

SUBJECT: Reimbursement for emergency shelter costs during state-declared disasters

COMMITTEE: Defense and Veterans' Affairs — favorable, without amendment

VOTE: 6 ayes — Corte, Vaught, Edwards, Farias, Pickett, C. Turner

0 nays

3 absent — Chavez, Maldonado, Ortiz

WITNESSES: For — Juan Ortiz, City of Fort Worth; Kenny Shaw, City of Dallas; Shane Stovall, City of Plano; Scott Swearingin, City of Austin, Capitol Area Shelter HUB Planning Team; (*Registered, but did not testify*: Julianne Acevedo, Texas Fire Chiefs Association; Snapper Carr, City of Corpus Christi; Shanna Igo, Texas Municipal League; James Jones, Houston Police Department; Bennett Sandlin, Texas Municipal League)

Against — None

BACKGROUND: In the event of a natural or man-made disaster, Government Code, sec. 418.018 authorizes the governor to recommend the evacuation of all or part of the population from a stricken or threatened area if the governor considers the action necessary for the preservation of life or other disaster mitigation, response, or recovery. Sec. 418.020 authorizes the governor to enter into purchase, lease, or other agreements with a federal agency to provide temporary housing to evacuees and to make the housing units available to any political subdivision. The governor also may assist cities and counties by allocating, advancing, or lending any funds needed to prepare the temporary housing sites. Cities and counties may temporarily or permanently acquire temporary housing sites by lease, purchase, or other means and may arrange for the purchase of temporary housing units and pay any transportation charges.

The Federal Emergency Management Agency (FEMA) emergency cost sharing program provides a standard 75 percent reimbursement for expenses related to the management and mitigation of a declared emergency. The cost-share portion can be adjusted upward in extreme situations as needed.

DIGEST: HB 1998 would amend Government Code, sec. 418.020 to add state assistance eligibility to cities and counties providing emergency shelters for those evacuated during a state-declared disaster using any available resources. The cities and counties providing such shelter would be entitled to advance or reimbursement of all expenses, including any lost revenue, associated with providing the emergency shelter. The state also would have to advance or reimburse any amounts paid for salaries and benefits of any permanent, straight-time, or regular-time employees who assisted in the evacuation efforts.

The bill also would make conforming changes to add emergency shelters to statutes regulating temporary housing.

The bill would take effect September 1, 2009.

SUPPORTERS SAY: HB 1998 would encourage cities to operate shelters and provide other assistance in times of need and help ensure that the local economies of sheltering cities do not suffer during state emergencies. Cities must devote significant resources to operating shelters, including space rental fees, money spent on meals and supplies, and staff time and salaries. During Hurricane Rita, the city of Plano sheltered 400 evacuees, leasing 76 apartment complexes in the process and spending \$5.3 million in city funds. The city of Fort Worth spent \$13.2 million on hurricane shelters in 2005.

In many cases, cities lose tax and other revenue in addition to the funds they must spend directly. If a city uses its convention center to provide shelter, for example, it may have to cancel previously scheduled events and turn away visitors who otherwise would have contributed to the local economy. During emergencies, city and county employees often are asked to contribute to the relief efforts in lieu of performing their actual jobs, which decreases revenue even further.

These costs are largely borne by the inland cities, and cost concerns have led some cities to shy away from participating in disaster management efforts. This bill would spread the cost for sheltering evacuees statewide.

The bill uses open language regarding funding in order to ensure full reimbursement of sheltering costs. In cases when the Disaster Contingency Fund was low or needed for other purposes, the bill would allow other state funds to be used.

OPPONENTS
SAY:

The broad authorization in HB 1998 for state reimbursement of local costs for emergency shelters could lead to instances of inefficient or wasteful spending. For example, if a shelter decided to purchase equipment such as showers or generators instead of renting them, the state would be required to pay greater costs than were necessary. Cities also could ask for state reimbursement of law enforcement salaries, even if the officers were not directly involved in disaster management efforts.

The bill should establish clear guidelines for reimbursable expenses. It also should require regular reports to the Governor's Division of Emergency Management on how many shelters are in operation during an emergency, along with how many meals are being served at those shelters, so that the state may anticipate the costs it would be required to reimburse.

OTHER
OPPONENTS
SAY:

HB 1998 would not establish a definite source of required state funding to reimburse cities and counties for emergency shelters. Emergencies present complex situations that require coordination among many agencies and different levels of government, and the bill includes vague language suggesting that political subdivisions would be "assisted by any resource available to the state" without specifying the funding mechanism responsible for reimbursement.

NOTES:

The companion bill, SB 178 by Gallegos, was reported favorably, without amendment, by the Senate Intergovernmental Relations Subcommittee on Flooding and Evacuations on March 18.

During the 2007 regular session, a similar bill, HB 3698 by McCall, passed the House by 146-0, but died in the Senate.