

Thank you to the Division of Emergency Management in the Executive Office of the Governor for taking the time to work with Cori and me to provide you with a better understanding of how the FEMA Reimbursement process will work over the next several years. We met with Mr. Jon Bussey, Chief of Staff and Mr. Kevin Guthrie, Operations Chief, yesterday and they were very gracious in explaining the mechanics of the process. I will highlight a few important take-aways for you now:

- There will be multiple federal, state and non-profit funding streams that will be accessed over the coming years to complete the recovery funding for Hurricane Michael. To date, for Hurricane Irma there have already been at least a dozen separate federal appropriation bills.
 - President Trump has agreed to a 100% Reimbursement of all Category A (Debris Removal) and B (Emergency Protective Measures) expenditures for the 45 calendar days immediately following the storm.
 - As a part of the Executive Order issued after the storm, DOT will pay 100% of Debris Removal costs for fiscally constrained counties pursuant to s. 288.0656, Florida Statutes. Franklin, Gulf and Wakulla Counties will pay no debris removal costs.
 - The Division of Emergency Management (DEM) has reinstated an Expedited Needs Funding agreement with FEMA. Under the agreement, once a project worksheet (application for reimbursement) is deemed 20% complete in the FEMA Review Process, the State of Florida can release 50% of the requested amount with the balance to be released upon final completion of the FEMA review.
 - Mexico Beach was the first municipality to submit a project worksheet under the new process and within 4 weeks of applying, it has already received \$2.1 million in reimbursement for the first 14 days of recovery. This number will be adjusted due to the President's declaration, but the city already has a check in hand from FEMA for that amount.
- ❖ Key Overarching Federal Law is the Stafford Act (44 CFR)
- Generally ALL counties and cities within the declared disaster area are eligible for a reimbursement match of 75% federal to 25% local
 - Federal law combined with state statute (s 288.0656, F.S.) allows for the state to pay ½ of the required local match for fiscally constrained counties (Franklin, Gulf, Wakulla)
 - If a threshold of \$2.7 Billion in obligated funding by the state and local governments in response to the hurricane is met, the reimbursement match rate is adjusted to

90% federal to 10% local. (or 90% federal 5% state and 5% local in constrained counties.)

- FEMA Public Assistance (PA) is divided into Categories A-G
 - Category A – Debris Removal
 - Category B – Emergency Protective Measures
 - Category C – Road and Bridge Repair
 - Category D – Water Control Facilities
 - Category E – Public Building
 - Category F – Public Utilities
 - Category G – Parks and Recreational Facilities and Equipment

- Category A and B expenses are covered for the first 45 days at 100% under President's Order.
- All Category A expenses for Franklin, Gulf and Wakulla are 100% covered by DOT
- All Category A and B expenses after the first 45 days will be:
 - Bay County and its cities: 75% federal / 25% local or
90% federal / 10% local
 - Franklin, Gulf and Wakulla Counties and their cities: 75% federal / 12.5% state /
12/5% local or
90% federal / 5% state / 5% local

- As of February 7, State of Florida has already spent \$1.1 billion in Category B (Emergency Protective Measures)

- Categories C-F are 100% reimbursable but governments have to expend funds before being reimbursed.

- If a project is paid for with State Revolving Fund, non-repayable funding, the project is automatically deemed de-obligated (or non-reimbursable) by FEMA

- Project Management Contractors are considered a reimbursable expenditure through FEMA and are highly recommended by DEM to assist small government entities with the process.

- 60% of de-obligations in the Individual Assistance (IA) Reimbursement process are for failure to properly complete the paperwork.
- It is critical for the paperwork to be properly prepared to maximize reimbursement to our governments.

- FEMA and DEM are ready and waiting for local governments to submit project worksheets and want to get funds back into the communities as quickly as possible through the 50% speed up process.