

## Analysis

### Item 15: Military Department

#### FEMA Other Needs Assistance

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**Analyst:** Julie Neburka

**Request:** Allocate \$1,353,464 from the Emergency Fund to the Military Department, Office of Emergency Management to reimburse the agency for costs associated with the Federal Emergency Management Agency (FEMA) Other Needs Assistance program.

**Analysis:** Twice this year the Federal Emergency Management Agency (FEMA) has authorized its Individual Assistance (IA) program for Oregon disasters. In February, the Individual Assistance program was approved for the Severe Storms, Flooding, Landslides, and Mudslides incident in northeastern Oregon, and in September it was approved for the Wildfires and Straight-line Winds incident in many western parts of the state. The IA program ensures that disaster survivors have timely access to a wide variety of disaster recovery programs and services; the “Other Needs Assistance” provision of the program provides direct financial assistance to individuals and households for such necessary expenses as childcare, medical and dental expenses, transportation costs, funeral and burial costs, and moving and storage expenses.

As of October 30th, FEMA had disbursed \$5.2 million through the Other Needs Assistance program directly to 2,859 households affected by the wildfire disaster. Oregon does not typically receive approval from FEMA for the Individual Assistance program, having last been approved in 2007. To qualify, FEMA evaluates a disaster’s impact on six factors, including a state’s fiscal capacity and resource availability, uninsured home and personal property losses, the population profile of the disaster-impacted community, the impact to community infrastructure, casualties, and disaster-related unemployment.

Like other FEMA programs, costs incurred through the Other Needs Assistance program are reimbursed on a 75% federal/25% state basis. Unlike other FEMA programs, however, the state does not manage Other Needs Assistance: individuals apply and receive funds directly from FEMA, and FEMA invoices the state for its 25% share of the total amount disbursed. As of November 4th, the Office of Emergency Management (OEM) has been invoiced \$59,783 for the northeastern Oregon flooding disaster, and has either received or anticipates invoices totaling \$1,293,681 for the wildfire disaster. These state obligations represent unbudgeted expenses for the agency, which anticipates additional FEMA invoices for the wildfires disaster, as the FEMA application window for the wildfires disaster remained open through November 30th, nearly one month after the date of the agency’s Emergency Board request. The Legislative Fiscal Office anticipates the agency returning to the Legislature early in the 2021 session with a request for reimbursement of additional Other Needs Assistance program payments.

**Legislative Fiscal Office Recommendation:** The Legislative Fiscal Office recommends that the Emergency Board allocate \$1,353,464 from the Emergency Fund to the Military Department to reimburse the agency for costs associated with the Federal Emergency Management Agency Other Needs Assistance program.

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**Request:** Allocation of \$1,353,465 from the State Emergency Fund for the Oregon Military Department's state match of the Federal Emergency Management Agency (FEMA), Other Needs Assistance (ONA) program.

**Recommendation:** Approve the request.

**Discussion:** The Oregon Military Department (OMD) incurred costs that are eligible for FEMA reimbursement for two federal declarations; 1) the Northeast Oregon flooding that occurred in February 2020, and 2) the ongoing 2020 Wildfire Season expenses that has impacted multiple communities since September 2020.

The main FEMA program assisting individuals with the two above mentioned disasters, is the ONA program. ONA provides financial help directly to eligible individuals and families after a disaster for necessary expenses and serious needs. The eligible claims were included in Clackamas, Douglas, Jackson, Klamath, Lane, Lincoln, Linn, Marion, and Umatilla counties. The benefits to individuals impacted in these counties include the following costs: personal property, childcare, medical and dental, funeral and burial, moving and storage, critical needs assistance, and group flood insurance premiums.

Presently, the state match is 25 percent; however, with the claim period being extended for the September wildfires from November 16, 2020 to November 30, 2020, it is likely we may reach a 90/10 match rate as claims continue to come in. The amount being requested in this recommendation will more than likely change by the time this request is heard by the Emergency Board on December 11, 2020. Additionally, it is probable the state match requirement may be reduced to 10 percent, if overall claims reach \$1.0 billion in damages. The Office of Emergency Management has been working closely with FEMA as new claims and assessment arrive daily.

Of the \$1,353,465 in State Emergency Fund being requested, \$59,783 is related to the Northeast Oregon flooding claims from February 2020.

**Legal Reference:** Allocation of \$1,353,465 from the State Emergency Fund to supplement the appropriation made by chapter 534, section 1(3) Oregon Laws 2019, for the Oregon Military Department, Office of Emergency Management for the 2019-21 biennium.



**OREGON MILITARY DEPARTMENT**  
JOINT FORCE HEADQUARTERS, OREGON NATIONAL GUARD  
DEPUTY DIRECTOR STATE AFFAIRS  
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November 4, 2020

The Honorable Senator 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

Dear Co-Chairpersons:

**Nature of the Request**

The Oregon Military Department (OMD) requests an allocation from the Emergency Board of \$1,353,464 General Fund to reimburse the agency for costs associated with the FEMA Other Needs Assistance (ONA) Program. The February 2020 flooding incident in northeast Oregon resulted in \$59,783 General Fund ONA costs, and the September 2020 Wildfire disaster will result in approximately \$1,293,681<sup>1</sup> of General Fund ONA costs. These costs, which FEMA has billed or will bill to OMD, represent 25% of the total ONA costs paid by FEMA to Oregon residents impacted by these disasters.

**Agency Action**

Between February 5 and February 9, 2020, northeast Oregon experienced a severe winter storm which resulted in a Major Disaster Declaration (DR-4519) from the Federal Emergency Management Agency (FEMA). Beginning on September 7, 2020, and still ongoing, the State of Oregon experienced severe wildfires across multiple counties which resulted in another Major Disaster Declaration (DR-4562) from FEMA. Due to the catastrophic impact of both the storm and fires on the communities within the below list of counties, FEMA has authorized the activation of the Individual Assistance Program which provides funding directly to citizens in order to help reimburse them for damages associated with the disaster. The main program utilized by FEMA is called the Other Needs Assistance (or ONA) program.

List of eligible counties:

- Clackamas County
- Douglas County
- Jackson County
- Klamath County
- Lane County

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<sup>1</sup> This is based on a FEMA Report dated October 30, 2020 noting the amount of ONA disbursed at \$5,174,725.

- Lincoln County
- Linn County
- Marion County
- Umatilla County

The ONA program provides financial help directly to eligible individuals and families after a disaster. The program provides money for necessary expenses and serious needs caused by the disaster, examples include:

- Personal property costs,
- Childcare costs,
- Medical and dental expenses,
- Funeral and burial costs,
- Transportation costs,
- Moving and storage expenses,
- Critical needs assistance, and
- Group flood insurance premiums.

The program is a 75/25 cost share program with states being required to provide the 25% non-federal matching component. As the State of Oregon does not have a dedicated funding structure to pay for these types of unbudgeted costs, the budget of the Oregon Military Department, Office of Emergency Management has been called on to cover the expenses.

To date, OMD has incurred \$59,783 in non-budgeted General Fund expenses associated with the ONA program for the Eastern Oregon Floods. These expenses have allowed OMD to leverage \$179,348 in federal FEMA funds which have been paid directly to the eligible applicants in the impacted jurisdictions. Due to limited General Fund resources within the Oregon Military Department, it has been determined that the agency cannot absorb this cost. The application window for this disaster (DR-4519) closed on July 2, 2020 and we do not expect any additional ONA costs to be incurred for DR-4519.

To date, OMD has been billed \$785,131 for ONA costs associated with the DR-4562 wildfire disaster, but additional bills are expected before the end of the calendar year. As of October 30, 2020, FEMA had disbursed \$5,174,725 in ONA funding to citizens impacted by the wildfires. This equates to a state cost share of \$1,293,681. The application window for DR-4562 is anticipated to close on November 16, 2020, but it will take time for all applications to be reviewed by FEMA and for distribution of funds to occur. To put some perspective on this, at the time of this memo, FEMA has had 6,062 referrals for ONA; they have approved 2,286 of those referrals, denied 1,828, have pending decisions on 1,419. 453 referrals were processed with private insurance and 76 referrals have been withdrawn. The average award is approximately \$2,188 per referral. OMD fully expects the amount of General Fund OMD/OEM will need to process these reimbursements to increase from the amount requested in this letter, which will result in a future request for additional General Funds.

Included with this letter are the four Notice Letters provided to the Office of Emergency Management showcasing the costs and the repercussions of non-payment as related to DR-4591. We have also included the one Notice Letter associated with DR-4562. Additionally, we have included the daily Individual Assistance Snapshot report as of October 30, 2020, which shows the amount of ONA disbursed.

This request for reimbursement to FEMA is unusual. For a state to qualify for ONA, they must receive approval from FEMA for Individual Assistance (IA) as a part of the Disaster Declaration. Our state typically does not meet IA requirements by FEMA; the last one we received prior to these current flooding and wildfire disasters was in 2007 and was known as the Vernonia Floods.

**Action Requested**

Increase General Fund in the Office of Emergency Management by \$1,353,464 to reimburse the Oregon Military Department for Other Needs Assistance costs.

**Legislation Affected**

Emergency Management General Fund Appropriation: Section 1(3), Chapter 534, Oregon Laws 2019.

Thank you for your consideration of this request.

Sincerely,



David A. Stuckey  
Deputy Director  
Oregon Military Department

Enclosures (1-6)

1. FEMA Notice – June 1, 2020
2. FEMA Notice – July 1, 2020
3. FEMA Notice – August 3, 2020
4. FEMA Notice – September 1, 2020
5. FEMA Notice – November 2, 2020
6. IA Daily Status Report – October 30, 2020