



November 30, 2017

The Honorable Paul Ryan
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, DC 20515

The Honorable Rodney Frelinghuysen
Chairman
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

The Honorable Nita Lowey
Ranking Member
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

Dear Mr. Speaker, Minority Leader Pelosi, Chairman Frelinghuysen and Ranking Member Lowey,

The State of California respectfully requests a Supplemental Appropriation for disaster funding in order to support California's recovery from the 2017 Wildfire Disaster, the most deadly and destructive in the state's history.

This disaster resulted in overwhelming damages and losses in eight counties and three Tribal Nations. At its peak, California battled 21 fires, which consumed more than 245,000 acres, destroyed 8,800 structures, including entire communities, required the deployment of 11,000 firefighters, and tragically claimed 44 lives. While the total impact to California's economy may take years to fully quantify, the funding identified in this current request will support our immediate efforts to recover from this catastrophic event.

Thank you for your consideration of this request. I look forward to working with you and the members of our delegation to ensure Californians have the necessary resources to rebuild our communities, infrastructure and economy.

Sincerely,


MARK S. GHILARDUCCI
Director

Enclosure: Breakdown of Supplemental Funding Request by Federal Agency

cc: The Honorable Ken Calvert
The Honorable Lucille Roybal-Allard
The Honorable Barbara Lee
The Honorable David Valadao
The Honorable Pete Aguilar
California Congressional Delegation

Breakdown of Supplemental Funding Request by Federal Agency

Federal Emergency Management Agency: \$2.6 billion

The Federal Emergency Management Agency (FEMA) partnered with the State and local governments starting October 9, the day the fires began, and has continuously disbursed Individual Assistance programs to the affected communities and provided Public Assistance Emergency Work (Categories A and B). FEMA tasked various federal agencies with hazardous household waste removal in Napa and Sonoma counties and debris removal in Napa, Sonoma, Lake, and Mendocino counties, which will allow these communities to begin rebuilding homes, businesses, and schools. California also received a federal declaration allowing for Public Assistance Categories C through G, which provides Permanent Work funding for roads and bridges, water control facilities, public buildings and contents, public utilities, parks, and recreational and other facilities.

These funds are also critical to for the schools and students impacted by the fires. The wildfires closed 652 public and private schools, destroyed three schools and damaged five, and displaced 290,785 students. Relief is needed for school districts and institutions of higher education to address school expenses, which includes infrastructure needs, extended and/or emergency staffing, temporary school facilities, student counseling services and lost supplies (textbooks, technology and student materials). The majority of these costs can be funded through FEMA programs and insurance, so the full impact of necessary funding will take additional time to determine.

This appropriation is requested to robustly fund the Federal Emergency Management Agency's Hazard Mitigation program, which provides essential assistance to state and local communities in reducing the risk of damage to people, property, and infrastructure in future disasters. Robust funding for the Federal Emergency Management Agency's Disaster Relief and Community Development Funds is imperative to ensure that the Federal Emergency Management Agency can continue to meet its obligations from previous natural disasters without jeopardizing its ability to respond to future events.

U.S. Department of Housing and Urban Development: \$1.3 billion

As a result of the fires, approximately 8,800 structures were destroyed, including an estimated 6,000 homes. Additionally, schools and businesses have been destroyed. Community Development Block Grant Disaster Recovery funds are only available through a Congressional appropriation and must be used for specific disaster recovery-related purposes. Additional funding of \$1.3 billion for the Community Development Block Grant Disaster Recovery under the U.S. Department of Housing and Urban Development is requested to meet the projected need to reconstruct destroyed homes, communities, and infrastructure due to the recent wildfires in the affected counties.

U.S. Department of Labor: \$30 million

The impact of the fires has resulted in the loss of jobs, and displaced workers. Currently, California has received almost 7,400 Disaster Unemployment Claims, and claims are expected to increase. In order to respond to the immediate and short-term employment needs of displaced workers in the impacted areas, the Employment Development Department is pursuing a National Dislocated Worker Grant to implement a temporary jobs

program. National Dislocated Worker Grants are discretionary grants awarded by the U.S. Department of Labor under the Workforce Innovation and Opportunity Act. The National Dislocated Worker Grant funding is distributed by the Employment Development Department to Local Workforce Development Areas and/or Project Operators in the impacted areas.

Workers fill temporary jobs that not only assist various cleanup and repair projects on public and tribal lands, but also enhance their employability and earnings. The grant funds will provide short-term employment for approximately 1,400 participants.

U.S. Department of Transportation: \$25 million

Additional funding of \$25 million towards the U.S. Department of Transportation's Emergency Relief Program, the Public Transportation Emergency Relief Program, and other programs that can provide immediate assistance and resources to repair and rebuild California's federal-aid highways and roads impacted by this wildfire event.

U.S. Department of Commerce: \$350 million

The U.S. Department of Commerce's Economic Development Administration plays a crucial role in facilitating the delivery of economic assistance to local governments for long-term recovery planning, reconstruction, and resiliency in response to presidentially declared disasters of emergencies. The Economic Development Administration grants emphasize disaster resiliency to help mitigate the potential or economic hardship as a result of future wildfires. The wildfires had a devastating impact on California's local governments. For example, California's wine industry accounts for \$57.6 billion in state and \$114 billion in national economic impact, and generates \$15.2 billion in state and federal taxes annually. Other local government communities will be recovering from the loss of tourism, hospitality, and other major business sectors for years to come. Funding an additional \$300 million in economic assistance will allow each of the nine impacted counties to complete two to three projects to support the long-term recovery planning, reconstruction, and resiliency for California's local businesses, nonprofit organizations, wine growers, and other impacted industries.

National Oceanic and Atmospheric Administration: \$50 million

The wildfires have caused significant, widespread damage to California's watersheds. An emergency infusion of \$50 million for the Pacific Coastal Salmon Recovery Fund is needed to perform immediate stream restoration work caused by the fires, and to invest in the local economy. The program is essential to preventing the extinction of the 28 listed salmon and steelhead species on the West Coast and, in many cases, has stabilized the populations and contributed to their recovery. Since 2000, California has received \$225 million, and the program averages \$76 million annually across the West.

U.S. Department of Agriculture: \$105 million

Funding of \$105 million is requested for the U.S. Department of Agriculture (USDA) to address significant damage to farmland and dairies, rangeland, and watersheds. Although the full impact of California's agricultural losses may not be fully realized for several years, the state is critical to the nation's overall agricultural production and exports.

Farm Service

Funding for the USDA Emergency Watershed Protection Program and Farm Service Agency Disaster Assistance Programs will provide post-fire restoration work on agricultural land in California, in addition to critical watershed restoration and repairs. In FY 2016, the program was funded at \$215 million nationwide and routinely has a funding backlog. This program is essential to rehabilitate farmland and reduce longer-term agricultural production declines associated with the catastrophic fires. Overall, an additional \$5 million would allow the USDA to fund current requested crop loss funding for California agricultural communities. However, with the significant losses associated with agriculture, farm, and dairy businesses, future funding needs are anticipated.

Further, California is requesting an increase in borrowing authority for the Commodity Credit Corporation (CCC) to ensure critical Tree Assistance Program (TAP) and Livestock Indemnity Program (LIP) assistance is available. We also request additional flexibility for the Secretary to use CCC and Section 32 funds for disaster relief and recovery where traditional disaster programs and authorities are inadequate. This includes particularly hard-hit crops like grapes, and a diverse suite of specialty crops, including greenhouse and nursery products.

Natural Resources Conservation Service

A significant appropriation is requested to restore the U.S. Forest Service funding. At the peak of this event, the counties included in the President's Major Disaster Declaration experienced 21 fires burning simultaneously, which destroyed 245,000 acres. In support of these fires, the U.S. Forest Service activated their entire nationwide fleet of 20 air tankers to the firefight in California, as well as U.S. Forest Service personnel and engines. In total, there were 11,000 firefighters working on extinguishing these fires, with 1,096 engines deployed.

California is requesting \$100 million of additional funding for local watershed projects administered by the Natural Resources Conservation Service, such as the Emergency Watershed Protection Program, the Watershed and Flood Prevention Operations Program, and Environmental Quality Incentives Program, including \$1.5 million the California Department of Conservation's efforts to effect on-the-ground recovery through local resource conservation district partners.

Tax Relief

As Californian's struggle to rebuild their homes and communities, targeted tax relief will directly aid that process in areas covered by a major disaster declaration. We support language that will mirror similar provisions of tax relief provided for Hurricanes Harvey, Irma and Maria. (Public Law 115-63). These provisions include: non-itemized deductions for casualty losses waiving the current-law requirement that losses exceed 10 percent of adjusted gross income; penalty-free access to retirement funds; disaster-related employment relief; earned income tax credit reporting-year flexibility; and enhancement of charitable giving incentives.