

## **DFRR Frequently Asked Questions**

To provide a coordinated response effort throughout the state, California utilizes the Standard Emergency Management System (SEMS) (required by Government Code section 8607 (a)). The Disaster Financial Recovery and Reconciliation Office (DFRR) supports the Finance and Administration role within the SEMS structure. Using all disaster response costs collected from state agencies, DFRR is responsible for all financial and cost tracking and analysis. To ensure an accurate understanding of the financial impact of disaster response efforts, state agencies should report all associated costs, even when that state agency will not require supplemental funding to support the activities.

### **1. What is Disaster-Response Emergency Operations Account (DREOA)?**

The Disaster Response-Emergency Operations Account (DREOA) is a state supplemental funding mechanism that uses General Fund reserves to support eligible disaster response costs incurred by state agencies associated with a State of Emergency proclaimed by the Governor. DREOA is authorized in [Government Code section 8690.6](#).

### **2. What are disaster response costs?**

Disaster response costs are expenses associated with immediate and necessary activities to address an ongoing or emerging crisis. These include, but are not limited to, procurements and staff time to support disaster response efforts and costs related to a response mission task from the State Operations Center.

### **3. What makes a state agency's disaster cost eligible for DREOA?**

Disaster response costs meeting the following criteria may be eligible for DREOA:

- Activities occurred within a county included in the State of Emergency.
- Costs occurred on or after the date of the State of Emergency proclamation.
- Activities include debris removal efforts and emergency protective measures.
  - These are costs generally associated with FEMA Categories A and B.
- Expenses that are not absorbable within the department's existing budget (subject to Department of Finance (Finance) concurrence)

## **DFRR Frequently Asked Questions**

- Often referred to as extraordinary costs, these include, but are not limited to, procurements, contracts, travel, and personnel overtime related to the proclaimed event.
- Straight-time or regular-time for staff is generally only eligible for DREOA if the fund source is not allowable for disaster response efforts. Some examples of straight-time that could be eligible include positions that are generally funded by fee-for-service, federal grants, or state special funds whose uses are specified and do not include the subject disaster response activities.

While the immediate and temporary repair of equipment or infrastructure could be eligible for DREOA, permanent restorations and replacements are not. For example, using tarps to cover a leaking roof could qualify for DREOA, but installing a new roof to repair the damages would not.

Additionally, supplies procured to aid with the impacts of a disaster but not for direct response efforts may not be eligible for DREOA. For example, air purifiers purchased for an office building impacted by wildfire smoke are generally not eligible for DREOA.

Additional information about DREOA can be found in the [DREOA Fact Sheet](#).

### **4. What are FEMA Categories of work, A and B response costs?**

Category A – Debris Removal: Clearing, removing, and disposing of debris when doing so in the interest of the public.

- Debris may include damaged cars and boats, vegetative debris, construction and demolition debris, sand, dirt, gravel, pebbles, and boulders.
- This can also include the removal of household hazardous waste.

Category B – Emergency Protective Measures: Emergency protective measures are conducted before, during, and immediately after an incident to:

- Eliminate or lessen immediate threats to lives, public health, or safety; OR
- Eliminate or lessen immediate threats of significant additional damage to improved public or private property cost-effectively.

## **DFRR Frequently Asked Questions**

### **5. How do we submit DREOA requests?**

When a proclaimed disaster occurs and your agency begins to incur response costs, your assigned Disaster Financial Recovery and Reconciliation (DFRR) analyst will request that you submit your agency's disaster response costs for the specific proclaimed event.

- Submit all response costs to your DFRR analyst.
  - Disaster response costs must be reported daily unless a different reporting cadence is agreed upon with your DFRR analyst.
- DFRR will review the costs your agency identifies as "not absorbable" within your agency's current budget.
  - Your DFRR analyst may contact you for additional information if needed to provide accurate guidance.
- DFRR will then submit the reviewed data to Finance for a final decision regarding absorbability as well as DREOA eligibility and allocations.
  - This information is a point-in-time collection of your response costs. Your DFRR analyst will share the information provided to Finance with you. If your Finance analyst reaches out for additional information, please refer to this document, not the ongoing cost reporting you may be completing.

### **6. What documentation is required when requesting DREOA?**

When requesting DREOA funding, an agency is required to submit their completed Incident Cost Report to DFRR, indicating their DREOA need. All agencies are expected to maintain documentation pertaining to their incident cost tracking to substantiate any request for state supplemental funding and potential federal reimbursement. An agency's Finance budget analyst may request this internal documentation to further clarify reported costs.

### **7. Who approves DREOA?**

As outlined in Government Code section 8690.6, the Director of Finance approves DREOA allocations upon notification to the Joint Legislative Budget Committee (JLBC). Once the JLBC is notified, Finance will submit an Executive Order to the State Controller's Office to transfer the funds.

## **DFRR Frequently Asked Questions**

### **8. How many DREOA transfers can my agency receive per incident?**

Because every emergency provides unique challenges that can impact a state agency's need for DREOA differently, there is no limit to the number of DREOA transfers per agency for each incident. However, we aim to consolidate DREOA requests to view disaster response costs statewide comprehensively. If your agency has identified upcoming cash flow issues, notify your DFRR analyst immediately. DFRR will coordinate with Finance on any urgent DREOA allocations that appear necessary. Your DFRR analyst will inform you when we collect cost information for the final DREOA transfer for the incident.

### **9. Why must we break down our costs by county and dates?**

Only costs incurred from the date a State of Emergency is proclaimed by the Governor, and only for response in counties specified in the proclamation, are eligible for DREOA funding. Counties may be added later by subsequent proclamations, so the incurred start date can vary by county. To ensure that the funding requested meets the criteria to qualify for DREOA, agencies must provide a breakdown of their costs by county and by date.

Additionally, if the incident reaches the threshold for a federal declaration, those are also issued by county. In many cases, a disaster will be proclaimed in more counties at the state level than at the federal level. In those cases, having the response costs broken out by county from the beginning will assist with determining DREOA allocations and with the documentation required to submit claims for federal reimbursement through the Federal Emergency Management Agency (FEMA).

Your DFRR analyst will use this information to estimate potential FEMA reimbursement if the disaster reaches a federal declaration.

### **10. Do agencies still have to report even if they can absorb all the costs? Why?**

State agencies should report all disaster costs to DFRR, allowing us to determine the disaster's total financial impact on the state. We share this information with Cal OES Recovery to support the request for a federal declaration when applicable. This information is also sometimes requested by Finance or other state decision makers. The reporting cadence can vary depending on the incident's complexity and the agency's

## **DFRR Frequently Asked Questions**

involvement. If you have any questions, contact your DFRR analyst to discuss further.

### **11. How long is DREOA available for each incident?**

DREOA is available for disaster response activities that occur within 120 days from the State of Emergency Proclamation issue date and may be extended subject to specified conditions as outlined in statute, see additional detail below.

### **12. Are there extensions for DREOA availability?**

When an incident's impact requires additional DREOA support beyond the initial 120 days, DFRR will collaborate with Finance to request an extension. You should notify your DFRR analyst if your agency believes it needs extended DREOA support. An extension of up to 120 days can occur upon notification by the Director of Finance to the Chairperson of the JLBC and the chairpersons of the fiscal committees in each house before the expiration of the initial 120-day period or the last extension. Any extensions beyond the original 120 days of DREOA availability shall not extend beyond the end of the fiscal year in which the first extension is requested.

- **Example 1:** Last State of Emergency for an incident is September 1.
  - The first extension of 120 days would need to be noticed by no later than December 30. DREOA would only be available through the end of the fiscal year in which the incident occurred. Suppose there is a funding need for the incident going into the next fiscal year. In that case, the department must develop a budget concept proposal and submit it to their Finance budget analyst to request additional funding through the normal budget process.
- **Example 2:** Last State of Emergency for an incident is April 1.
  - The first extension of 120 days would need to be noticed by no later than July 30. DREOA could be made available through the end of the fiscal year in which the first extension was noticed if all subsequent extensions are requested before the expiration of the previously noticed extension. Additional funding needs for the incident should be communicated to DFRR for discussions with Finance.

## **DFRR Frequently Asked Questions**

### **13. What is the difference between DREOA funding and federal reimbursements? If an agency receives DREOA funding, should they still request federal reimbursement?**

**DREOA** is state funding provided upfront to state agencies for eligible disaster response costs associated with a State of Emergency proclaimed by the Governor.

**Federal reimbursement** is provided solely for federally declared events allowing agencies to *recoup* their expended incident costs. The federal reimbursement process requires an agency to apply to FEMA through Cal OES Recovery Public Assistance (PA).

*DREOA funding does not replace FEMA reimbursement. Therefore, all agencies are expected to apply for federal refunds on all FEMA-eligible incident-related expenses they have incurred, whether or not they received DREOA funding. When DREOA funding is provided upfront and FEMA reimbursements are subsequently approved, the FEMA reimbursements partially backfill the General Fund impacts of DREOA allocations.*

### **14. What happens to the federal reimbursement if we have already received DREOA funds from Finance?**

The DREOA amount provided to the agency will be deducted from their approved federal reimbursement and returned to the state General Fund. Any remaining federal reimbursement may be, and generally are, provided to the agency.

### **15. How do agencies get help reporting costs?**

Please reach out to your agency's DFRR Analyst. If you need to know who your agency's DFRR Analyst is, please email [disastercostrecovery@caloes.ca.gov](mailto:disastercostrecovery@caloes.ca.gov).

### **16. If an incident costs less than initially anticipated, does an agency need to return the excess DREOA funding provided?**

Yes, if an agency determines they have unused DREOA funds, they are expected to notify their DFRR analyst. DFRR will work with Finance to determine if there needs to be an adjustment to the DREOA transfer Executive Order, some other specific budget action is necessary, or if the DREOA funds will revert through the typical accounting year-end process.