

## **Appendix B: FEMA Reimbursement**

In the last four years, the number of Major Disaster Declarations has seen a compelling trend in increases from the 48 in 2005 to 75 in 2008. To date in 2009, there have been 35 Declarations, coupled with 5 Emergency Declarations and another 29 Fire Management Assistance Declarations. What makes these numbers so alarming is the current economic crisis at the local and state government level when communities are faced with large scale incidents. Across the country, many departments have reduced staff and resources in order to trim budgets. Yet, as the frequency and magnitude of major incidents escalate, these same departments are relying on others to come to their assistance. But many departments and local governments have learned that the process and speed for reimbursement has become so cumbersome that there is an increasing reluctance for them to provide assistance to others. When faced with a two year wait to recover their expended funds on a disaster, many local jurisdictions cannot afford to cover these costs until the funds arrive, thus they are not in a position to send requested resources.

To make matters more confusing, the involved federal agencies use the Stafford Act of 1988 (P.L. 100-707) and multiple amendments, the Homeland Security Act of 2002 (P.L. 107-296), the Post-Katrina Emergency Management Reform Act of 2006 (P.L. 109-295), and the National Response Framework of 2008 to apply the conditions for reimbursement. Additionally, a number of interpretations are made at various levels as to what exactly is or is not eligible for reimbursement. In some cases, there are established rates to follow. In other cases, the incident commander can waive the established limits and allow changes. The most significant problems arise in the payment of work hours for career personnel. The requesting fire departments must follow the conditions of the federal Fair Labor Standards Act (FLSA), but the FEMA reimbursement process does not recognize these regulations for disaster payments. This disparity alone causes the requesting department to be responsible for about one-third of the assisting department's personnel costs.

To help bring clarity to these issues, we propose a comprehensive review of the reimbursement process and the development of clear guidelines to address these major issues. These guidelines should become a single, straight-forward policy to eliminate multiple interpretations and the resulting appeals. FEMA needs to provide more education to those entities that provide assistance to ensure that that any reimbursement issues are identified and resolved before a disaster occurs. This would allow localities and state emergency management offices to develop "Mission Packages," which would speed the activation process and eliminate many of the inherent delays in the reimbursement process. This should be advocated for all public safety disciplines, not just for the fire service.