

STATE DISASTER RESPONSE AND GRANT FUNDING

AN ISSUE BRIEF FROM LEGISLATIVE BUDGET BOARD STAFF

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OBJECTIVE

State disaster response and grant funding assists state agencies and local governmental entities during times of natural and man-made disasters and emergencies. While pass-through grant funding provides needed financial assistance, a number of state entities provide a wide variety of direct and indirect emergency services to citizens of the State.

KEY FACTS

- ◆ The 2011 Fire Season (November 15, 2010 through November 30, 2011) was the worst in Texas history.
- ◆ Record high temperatures and continued drought conditions make potential future disaster threats on-going.

BUDGETARY IMPACT

During the 2010–11 biennium, \$89.8 million in General Revenue Funds pass-through disaster grant funding was provided to the Trusteed Programs within the Office of the Governor. During the 2012–13 biennium, \$39.0 million was provided for disaster relief to the Governor for grants to state and local entities.

During the 82nd Regular Legislative Session and 1st Called Legislative Session, the Texas A&M Forest Service was appropriated \$121 million in General Revenue Funds for wildfire related costs.

STATUTORY REFERENCES

Government Code, Section 418.014

Texas will continue to be affected by natural and manmade disasters. Inevitably, disasters will occur, threaten the state, damage property, and disrupt vital infrastructure systems. In the event of a disaster, assistance is available from both the state and federal governments. Assistance from the state includes both grant funding and in-kind assistance from individual state agencies. Disaster grant funding has historically been provided to the Trusteed Programs within the Office of the Governor as pass-through grants to both state agencies and local governmental entities. However, other state agencies, such as the Texas Division of Emergency Management (TDEM), Texas A&M Forest Service (Forest Service), and Texas A&M Engineering Extension Service (TEEX) have received direct state appropriations in the event of natural and manmade disasters.

DISASTER PROCLAMATION PROCESS

According to the Government Code, Section 418.014, the Governor, by executive order or proclamation, may declare a state of disaster if the Governor finds a disaster has occurred or that the occurrence or threat of disaster is imminent. As a result of a disaster proclamation, any state supplies, equipment, materials, and facilities are made available to assist with the preparedness or response to the disaster. In addition, the Governor may temporarily reassign resources, personnel, or functions of state agencies in order to assist with emergency services. The Governor, in addition to declaring a disaster, may provide funds to local governments and state agencies to respond to a disaster or emergency.

GOVERNOR DISASTER GRANT FUNDING

Disaster grant funds from the Governor are typically available only after appropriated funds to state and local agencies for disasters are depleted. The Governor has the authority to consider approval of disaster grants for agencies with insufficient funds to operate or meet unanticipated situations. During the Eighty-first Legislature, Regular Session, 2009, the supplemental appropriations bill provided approximately \$78.6 million in General Revenue Funds for disaster grant funding to the Governor for disaster preparedness and post-disaster recovery. Examples of grants provided by the Governor to state agencies and local governmental entities include: \$12.8 million to the TDEM for hurricane and wildfire related expenses, \$8.6 million to the Bridge City Independent School District to repair school buildings after hurricane damage, and \$4.1 million to the Adjutant General for expenses related to hurricane and wildfire assistance. In addition, the 2010–11 General Appropriations Act appropriated \$11.2 million in General Revenue Funds to the Governor for disaster funding which was primarily used for wildfire-related expenses. For the 2012–13 biennium, the Eighty-second Legislature appropriated \$39.0 million in General Revenue Funds for disaster funding to the Governor for disaster relief.

STATE RESPONSE TO DISASTERS

While the Governor may declare an emergency or disaster by proclamation and provide disaster grant funding to both state and local governmental entities, numerous state agencies have direct responsibility in disaster preparation, response, and relief. For example, TDEM is

responsible for mobilization and deployment of state resources. TDEM also coordinates the efforts of state agencies, local governments, schools, hospitals, and other entities through the State Operations Center located in Austin.

The Texas National Guard, TEEX, Texas Parks and Wildlife Department, and the Forest Service may deploy staff to perform search and rescue operations in areas affected by hurricanes and other disasters. The Texas Facilities Commission may also develop contracts for transportation and lodging of displaced persons. The Department of State Health Services provides emergency medical service personnel and ambulances to evacuate hospital and nursing home patients, while the Department of Aging and Disability Services may arrange for evacuees requiring nursing facility care. In addition, multiple agencies share the responsibility of evacuating individuals in times of emergency.

During the Eighty-second Legislature, Regular and 1st Called Session, 2011, the Forest Service was appropriated \$121.0 million in General Revenue Funds for wildfire-related costs. The Forest Service has reported, through January 2013, an estimated balance of \$161.1 million in state costs for recent wildfire related activities. According to the agency, the 2011 Fire Season (November 15, 2010 through November 30, 2011) was the worst in Texas history and included more than 31,000 wildfires, burned 4 million acres of land across the state, destroyed over 2,900 Texas homes, and claimed 10 lives. The agency also reported that 38,962 homes were saved by firefighters. The wildfire costs are incurred by the U.S. Forest Service and reimbursements are made by the state through the Forest Service based on the Federal Emergency Management Agency (FEMA) matching rate.

FEDERAL FUNDING ASSISTANCE

FEMA coordinates most of the federal government's natural disaster assistance efforts. Under the Public Assistance (PA) Program, FEMA provides supplemental aid to communities and states to facilitate their recovery efforts. The PA Program provides assistance for debris removal, implementation of emergency protective measures, and permanent restoration of infrastructure. The program is centered on a partnership between FEMA and state and local officials. The federal share of the program is typically 75.0 percent, with the state and local agencies making up the remaining 25.0 percent. This percentage is subject to change at the President's discretion. Prior to reimbursement by FEMA for eligible expenses, a Project Worksheet must be submitted to FEMA for review. Once FEMA reviews all requests for assistance and determines that no further action by an agency is required, payments are processed through the TDEM. If, however, FEMA determines that additional action is required by an agency, all payments are suspended until those requirements are met. Examples of additional action by an agency may include the purchase of insurance or additional information and documentation related to expenditures.

After a presidential disaster declaration, FEMA also awards grants to state and local governments for long-term projects that prevent future damage. The Hazard Mitigation Grant Program (HMGP) is meant to reduce the loss of life and property due to natural disasters. Types of projects include elevating flood-prone structures; retrofitting property to reduce wind, flood, and fire damage; and local flood control initiatives. Like PA grants, FEMA may fund up to 75.0 percent of project costs.

In addition, the U.S. Department of Housing and Urban Development (HUD) awards Community Development Block Grant-Disaster Recovery (CDBG-DR) grants to state and local governments. The General Land Office (GLO) is the designated state agency that receives funding for CDBG-DR grants and uses that funding to rebuild infrastructure and housing across the state. In the 2012-13 biennium, the GLO was appropriated \$1.5 billion in Federal Funds for disaster recovery. CDBG-DR grants are based on a formula that takes into account recovery needs not met by other types of federal assistance and are designed to assist low-income residents in presidentially declared disaster areas. Types of activities include purchasing damaged property; relocating residents; transportation, water, and sewage improvements; and creating jobs. In some cases, CDBG-DR funds may be used to pay the FEMA match.

USEFUL REFERENCES

Texas Division of Emergency Management Executive Report: <http://www.txdps.state.tx.us/dem/GrantsResources/execGuide.pdf>

Office of the Governor, Disaster Preparedness: <http://governor.state.tx.us/initiatives/disasters/>

Texas A&M Engineering Extension Service Website: <http://teexweb.tamu.edu/>

Texas A&M Forest Service: <http://txforestservice.tamu.edu/main/default.aspx>

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