

## Analysis

### Item 6: Department of Human Services

#### Wildfire Costs Report

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**Analyst:** Laurie Byerly

**Request:** Acknowledge receipt of a report from the Department of Human Services on agency costs and a future General Fund request for providing shelter, food, and wraparound services to Oregonians impacted by wildfires.

**Analysis:** Under the state’s Emergency Operations Plan that guides disaster response, the Department of Human Services (DHS) is the primary agency responsible for mass care (Emergency Support Function 6). Mass care includes congregate sheltering, feeding, distribution of emergency supplies, reunification of family members, emergency assistance, temporary housing, and other disaster assistance programs. DHS is also the lead on food and water (Emergency Support Function 11), which addresses how food, water, and ice needs will be identified, obtained, and provided to disaster-impacted areas.

Since the Labor Day wildfires, DHS has worked with other state agencies and partners, including the Federal Emergency Management Agency (FEMA), community-based organizations (CBOs), local governments, and the American Red Cross, to help perform these functions. Activities and associated costs fall into five general categories described below.

Shelter – The American Red Cross (ARC) provided much of the initial shelter needs of wildfire evacuees; DHS plans to reimburse ARC for costs through December 2020 and enter into contracts with other vendors (hotels, motels, other lodging providers) to provide ongoing shelter and transitional housing. While the number of people or households projected to be served and shelter type vary, shelter costs for budget projection purposes are estimated at \$140 per night.

Feeding – ARC and other food providers are paid at a rate of \$55 per day; the agency expects to take on additional feeding costs or contracts going forward as some CBOs or other entities helping in the short term may start to reduce feeding operations.

Wraparound Services – Case management services and other supportive resources will be needed by wildfire survivors to help them plan for and achieve recovery. The DHS pricing estimate assumes \$500 per family receiving assistance.

Systems Integration – DHS’ ability to efficiently and quickly serve people during the disaster has been hampered by gaps in available data; the agency is seeking resources to implement systems to provide real-time knowledge and information that can be shared between all organizations involved in disaster response and recovery efforts.

Language Capacity – To ensure that all people affected by the wildfires can access information and recovery supports, materials, meetings, and activities need to be offered with appropriate cultural linguistic supports (multiple languages). Funds would be used to translate materials and provide translation services, helping close communication gaps and improving service access.

While DHS continues to reconcile actual costs to date and develop future cost assumptions, including expenditure details for some of the proposed spending components, the agency has developed an overall cost estimate for the 2019-21 biennium:

### DHS Wildfire Response

2019-21 Cost Estimates as of 11/20/2020

Category	Q4 2020	Q1 2021	Q2 2021	Total
Shelter	12,153,333	32,180,000	44,666,667	89,000,000
Feeding	15,766,393	16,233,607	13,000,000	45,000,000
Wraparound Services	100,450	12,450,000	12,450,000	25,000,450
Systems Integration	-	272,500	272,500	545,000
Language Capacity	900,000	1,800,000	1,800,000	4,500,000
10% Contingency	-	-	16,405,000	16,405,000
<b>Total</b>	<b>28,920,176</b>	<b>62,936,107</b>	<b>88,594,167</b>	<b>180,450,450</b>

Scenario A: FEMA Eligibility Through Q1 2021 (March 2021):

General Fund	111,558,238
FEMA Federal Funds	68,892,212
<b>Total</b>	<b>180,450,450</b>

Scenario B: FEMA Eligibility Through Q2 2021 (June 2021):

General Fund	45,112,612
FEMA Federal Funds	135,337,838
<b>Total</b>	<b>180,450,450</b>

As noted in the chart above, some of these costs are expected to be eligible for federal FEMA funding (75% match). However, DHS states there is a risk FEMA eligibility will lapse after March 2021; if that risk materializes, the potential state General Fund obligation may be as much as \$111.6 million. In addition, since FEMA reimbursement is expected to take up to eight months or longer, General Fund will be needed to front the expenditures regardless of the eligibility window.

The agency's 2019-21 legislatively approved budget does not have any emergency support function expenditures built into it – these are extraordinary costs falling outside of normal agency operations, programs, or caseloads. DHS has been managing costs to date with cash balances or other resources on hand but will not be able to do so indefinitely. At a minimum, the agency's anticipated future funding request should include refined cost projections, detailed spending plans, spending priorities, cost mitigation options, and updated information on FEMA financial participation.

**Legislative Fiscal Office Recommendation:** The Legislative Fiscal Office recommends that the Emergency Board acknowledge receipt of a report from the Department of Human Services on agency costs and a future General Fund request for providing shelter, food, and wraparound services to Oregonians impacted by wildfires.

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Department of Human Services  
Webb

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**Request:** Acknowledge receipt of a report describing projected costs related to the 2020 Oregon wildfire disaster.

**Recommendation:** Acknowledge receipt of the report.

**Discussion:** When disasters occur, the Department of Human Services has primary responsibility for delivering sheltering and feeding services under Oregon’s Emergency Operations Plan. Services include providing emergency sheltering, meals, first-aid, bulk distribution of emergency items, and collecting and providing information on people affected by the disaster to family members. In addition, the Department provides assistance to help Oregonians recover from disasters, including case management, resource and systems navigation, document recovery, financial assistance to enable evacuees to purchase items, and other resources.

Due to wildfires, a disaster was declared on September 8, 2020. As of November 13, 2020, 964 evacuees were receiving hotel sheltering across eight counties. Counties with the largest impact include Jackson, Lane and Lincoln counties. At the October peak, the Red Cross sheltered approximately 2,000 households across 79 hotels. Historically, the Red Cross shelters people in congregate settings; however, due to the COVID-19 pandemic, it had to find non-congregate settings to shelter evacuees.

The Department estimates it will incur approximately \$180.5 million total funds in costs related to the September 2020 wildfire disaster. This projected amount is based on information provided by the Department after the Emergency Board letter was submitted. The projected costs are as follows:

- **Shelter and feeding costs of \$147.4 million total funds.** Initially, the Red Cross provided shelter and meals to evacuees. Committed costs total \$59.4 million. Of that amount, \$24.2 million will be paid to the Red Cross for costs incurred through December 31, 2020. The remaining committed amount of \$35.2 million will be paid to vendors who will provide meal services through March 31, 2021. Costs yet to be committed total \$88 million total funds. They include \$73.7 million for sheltering costs for the January 2021 through June 2021 time period and meal costs of \$14.3 million for the April 2021 through June 2021 time period.
- **Community-based outreach and wraparound services of \$32.5 million total funds.** The Department intends to collaborate with the Oregon Health Authority to contract with Community-Based Organizations (CBOs) to provide services for evacuees to connect them with resources, including food and shelter providers, case management, document recovery, transportation, job search assistance, behavioral health supports, and language access services.
- **Systems infrastructure costs of \$0.5 million total funds.** These costs include purchasing systems to provide real-time information and communication for disaster response and recovery. The cost estimates one potential limited duration position to oversee the systems selection process.

- **Emergency Management Assistance Compact (EMAC) costs of \$0.1 million total funds.** Funding will be used to pay for expenses related to staff from other state agencies or from staffing provided by other states that have provided capacity to respond to the wildfire disaster.

The Department believes the above expenses could receive a 75 percent match from the Federal Emergency Management Agency (FEMA), resulting in a General Fund impact of approximately \$45.1 million. Until FEMA reimbursement is received the General Fund will need to initially pay for the \$180.5 million in costs. It is unknown when the actual FEMA reimbursement will occur as timelines vary and the Department may not receive reimbursement by the end of the 2019-21 biennium.



# Oregon

Kate Brown, Governor

Department of Human Services

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October 26, 2020

The Honorable Peter Courtney, Co-Chair  
The Honorable Representative Tina Kotek, Co-Chair  
State Emergency Board  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048



Re: Report and future request for funding for ODHS provided shelter, food and wrap-around services for Oregonians impacted by the wildfires

Dear Co-Chairpersons:

### **Nature of the Request:**

In September 2020, multiple wildfires ravaged Oregon communities so extensively that during this event nearly 10 percent of Oregon's population were ultimately under some level of evacuation order. Thousands of structures were destroyed in these wildfires; many people lost their homes, belongings and livelihoods. The Oregon Department of Human Services anticipates the need for resources that will be necessary to respond to the fire-impacted counties.

The Oregon Department of Human Services (ODHS) is requesting the Emergency Board acknowledge receipt of this report and recommend that the Legislature consider covering both accrued and anticipated costs from the September 2020 Oregon Wildfires And Straight-line Winds (DR-4562-OR) to be incurred in the 2019-21 biennium. This includes shelter and feeding, wrap-around services, behavioral health supports, translation services and other emergency response costs. ODHS is requesting and expects FEMA to provide a 75 percent reimbursement for most of these expenses.

### *Background*

Under Oregon's Emergency Operations Plan, the Oregon Department of Human Services is the primary agency for Emergency Support Function 6 (ESF 6), Mass Care and Emergency Support Function 11 (ESF 11), Food and Water. Through these roles, the Department is responsible for monitoring and coordinating state support for the efforts of local and Tribal governments, and nongovernmental

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organizations to address the mass care, feeding, emergency assistance, housing, and human services needs of people impacted by disasters. Mass care and feeding responsibilities includes emergency sheltering, feeding, first aid, bulk distribution of emergency items, and collecting and providing information on those affected by the disaster to family members. (See ORS: 401.054; 401.185; 401.188; 401.335, and; 401.960.)

When the wildfires erupted in September, all efforts were made to evacuate people from their homes, businesses and communities. The American Red Cross immediately began providing shelter and meals to evacuees. Typically, the Red Cross operates congregate shelters with large open spaces, like schools, churches, or community centers. However, consistent with the FEMA Emergency Non-Congregate Sheltering during the COVID-19 Pandemic Public Health Emergency (Interim) FEMA Policy 104-009-18, the Red Cross needed to find alternative, safer ways to shelter people. As a result, most of the evacuees have been staying in hotels and motels, which is significantly more costly than congregate options.

As the Department primarily responsible for mass care, sheltering, and food and water, ODHS has recently entered into a contract with the Red Cross, to pay for accrued, ongoing and future costs related to shelter through December 31, 2020. At that time, the Red Cross will end their sheltering operations. ODHS is in the process of identifying other options for non-congregate sheltering and will enter into contracts with other vendors as necessary to continue the sheltering mission until all affected people are transitioned into housing programs. The Red Cross transitioned their feeding operation to ODHS on October 16, 2020 and now ODHS is providing meals through contracts with local vendors.

In addition to supporting Oregonians with shelter and food, ODHS is responsible for providing other human services to help Oregonians recover from disasters. Examples include case management, resource and systems navigation, document recovery, and financial assistance to purchase items and other resources. ODHS is in the process of contacting these organizations and other service providers to extend support and gain cooperation.

The wildfires that raged through Oregon left thousands of community members already affected by the COVID-19 pandemic into an even deeper crisis. The nature and location of the destruction hit aging and disabled, veterans, and Latinx households particularly hard. Many fire victims needed safety net services prior to the fires and are now disconnected from available behavioral health and social

supports. With housing vacancies low prior to the destruction of thousands of homes and housing units, the aftermath of the wildfires has left families desperate to find sanctuary wherever they can, exacerbating risks of COVID spread and further undermining the ability to provide even basic services.

**Action Requested:** ODHS requests acknowledgement of receipt of this report. ODHS also requests the Emergency Board recommend to the full legislature consideration of funding to pay for shelter and food for those who have been displaced from their homes, for community-based organizations to provide wrap-around supports, and for other emergency infrastructure costs. Details are below.

- **Shelter/feeding: \$134,600,000 Total Funds** Ever since the disaster declaration on Sept. 8, 2020 the American Red Cross has been sheltering and providing meals to evacuees. The Red Cross is currently sheltering approximately 1,750 people affected by the disaster. The number of evacuees seeking non-congregate sheltering and wraparound services may increase to as high as 3,500 as individuals currently living with friends, family, and other non-publicly supported shelters seek services. In addition, projections suggest that some evacuees will leave Red Cross shelters for other options. These evacuees will likely turn to local, community options, such as community-based organizations (CBOs), other nonprofits, local businesses and or local governments. While the need for both meals and shelter will decrease over time, a relatively stable population may remain because of a lack of availability of transitional housing and additional people reaching out for assistance.
- **Community-based outreach and wrap-around services: \$25 million Total Funds.** ODHS will collaborate with OHA to continue a grant program (started in responsive to COVID-19) for community-based organizations (CBOs) to support individuals affected by this new emergency. The CBO suite of services offered in response to COVID-19 are similar to the services needed in response to the fires. Services provided through grant funding will include community outreach to identify affected individuals and connect them to food, shelter, wraparound services, and other wildfire resources. These could include case management, resource and systems navigation, document recovery, transportation, job search assistance, behavioral health supports, culturally- and linguistically responsive community support and environmental recovery and resilience funds.

**CBO Scope of work:** The scope of the contractual work for the CBOs would include community engagement and wraparound services for individuals affected by wildfire. Eligible activities include regularly communicating with community members in their primary or preferred language including alternate formats, creating and sharing culturally relevant information about social services and wildfire recovery, amplifying government information by re-posting social media posts, and informing the community about where to go for services including behavioral health, health care and social services. Additional eligible activities include providing the needed behavioral health response to residents especially impacted by the wildfires such as communities of color and other especially vulnerable populations; and providing case management for those with complex situations.

- **Systems integration/knowledge management: \$500,000 Total Funds.** Through the course of this disaster, it has been challenging to understand the impact of fires on affected people and the activities of the varied public and private organizations providing mass care, shelter, and food and water support. Data was either spread across disparate systems or unavailable. These funds will support ODHS in purchasing systems to provide real-time knowledge management, situational awareness and communications shared between all organizations supporting recovery to speed and enhance the delivery of equitable, integrated service delivery. ODHS also plans to hire a limited duration employee who will assess existing systems, identify ODHS emergency management business needs, and assist in the integration of solutions with cooperating agencies.
- **Emergency Management Assistance Compact (EMAC): \$100,000 Total Funds.** These funds will be used to cover the cost of staff from other states through the Emergency Management Assistance Compact (EMAC), or other state agencies (Military Department) who deployed or who will deploy to support the operations that Oregon Department of Human Services is responsible for.

**Legislation Affected:** None. ODHS will return to the full legislature with a formal ask during the next legislative session or future Emergency Board if requested.

If you have questions, please contact ODHS Deputy Director Liesl Wendt at [liesl.m.wendt@dhsola.state.or.us](mailto:liesl.m.wendt@dhsola.state.or.us).



Sincerely,



Eric Luther Moore  
DHS Chief Financial Officer

cc: Ken Rocco, Legislative Fiscal Office  
Laurie Byerly, Legislative Fiscal Office  
George Naughton, Department of Administrative Services  
Ali Webb, Department of Administrative Services  
Mike Streepey, Department of Administrative Services