U.S. Department of Homeland Security
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FEMA

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MEMORANDUM FOR: Federal Coordinating Officers
FEMA-1602-DR-FL
FEMA-1603-DR-LA
FEMA-1604-DR-MS
FEMA-1605-DR-AL
Sheltering Emergencies - FEMA-3215 et. seq.-EM

ATTENTION: Public Assistance Staff

FROM: Nancy Ward, Director
Recovery Area Command

SUBJECT: Disaster Specific Guidance #2
Eligible Costs for Emergency Sheltering Declarations
Hurricane Katrina

PURPOSE:
The purpose of this Disaster Specific Guidance is to clarify the eligibility of costs likely to be borne by State and local governments in the sheltering and care of the evacuees of areas devastated by Hurricane Katrina. It is anticipated that states not directly impacted by the effects of Hurricane Katrina will receive evacuees from the impacted states of Louisiana, Mississippi and Alabama. Evacuees may arrive as part of an organized, government-sponsored evacuation, or by their own means.

The influx of potentially thousands of evacuees from Gulf Coast states will overwhelm the local capacity of shelters operated by volunteer agencies and the American Red Cross, requiring State and local governments to act in a humanitarian fashion to meet current and anticipated sheltering needs, in both the short and long term. For this, the President has declared Emergency Declarations in several states making Federal assistance immediately available to State and local governments for 100% of the eligible costs they incur to provide shelter and care to Katrina's victims.

AUTHORITY:
Emergency Declarations are authorized by Title V-Emergency Assistance Programs of the Robert T. Stafford Disaster Relief and Emergency Assistance Act P.L. 93-288, as amended.

GUIDANCE:

Applicants Eligible for Public Assistance under an Emergency Declaration:

Public Assistance grants are available to State and Local Governments, certain Private Non-Profit Organizations and Indian Tribes located within designated areas. For the purposes of this guidance, the State may chose to be the single eligible applicant to receive financial assistance under this declaration or it may accept subgrant applications from eligible applicants. The applicant may contract or task any necessary agency to accomplish sheltering of evacuees from impacted areas. The applicant should claim the costs for the eligible services provided based upon a written agreement outlining payment procedures. All costs must be reasonable for the type of work performed.

Eligible Costs for these Emergency Declarations

Based upon the provisions of Section 502 of the Stafford Act, assistance efforts to save lives, protect property, and public health and safety and lessen or avert the threat of a catastrophe can be accomplished by State and local governments or through Direct Federal Assistance (DFA) or a combination of both. Costs associated with these efforts are eligible under the Emergency Declaration.

Evacuation Costs:

Costs associated with evacuation of people from disaster impacted areas can be an eligible expense if performed or contracted for by an eligible applicant. These costs can include:

- Eligible activities include transportation with drivers, shelter operations, security (on transportation and at shelters)
- Eligible labor costs:
  - Overtime for regular staff
  - Regular and overtime for extra hires
  - Contract costs
  - Overtime for backfill for transferred regular staff
- Travel and per diem of eligible employees in the performance of eligible activities is eligible.
- Transportation – to pick up evacuees (planes, trains, busses, ambulances, etc.) including local transportation to the shelters
- Essential Assistance
  - Food
  - Water
  - Personal Items such as those outlined in American Red Cross guidance
- Monitoring and stabilization of evacuees requiring medical care.

Short Term Sheltering:

Costs involved in shelter operations vary according to need and circumstances. In many instances, shelters are operated in government-owned facilities but managed by a volunteer agency. In such instances, only the actual expenses incurred by the eligible applicant, such as supplies or cleanup labor, would be eligible. However, when the government contracts with another organization, or undertakes to operate the shelter itself using its own employees or temporary hires, it may incur substantial eligible costs. In some circumstances, local or State governments may augment existing American Red Cross shelters with operating staff and nurses.

Eligible Category B sheltering costs may include, but are not limited to, the reasonable costs for:

A. Facility costs.
- Modifications to shelter buildings including addition of recreation equipment
- Facility lease or rental costs
- Facility operating costs, such as power, water, and telephone
- Site security and safety
- Limited essential transportation to shuttle evacuees to and from aeromedical transport sites, post offices, banks, shopping, schools, and other essential trips
- Phone banks for disaster victims, if essential and necessary
- Internet service to aid in disaster assistance registration

B. Supplies and commodities for shelters. Supplies are defined as tangible personal property having an acquisition cost of less than $5,000. Eligible items are those needed for, and used directly on, the declared disaster, and are reasonable in both cost and need. Examples include:
- Cots
- Towels/washcloths
- Linens/blankets/pillows
- Personal comfort kits (e.g., shampoo, soap, toothpaste, toothbrush, etc.)
- Essential food and water
- Generators
- Television or radio
- Washer/dryer

C. Applicant-owned equipment. Eligible use of applicant-owned equipment such as busses or other vehicles is generally reimbursed according to the FEMA Schedule of Equipment Rates, which does not include operator labor.

D. Contract costs. Possible contract costs incurred by government may include:
- Meal preparation or food catering costs
- Contract security 24-7
- Shelter management
- Sheltering provided by another organization under contract or mutual aid pact with the local or State government; costs must be reasonable and similar to what it would have cost the government to provide the same level of service

E. Other essential services. Other services may be necessary to properly care for the shelter population. Examples include:
- Medical staff for emergency care, including mental health
- Public Information Officer

F. Cleaning and Restoration. The costs incurred by an applicant to clean, maintain, and make minor repairs to a facility to pre-shelter condition is eligible.

Interim Sheltering

In support of FEMA's housing strategy, applicants are attempting to reduce the burden of traditional sheltering activities by providing interim shelters for evacuees. The costs incurred by an applicant to support such activities are eligible. Reimbursement will be for eligible shelter victims (i.e., evacuees) from the disaster affected States (LA, MS, AL) at the Fair Market Rate. These costs include the lease of properties, including apartments or hotels and will be reimbursed for a period of up to 12 months. Any costs above what is determined to be Fair Market Rate must be approved by the Chief Financial Officer (CFO) and the Recovery Division Director through the respective Regional Office. The purchase of furniture and other essential items in order to make these facilities habitable is eligible.

Medical Care:

Shelters are typically staffed with one or more Emergency Medical Technicians (EMT), Licensed Practical Nurses (LPN) or Registered Nurses (RN) for health screening, to monitor the health of shelter residents, assess and treat minor illnesses and injuries, and make medical referrals (i.e., call 911) when necessary. The number of nurses or other medical staff will vary according to the size and type of the shelter population. Special needs shelters will require a higher skilled medical staff than a general population shelter, indicating the need for RNs.

Eligible costs related to nursing services include, but may not be limited to:

- First aid assessment
- Medical referral
- Providing health information
- Care for individuals with chronic conditions including medications
- Ensuring that shelters are sanitary
- Monitoring and reporting abusive conditions
- Supervising volunteer and paid medical staff

When an eligible applicant is sheltering evacuated hospital patients, the operating costs such as transportation, triage, tests, and medication required to stabilize a patient is eligible. Operating costs for long-term treatments are not eligible in accordance with FEMA Policy 9525.4.

If an evacuee becomes ill in a shelter and a determination is made to transport that person to a hospital for further treatment, the costs associated with the transportation, diagnosis, testing and stabilization of that evacuee is eligible.

Vaccinations when administered to protect the health and safety of the shelter population at large or emergency workers are an eligible expense. The types of vaccine might include:

- Tetanus
- Hepatitis
- Tuberculosis
- Flu
- Pneumonia

If an evacuee was undergoing ongoing medical treatment at the time of the event and the treatment is required to continue to protect the health and safety of the individual or residents at large, the costs for ensuring availability of the treatment will be eligible. The costs can include:

Transportation to a medical facility qualified to administer the treatment
If the treatment is not locally available, providing resources and supplies to administer the treatment.
If the treatment is covered by Private Insurance, Medicare, Medicaid or a pre-existing private payment agreement, it is the responsibility of the State, acting as Grantee, to ensure that these funds are documented and subtracted from the eligible costs.

Transportation Costs

- For evacuees that request to be transported back to their point of origin when resources become available in that location to provide shelter, or to another location, the costs of transportation of evacuees can be an eligible expense.

EOC Costs

Emergency Operation Center costs associated with the provision of emergency sheltering costs are an eligible expense.

Increases in the provision of Governmental Services:

Due to the increase in population for the host state and/or local government, there may be an increase in the requirement to provide governmental services such as schools, police and fire protection and judicial services. The costs for the provision of those services are outlined below:

Schools

Since school age children will be residing in the shelters for a period of time, the availability of educational facilities will be an issue. If space is not available at a local school, the eligible applicant may lease or procure facilities (i.e. portable classrooms) with support services necessary to accommodate the additional students. Any increased transportation cost would also be an eligible expense.

Police/Fire

Additional security may be provided at the shelter based upon need. Fire Protection will be handled by the local fire department as part of its basic mission.

If warranted by specific situations, any overtime incurred by the local government in providing measures to protect the health and safety of the shelter residents through the use of the police or fire department may be an eligible expense. The local government should document the health and safety concern and any associated eligible costs for responding to the situation.

Judicial Services

Overtime costs for increases in judicial services required as a result of the increase in population due to the inclusion of evacuee to the population may be an eligible expense.

Costs which are not eligible under the emergency declarations.

- Long Term Housing
- Long term provisions for increased governmental services.
- Costs for permanent repairs of damaged facilities
- Debris Removal
- Regular Time for Force Account Labor