Editorial: Don't ignore FEMA bills
The Baton Rouge Advocate
April 30, 2006

The Louisiana Legislature has a long and undistinguished tradition of delaying uncomfortable financial realities for another day. We hope that this does not prove true with the state's pending bills from the Federal Emergency Management Agency.

We share the concerns of the Council For A Better Louisiana that the state isn't doing enough to set aside money for these obligations.

So far, the state has set aside money for the first $155 million it owes FEMA for expenses associated with last year's hurricanes. The current estimate of the additional money we will owe FEMA, as part of our matching obligation, is $1.2 billion. Additionally, FEMA is paying for 100 percent of the costs of debris removal from the storms, but only through June 30. After that, barring any changes, the state will have to start paying a 10 percent match of costs for debris removal. So far, only 58 percent of the debris from the storms has been removed, and the remaining debris is more difficult to remove - and thus more costly.

Gov. Kathleen Blanco has asked to extend the deadline for the match obligation, but it already has been extended several times.

The restoration of levees presents another potentially huge expense for the state. Initial levee repairs were fully funded at 100 percent by the U.S. Army Corps of Engineers. However, President Bush's latest request to Congress for another $2.2 billion in emergency levee repair funding stipulates a $270 million match. Also, levee improvements beyond basic repairs usually require a state or local match. It's reasonable to assume that the state will have to offer at least some matching funds for levee improvement.

While President Bush has waived some of Louisiana's obligations concerning matching funds, it will take Congress to waive Louisiana's responsibility for paying the $1.2 billion FEMA bill. Given waning support from Capitol Hill in the months after the storms, such generosity should not be assumed.

If Washington forgives Louisiana's obligations to match federal dollars spent on hurricane response and recovery, then the state's budget picture will get a lot rosier. But we can't simply assume that this favorable scenario will unfold.

That is why the Council For A Better Louisiana is suggesting that state government put some money in its piggy bank to pay its outstanding FEMA bills. House Bill 949, filed by state Rep. Don Cazayoux, D-New Roads, would require that the state deposit $100 million in a FEMA Reimbursement Fund each year to pay FEMA-related state obligations.
CABL supports Cazayoux's bill, and so do we. CABL President Barry Erwin said that while some bills proposed by other lawmakers would create a FEMA reimbursement fund, Cazayoux's bill is the only one that requires the state to put a specified amount of money in the reimbursement fund. Without such a requirement for fiscal discipline, simply establishing a reimbursement fund is meaningless.

"If our FEMA obligations get forgiven, that's great," the nonprofit, nonpartisan CABL said in a recent statement. "We'll have money to make some strategic investments we might not have been able to do otherwise. But we shouldn't take the chance."

We hope the governor and state lawmakers heed that caution.