

Date: February 5, 2015
To: Representative Alice Emmons, Chair, House Committee on Corrections and Institutions
From: Michael Clasen, Deputy Secretary of Administration
Re: Information Request Following Testimony on FEMA and Insurance Funding Status for Waterbury State Office Complex

FEMA Funding

In August 2013 the Administration announced an agreement with FEMA regarding the amount of Federal funding available for eligible work at the Waterbury State Office Complex (WSOC) for damages from Tropical Storm Irene. At that time FEMA agreed to provide up to \$60 million with a 10% State match requirement. To date, the State of Vermont has received approximately \$44 million from FEMA with approximately \$7 million in process. We expect to receive the balance of the FEMA funding as the remaining work is completed at WSOC throughout the rest of this calendar year. Please see the attached "**Overall WSOC Funding Summary**" document for more information.

As discussed, approximately \$29 million (net after 10% State match requirement) of the \$60 million is associated with the Federal Sandy Recovery Improvement Act (SRIA) of 2013 (P.L. 113-2) and therefore not eligible for additional federal funding should actual expenses exceed estimates developed in the current project worksheets. As I mentioned yesterday, funds received under SRIA are fixed. Please see the attached "**Table 1 – Fixed Estimates for each of the 29 facilities requested as part of the Consolidated Subgrant for WSOC**" for a listing of the specific project worksheets that are SRIA funded.

In response to the question regarding how much FEMA funding has been received from the project worksheet (#3237-1) for the AG and Environmental Lab, to date the State has received \$14,949.

Insurance Proceeds

I informed the Committee that as of this date the State of Vermont has received approximately \$37 million in insurance proceeds with an additional \$4 million in process. At this time we do not believe the total insurance estimates that FEMA built into the project worksheets will be fully realized. The State expects to complete the final insurance settlement before the end of this legislative session and we will apprise you of the final numbers when they are known.

Going Forward

As work associated with the WSOC is completed, and all expenses are paid, the State will begin the project worksheet close-out process with FEMA. This process will include a comparison of the actual costs and insurance proceeds against the estimated figures in the project worksheets to determine whether the estimates were less than the actuals. In these cases there may be an opportunity to draw down additional federal funds for eligible expenses. As noted above, SRIA funded projects are fixed and are not eligible for additional federal funding. As all WSOC work will not be completed until this time next year, we will use future Budget Adjustment and Capital Bill requests to reconcile actual costs against the various funding sources.

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