

DRCA Call with FEMA Chief of Staff

August 6th, 2020, 11:30am-12pm

Purpose of Call: This call provided us with the opportunity to present a DRCA letter to Eric Heighberger, FEMA's Chief of Staff, requesting clarification on Federal COVID-19 Funding & Reimbursement Issues.

FEMA Attendees:

- Eric Heighberger, FEMA Chief of Staff

DRCA Attendees:

- Dan Craig, Tidal Basin
- Casey Long, DRCA
- John Buri, Tetra Tech
- Jonathan Burgiel, Tetra Tech
- Lisa Miller, Lisa Miller & Associates
- Tracy Doyle, Synergy Disaster Recovery
- Chris Walker, WSP
- Teresa Carter, Excel USA
- Roy Dunn, CDR Maguire
- Taran Nicholas, Atkins Global
- John Sullivan, DRC

Agenda:

11:30am-11:32am	Introductions & Opening Remarks: Casey Long & Dan Craig
11:32-11:50am	Overview, Importance & Impact of Clarifying Federal COVID-19 Funding, John Buri, Tetra Tech,
11:50-11:57pm	Interactive Discussion & Q&A
11:57-12pm	Closing Remarks & Next Steps, Dan Craig

Call commenced at 11:30am

Casey Long: Casey provided an overview of the call and how state and locals were holding up their pursuits of federal COVID-19 funding because of the uncertainty over eligibility and reimbursement. Our members have received over a 1,000 questions and concerns and our letter is designed to give you an overview of the most commonly asked questions our members are receiving in the field. We carved the questions up into four categories by application type: 1) Schools, 2) Fire/EMS/1st Responders, 3) Health Departments/Medical Facilities, and 4) Cities & Counties. We want to supply updated information to assist our clients and customers on COVID-19 funding without participating the rumor mill.

11:32-11:50am Overview, Importance & Impact of Clarifying Federal COVID-19 Funding, John Buri, Tetra Tech

John Buri: John thanked all those on the call. We are bringing to light the issue of COVID response with long term recovery and the financial hit locals are being challenged with. He introduced Jonathan Burgiel, Tetra Tech's President of Disaster Recovery unit, and others who worked on putting meat behind the issues that are in the DRCA letter. "We represent many large cities in the US and the impacted states and as we enter into the 5th month of the disaster, the entities are pivoting to the financial hit of cost share and the issues of loss of revenue. What we are recommending for FEMA to consider that FEMA PA is made for this disaster. I think the agency could go farther and we are not setting precedent with this unprecedented disaster." In the last call, we heard from FEMA this was a "choose your own path" type of approach...but the more clarity we can get behind the guidance, the more comfort is had. Treasury's guidance (from July 2 and July 31) and their documentation guidelines still have those that are using them gun shy... who will pay for what, what burden does local government have? This is what drove our list of questions in the letter. The fact that folks are very concerned about where they should turn to for the federal guidance. Some of these dollars have a Dec 30

expiration and some states are putting pressure on locals to make decisions when the rules of the game are being written. DRCA clearly lays it out these issues in the letter and gives some concrete examples of what we are talking about.

Casey Long: COVID-19 response has been complex, involving multiple agencies, and FEMA is engaging in some new unfamiliar territory. We're sure that we are not the only organization or group that has come to you with these pressing questions. Eric, we're interested in hearing what FEMA's plans are and we would love to get some answers to the questions in our letter. I am certain other associations and trade groups are asking for clarity as well, but we're hoping you can tell us FEMA's approach and the plan going forward to address these policy issues.

Eric Heighberger: I know you are seeking a lot of clarity on these issues and you talked with Keith yesterday. Keith probably told you that it is extremely difficult to get direction and clarity that is new and outside the scope that FEMA is used to doing. Things are being driven from the very top and we are having to jump through many more hoops than before. Frankly in the past, these would have not gone to the administrator and to two or three levels above and that is taking the time.

Between Traci Brasher, David Bibo and me, we are pushing for clarity on these issues. Keith is working on a whole set of answers that is going through an OMB process. Last time I talked to him, we were shooting for mid-August to publish something. We are going to be to a point to start answering these questions.

Dan Craig: It will take time and we understand FEMA doesn't want to set a precedent without thinking it through. But the ultimate view is that FEMA team members are making decisions and then telling the locals that we will or won't pay for and expense. Others are making definitive statements and the word comes down that a school expense won't get paid for and the school is expecting it to be covered and the regions may be saying one thing while one region may be getting ahead of themselves. Regions 4, 5 and 6 have directives that are all slightly different.

Jonathan Burgiel: The IRS does a great job of examples. The indecision is causing problems. A congressman from Indiana on this morning's news is saying "I want that money spent before we allocate more." Folks are afraid to spend the money and state and locals are saying we don't want the money clawed back.

Dan Craig: We have had three calls this week from governors about CARES Act vs other money... Questions like what is the match? CDBG, Title 6? What is eligible for match?

Eric Heighberger: I am pretty sure CARES Act money can be used as match. We worked with Treasury for 6 weeks to put something in a clarification document. We tee'd it up and it finally came out. Using that as an example, that one sentence took us 6 weeks to finish.

Dan Craig: Even with this, Eric and I saw it in the QA... state leaders are being told no when we know the answer should be yes.

Eric Heighberger: I can follow up with that.

Casey Long: We can act as a force multiplier. To the extent that our members can be a resource for you and tell you where the pain points are... we may also be able to deflect some of the incoming questions, requests, and complaints you receive on the same issues. The more quickly we can push out guidance the better.

Dan Craig: One of the other things that came up with the CARES Act was trying to get all the money spent before year end. Is there any way they can allocate cost match to a separate fund? If they want to use that and park it can they?

Eric Heighberger: Did you guys bring this up with Keith...he would be surprised the governors are running into roadblocks.

Jonathan Burgiel: It came up, but we did not get specific the way Dan just laid it out.

Roy Dunn: In the pre-new FEMA model days, there were examples of what a good submission looks like. A large majority of our applicants have never been through our process and inside of your team and in addition to the guidance, here's what's eligible and what it should look like as we have new players.

Tracy Doyle: The CARES funding question ...schools are nervous to spend the money...and worried that FEMA won't cover what is needed down the road. The clarity is key and some of these schools are spending their entire annual budgets to get the standards where they are COVID protective. Speaking for the schools, any guidance would be extremely beneficial. Answering these specific questions in our DRCA letter would be tremendous. We are all collaboratively interested in putting something forth so FEMA can accept it.

Eric Heighberger: I will loop back with Keith on this. I'm not sure if the school's stuff is what we are routing through OMB.

Teresa Carter: The biggest problem for fire, EM and ambulance services are where they are trying to pay for the equipment they need. They are in vehicles (they cannot social distance) requiring a lot more expense to clean those vehicles. Also, how to house firefighters and what constitutes an emergency is an issue when typically, a lot of their services are outside the purview of PA. We are in that cross hair where no one is sure what to do. The regions are different in their information delivery on this as well.

Eric Heighberger: Frankly, you guys know better than I that getting different information from different people working PA is a long-standing problem. We need to do a better job and be consistent with what we are telling contractors and applicants.

Lisa Miller: Lisa discussed the increase in workers comp costs that will occur over the next 24 to 36 months in terms of rate increases. She offered to share more as time moves on.

Eric Heighberger: The main driver is Keith on the policy, but I am more concerned with consistent messaging. I think we owe it to get it out and we absolutely need to be sure that we are consistent in messaging. We are in limbo period and once we start getting guidance out (we are hoping by August 15) we will start with it and everyone in the field will know what the guidance will be. The release won't be a magic bullet but hope that is a start. With so many different sources of funding... that is what has taken so long. We owe it to you and all of these groups regarding the clarity that is needed.

Jonathan Burgiel: We appreciate your time. When you look at that letter, there will be more questions and perhaps we could have some video conference meetings around the country. Communications gets lost between FEMA and the sub recipients. I understand there are bosses in the Administration... getting it in writing and getting the states involved. When the info goes to the states, we can help get the information out there. We will do our best to answer them and realize it won't be perfect but consistency of message is so important.

John Sullivan: Thanks for always listening and seeing what it's like at the field level.

11:57-12pm **Closing Remarks & Next Steps, Dan Craig**

Dan Craig: Thank you. Our big thing is consistent messaging and we would rather have the consistency help to get all the regions on the same page. We will play by the rules of the game and want everyone on the same page.

Call concluded at 12:02pm