

ANALYSIS

Item 32: Department of Emergency Management Wallowa County Storm Damage

Analyst: John Terpening

Request: Allocate \$2,000,000 General Fund from the Emergency Fund, to the Department of Emergency Management, for deposit into the Oregon Local Disaster Assistance Loan and Grant Account and increase Other Funds expenditure limitation by \$2,000,0000 to award a grant to Wallowa County for storm damage.

Analysis: On August 11 a severe storm which produced high winds and large hailstones, damaged the west side of houses, buildings, and cars throughout the city of Wallowa and Wallowa County. Initial estimates are that 400-500 homes were damaged in the city and surrounding area. While the city and county have declared a state of emergency due to the amount of damage inflicted by the storm, it did not meet the threshold to be declared a federal disaster.

In the wake of the storm, many community partners and organizations have provided assistance to local residents, including free bus service for those that lost transportation, vouchers to help cover insurance deductibles, and funds established to assist with repairs to homes. Additionally, the Department of Emergency Management (ODEM) is coordinating with Blue Mountain Long Term Recovery Group which is leading recovery efforts that include damage assessments for impacted residents. ODEM reports most of the damage was to personal property, and that some residents may have been uninsured or underinsured, however assessments are still ongoing, and determination of insurance coverage will need to be documented to avoid duplication of benefits.

The Oregon Local Disaster Assistance Loan and Grant Account has been identified by ODEM as a potential means to provide grant funding to Wallowa County. This account was established to provide funding in the form of disaster recovery loans or grants to eligible local governments and school districts to be used as either matching funds for federally declared disasters, or for disaster recovery events that do not meet federal declaration thresholds. Most recently this account has been used to provide \$20 million of one-time funding specific to the 2020 wildfire recovery efforts. By depositing funds into the account, it would allow for the Department and Wallowa to expend the monies beyond June 30, 2023, if necessary, rather than have unspent funds revert at the end of the biennium. With the deposit a corresponding Other Funds expenditure limitation is required for ODEM to disburse the funds out of the account.

In the coming weeks ODEM will work with Blue Mountain Long Term Recovery Group to assess the damage situation, determine unmet needs, and assign priorities for any potential funding. The first standard for disaster relief and recovery operations prioritizes that living conditions are safe, secure, and sanitary. Because damage assessments are still currently underway, and uncertainty around the level of unmet needs already potentially being met by community partners, and to what extent of damage is potentially covered by insurance, the Legislative Fiscal Office recommends allocation of \$1 million General Fund, and that the Department of Emergency Management return to the December 2022 Emergency Board for additional funding if necessary.

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board allocate \$1,000,000 General Fund from the special purpose appropriation made to the Emergency Board for the state’s natural disaster prevention, preparedness, response, and recovery activities, to the Department of Emergency Management, for deposit into the Oregon Local Disaster Assistance Loan and Grant Account; and increase the Other Funds expenditure limitation by \$1,000,000 for the purpose of providing grants to Wallowa County for storm damage mitigation efforts.

32
Oregon Department of Emergency Management
Gibson

Request: Allocate \$2.0 million General Fund from the State Emergency Fund and increase Other Funds expenditure limitation by \$2.0 million for the Wallowa County disaster recovery efforts.

Recommendation: Approve the request.

Discussion: The Oregon Department of Emergency Management (ODEM) is requesting \$2.0 million General Fund for deposit into the Oregon Local Disaster Assistance Loan and Grant Account and a corresponding \$2.0 million Other Funds expenditure limitation increase to provide a disaster recovery grant to Wallowa County.

The City of Wallowa, located in Wallowa County, declared a state of emergency in response to a severe storm on August 11, 2022, followed by a Wallowa County disaster declaration on August 19, 2022. The supercell thunderstorm produced high winds and approximately 2.5 inch hailstones, severely damaging houses, buildings, cars, and powerlines throughout the entirety of the City. Recovery efforts far exceed the ability of the rural county's financial resources and federal resources are only available when a federal emergency is declared. The declarations consider many factors, most notably, the damage must reach a statewide, per capita, impact or be beyond the state's fiscal capacity and resource capabilities. Unfortunately, this severe storm event does not meet the required threshold.

ODEM has been coordinating with local and county partners throughout disaster recovery efforts. As a result, the agency identified the Oregon Local Disaster Assistance Loan and Grant Account established in ORS 401.536(2)(c), as a potential funding source and determined Wallowa County is eligible to receive grant funds for recovery efforts.

The Oregon Local Disaster Assistance Loan and Grant Account was established to provide funds for the Disaster Recovery Loan program. The program provides recovery grants and loans to local governments and school districts to pay expenses related to both (1) disaster recovery events, which do not meet the federal disaster declaration threshold, and (2) matching funds for expenses related to federally declared disasters.

Providing a grant through the fund would allow the county to request reimbursement for expenses beyond the end of the biennium.

Legal Reference: Allocation of \$2,000,000 from the State Emergency Fund for the Oregon Department of Emergency Management, for deposit into the Oregon Local Disaster Assistance Loan and Grant Account for the 2021-23 biennium.

Establishment of an Other Funds expenditure limitation of \$2,000,000 for the Oregon Department of Emergency Management for the payment of expenses from fees, moneys, or other revenues including Miscellaneous Receipts, excluding lottery and federal funds, collected or received for the biennium beginning July 1, 2021, for a Disaster Recovery Grant for Wallowa County from the Oregon Local Disaster Assistance Loan Grant Account.



Oregon

Kate Brown, Governor

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August 22, 2022

The Honorable Senator Peter Courtney, President of the Senate
The Honorable Representative Dan Rayfield, Speaker of the House
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs,

Nature of Request

The Oregon Department of Emergency Management (OEM) is requesting, on behalf of the Governor's Office, \$2 million General Fund and \$2 million Other Fund expenditure limitation to award a reimbursable grant to Wallowa County to be administered through the Oregon Local Disaster Assistance Loan and Grant Account. OEM wishes to use the Oregon Local Disaster Assistance Loan and Grant Account in the Oregon Disaster Response Fund (established in ORS 401.536) to award a grant to the City of Wallowa which has experienced significant local impacts from a severe storm on August 11, 2022. The city declared a state of emergency within 24 hours of the event and Wallowa County submitted a disaster declaration to OEM on August 19, 2022.

Agency Action

The City of Wallowa has declared a state of emergency in response to the local impacts which have touched nearly every structure and vehicle in the community. Local recovery efforts have included exceptional coordination with residents, utility representatives, non-profit organizations and area partners from neighboring communities. However, for this rural community there are insufficient financial resources to support residents and businesses in paying for necessary repairs that are uninsured or underinsured. There are no state or federal programs available to provide for these recovery resources.

OEM had determined that Wallowa County is a qualified recipient that would be eligible for a grant award under the Oregon Local Disaster Assistance Loan and Grant Account if funding is made available. The disaster assistance account as identified in ORS 401.536(2)(c) is identified as a potential funding source for these qualified recipients in response to localized events that do not meet the threshold of a federally declared event.

Action Requested

OEM requests approval and funding to award a \$2 million grant to the City of Wallowa to be administered through the Oregon Local Disaster Assistance Loan and Grant Account.

Legislation Affected

None.

Best,

Andrew J. Phelps