

North Dakota REV-E-NEWS



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**OFFICE OF MANAGEMENT AND BUDGET
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MESSAGE FROM THE DIRECTOR:

State Committed to Flood Relief

Just as North Dakotans banded together to fight record flooding across the state, it will take a collective effort to help communities rebuild and recover. The State of North Dakota is committed to providing financial assistance and many other services critical to the recovery process. Below, you will find a summary of the financial tools that are available through the State of North Dakota to assist flood-impacted communities, businesses and individuals.

To learn about the many other state disaster relief services go to www.nddisasterinfo.com.

Also, homeowners who suffer damages due to flooding should register with the Federal Emergency Management Agency for federal disaster assistance. Before visiting a recovery center, register for assistance by calling 1-800-621-3362 (TTY 1-800-462-7585) or register online at www.fema.gov or www.disasterassistance.gov.

Funding Sources for Disaster Relief

The State of North Dakota has several programs to provide emergency funding in response to disasters, including this year's major flooding in several areas of the state.

1. **State Disaster Relief Fund:** This fund helps cover state and local costs associated with presidentially-declared disasters in the state. The legislature has appropriated \$35.5 million for disaster relief (see page 2) and the state Emergency Commission and Budget Section have begun approving state expenditures to match federal funds for disaster relief. State funds can be leveraged with three to nine times the amount in federal funds.
2. **Disaster or Emergency Recovery Funding – Loan Authorization:** The state Department of Emergency Services is prepared to borrow from the Bank of North Dakota to match federal funds for presidentially-declared disasters. A deficiency appropriation can be requested to repay the loan amount and interest. The loan amount is not limited and can be leveraged to match federal funds.
3. **National Guard Emergency Costs:** The North Dakota National Guard Adjutant General can access state disaster funds to help cover costs associated with activating the National Guard.
4. **Authority to Borrow Funds for a Disaster:** Subject to Emergency Commission approval, state agencies can borrow, if necessary, from the Bank of North Dakota to help cover the costs of disaster response efforts.

Summary of the State Disaster Relief Fund

In 2009, the legislature approved \$37 million for disaster relief efforts during the 2009-2011 biennium. Of that amount, \$25 million was used to help cover the costs of emergency snow removal and disaster recovery efforts.

In 2011, the legislature passed Senate Bill 2369 which approved the transfer of \$22 million from the Permanent Oil Tax Trust Fund to the State Disaster Relief Fund.

Combined with the carryover of about \$13 million in unused disaster funds budgeted in 2009 (including reimbursements and interest payments), the state has about \$35 million available to help local communities with the costs of disaster recovery efforts during the 2011-2013 biennium. These state funds can be matched with three to nine times the amount in federal funds.



Disaster Relief Fund

	2009-11	2011-13
Estimated Beginning Balance	\$623,216	\$35,514,480
Revenue:		
Transfer from the general fund (2009 SB2012)	\$37,000,000	
Transfer from permanent oil tax trust fund (2011 SB2369)	22,000,000	
Interest earnings	207,000	\$250,000
National Guard reimbursements	134,932	
Federal reimbursements	609,852	
Total Revenues	\$59,951,784	\$250,000
Expenditures:		
2009 Emergency snow removal grants		
State match for disasters prior to 2009	(\$800,834)	(\$860,000)
2009 Flood disaster	(5,266,228)	(6,900,000)
January 2010 winter storm	(1,506,693)	(270,000)
2010 Flood disaster	(3,122,119)	(1,600,000)
April 2010 ice storm	(2,847,775)	(940,000)
2011 Blizzard	(16,871)	
Disaster response coordination (SB2016)		(400,000)
2011 Emergency snow removal grants (SB2369 & SB2016)	(9,000,000)	
2011 Flood and winter storm disasters	(2,500,000)	(15,000,000)
Flood mitigation in incorporated cities (SB2369)		(3,200,000)
Road grade raising projects and political subdivision matching grants (SB2369)		(4,800,000)
Total Expenditures	(\$25,060,520)	(\$33,970,000)
Ending Balance	\$35,514,480	\$1,794,480

Based on most recent estimates.

Emergency Commission Actions Regarding Flood Funding

As of June 21, 2011, the Emergency Commission and Budget Section have approved the following expenditures from the Disaster Relief Fund:

- \$17.5 million for expenses related to 2011 statewide flood and winter storm disasters.
- Up to \$1.2 million for flood disaster relief or disaster mitigation projects in eligible incorporated cities (i.e. Minnewaukan). Another \$2.0 million is reserved for this purpose.
- Up to \$4.8 million for matching grants to political subdivisions for road grade raising projects in townships meeting inundated land provisions, and matching grants to political subdivisions for disasters occurring between January 2011 and June 2011.

FEMA and State Match

If National Guard assistance is requested by a political subdivision, all costs are paid up front by the Office of the Adjutant General. The political subdivision is billed at the conclusion of the event for its portion, according to the following schedule:

75% / 25% Disaster

75% Federal Share

25% State Share (15% Local match, 10% State match)

State grant program may reduce local match to 7.5%.

90% / 10% Disaster

90% Federal Share

10% State Share (6% Local match, 4% State match)

State grant program may reduce local match to 3%.

State Flood Assistance Resources

Bank of North Dakota – Business Disaster Relief Loan Program

The Business Disaster Relief Loan Program is available to North Dakota businesses impacted by the 2011 weather-related events to provide financing to replace or repair equipment and real estate, and to replenish working capital. In addition, the program provides relief to affected businesses by lowering their interest rate and providing options for reamortization of the loan term.

Borrowers will work with local community financial institutions during the loan process, which has been designed to minimize processing time and costs to the borrower. The Bank of North Dakota (BND) will participate in the loan for up to 75.0% of the loan amount or a maximum of \$500,000. Interest rates are fixed at 4.0% for five years, or a variable interest rate at BND base rate less 0.5%. The loans must be adequately secured and are available until December 31, 2011. Please contact your local financial institution for more information and to begin the application process. Additional information is available online at http://www.banknd.nd.gov/lending_services/index.html.

Bank of North Dakota – Farm Disaster Relief Loan Program

The Farm Disaster Relief Loan Program is available to North Dakota farmers and ranchers impacted by the 2011 weather-related events to provide financing to replace or repair equipment and real estate, and to replenish working capital. In addition, the program provides relief to affected borrowers by lowering their interest rate and providing options for reamortization of the loan term.

Borrowers will work with local community financial institutions during the loan process, which has been designed to minimize processing time and costs to the borrower. The BND will participate in the loan for up to 75.0% of the loan amount or a maximum of \$500,000. Interest rates are fixed at 4.0% for five years, or a variable interest rate at BND base rate less 0.5%. The loans must be adequately secured and are available until December 31, 2011. Please contact your local financial institution for more information and to begin the application process. Additional information is available online at http://www.banknd.nd.gov/lending_services/index.html.

Bank of North Dakota – Residential Borrowers

The Bank of North Dakota urges residential borrowers who are having difficulty making their scheduled loan payments due to flooding to contact them for assistance at 1-800-472-2166 extension 5759.

Bank of North Dakota – Student Loan Borrowers

Student loan borrowers who are located in a designated disaster area may qualify to temporarily postpone loan payments for up to 90 days. For more information, please contact the BND at 1-800-472-2166 ext. 5660, or 701-328-5660, or online at <http://www.mystudentloanonline.nd.gov>.

Public Finance Authority – Political Subdivision Disaster Loans

The North Dakota Public Finance Authority, working with the Bank of North Dakota, can provide short-term financing to political subdivisions impacted by 2011 weather-related events. Financing is available to political subdivisions to assist with cash flow needs related to the disaster recovery until federal funds are available or tax revenues are sufficient to meet local match requirements for federal assistance. Please contact the Public Finance Authority at 701-328-7100 for more information.

Job Service North Dakota – Disaster Unemployment Assistance

Disaster Unemployment Assistance (DUA) is a federal program, administered by Job Service North Dakota, designed to provide temporary assistance to individuals who can no longer work or perform services as a direct result of a presidentially-declared disaster. For more information, please contact Job Service North Dakota at 701-328-1152 or online at <http://www.jobsnd.com/node/1957>.

Additional Federal Resources

- **Individual Resources:** Homeowners impacted by flooding should register with FEMA before visiting a recovery center by calling 1-800-621-3362 (TTY 1-800-462-7585) or go online at www.fema.gov or www.disasterassistance.gov. On the Individual Resources webpage <http://www.nd.gov/des/nd-flood-info/individual-resources/> there is information on the location and hours of FEMA Recovery Centers, as well as information on programs available to assist individuals.
- **Business Resources:** Business owners impacted by flooding should register with FEMA before visiting a recovery center by calling 1-800-621-3361 (TTY 1-800-462-7585) or go online at www.fema.gov or www.disasterassistance.gov. On the Business Resources webpage <http://www.nd.gov/des/nd-flood-info/business-resources/> there is information on the location and hours of FEMA Recovery Centers, as well as information on programs available to assist businesses.

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