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Speaker Steven Tilley
Missouri House of Representatives
301 W Capitol Ave
Jefferson City, MO 65101

Dear Mr. Speaker,

Your Interim Committee on Disaster Recovery has finished several meetings in areas of the state recently afflicted with natural disasters. The committee has observed firsthand the destruction caused by tornados in Sedalia, Joplin, and St. Louis. We have also witnessed the man-made floods caused by the unfortunate destruction of the Birds Point Levee in southeastern Missouri by the Army Corps of Engineers.

Governor Nixon has acted unilaterally to provide significant economic assistance to Joplin. According to the governor, the Jumpstart Joplin program will provide \$22 million in near-term housing recovery assistance and \$100 million in state and federal low-income housing tax credits. We will need to monitor this program and ensure the money is spent efficiently and effectively by the Department of Economic Development and the Housing Development Commission.

The governor withheld some funds from the budget in order to pay for debris removal in Joplin. However, the total amount needed to complete the debris removal is unknown and could be between \$300 million and \$500 million dollars. This amount depends upon the final costs and how regulations affect the federal matching funds. Approximately 90 percent of the cost of debris removal could be borne by the federal government. It will be difficult for Joplin to pay the \$30 to \$50 million of its share without help from the state. This estimate does not include the additional funding needed to help the other communities in Missouri also affected by tornados and flooding.

The Committee will continue to study whether additional financial assistance is needed on an emergency basis. We are issuing our first of two reports to recommend or not recommend the use of the Budget Reserve Fund via the calling of a Special Session of the legislature by July 31, as requested. After very careful consideration we believe it is appropriate to call a Special Session of the Missouri General Assembly to discuss accessing the Budget Reserve Fund to help pay for the mounting costs of the unprecedented disasters in our state. We will make further recommendations as we observe the disasters taking their toll with flooding continuing in Northwest Missouri, levees undergoing repair in Southeast Missouri and as Joplin, Sedalia and St. Louis move forward in the rebuilding of their communities.

Most of the forecasted costs are currently estimates that will eventually become outstanding receipts requiring payment by each county and municipality impacted by disaster. While the actual costs are currently unknown, it is known that our local governments do not have the necessary resources now, or in

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the near future, to pay for the costs related to disaster recovery. Adding to the difficulty our communities face in submitting payment for the costs associated with the disaster recovery is the loss of tax revenue due to the disasters. It is important the communities know their elected state leaders are working together to provide them the certainty and the knowledge that the state is there to help them move forward.

Therefore, we believe it is prudent to broaden the call beyond just consideration of using the Budget Reserve Fund to an agenda that will look at multiple solutions to the issues in front of us. We recommend cautious deliberation in using the Budget Reserve Fund and ensuring it will only be used to pay for disaster related costs. To help guarantee that the fund is used in a fiscally responsible manner, as expected by taxpayers, we strongly encourage the creation of a Joint Oversight Committee between the House and Senate to help monitor the use of the fund. By so doing we will continue to effectively uphold our constitutional duty as stated in the Missouri Constitution, Article III, Section 36.

The final report will contain additional legislative recommendations for next session concerning property tax abatement, disaster relief, and other topics related to natural disaster preparedness and recovery.

Sincerely,



Shane Schoeller, Chairperson of the Interim Committee on Disaster Recovery

Bill White, Vice-Chairperson
Jay Barnes, Representative
Ellen Brandom, Representative
Stanley Cox, Representative
Charlie Davis, Representative
Tom Flanigan, Representative
Steve Hodges, Representative
Jason Holsman, Representative
Shelley Keeney, Representative
Mary Nichols, Representative
Todd Richardson, Representative
Terry Swinger, Representative
Sylvester Taylor, Representative
Mike Thomson, Representative

Cc: Tim Jones, Majority Floor Leader
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