

COMMENTS:

- 1) **Purpose.** The author contends that “small and rural communities are unable to qualify for federal assistance” as a result of the Federal Emergency Management Agency’s (FEMA’s) high minimum per-event threshold of \$72,750, 330. According to the author:

My district is no stranger to natural disasters and we have missed out on much-needed federal funding when we needed it most. In 2022, the Ferndale Earthquake Sequence severely devastated the City of Rio Dell, but the city did not qualify for any federal assistance...AB 1866 ensures that communities impacted by a state declared natural disaster are prioritized for state assistance when [FEMA] funding and programs are not available. Additionally, AB 1866 clarifies that volunteer services, such as volunteer services through [CERTs], provided during disaster recovery will count toward the local cost share to help communities leverage local capacity when federal aid is unavailable.

This bill is sponsored by the League of California Cities and supported by other local government entities.

- 2) **Background. FEMA Assistance.** FEMA’s public assistance (PA) program provides grants to state, tribal, territorial, and local governments, as well as certain private nonprofit organizations, to help communities respond and recover after a presidentially declared emergency or major disaster. However, to qualify for federal assistance, the estimated value of damage to public infrastructure and residences after a local event must exceed the minimum damage threshold set by FEMA for that particular state (over \$72 million in California). As a result, a severe local disaster, especially in a small, rural, or low-income community, may not reach the state-level threshold to qualify for FEMA assistance.

CDA A. The CDAA authorizes the OES director to administer a state PA program for costs incurred by a local government after a disaster event, including funding for the repair of damaged public real property and reimbursement of local government costs associated with certain emergency activities undertaken in response to a state of emergency proclaimed by the Governor. This bill requires the OES director, when determining an allocation of funds for a project under the CDAA, to prioritize a local agency ineligible for FEMA assistance because the local event does not meet the minimum damage threshold.

Under the CDAA, eligible state PA program applicants include cities, counties, special districts, school districts, community colleges, and certain private nonprofit organizations. Pursuant to CDAA regulations, funds generally reimburse up to 75% of local costs associated with: (a) overtime and associated wage additive costs for emergency response personnel, (b) actual travel and per diem, (c) supplies, materials, and equipment, (d) repair, permanent restoration, and replacement costs for public facilities, (e) basic engineering services necessary for construction projects, (f) administrative or indirect costs, limited to 10% of the total approved state share, (g) work performed under interagency assistance agreements, and (h) the local cost share required under federal PA programs. This bill allows additional local costs to be eligible for reimbursement under the CDAA, including any assistance deemed necessary by the local agency and donated volunteer resources.

- 3) **Related Legislation.** AB 262 (Caloza) contained this bill's provision requiring the OES director to prioritize local agencies ineligible for federal assistance when allocating CDAA funds, among other changes. However, amendments adopted by this committee struck this provision from AB 262, which was subsequently referred to, but not heard by, the Senate Governmental Organization Committee.

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