



Legislative Fiscal Bureau

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February 1, 2024

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Military Affairs: Section 13.10 Request to Provide Funding to the Town of Silver Cliff for a Public Safety Building -- Agenda Item I

REQUEST

The Department of Military Affairs (DMA) requests a one-time transfer of \$1,000,000 GPR from the Joint Committee on Finance's biennial GPR general program supplementation appropriation [s. 20.865(4)(a)] to DMA's GPR appropriation for state disaster assistance [s. 20.465(3)(b)] to provide funding for a public safety building in the Town of Silver Cliff.

BACKGROUND

In June, 2022, the Town of Silver Cliff in Marinette County experienced damage from a tornado, which destroyed its public safety building (among other property). According to a media account, the public safety building housed the fire department and rescue squad. The same account indicated that the town faced a \$1 million to \$1.5 million deficit in funding for the rebuild, partly because the town was under-insured.

Under current law, the Department may make payments from the state disaster assistance appropriation account to local governmental units for the damages and costs incurred as the result of a disaster if federal funding is not available because: (a) the Governor's request that the President declare the disaster a major disaster under the federal definition has been denied; or (b) the Department determines the disaster does not meet the per capita impact indicator under the public assistance program issued by the federal emergency management agency (FEMA). Additionally, the entity receiving the grant is required to pay for 30 percent of the amount of damages and costs resulting from the disaster.

According to DMA, the tornado event did not meet the statewide and countywide per capita impact indicators under the public assistance program issued by FEMA, and therefore did not meet

the FEMA eligibility requirements to request a federal disaster declaration. The Town of Silver Cliff was eligible for consideration under the state disaster assistance program and received \$36,600 for eligible costs. However, among other items, administrative rules specify that the following do not qualify for reimbursement: (a) damage to buildings and equipment; (b) costs for which payment has been, or will be, received from any other funding source; and (c) disaster-related costs which should be covered and compensated by insurance. Allowable uses of state disaster assistance include: (a) debris removal; (b) emergency protective measures; and (c) public road and bridge repairs.

The 2023-25 budget, Act 19, provided \$1,000,000 GPR in 2023-24 to the Joint Committee on Finance's supplemental GPR appropriation for potential release to the Town of Silver Cliff to rebuild the public safety building. Upon release from the supplemental appropriation, funding would be provided to the Department's GPR appropriation for state disaster assistance, which has base funding of \$0. Under section 9131(1) of Act 19, the current law requirements to receive assistance would not apply to the payment to the Town of Silver Cliff.

ANALYSIS

The Town of Silver Cliff hired an engineering firm to design the new public safety building, resulting in a \$3 million cost estimate for the rebuild. The town currently has \$2 million to support construction of a new building from two sources: (a) \$1 million from insurance and private donations; and (b) \$1 million from the Community Development Block Grant for public facilities, awarded on July 26, 2023. As a result, there is a funding differential of \$1 million to rebuild the Town of Silver Cliff's public safety building.

ALTERNATIVES

1. Approve the DMA request to transfer \$1,000,000 in 2023-24 from the Joint Committee on Finance's biennial GPR general program supplementation appropriation [s. 20.865(4)(a)] to DMA's GPR appropriation for state disaster assistance [s. 20.465(3)(b)] to provide funding for a public safety building in the Town of Silver Cliff.

2. Deny the request.

Prepared by: Brianna Murphy