erosion, is not of a type likely to recur frequently in the same area; or are so costly to repair that federal assistance is or will be required to return the land to productive agricultural use. Conservation problems that existed before the natural disaster are not eligible for cost-sharing assistance. ECP funds may be used for debris removal, fence restoration, restoring conservation structures, or water conservation measures, including providing water to livestock in periods of severe drought. Other emergency conservation measures may be authorized by county FSA committees with the approval of the state committee and the agency's deputy administrator for farm programs.

The Crop Disaster Program. The Crop Disaster Program (CDP) covers crops for which crop insurance is not available and crops insured by either catastrophic or "buy-in" insurance. It provides assistance for farmers who grow such crops, limiting their losses from

natural disaster and helping to manage their overall business risk. CDP payments are limited to \$80,000 per person. Producers with incomes of greater than \$2.5 million, as defined by the Food Security Act of 1985, are not eligible.

Emergency Loan Assistance. FSA provides low-interest loan assistance to eligible farmers and ranchers to help cover production and physical losses in counties declared disaster areas by the President or designated by the secretary of agriculture. The FSA administrator also may authorize loan assistance to cover physical losses. Emergency loans are available to qualifying ranchers and farmers who are established operators of family farms, are citizens or permanent residents of the United States, have adequate training or experience in managing and operating a farm or ranch, have suffered a qualifying physical loss or a production loss of at least 30 percent in any essential farm or ranch enterprise, cannot obtain commercial credit, can provide collateral to secure the loan; and can demonstrate repayment ability.

Emergency loan funds may be used to restore or replace essential physical property, pay all or part of production costs associated with the disaster year, pay essential family living expenses, reorganize the farming operation, and refinance debts. The loan limit is 100 percent of the actual physical loss, with a maximum indebtedness under this program of \$500,000.

Emergency Haying and Grazing Assistance. Emergency haying and grazing of certain Conservation Reserve Program acreage may be made available in areas suffering from a weather-related natural disaster. FSA county committees may initiate requests for assistance. The state committee may approve emergency haying and grazing on a county-by-county basis under the designated extreme or exception drought conditions.⁴⁵

Federal Assistance Available Without a Presidential Declaration

Governors should be aware that disaster assistance may be obtained from the federal government and volunteer agencies without a presidential disaster

or emergency declaration. For example, military installations located near the disaster areas may provide immediate lifesaving assistance, and other federal agencies may provide assistance under their own statutory authorities.

Fire Management Assistance

The Stafford Act authorizes the President to provide assistance, including grants, equipment, supplies, and personnel, to a state for the suppression of a forest or grassland fire on public or private lands that threatens to become a major disaster. The governor or the governor's authorized representative must request this assistance through the FEMA regional director. The request must include detailed information on the nature of the threat and the federal assistance needed. Fire suppression assistance must be requested while the fire is burning. The fire must threaten to cause such destruction to life or property that it would constitute a major disaster. A FEMA decision can be rendered within a few hours of the request. Costs eligible for reimbursement include equipment, emergency work such as evacuation and sheltering, the temporary repair of damage caused by firefighting activities, and other items.⁴⁶

Flood Protection

The U.S. Army Corps of Engineers is authorized to assist in flood fighting and rescue operations and to protect, repair, and restore certain flood-control works that are threatened, damaged, or destroyed by a flood. The corps may assist states for a 10-day period, subject to specific criteria.⁴⁷

Health and Welfare

The U.S. Department of Health and Human Services may provide assistance to state and local welfare agencies and state vocational rehabilitation agencies. The U.S. Food and Drug Administration may work with state and local governments to establish public health controls by decontaminating or condemning contaminated food and drugs.⁴⁸

Repairs to Roads and Bridges

The U.S. Department of Transportation's Federal Highway Administration can provide assistance to restore roads and bridges that are part of the federal aid system.⁴⁹

Search and Rescue

U.S. Coast Guard or armed forces units may assist in search-and-rescue operations, evacuate disaster victims, and transport supplies and equipment.⁵⁰

Tax Refunds

The Internal Revenue Service can help people apply for casualty losses resulting from natural disasters.

Long-Term Recovery Assistance

Recovery is defined as the process of restoring a community to predisaster conditions. It is the final phase of managing an emergency and continues until all systems return to normal or near normal. Recovery is a longer and more complex process than response, and it can take years until the entire disaster area is completely redeveloped, either as it was in the past or for entirely new purposes that are more resistant to disasters. The amount, type, and sources of assistance for long-term recovery depend on the extent of the disaster.

Federal recovery assistance is supplementary to state and local activities, and the governor should emphasize that point in public statements. It will be incumbent upon the governor to ensure coordination of long-term recovery activities well after resources from outside the state have departed. Historically, federal financing has been available for physical damage and loss of business, such as working capital, machinery and equipment, building construction or rehabilitation, environmental remediation, hazard mitigation, and other improvements.

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Summary Points

- Once a disaster declaration is approved, governors should have state officials work with FEMA to conduct a briefing for state, local, and eligible private nonprofit organizations applying for federal assistance programs.
- Governors should be aware that the state will be required to pay 25 percent of the costs of rebuilding damaged state infrastructure.
- Governors should ensure that the state sends staff to any disaster recovery center set up by FEMA for heavily affected communities.
- Governors should be aware that some forms of federal disaster assistance are available even without a presidential disaster declaration.