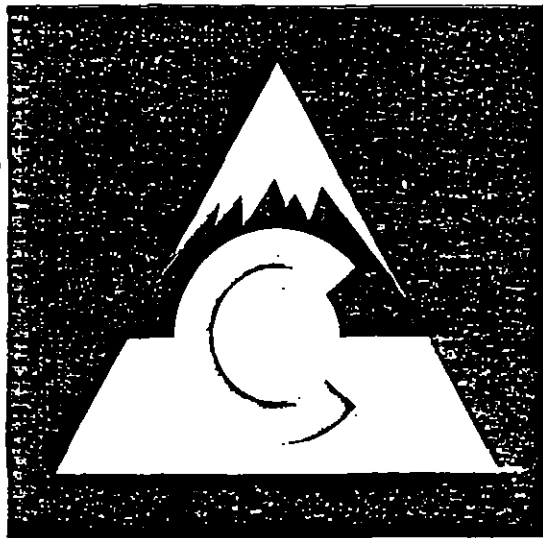


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COLORADO



DISASTER EMERGENCY SERVICES

POLICY: STATE FINANCIAL ASSISTANCE FOLLOWING DECLARED DISASTERS

MAY 1986

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GOVERNOR

State Disaster Emergency Financial Assistance

1. Purpose:

The purpose of this paper is to establish state policy, guidelines and procedures for the provision of state disaster emergency financial assistance in state and federally declared disaster emergency situations.

2. Applicants:

Eligible applicants for state disaster emergency financial assistance include the following:

- State Agencies
- Political subdivisions of the state
- Quasi-political subdivisions which serve a public purpose. Quasi Political Subdivisions means those organizations, associations or corporations organized under Title 7 of CRS, which do not meet the definition of Private Non Profit entities identified below and are organized to provide a public service, and which have the power to levy assessments on members for the services provided, but do not have the power to tax. Some examples are Home Owners Associations, Water Users Associations, and Ditch and Reservoir Companies.
- Under special circumstances, private non-profit entities may also be eligible for state assistance. Private Non Profit - means organizations or institutions owning and operating educational, utility, emergency, medical or custodial care facilities established under the "Colorado Non-profit Corporation Act" and in compliance with Articles 20 - 29 of Title 17 or Article 140 of Title 7 of CRS or under the "Non Profit Hospital, Medical-Surgical, and Health Service Corporation Act" and in compliance with Article 16 of Title 10 of CRS.

Individuals and private companies are excluded from such assistance under State constitutional prohibition. Such assistance may be provided if the state is participating in a non-state sponsored program.

3. Principles of State Disaster Emergency Financial Assistance:

The following principles provide the basis for state

financial assistance.

- A. Assistance will be supplemental in nature. Supplemental in this context means the assistance being provided will be in addition to the resources provided by the applicant and is not intended to replace the applicant's resources. It is not necessary for the applicant's resources to be exhausted prior to requesting assistance. The assistance is intended to alleviate conditions resulting from the disaster, not to eliminate all disaster related needs.
- B. Assistance will be on a cost-share basis. Cost-share means the sharing of the eligible program costs, as defined by the state or federal government, between the applicant and the state, or the applicant and the state and federal governments depending on the level of the disaster. In state declared disasters cost sharing is normally on a 50-50 basis with eligible applicants, unless there are extenuating circumstances. In such cases the percentages may be changed if it is in the best interests of the state to do so.
- C. Assistance will be provided only in Presidential or Gubernatorial declared disaster emergencies. (reference PL 93-288, CRS 24-33.5-704)
- D. Mitigation effort will be incorporated as a qualification for the assistance.
- E. Assistance will always specify a maximum figure for state participation.
- F. Assistance will be restricted to available state funds.

4. Cost-Sharing

The following policy is established regarding cost-sharing of eligible disaster emergency costs.

A. Federally Declared Disasters

In federally declared disasters and emergencies eligible applicants for Public Assistance program funds are required to pay 25% of the total eligible costs. To insure that federal assistance is supplemental to efforts of the state, the state is required to pay a part of these costs for the repair, restoration or replacement of disaster damaged facilities. State cost-sharing policy in this regard is:

<u>Applicant</u>	<u>State Assistance</u>
State Agencies	- Full 25% non-federal share
Political subdivisions the state	- 1/2 of the non-federal share
Quasi political subdivisions of the state (as defined pre- viously)	- 1/2 of the non-federal share
Private non-profit entities (as defined previously)	- 0% (see exceptions to policy)

Other federal disaster assistance programs may require a state cost share, as in the case of the Individual and Family Grant Program. In these cases the state will provide the full cost-share required by the program.

B. State Declared Disaster Emergencies

In a state declared disaster emergency the state cost-sharing policy is:

<u>Applicant</u>	<u>State Assistance</u>
State Agencies	- Agency absorbs complete cost; may apply for supplemental appropriation
Political subdivisions of the state	- 50% of eligible costs
Quasi-political subdivisions and private non-profit Entities	- No interest loans or grants; amount to be determined on a case-by-case basis (see exceptions to policy)

C. Exceptions to Policy

Exceptions to the cost-sharing policies set forth above will be decided on a case-by-case basis by the Governor based on recommendations of the Division of Disaster Emergency Services (DODES) and the Office of State Planning and Budgeting (OSPB). The state retains the right to provide that level of assistance necessary to provide for the public health, safety and welfare of its citizens and to insure the financial stability of subordinate levels of government.

5. Limitations on State Disaster Emergency Financial Assistance.

The following conditions must be met before state assistance can be provided:

- A. Physical damage must have occurred as a result of a disaster emergency situation.
- B. Applicant must have declared a disaster emergency to exist and request state assistance.
- C. Governor must issue a State Disaster Emergency Declaration for the geographic area or political jurisdiction within which the applicant for assistance has damaged facilities.
- D. Eligible costs must be related to damages or expenses incurred within a designated incident period as established by the Division of Disaster Emergency Services or the Federal Emergency Management Agency.
- E. In state declared disaster emergencies a State-Local Agreement (or contract) must be entered into specifying the conditions and terms of assistance to be provided and any assurances required by the state, to include the development of a hazard mitigation plan indicating the actions to be taken by the applicant to reduce the consequences of a future event of a similar nature.
- F. In state declared disaster emergencies state assistance is limited to emergency protective measures and emergency work. Emergency work is defined for this purpose as that work which can be accomplished within a reasonable period of time to:
 - (1) Reduce threats to public health and safety
 - (2) Restore essential public services and facilities

6. Costs of Administering State Disaster Emergency Financial Assistance.

In addition to the state cost-sharing involved in providing state disaster emergency financial assistance in either federal or state declared disaster emergencies for the repair, restoration or replacement of disaster-damaged public facilities, the state will also allocate an amount not to exceed 10% of the total public assistance program costs to provide for the administrative expenses related to providing such assistance. This percentage is to be negotiated between

the Division of Disaster Emergency Services (DODES) and the Office of State Planning and Budgeting (OSPB) for each specific disaster emergency and will be dependent on the magnitude, complexity and geographic extent of that disaster emergency. Such funds are to provide for travel, per diem and miscellaneous expenses of state agency inspectors; salaries, travel, per diem and office expenses for the DODES state disaster recovery management staff; state audits/financial reviews; and state mitigation activities related to preparation of Sec 406 PL 93-288 State Hazard Mitigation Plan, as approved by DODES in coordination with OSPB.

7. Request Procedures and Responsibilities of Applicant

The following application procedures and responsibilities of applicants are established for requesting state disaster emergency financial assistance:

- A. Declare a state of disaster emergency.
- B. Insure that a substantial commitment of local resources is made. Some of the items DODES in coordination with the Department of Local Affairs, Division of Local Government will review to determine if local commitment is substantial are:
 - (1) Use of contingency funds
 - (2) Use of unrestricted fund reserves
 - (3) Delay or postponement of on-going projects to divert resources, including financial resources, to address disaster emergency impacts.
 - (4) Use of an emergency mill levy, as authorized by CRS 29-1-114 and 29-1-115.
- C. Formally request state assistance. This request should provide information concerning the nature of the disaster emergency, disaster emergency impacts, what local government or the applicant is doing to address these impacts, why the situation is beyond the applicant's capability, and what specifically the state is being requested to provide. Such requests should be supported by:
 - (1) Detailed damage assessment information, to include identification of damage sites (maps, photographs,

etc.), estimated costs of repair, restoration or replacement; and the physical and social system impacts caused by the damage.

- (2) Prioritized list of damage sites for recovery work.
 - (3) Identification of local commitment to include financial commitment.
 - (4) Statement of financial status to include fund balances, outstanding obligations and any special financial considerations.
 - (5) Identification of a local contact person.
- D. Provide additional information as may be requested by DODES.
- E. Once state assistance is approved:
- (1) Enter into a State-Local Agreement (or contract) specifying the terms and conditions of the assistance to be provided (state declared disaster emergencies only).
 - (2) Facilitate the implementation process by providing representation on the State-Applicant joint Damage Survey Teams, and manage the recovery process related to applicant-owned damage sites.

8. Responsibilities of State Government

The following are the responsibilities of State Government pertaining to the processing of applications for state disaster emergency financial assistance and provision of such assistance when approved. The Division of Disaster Emergency Services (DODES) will be the lead agency to organize and coordinate the efforts of state agencies in carrying out these responsibilities.

- A. Review applicant's request package, seeking additional information from the applicant as necessary.
- B. Verify the disaster emergency impacts and financial condition of the applicant. (Note Department of Local Affairs, Division of Local Government will provide a financial trend analysis and make a recommendation to DODES on the applicant's financial capacity to deal with the impacts of the disaster emergency incident in question).

- C. Evaluate all the information gathered and make recommendations to the Governor through OSPB.
- D. Once a decision is made by the Governor concerning the application, implement the decision.
 - (1) Conduct joint State-Applicant Damage Surveys to determine eligible disaster emergency costs.
 - (2) Enter into State-Local (applicant) agreement (or contract) spelling out the terms and conditions of the assistance to be provided as negotiated with the applicant.
 - (3) If there are to be exceptions to the state cost-sharing policy, seek approval of the Governor .
 - (4) Monitor the recovery process, providing technical assistance as necessary.
 - (5) Process requests for advance of funds and final claims; conduct final inspections, program reviews, audits and other activities to facilitate the recovery process.
- E. Request through the Governor federal assistance when the impacts are beyond the capacity of state and local government to address.
- F. If federal assistance is approved, administer, on behalf of the state government, the recovery program acting as an interface between individual applicants and the federal government. Carry out items (1), (4) and (5) of paragraph D above.

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