



STATE OF MINNESOTA

Washington Office
400 North Capitol Street, Suite 365
Washington, D.C. 20001
(202) 624-5308

ARNE H. CARLSON
GOVERNOR

KATHEE McCRIGHT
DIRECTOR

November 16, 1993

TO: Jim Mason
cc: Kathi Way

FROM: Kathee McCright

RE: Miscellaneous flood questions

Thank you for sending over the Public Health meeting notice. It was unfortunate to have received it on the Friday before it was to be held. Our Long Term Recovery Committee would have liked to have known about it earlier as the well contamination problem is significant.

Has the Department decided yet on the disbursement of the additional \$10 million from the contingency fund? And, has the decision been made on the release of the LIHEAP funds i.e. does the Labor, HHS appropriations bill take care of the OMB concerns?

Again, thanks for your help.

THE WHITE HOUSE
WASHINGTON

April 5, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: CHRISTINE A. VARNEY 
Secretary to the Cabinet

SUBJECT: Background Information - Minnesota

In preparation for your upcoming trip to Minnesota, we have compiled the following information from the various Cabinet Agencies and Departments.

"HOT ISSUES"

- **Treasury - Earned Income Tax Credit (EITC) Impact:** When fully phased in, the expanded ETC will benefit an estimated 155,000 Minnesota families with children -- over 13% of all families in the State. In addition, childless workers will become eligible for the benefit for the first time. The attached chart sets forth the impact of the ETC on each of the Congressional Districts in Minnesota.
- **Treasury - Reductions at IRS St. Paul District Office:** The IRS St. Paul District Office is currently the site of a small toll-free phone bank for taxpayer assistance. As a part of the major reorganization announced last year, the St. Paul office will lose that function, and overall employment at the center could drop from 1000 to 800 people. All affected employees will receive training for new positions within IRS. The National Treasury Employees Union fully supports the reorganization, and the Minnesota Congressional delegation is not voicing any opposition. The proposed \$400 million IRS compliance initiative could lead to new positions and lessen the potential job loss.
- **Treasury - Rural Electric Cooperative Repricing:** Treasury has developed a program to reprice existing Federal Financing Bank loans to rural electric cooperatives through the Rural Electrification Administration. Under this program, Minnesota rural cooperatives were able to reprice over \$750 million in debt, lowering their interest rate from 8.5% to 5.7%.

- **Defense - Acquisition:** Minnesota ranks 22nd in DoD procurement spending, with \$1.49 billion in FY'93. The top five DoD contractors are Allied Techsystems Inc., FMC Corporation, Ceridian Corporation, Unisys Corporations and Honeywell Inc. A total of 1,068 people are employed on military bases in Minnesota, most of them civilians.
- **Defense - Sexual Harassment Suit:** Senators Wellstone and Durenberger have been in constant contact with DoD regarding the sexual harassment case of Navy Lt. Rebecca Hansen. Lt. Hansen originally brought charges against an instructor pilot at the Navy's basic flight school. That instructor was disciplined and is no longer in the Navy. Lt. Hansen later received unsatisfactory grades in the more advanced flight school., and subsequently, accused her instructors at Pensacola of retaliating against her for the charges she brought in the earlier case. The issue has received a good deal of local publicity in Minnesota, some national coverage and remains unresolved.
- **Commerce - Medical Device Manufacturers:** The medical device industry is the fastest-growing industry in the State. The industry is seeking reassurance that health care reform will not come at the industry's expense. Because of its proximity to leading medical institutions, a high concentration of medical manufacturing and research facilities (known as "Medical Alley") has developed around Minneapolis/St. Paul.
- **Commerce - Native American Issues:** In FY'95, Congress has not appropriated funds for three programs: Bureau of Indian Affairs loan guaranty, Bureau of Indian Affairs grant program, and the SBA guaranty program. The Native American Business Development Center currently depends on these programs for approximately 90% of all finance packages.
- **Commerce - Minority Business Development Center (MBDC):** The MBDC and the Native American Business Development Center (NABDC) have facilitated over \$4.2 million in loans and \$6.5 million in procurement contracts for their minority clients in FY'93.
- **Labor - School-to-Work:** Minnesota was awarded a School-to-Work Planning and Development grant in the amount of \$270,000 in December 1993. Senator Durenberger was an original co-sponsor of the School-to-Work Opportunities Act when it was introduced in August, 1993.
- **Labor - Re-Employment Act:** Congressman Penny and Congressman Sabo are co-sponsors of the Re-employment Act of 1994.
- **HHS - Minnesota Family Investment Program:** The Minnesota Department of Human services began implementing this program on April 1, 1994. It is a five year test of a comprehensive welfare reform program, which consolidates AFDC, food

stamps, and general assistance benefits and has a two-level payment standard consisting of "transitional" and "family wage" levels. The transitional level applies to all families engaged in activities which lead to self support. The family wage level is 120% of the transitional level, which applies to families with earned income and is an incentive to self-sufficiency.

- **HHS - Preapplication Discussion for Other Waivers:** The State is considering seeking additional waivers which would allow the State to divert AFDC applicants to work positions, provide broader support services, provide monthly Federal and State tax credits, require minor parents to live with guardians and a host of other reform activities.
- **HHS - Long Term Health Care Waiver:** The State has submitted an application for a waiver to allow it to increase from 36 to 60 months the Medicaid "look behind" for asset transfers for nursing facility eligibility. This will result in fewer people being eligible for benefits because the State will look farther back into an individual's history to determine whether he or she has sold off assets in order to become eligible.
- **HHS - Long Term Care Options Waiver:** The State has submitted a draft Medicaid and Medicare waiver for a demonstration integrating long term care and acute care services under combined Medicaid and Medicare capitation payments for elderly dual eligibles. The proposal is currently under review.
- **HHS - Minnesota Care:** The State's health care reform plan, passed in May, 1993, calls for expansion of health benefits to the uninsured by 1997. The plan relies on managed competition style purchasing alliances, global spending limits and an all-payer system for non-alliance services. The Department has talked with State officials about a potential waiver request but has not yet received an application.
- **Transportation - Air Traffic Control:** Congressman Sabo strongly supports continuation of the Mid-American Aviation Resource Consortium (MARC) in the Twin Cities area as a demonstration program for air traffic control specialists. This training is in lieu of sending personnel to the FAA academy. The program has created controversy as the Administration has asked the funding for this program be discontinued. FAA currently has a hiring freeze and since that has caused no former PATCO controllers to be hired, there is debate about the continuance of the MARC program. The current FAA agreement with MARC remains in existence.
- **Transportation - Airport Improvement Program (AIP):** The FAA has received a \$44 million AIP application for the buyout of homes in Richfield, near the Minneapolis/St. Paul Airport. The grant cannot be processed until Congress approves the AIP reauthorization bill. The FAA is expected to approve the request upon the adoption of the bill.

- **Transportation - Federal Transit Administration:** The Federal Transit Administration is working with state and local officials to develop alternative transportation solutions for the Minneapolis, St. Paul area. Two million dollars have been earmarked for this study and MnDoT plans to apply for an additional \$2.8 million.
- **Agriculture - Disaster Assistance:** USDA Emergency Assistance totals \$800 million in Minnesota, the highest amount of any of the nine flood states. Over 50% of the funds have gone to farmers for crop losses.
- **Agriculture - Welfare Reform:** The Minnesota Family Investment Plan (MFIP) is scheduled to begin operation this month and will run through March 1999. The MFIP will consolidate AFDC, General Assistance and Food Stamps in the form of a cash grant. The MFIP will operate in seven counties with one set of rules.
- **Energy:** On Sunday, April 10, DOE will award a \$100,000 grant to the Minnesota Children's Museum in St. Paul. The funds will go to a new exhibit on the environment to be displayed inside a wing of the Museum scheduled for completion in late 1995.
- **Energy:** Northern States Power's Prairie Island Power Plant is in danger of shutting down because it is running out of room for spent nuclear fuel. The State Legislature gave approval for some additional storage space, but without further storage, the plant will shut down. This is a controversial issues and has received the most publicity of any issue this legislative session.
- **Education - Privatization:** Last year, the Minneapolis School District turned all of its operations over to a private consulting firm. Minneapolis is one of the first cities in the country to convert to privatization.
- **Education - Sexual Harassment Cases:** There have been two high-profile same-sex discrimination cases in Minnesota in the last year. The first involved a male elementary school student who claimed same-sex harassment from two male schoolmates. The second involved a female student at Moorhead State who alleged harassment from female members of the debating team. Both cases were handled by the Department's Office of Civil Rights and both cases were closed based on the finding that the harassment was not based on sex. The cases received widespread media attention in Minnesota.
- **EPA - Smog Check:** Since 1991, the Minneapolis/St. Paul area has been operating under an inspection and maintenance (Smog Check) program is required by the Clean Air Act. The program has been the subject of conflicting scientific studies regarding its success. The State Legislature may examine the program in light of the studies. EPA is working State leaders to ensure that any changes in the program are consistent

with the Clean Air Act.

GRANTS

- **Commerce - Economic Development Administration (EDA):** The EDA has reserved more than \$1.5 million for three separate projects, including \$1,028,160 to assist in the construction of a building to house the Mille Lacs Indian Museum and Cultural Center in Mille Lacs County. The other two are Title IX Long-Term Economic Deterioration Revolving Loan Fund Grants to assist the East Central Regional Development Commission (ECRDC) in Mora (\$318,000) and the Headwaters Regional Development Commission (HRDC) (\$250,000). **These grants are not ready to be publicly announced discussed.**
- **Labor - DWAA Dislocated Worker Grant:** This week Labor announced a \$175,000 grant to assist 70 recently discharged veterans.
- **Labor - Dislocated Worker Grant:** On Tuesday, Secretary Reich announced a \$1.5 million grant to assist 950 dislocated IBM workers in Rochester.
- **Labor - Trade Adjustment Assistance:** Labor awarded this \$575,000 grant to assist workers laid off from IBM Adstar in Rochester. In March, the Department awarded a similar grant of \$805,000.
- **HHS - AIDS:** Minnesota will receive \$970,420 in grants under the Ryan White Care Act in FY'94.
- **HHS - Immunization:** In January, Minnesota received \$4.4 million in funds to support basic immunization activities.
- **HHS - Low Income Energy:** In February, the Department released \$37 million in low income energy contingency funds to the State.
- **HUD - Community Development Block Grant (CDBG):** The Department awarded \$24.9 million to the State and \$17.1 million to Minneapolis in FY'94 in CDBG grants which are used for a wide variety of community development activities.
- **HUD - HOME Investment Partnerships:** The Department provided \$6.4 million to the State and \$2.9 million to Minneapolis in FY'94 in these grants which are given to state and local governments for housing rehabilitation, renovation and construction.
- **HUD - Emergency Shelter Grants:** The Department provided \$879,000 to the State and \$453,000 to Minneapolis in these grants which are used for the renovation, rehabilitation and conversion of buildings for use as emergency shelters.

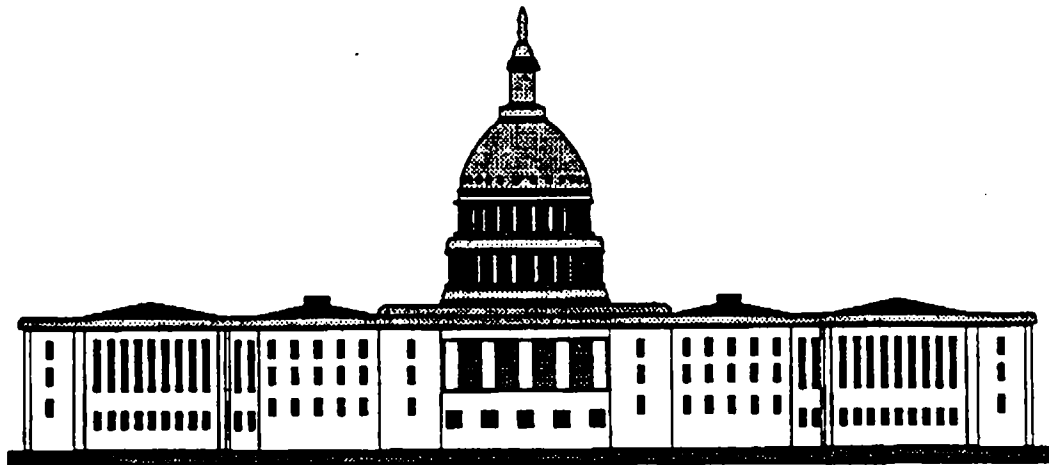
- **Transportation - FTA:** The FTA has approved \$7 million in earmarked Section 3 funds for the Metropolitan Transit Commission (MTC) in Minneapolis. This will allow the MTC to purchase up to 41 replacement buses, of which four will be lift equipped.
- **Energy:** During FY'93, DOE spent over \$19.4 million in financial assistance and procurement awards in the state.
- **Agriculture:** Minnesota received over \$2.2 billion in USDA grants and loans in FY'93. The Food and Nutrition Service and the Farmers Home Administration will significantly increase spending in the state in FY'94.
- **Education:** Minnesota received approximately \$217 million in Federal Education grants in FY'93. The amount awarded to date in FY'94 is about \$231 million.
- **EPA:** Minnesota will receive over \$43 million in water infrastructure financing grants this year with a slight increase expected in FY'94. In addition, the State will receive approximately \$10 million to support other environmental programs. The State also received more than \$2 million in Emergency Midwest Flood Supplemental Grants from EPA.

TRAVEL

- **Labor:** Secretary Reich visited the South Minneapolis Job Service Center on Tuesday, April 5 to discuss the Reemployment Act.
- **HHS:** Secretary Shalala traveled to the Mayo clinic in Rochester in December, 1993.
- **Energy:** Secretary O'Leary is from Minnesota. She has not made any official visits to the State this year.

Estimates of the Earned Income Tax Credit By Congressional Districts

July 29, 1993



Office of Economic Policy
Department of the Treasury

Estimation Procedures

Estimated Distribution Across Congressional Districts of Earned Income Tax Credit Recipients and Amounts

The following district-by-district analysis provides an approximate estimate of how many families with children in each Congressional district will receive the Earned Income Tax Credit (EITC) once the President's proposal is fully phased-in. The estimate does not include the seven million American workers without dependent children who would be eligible under the President's proposal.

The distribution across Congressional districts of EITC recipients and amounts was estimated with the following steps:

1. The Office of Tax Analysis, Department of the Treasury, has estimated the following national totals for 1994 for the current-law EITC and the President's proposal (fully phased in 1994 levels):

	Families	Childless Workers	Total
Current Law			
Recipients	14 million	NA	14 million
Amounts	\$19.1 billion	NA	\$19.1 billion
President's Proposal			
Recipients	15 million	7 million	22 million
Amounts	\$25.4 billion	\$1.3 billion	\$26.7 billion

2. We allocated the totals for families by state, using the distribution across states of recipients and amounts in tax year 1991 from *SOI Bulletin*, Spring 1993.
3. We distributed the state estimates (for both families and amounts) across Congressional districts according to the proportion of the state's nonelderly (householder under 65) households with incomes under \$25 thousand residing in that district (as of the 1990 Census).

Caveats: The Congressional district estimates do not include the number of low-income workers without children that would receive the credit or the amounts they would receive. Since the proposed credit for childless workers is new, there are no historical data on which to base district-by-district estimates for these workers.

All state totals are assumed to grow at the same rate as the national total between 1991 and 1994. Consequently, variations across states are rooted in the 1991 distribution.

These data on the number of EITC families and payment amounts by Congressional district somewhat overstate the number of recipients in metropolitan districts. This is because the proportion of poor households with earnings is higher than average in rural areas and somewhat lower than average in cities.

Office of Economic Policy, Department of the Treasury

Minnesota

District	Representative	Expanded EITC (fully phased in)		
		Families (^{'000} 's)	Amount (millions)	Percent of Families
1	Timothy J. Penny	20.7	32.8	14.5
2	David Minge	21.4	33.9	14.6
3	Jim Ramstad	8.6	13.7	5.8
4	Bruce F. Vento	18.7	29.6	13.5
5	Martin Olav Sabo	25.7	40.8	20.3
6	Rod Grams	9.5	15.0	6.5
7	Collin C. Peterson	26.2	41.5	18.6
8	James L. Oberstar	<u>24.5</u>	<u>38.8</u>	<u>16.7</u>
<i>Total</i>		155.3	246.1	13.6

**NATIONAL
GOVERNORS
ASSOCIATION**

Carroll A. Campbell Jr.
Governor of South Carolina
Chairman

Howard Dean
Governor of Vermont
Vice Chairman

P. 1/3
Raymond C. Scheppach
Executive Director

Hall of the States
444 North Capitol Street
Washington, D.C. 20001-1512
Telephone (202) 624-5300



NGA FAX TRANSMISSION FORM

DATE: 7/15/93

TO:

Franki Way

FAX NUMBER:

456-7028

FROM: MARGARET SIEGEL

202-624-5340 (Commercial)

202-624-5313 (fax)

NUMBER OF PAGES: 3 **(including this page)**

REMARKS: Thought you'd like a copy of this. We've heard
Shabla & O'Leary are doing one as well - what
have you heard.

PLEASE CALL JACKIE HALL AT 202-624-5341 WITH ANY PROBLEMS.



STATE OF MINNESOTA

OFFICE OF THE GOVERNOR
130 STATE CAPITOL
SAINT PAUL 55155

ARNE H. CARLSON
GOVERNOR

September 15, 1993

The Honorable Bill Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

We are respectfully asking for the release of the 1993 LIHEAP (Low-Income Home Energy Assistance Program) contingency appropriation. These funds were appropriated by Congress to provide aid in energy emergencies. Midwest states are experiencing such an emergency as a result of this summer's massive flooding. Flood waters have caused damage to furnaces, water heaters, insulation and windows in the homes of low-income families.

The support and assistance of the federal government have been vital in the flood cleanup and reclamation of property through programs initiated by FEMA, HUD, SBA and Agriculture. However, there are many families who will not be eligible for these programs, yet have needs which must be addressed. For example, SBA loans are available only to those with an ability to repay. Low-income families and those who have lost their jobs due to the floods are not eligible for loans. HUD programs address some repair needs but not the inability of a family with greatly reduced income to pay their winter heating bills. We are writing on behalf of these families.

We have already seen strong indications that the number of these households will increase this winter, as reduced farm income and the flood's ripple effect trigger layoffs, shortened work hours and reduced or eliminated income. These households are primarily working families, small family farmers, "mainstreet" business owners and employees, and those dependent on agriculture for their livelihood.

With your declaration of an energy emergency in the flood damaged states prior to September 30th, the LIHEAP contingency funds can be released. We are respectfully requesting that you release those funds.

The Honorable Bill Clinton
September 15, 1993
Page 2

Thank you very much for your consideration or our request.

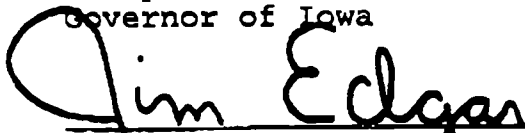
Warmest regards,



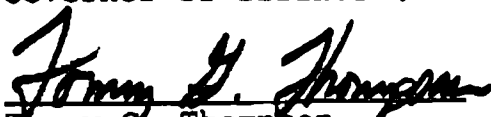
Arne H. Carlson
Governor of Minnesota



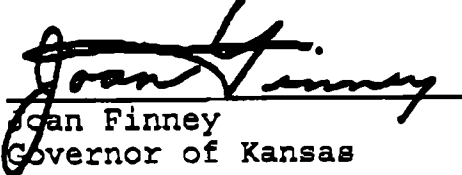
Terry E. Branstad
Governor of Iowa



Jim Edgar
Governor of Illinois



Tommy G. Thompson
Governor of Wisconsin



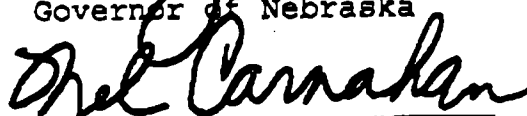
Joan Finney
Governor of Kansas



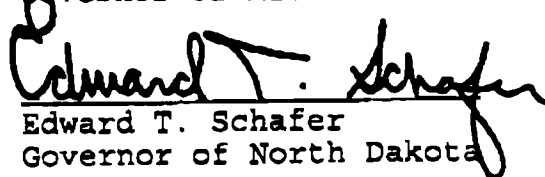
Walter D. Miller
Governor of South Dakota



E. Benjamin Nelson
Governor of Nebraska



Mel Carnahan
Governor of Missouri



Edward T. Schafer
Governor of North Dakota

**STATE OF MINNESOTA**

OFFICE OF THE GOVERNOR
130 STATE CAPITOL
SAINT PAUL 55155

ARNE H. CARLSON
GOVERNOR

September 15, 1993

The Honorable Bill Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

We are respectfully asking for the release of the 1993 LIHEAP (Low-Income Home Energy Assistance Program) contingency appropriation. These funds were appropriated by Congress to provide aid in energy emergencies. Midwest states are experiencing such an emergency as a result of this summer's massive flooding. Flood waters have caused damage to furnaces, water heaters, insulation and windows in the homes of low-income families.

The support and assistance of the federal government have been vital in the flood cleanup and reclamation of property through programs initiated by FEMA, HUD, SBA and Agriculture. However, there are many families who will not be eligible for these programs, yet have needs which must be addressed. For example, SBA loans are available only to those with an ability to repay. Low-income families and those who have lost their jobs due to the floods are not eligible for loans. HUD programs address some repair needs but not the inability of a family with greatly reduced income to pay their winter heating bills. We are writing on behalf of these families.

We have already seen strong indications that the number of these households will increase this winter, as reduced farm income and the flood's ripple effect trigger layoffs, shortened work hours and reduced or eliminated income. These households are primarily working families, small family farmers, "mainstreet" business owners and employees, and those dependent on agriculture for their livelihood.

With your declaration of an energy emergency in the flood damaged states prior to September 30th, the LIHEAP contingency funds can be released. We are respectfully requesting that you release those funds.

The Honorable Bill Clinton
 September 15, 1993
 Page 2

Thank you very much for your consideration of our request.

Warmest regards,



Arne H. Carlson
 Governor of Minnesota



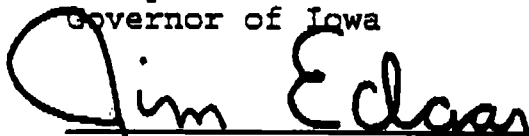
Walter D. Miller
 Governor of South Dakota



Terry E. Branstad
 Governor of Iowa



E. Benjamin Nelson
 Governor of Nebraska



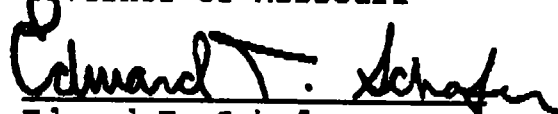
Jim Edgar
 Governor of Illinois



Mel Carnahan
 Governor of Missouri



Tommy G. Thompson
 Governor of Wisconsin



Edward T. Schafer
 Governor of North Dakota



Joan Finney
 Governor of Kansas



STATE OF MINNESOTA

Washington Office
400 North Capitol Street, Suite 365
Washington, D.C. 20001
(202) 624-5308

ARNE H. CARLSON
GOVERNOR

KATHEE MCCRIGHT
DIRECTOR

FAX COVER SHEET

TO: Kathi Way +56-7737
FROM: Jason Bennett for Kathee McCright
RE: _____
DATE: 30 July 93 TIME: 4:35 p.m.
Number of pages (including this transmittal sheet): 2

If possible, please check transmission after each page. If you are not receiving clearly, or if you have problems with the transmission, please call us at our office number (202) 624-5308.

If you would like to transmit copy to us, our fax number is (202)





STATE OF MINNESOTA

Washington Office
400 North Capitol Street, Suite 365
Washington, D.C. 20001
(202) 624-5308

ARNE H. CARLSON
GOVERNOR

KATHEE MCCRIGHT
DIRECTOR

July 30, 1993

TO: Kathi Way
The White House

FROM: Kathee McCright

RE: Emergency LIHEAP funds

The Minnesota Department of Jobs and Training has notified me that the President has been asked to release LIHEAP funds designated for emergency use.

Governor Carlson would strongly urge the President to take this action as the funds could be used for the following activities in Energy Assistance eligible homes:

- 1) Repair/replacement of furnaces and hot water heaters damaged by flooding.
- 2) Payment of past due utility bills for households economically distressed by this disaster.
- 3) Replacement of water damaged conservation materials in previously weatherized homes.
- 4) Responding to the increased energy assistance needs due to new households falling into poverty in flood damaged areas.

Thanks again, Kathi, for all of your assistance. I cannot tell you enough how much we appreciate all of your efforts.



ARNE H. CARLSON
GOVERNOR

STATE OF MINNESOTA

OFFICE OF THE GOVERNOR
130 STATE CAPITOL
SAINT PAUL 55155

*HHS
Office of
Community
Services
needs action to
release \$*

September 15, 1993

The Honorable Bill Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

We are respectfully asking for the release of the 1993 LIHEAP (Low-Income Home Energy Assistance Program) contingency appropriation. These funds were appropriated by Congress to provide aid in energy emergencies. Midwest states are experiencing such an emergency as a result of this summer's massive flooding. Flood waters have caused damage to furnaces, water heaters, insulation and windows in the homes of low-income families.

The support and assistance of the federal government have been vital in the flood cleanup and reclamation of property through programs initiated by FEMA, HUD, SBA and Agriculture. However, there are many families who will not be eligible for these programs, yet have needs which must be addressed. For example, SBA loans are available only to those with an ability to repay. Low-income families and those who have lost their jobs due to the floods are not eligible for loans. HUD programs address some repair needs but not the inability of a family with greatly reduced income to pay their winter heating bills. We are writing on behalf of these families.

We have already seen strong indications that the number of these households will increase this winter, as reduced farm income and the flood's ripple effect trigger layoffs, shortened work hours and reduced or eliminated income. These households are primarily working families, small family farmers, "mainstreet" business owners and employees, and those dependent on agriculture for their livelihood.

With your declaration of an energy emergency in the flood damaged states prior to September 30th, the LIHEAP contingency funds can be released. We are respectfully requesting that you release those funds.

AN EQUAL OPPORTUNITY EMPLOYER



PRINTED ON RECYCLED PAPER

6-00000-75

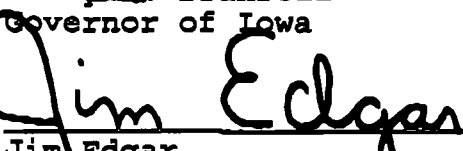
The Honorable Bill Clinton
September 15, 1993
Page 2

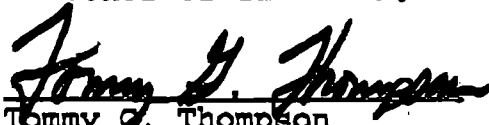
Thank you very much for your consideration of our request.

Warmest regards,


Arne H. Carlson
Governor of Minnesota

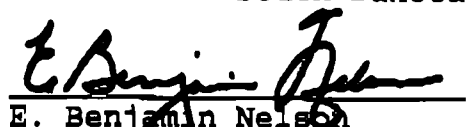

Terry E. Branstad
Governor of Iowa

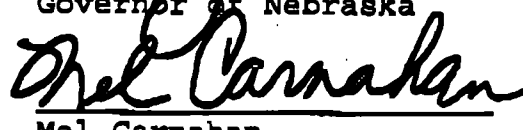

Jim Edgar
Governor of Illinois


Tommy G. Thompson
Governor of Wisconsin


Joan Finney
Governor of Kansas


Walter D. Miller
Governor of South Dakota


E. Benjamin Nelson
Governor of Nebraska


Mel Carnahan
Governor of Missouri


Edward T. Schafer
Governor of North Dakota

MEMORANDUM

TO: KATHI WAY
FROM: KEITH MASON *KM*
DATE: NOVEMBER 1, 1993
RE: GOVERNOR CARLSON'S INQUIRY

Please advise me on the status of the issues raised in the attached letter. Thank you.



STATE OF MINNESOTA

OFFICE OF THE GOVERNOR
130 STATE CAPITOL
SAINT PAUL 55155

ARNE H. CARLSON
GOVERNOR

October 28, 1993

The Honorable Bill Clinton
President
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

On behalf of the citizens of the State of Minnesota, I would like to express our appreciation for the Administration's efforts on behalf of those who have been severely impacted by the Flood of 1993.

After the Disaster Supplemental Appropriations bill passed Congress, and after the initial flurry of regional meetings held by several federal agencies, it has become necessary for me to request that the Administration formally identify the various federal funding streams for the emergency relief money. I also ask that the Administration identify any reprogrammed amounts in the federal response. I understand that the Office of Management and Budget has attempted to coordinate the development of such a road map for the flood-impacted states, but has run into several obstacles. Nonetheless, a document of this nature is crucial to the effected states' ability to access the federal aid.

Thank you for your attention to this matter. And, again, I do want to express our deepest appreciation.

Warmest regards,

A handwritten signature in dark ink, appearing to read "Arne H. Carlson".

ARNE H. CARLSON
Governor

10/13/93 17:16 202 395 5094
10/13/93 11:18 202 436 7028
OCT 12 '93 04:51PM WASHINGTON OFFICE

OMB NRES SSD
DOM. POL

005
002/003



STATE OF MINNESOTA

Washington Office
400 North Capitol Street, Suite 365
Washington, D.C. 20001
(202) 624-5308

ARNE H. CARLSON
GOVERNOR

KATHEE MCCRIGHT
DIRECTOR

TAX COVER SHEET

TO: Kevin Way
FROM: Kathie McCright / bcy
RE: _____
DATE: 10/12 TIME: 4:30
Number of pages (including this transmittal sheet): 2

If possible, please check transmission after each page. If you are not receiving clearly, or if you have problems with the transmission, please call us at our office number (202) 624-5308.

If you would like to transmit copy to us, our fax number is (202) 624-5425.

MESSAGE:

*** ERROR TX REPORT ***

TX FUNCTION WAS NOT COMPLETED

TX/RX NO. 1945
CONNECTION TEL 6172
CONNECTION ID
START TIME 10/13 17:51
USAGE TIME 00'00
PAGES 0
RESULT NG 0 #018

6472



EXECUTIVE OFFICE OF THE PRESIDENT
**CONFERENCE ROOM
RESERVATION REQUEST**

JOB #
DATE OF MEETING: 14 Oct 93
TIME RESERVED: FROM: 1000 TO: 1100
OFFICE/AGENCY: OPD
EXTENSION: 7777

NAME OF INDIVIDUAL HOSTING/ATTENDING EVENT:
Kathi Way

STAFF PERSON RESPONSIBLE FOR ROOM RESERVATION:
CookieWalden

TYPE OF EVENT:

☒ MEETING

☐ RECEPTION

☐ OTHER

DESCRIPTION OF EVENT:

To coordinate flood response to Midwest

NUMBER OF ATTENDEES:
15

IN ATTENDANCE:

☐ PRESIDENT

☐ FIRST LADY

☐ VICE PRESIDENT

ROOM(s) REQUESTED:

☐ RM #22

☐ RM #180

☐ RM #450

☒ RM #472

☐ RM #474 (Indian Treaty Room)

☐ RM #476

☐ ROOSEVELT ROOM

GENERAL SERVICES:

☐ ELEVATOR SERVICE ☐ #4 ☐ #6 ☐ #7

TIME RESERVED _____

FLOORS RESERVED _____

☐ PODIUM

☐ FLAGS

N/A

OTHER REQ. (Rm. 1 Use Only)

SPECIAL ROOM ARRANGEMENTS:

☐ THEATRE:

Number of Chairs _____

N/A

☐ CONFERENCE:

Number of Table(s): _____ 8 ft _____ 10 ft



STATE OF MINNESOTA

Washington Office
400 North Capitol Street, Suite 365
Washington, D.C. 20001
(202) 624-5308

ARNE H. CARLSON
GOVERNOR

KATHEE McCRIGHT
DIRECTOR

October 1, 1993

TO: Kathi Way
FROM: Kathee McCright
RE: Release of LIHEAP contingency fund

I keep hearing rumors that OMB and others feel that we could be using FEMA money for our low-income energy assistance problems. My state people feel there are several problems associated with attempting to use FEMA money for LIHEAP-related needs. The major problem with this appears to be the inability of most of the low income households to qualify for the low interest loans. They would either not be considered credit worthy or would not have sufficient income for repayment.

This suggestion is also problematic because winter is around the corner -- the first hard frost occurred two weeks earlier than normal. Weather forecasters predict this coming winter will be colder than normal, with more precipitation. It does not make sense to force them into the FEMA track where the process is lengthy, and they are not likely to qualify.

Another suggestion has been to use CDBG monies because of the flexibility. There is a real problem with this as most of our states have spent what was received in Des Moines, and, the balance is being held up for long-range plans submissions. Needless to say, that is another problem.

We will be working with the Hill to clarify the language, but, I think we need some signal from OMB that if the language is accepted, some of the funds would be released. Thanks for your help.



STATE OF MINNESOTA

Washington Office
400 North Capitol Street, Suite 365
Washington, D.C. 20001
(202) 624-5308

ARNE H. CARLSON
GOVERNOR

KATHEE McCRIGHT
DIRECTOR

FAX COVER SHEET

TO: KATHI WAY

FROM: KATHEE McCRIGHT

RE: LI-HAND

DATE: 9/29 TIME: _____

Number of pages (including this transmittal sheet): 5

If possible, please check transmission after each page. If you are not receiving clearly, or if you have problems with the transmission, please call us at our office number (202) 624-5308.

If you would like to transmit copy to us, our fax number is (202) 624-5425.

MESSAGE:



RELEASE OF EMERGENCY LIHEAP FUNDS TO FLOOD STATES**September 29, 1993**

Mr. Wellstone: Mr. President, I would like to direct an inquiry to the manager of the bill, Senator Harkin, relating to the Low-Income Home Energy Assistance Program. This relates to utilization of the emergency funds available under this program to assist victims of flood damage in the Midwest. On September 15, the Governors of nine midwest states requested that the Administration release emergency LIHEAP funding, which can be used to repair furnaces of low-income individuals, and for such other activities as replacement of water-logged insulation materials. This work needs to be done before the onset of winter, but many low-income people, struggling with massive losses from the flooding, simply can't afford it. I understand OMB Director Panetta, in response to Senator Harkin's letter, raised an objection that current law would not permit targeting of LIHEAP funds to specific states. I would ask Senator Harkin if it wasn't Congress' intent that emergency LIHEAP funds be targeted to specific areas to meet, among other things, special contingencies like this?

Mr. Harkin: The Senator from Minnesota is correct. Our intent was clearly to make these LIHEAP reserve funds available to meet emergency needs resulting from specific localized disasters. In the upcoming conference with the House on the Labor-HHS appropriations bill, I will seek to include language in the

statement of the managers clarifying Congressional intent on this issue, and if deemed necessary, adjust the actual appropriations bill language. I will continue to do all I can to see that emergency LIHEAP funds are released as soon as possible to assist eligible persons in flood-impacted states.

Mr. Wellstone: I thank the Chairman for that clarification. I know that release of these funds to meet emergency needs for over 6,000 people in Minnesota, and thousands of others in Iowa and in other flood-affected states, would enable us to rush urgent help to those in need as the winter approaches. I will continue to work with the Chairman, and with the Administration, to ensure prompt release of these funds. I would like to include at this point in the record some correspondence on this issue. The first letter is from Energy Secretary O'Leary and NHS Secretary Shalala to OMB Director Panetta, urging release of the funds. The second is the letter from nine Midwest Governors requesting immediate release of the funds. Finally, I would like to insert the exchange of correspondence between Chairman Harkin and Mr. Panetta to which I referred earlier. I thank the Chairman for his help with this important effort.

Mr. Bond: I want to join the Chairman, and the Senator from Minnesota, in their view that current law allows the release of these emergency funds, and I will continue to work with the Chairman and Ranking Minority member of the Committee to secure their immediate release. The Missouri Department of Social

Services has told me that there is a vital need for these funds, as thousands of Missouri families have been displaced by the flood. If the Great Flood of 1993 does not qualify as an emergency, then the designation is meaningless. I thank the Senators from Iowa and Minnesota for their leadership.

United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, DC 20510-8025

July 19, 1993

The Honorable Bill Clinton
United States President
1600 Pennsylvania Ave., N.W.
Washington, DC 20500

Dear Mr. President:

I am writing to urge you to release contingency funds provided in the Fiscal Year 1993 Labor, Health and Human Services, and Education Appropriations bill for the Low-Income Home Energy Assistance Program to assist victims in flood-ravaged states.

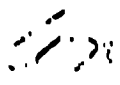
It is my understanding that these funds can be used for a variety of crisis intervention activities, such as emergency shelter, reconnecting electrical service, and repair of air conditioning and furnace equipment.

In this crisis, one of the most urgent needs of low-income people who have lost so much is immediate cash assistance. This program can provide much needed relief in this regard by offsetting some of the unanticipated costs of emergency energy-related assistance.

The appropriations bill provided \$600 million on a nationwide basis for such emergencies as this, which can be made available by declaration of the President of an emergency, in conjunction with submission to Congress of a formal budget request. No further Congressional action is necessary.

I urge your immediate action to release as much Low-Income Home Energy Assistance contingency funds as possible to meet emergency needs in flood-devastated states.

Sincerely,


Tom Harkin



STATE OF MINNESOTA

Washington Office
400 North Capitol Street, Suite 365
Washington, D.C. 20001
(202) 624-5308

ARNE H. CARLSON
GOVERNOR

KATHEE McCRIGHT
DIRECTOR

FAX COVER SHEET

TO: KATHI WAY
FROM: KATHEE McCRIGHT
RE: LI-Memo
DATE: 9/29 TIME: _____
Number of pages (including this transmittal sheet): 5

If possible, please check transmission after each page. If you are not receiving clearly, or if you have problems with the transmission, please call us at our office number (202) 624-5308.

If you would like to transmit copy to us, our fax number is (202) 624-5425.

MESSAGE:



RELEASE OF EMERGENCY LIHEAP FUNDS TO FLOOD STATES**September 29, 1993**

Mr. Wellstone: Mr. President, I would like to direct an inquiry to the manager of the bill, Senator Harkin, relating to the Low-Income Home Energy Assistance Program. This relates to utilization of the emergency funds available under this program to assist victims of flood damage in the Midwest. On September 15, the Governors of nine midwest states requested that the Administration release emergency LIHEAP funding, which can be used to repair furnaces of low-income individuals, and for such other activities as replacement of water-logged insulation materials. This work needs to be done before the onset of winter, but many low-income people, struggling with massive losses from the flooding, simply can't afford it. I understand OMB Director Panetta, in response to Senator Harkin's letter, raised an objection that current law would not permit targeting of LIHEAP funds to specific states. I would ask Senator Harkin if it wasn't Congress' intent that emergency LIHEAP funds be targeted to specific areas to meet, among other things, special contingencies like this?

Mr. Harkin: The Senator from Minnesota is correct. Our intent was clearly to make these LIHEAP reserve funds available to meet emergency needs resulting from specific localized disasters. In the upcoming conference with the House on the Labor-HHS appropriations bill, I will seek to include language in the

statement of the managers clarifying Congressional intent on this issue, and if deemed necessary, adjust the actual appropriations bill language. I will continue to do all I can to see that emergency LIHEAP funds are released as soon as possible to assist eligible persons in flood-impacted states.

Mr. Wellstone: I thank the Chairman for that clarification. I know that release of these funds to meet emergency needs for over 6,000 people in Minnesota, and thousands of others in Iowa and in other flood-affected states, would enable us to rush urgent help to those in need as the winter approaches. I will continue to work with the Chairman, and with the Administration, to ensure prompt release of these funds. I would like to include at this point in the record some correspondence on this issue. The first letter is from Energy Secretary O'Leary and HHS Secretary Shalala to OMB Director Panetta, urging release of the funds. The second is the letter from nine Midwest Governors requesting immediate release of the funds. Finally, I would like to insert the exchange of correspondence between Chairman Harkin and Mr. Panetta to which I referred earlier. I thank the Chairman for his help with this important effort.

Mr. Bond: I want to join the Chairman, and the Senator from Minnesota, in their view that current law allows the release of these emergency funds, and I will continue to work with the Chairman and Ranking Minority member of the Committee to secure their immediate release. The Missouri Department of Social

Services has told me that there is a vital need for these funds, as thousands of Missouri families have been displaced by the flood. If the Great Flood of 1993 does not qualify as an emergency, then the designation is meaningless. I thank the Senators from Iowa and Minnesota for their leadership.

SEN. BILL CLINTON, ARK.
SEN. JIM COOPER, ALA.
SEN. PAT ROBERTS, NEV.
SEN. JIM TALLENT, TENN.
SEN. OSCAR STEVENSON, ARIZ.
SEN. BOB CROWLEY, ARIZ.
SEN. FRANK LAUTENBERG, N.J.
SEN. TOM HARKIN, IOWA
SEN. CAROL M. MCDONNELL, MD.
SEN. MIKE DEWINE, OHIO
SEN. JERRY MANSOUR, NEBR.
SEN. BOB ROHR, WIS.
SEN. PATTY MURRAY, WASH.
SEN. Dianne Feinstein, CALIF.

SEN. BOB CRANDALL, WYOM.
SEN. FRANK R. LUTTRELL, ARK.
SEN. BOB ROBERTS, NEV.
SEN. JIM COOPER, ALA.
SEN. BOB CROWLEY, ARIZ.
SEN. FRANK LAUTENBERG, N.J.
SEN. TOM HARKIN, IOWA
SEN. CAROL M. MCDONNELL, MD.
SEN. MIKE DEWINE, OHIO
SEN. JERRY MANSOUR, NEBR.
SEN. BOB ROHR, WIS.
SEN. PATTY MURRAY, WASH.
SEN. Dianne Feinstein, CALIF.

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-8025

JAMES H. ENGLISH, STAFF DIRECTOR
J. ERIC KENNEDY, MINORITY STAFF DIRECTOR

July 19, 1993

The Honorable Bill Clinton
United States President
1600 Pennsylvania Ave., N.W.
Washington, DC 20500

Dear Mr. President:

I am writing to urge you to release contingency funds provided in the Fiscal Year 1993 Labor, Health and Human Services, and Education Appropriations bill for the Low-Income Home Energy Assistance Program to assist victims in flood-ravaged states.

It is my understanding that these funds can be used for a variety of crisis intervention activities, such as emergency shelter, reconnecting electrical service, and repair of air conditioning and furnace equipment.

In this crisis, one of the most urgent needs of low-income people who have lost so much is immediate cash assistance. This program can provide much needed relief in this regard by offsetting some of the unanticipated costs of emergency energy-related assistance.

The appropriations bill provided \$600 million on a nationwide basis for such emergencies as this, which can be made available by declaration of the President of an emergency, in conjunction with submission to Congress of a formal budget request. No further Congressional action is necessary.

I urge your immediate action to release as much Low-Income Home Energy Assistance contingency funds as possible to meet emergency needs in flood-devastated states.

Sincerely,


Tom Harkin



STATE OF MINNESOTA

Washington Office
400 North Capitol Street, Suite 365
Washington, D.C. 20001
(202) 624-5308

ARNE H. CARLSON
GOVERNOR

KATHEE McCRIGHT
DIRECTOR

FAX COVER SHEET

TO: KATHI WAY
FROM: KATHEE McCRIGHT
RE: FYI: From THE MINNEAPOLIS STAR-TRIBUNE
DATE: 10/1 TIME: 3:30
Number of pages (including this transmittal sheet): 2

If possible, please check transmission after each page. If you are not receiving clearly, or if you have problems with the transmission, please call us at our office number (202) 624-5308.

If you would like to transmit copy to us, our fax number is (202) 624-5425.

MESSAGE:



Frost may finish off long-suffering crops

By Jim Dawson
Staff Writer

The Big Chill will arrive in Minnesota Saturday morning as temperatures hit the low 20s in most places, leaving no doubt that the growing season is over for everything from corn in farm fields to tomatoes

in urban gardens.

The killing freeze will mark the end of what University of Minnesota climatologist Mark Seeley believes is probably the "worst growing season in this century."

While the National Weather Service

can't predict exactly what the temperature will be in specific locations, no one should be surprised to see the temperature drop to 22 degrees. The result will be that the water inside the cells of plants will freeze, expand and break the cell

Cold continued on page 17A

Continued from page 1A

walls. Once that happens, the plant is dead.

If temperatures only hit the low 30s, crops will be damaged, but most would survive. A couple of hours below 28 degrees, as is predicted, and the crops are dead.

The freeze will be just about on time for much of Minnesota, but it is disappointing to farmers who had hoped for a warm September and a late frost to help them salvage their crops.

While many gardeners have been covering their plants the past few nights and worrying about the arrival of the killing freeze, the farmers gave up on their crops some time ago.

"When people realized that September wasn't going to warm up, frost became a moot point," Seeley said. Given the cold, wet summer and the colder-than-normal September, "we've been hard-pressed at farmer's meetings to say anything nice [about the year]."

In southern Minnesota, where a killing frost typically doesn't occur until the second week in October, the predicted freeze Saturday morning shouldn't be a surprise to farmers who have battled nature all summer. With crops two to four weeks behind schedule, farmers had hoped for extra time.

About one-third of the corn in the state hasn't reached the stage where a dent forms at the top of each kernel signaling that the grain is beginning to dry and mature. If frost destroys a cornstalk's leaves before denting, yields will drop by about 25 percent, said Lee Hardman, a professor of extension agronomy at the University of Minnesota.

Soybean plants should turn yellow and shed their leaves before they freeze. On Monday, only 22 percent of the soybeans were shedding leaves, according to the Minnesota Agricultural Statistics Services.

Yield losses now would further shrink an already pathetic crop. Frost

right now also would damage the overall quality of the corn and soybeans, Hardman said.

The only crop that has benefited from the cool weather is the sugar beets in the Red River Valley, Seeley said.

While temperatures may be slightly higher in the Twin Cities, it still looks like temperatures will be low enough to wipe out almost all the crops across the state.

"Peppers and tomatoes have to be harvested," said Deborah Brown, an extension horticulturalist with the University of Minnesota. Peppers can be eaten any time at any size, she said, but the only tomatoes that will ripen after being picked are those that are light green in color. Those the color of green apples won't ripen, she said.

Harvested green tomatoes should be kept out of sunlight and in a cool room, she said.

Most houseplants need to come inside, she said, but chrysanthemums can take a frost. Roses and strawberry plants can make it through an early freeze without being covered, she said.

If they can't get all the fruit picked today, people with apple trees should pay close attention to the temperature Saturday morning. If the temperature only drops to about 27 degrees, the apples will recover if they are not touched until they warm up.

If the temperature falls to 22 degrees, she said, the apples will turn to mush and be ruined.

The few exceptions aside, the general feeling is that Saturday morning will mark the end for most crops and plants in Minnesota, so if there is something that needs saving, save it today.

Staff writer Sharon Schmickle contributed to this report.

MINNEAPOLIS

61712 - 1213015

10/1/93

THE WHITE HOUSE
WASHINGTON

Kathi

This came in a holy joe
with no forwarding note.

Cookie



STATE OF MINNESOTA

OFFICE OF THE GOVERNOR
130 STATE CAPITOL
SAINT PAUL 55155

ARNE H. CARLSON
GOVERNOR

September 15, 1993

The Honorable Bill Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

We are respectfully asking for the release of the 1993 LIHEAP (Low-Income Home Energy Assistance Program) contingency appropriation. These funds were appropriated by Congress to provide aid in energy emergencies. Midwest states are experiencing such an emergency as a result of this summer's massive flooding. Flood waters have caused damage to furnaces, water heaters, insulation and windows in the homes of low-income families.

The support and assistance of the federal government have been vital in the flood cleanup and reclamation of property through programs initiated by FEMA, HUD, SBA and Agriculture. However, there are many families who will not be eligible for these programs, yet have needs which must be addressed. For example, SBA loans are available only to those with an ability to repay. Low-income families and those who have lost their jobs due to the floods are not eligible for loans. HUD programs address some repair needs but not the inability of a family with greatly reduced income to pay their winter heating bills. We are writing on behalf of these families.

We have already seen strong indications that the number of these households will increase this winter, as reduced farm income and the flood's ripple effect trigger layoffs, shortened work hours and reduced or eliminated income. These households are primarily working families, small family farmers, "mainstreet" business owners and employees, and those dependent on agriculture for their livelihood.

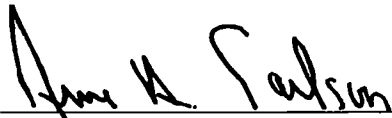
With your declaration of an energy emergency in the flood damaged states prior to September 30th, the LIHEAP contingency funds can be released. We are respectfully requesting that you release those funds.



The Honorable Bill Clinton
September 15, 1993
Page 2

Thank you very much for your consideration of our request.

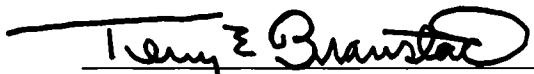
Warmest regards,



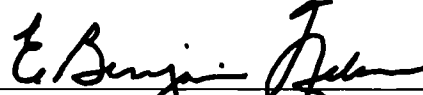
Arne H. Carlson
Governor of Minnesota



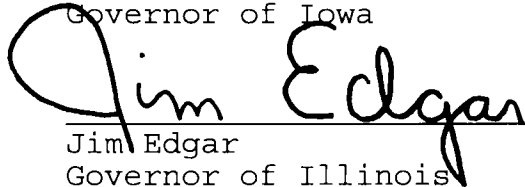
Walter D. Miller
Governor of South Dakota



Terry E. Branstad
Governor of Iowa



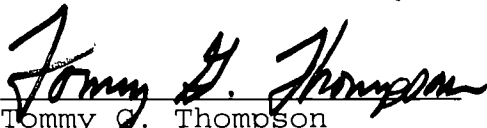
E. Benjamin Nelson
Governor of Nebraska



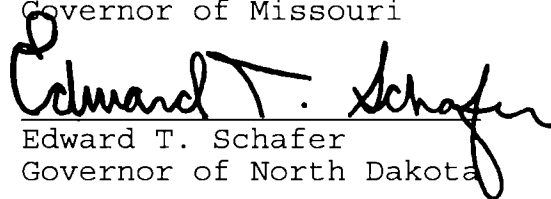
Jim Edgar
Governor of Illinois



Mel Carnahan
Governor of Missouri



Tommy G. Thompson
Governor of Wisconsin



Edward T. Schafer
Governor of North Dakota



Joan Finney
Governor of Kansas

**STATE OF MINNESOTA**

Washington Office
400 North Capitol Street, Suite 365
Washington, D.C. 20001
(202) 624-5308

ARNE H. CARLSON
GOVERNOR

KATHEE MCCRIGHT
DIRECTOR

FAX COVER SHEET

TO: Kathi Thang
FROM: Kathi McCright
RE: _____
DATE: 10-22 TIME: 5:50
Number of pages (including this transmittal sheet): 6

If possible, please check transmission after each page. If you are not receiving clearly, or if you have problems with the transmission, please call us at our office number (202) 624-5308.

If you would like to transmit copy to us, our fax number is (202) 624-5425.

MESSAGE:





STATE OF MINNESOTA

Washington Office
400 North Capitol Street, Suite 365
Washington, D.C. 20001
(202) 624-5308

ARNE H. CARLSON
GOVERNOR

KATHEE MCCRIGHT
DIRECTOR

October 22, 1993

TO: Kathi Way
FROM: Kathee McCright
RE: Response to the FEMA LIHEAP Question and Answer piece

Attached is our response to the procedures suggested by FEMA to handle the low income energy assistance problems. The Minnesota director of the energy program tells me that as of October 15, the agencies have reported a 56.9% increase in applications in the flood-stricken countries. This is obviously going to be a continuing problem, and we are hopeful that we can work with you and with the Office of Management and Budget to devise a more workable solution.

QUESTIONS AND COMMENTS FOR FEMA ENERGY ASSISTANCE

Does FEMA provide funds for home repairs for damaged heating systems, water heaters and insulation?

FEMA/OMB response: Some repair awards include funds needed to repair or replace damaged heating systems, water heaters, and for replacement of insulation.

Problem: Households must first apply for a loan and be denied, after which they can apply for a grant. These funds are only to bring the house back up to immediate health and safety codes. Other damage may be covered by either an SBA loan or an individual and family grant.

Family emergencies created by flood-related lost or reduced employment are not addressed.

Could you please describe this program?

FEMA/OMB response: Home repair assistance is provided to owner-occupants whose home can be restored to livable condition within approximately 30 days and for less than \$5,000. If repairs exceed \$5,000 but are less than \$10,000, a waiver of the \$5,000 limitation is usually granted provided there is a scarcity of vacant rental housing in the area.

Problem: The States were originally given information which stated that home repair assistance was available to both renters and owners. The above response implies that **only owner occupants** are eligible, and then only if the home can be made livable within 30 days with no more than \$5,000 cost.

This amount will not cover extensive damage, i.e. furnace, water heater, electrical system all damaged by water would far exceed \$5,000. In addition, it does not address the immediate survival needs of families with reduced income.

Where do people go to apply?

FEMA/OMB response: Applications for disaster housing and other disaster related programs are available at Disaster Application Centers (DAC). DAC's are established in various locations throughout the disaster area and their locations and hours of operation are widely advertised on television, radio, and in local newspapers. People may also apply by phone to FEMA's toll free registration center, 1-800-462-9029.

Problem: The Disaster Application Centers are not operational in all of the nine states. Therefore, in those states without DACs, the applications are made by phone to operators around the country. The phone application takes approximately one half hour to forty-five minutes. At this point, applicants can be told they do not qualify, and may receive no explanation or feel they have no recourse. FEMA will cease taking applications on November 15, 1993.

How long does it take to get a response after applying?

FEMA/OMB response: Most applicants will receive a letter from FEMA in seven to ten days after submitting their application. The letter will inform them of their eligibility or ineligibility for the program and how to obtain additional information.

Problem: Further information on eligibility is received not in seven days, but usually between two and three weeks later. This delay can cause serious problems in northern states.

Who sets up the damage inspection. FEMA or the applicant?

FEMA/OMB response: FEMA's inspectors will contact the applicant to arrange a mutually convenient time to inspect and record damages.

Problem: FEMA's inspectors do arrange inspections with applicants. In some cases, the inspectors are local people familiar with the community and the homes in the area. In other cases, inspectors have had limited experience in home/furnace repair and underestimate the damage.

The obvious advantage of the energy assistance programs is their well-established networks of vendors, lengthy experience in their own areas, and the ability to respond on an emergency basis. These agencies are available for emergencies in a 24 hour a day, 7 day a week basis.

What price is used for the repairs?

FEMA/OMB response: Repair and replacement prices are based on prevailing rates in the area for the same or similar services. FEMA uses both industry standard pricing guidelines and local market surveys to establish fair and equitable average prices.

Problem: The price lists available through FEMA are quite low compared to the wide experience or the energy assistance and weatherization agencies. State guidelines and Department of Energy guidelines list average costs for furnaces, domestic water heaters and other energy related repair items at prices approximately 30% higher.

Is payment up-front or on a reimbursable basis?

FEMA/OMB response: Both. FEMA's award is based on average material and labor costs. Applicants may submit itemized invoices, however FEMA will only reimburse for the items eligible under the program and then only up the maximum grant of \$5,000.

Problem: Many households lack the disposable income to pay out of pocket for repairs and await reimbursement. Waiting for up-front payment may cause more hardship and damage. The local energy assistance programs can response immediately.

Does the grant cover all repair costs?

FEMA/OMB response: FEMA's grant is based on the average cost for labor and materials in the area and it is not possible to reimburse to the penny. In addition, a homeowner may decide to upgrade the quality of replacement materials which would not be eligible for reimbursement. Generally, applicants use the FEMA grant for emergency repairs or combine it with funds from other sources to complete the project.

Problem: Since FEMA payments will not cover all repair costs, applicants are encourage to seek other funds for project completion. Local energy programs have traditionally been the source of many of these funds for low income households. With the added strain on the Energy Assistance program, caused by the increase in eligible households, repair funds necessary to supplement and complete FEMA projects may not be available.

If there a requirement for state or local governments to financially contribute to this program?

FEMA/OMB response: With the exception of construction of mobile home group sites, the disaster housing program is 100% federally funded.

Problem: While there is no requirement for state or local government to contribute, local energy assistance programs are already seeing increased demands.

Are there any other limitations?

FEMA/OMB response: FEMA does not award grants or reimburse for any item covered by insurance. However, if there is going to be a significant delay in receiving a settlement, the insured may apply to FEMA for home repair assistance. The applicant must reimburse FEMA for the assistance provided when the insurance settlement is received.

Problem: FEMA rightly does not cover insured costs. However, insurance reimbursement is almost twice as fast as FEMA. And, as states previously, FEMA does not assist households with home heating emergencies.

Who can be called if applicants don't get a quick response?

FEMA/OMB response: Each disaster operation establishes information hot-lines. The numbers are widely published in all media forms throughout the disaster area, on the applicant's copy of their registration form, and in all correspondence from FEMA.

Problem: FEMA's response time of three to four weeks is really quick for a federal agency, and calling the hot lines does not reduce this time. Only the local energy assistance programs are able to respond immediately.

How has information on this program been distributed to eligible communities?

FEMA/OMB response: In each disaster operation, FEMA activates a community outreach team. In addition to television, radio, and the print media, the outreach specialists meet with local civic groups, distribute fliers, and respond to any reports of isolated pockets of individuals who may not have otherwise heard of the various assistance programs.

Problem: The primary outreach is now occurring through local energy assistance programs. These agencies are assisting people in seeking help through FEMA.

**STATE OF MINNESOTA**

Washington Office
400 North Capitol Street, Suite 365
Washington, D.C. 20001
(202) 624-5308

ARNE H. CARLSON
GOVERNOR

KATHEE McCRIGHT
DIRECTOR

FAX COVER SHEET

TO: Kevin Neyland, Keith Mason, Kathi Way

FROM: Kathee McCright

RE: Flood Relief

DATE: 10/28/93 **TIME:** 11:15

Number of pages (including this transmittal sheet): 2

If possible, please check transmission after each page. If you are not receiving clearly, or if you have problems with the transmission, please call us at our office number (202) 624-5308.

If you would like to transmit copy to us, our fax number is (202) 624-5425.

MESSAGE:



**STATE OF MINNESOTA**

OFFICE OF THE GOVERNOR
130 STATE CAPITOL
SAINT PAUL 55155

ARNE H. CARLSON
GOVERNOR

October 28, 1993

The Honorable Bill Clinton
President
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

On behalf of the citizens of the State of Minnesota, I would like to express our appreciation for the Administration's efforts on behalf of those who have been severely impacted by the Flood of 1993.

After the Disaster Supplemental Appropriations bill passed Congress, and after the initial flurry of regional meetings held by several federal agencies, it has become necessary for me to request that the Administration formally identify the various federal funding streams for the emergency relief money. I also ask that the Administration identify any reprogrammed amounts in the federal response. I understand that the Office of Management and Budget has attempted to coordinate the development of such a road map for the flood-impacted states, but has run into several obstacles. Nonetheless, a document of this nature is crucial to the effected states' ability to access the federal aid.

Thank you for your attention to this matter. And, again, I do want to express our deepest appreciation.

Warmest regards,

A handwritten signature in dark ink, appearing to read "Arne H. Carlson", written over a horizontal line.

ARNE H. CARLSON
Governor



ARNE H. CARLSON
GOVERNOR

STATE OF MINNESOTA

OFFICE OF THE GOVERNOR
130 STATE CAPITOL
SAINT PAUL 55155

October 28, 1993

The Honorable Bill Clinton
President
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

On behalf of the citizens of the State of Minnesota, I would like to express our appreciation for the Administration's efforts on behalf of those who have been severely impacted by the Flood of 1993.

After the Disaster Supplemental Appropriations bill passed Congress, and after the initial flurry of regional meetings held by several federal agencies, it has become necessary for me to request that the Administration formally identify the various federal funding streams for the emergency relief money. I also ask that the Administration identify any reprogrammed amounts in the federal response. I understand that the Office of Management and Budget has attempted to coordinate the development of such a road map for the flood-impacted states, but has run into several obstacles. Nonetheless, a document of this nature is crucial to the effected states' ability to access the federal aid.

Thank you for your attention to this matter. And, again, I do want to express our deepest appreciation.

Warmest regards,

A handwritten signature in black ink that reads "Arne H. Carlson".

ARNE H. CARLSON
Governor





STATE OF MINNESOTA

Washington Office
400 North Capitol Street, Suite 365
Washington, D.C. 20001
(202) 624-5308

ARNE H. CARLSON
GOVERNOR

KATHEE MCCRIGHT
DIRECTOR

FAX COVER SHEET

TO: Kathi Hayes
FROM: Kathe McCright
RE: LINEAR
DATE: 9-24 TIME: 11:25

Number of pages (including this transmittal sheet): 6

If possible, please check transmission after each page. If you are not receiving clearly, or if you have problems with the transmission, please call us at our office number (202) 624-5308.

If you would like to transmit copy to us, our fax number is (202) 624-5425.

MESSAGE:

HHS EMERGENCY WEATHERIZATION PROGRAM FLOOD DISASTER RELIEF NEEDS SURVEY RESULTS

09/23/93

Description	DISASTER STATES								TOTALS		
	Illinois	Iowa	Kansas	Minnesota	Missouri	Nebraska	North Dakota	Wisconsin	Affected Entities	# Items Replaced	Avg Cost Home
# of agencies affected	14	19	11	48	19	8	7	14	140		
Est # of people affected	12,600	51,393	9,418	6,329	16,800	2,500	1,312	7,900	107,352		
Types of dwellings:											
Single-family	4,000	16,220	2,224	1,973	5,272	535	347	1,100	31,671		
Multi-family	0	512	48	0	211	20	40	400	1,231		
Mobile home	200	342	1,495	30	1,547	55	90	500	4,259		
Total Est # units affected	4,200	17,074	3,767	2,003	7,030	610	477	2,000	38,361 *		
Est avg cost per home	4,000	2,604	3,500	2,900	8,448	967	2,008	2,400			\$3,352
Stoves: #	0	300	163	75	6,432	18	95	300		7,375	
Stoves: average \$	0	350	300	480	600	600	500	650			\$425
Hot water heaters: #	800	17,000	1,630	580	7,030	250	162	1,000		28,452	
Hot water heaters: avg \$	200	450	300	624	350	390	350	450			\$389
Refrigerators: #	0	300	163	50	6,917	0	95	300		7,825	
Refrigerators: avg \$	0	350	500	310	800	0	750	800			\$439
Insulation: #	900	6,000	1,630	511	6,327	130	240	1,200		16,938	
Insulation: avg \$	450	1,000	400	1,478	800	300	500	1,000			\$741
Clean-up/pumping: #	50	10,000	1,630	400	7,030	0	477	1,500		21,087	
Clean-up/pumping: \$	150	500	350	925	400	0	300	500			\$391
Other health/safety: #	800	7,000	1,630	300	7,030	0	334	400		17,494	
Other health/safety: avg \$	250	500	700	917	750	0	500	1,000			\$577
Furnace repair/replace: #	900	17,000	1,630	832	7,030	290	240	800		28,722	
Furnace repair/replace: \$	3,000	1,300	2,000	2,885	1,200	1,300	1,750	1,900			\$1,917
Est total funds required	7,000,000	9,600,000	560,000	5,808,000	13,542,926	590,000	1,025,550	6,000,000	TOTAL: \$33,530,000		

* Includes the following South Dakota detail not itemized:

Total estimated # of units affected:	1,200
Estimated total funds required:	\$3,530,000

LOW-INCOME HOME ENERGY ASSISTANCE

U.S. Department of
Health and Human Services
Administration for Children and Families
Office of Community Services
Division of Energy Assistance
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

Information Memorandum

Transmittal No. LIHEAP-IM-93-17

Date: 5/21/93

TO: LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)
GRANTEES AND OTHER INTERESTED PARTIES

SUBJECT: Estimated LIHEAP Allotments for FY 1993 and for
Advance FY 1994 Appropriations for a Transition
Period to Forward Funding

RELATED REFERENCES: The Departments of Labor, Health and Human
Services, and Education and Related Agencies
Appropriations Act for FY 1993 (Public Law
102-394); Low Income Home Energy Assistance Act,
Title XXVI of the Omnibus Budget Reconciliation Act
of 1981, Public Law 97-35, as amended; and the
Augustus F. Hawkins Human Services Reauthorization
Act of 1990 (Public Law 101-501).

PURPOSE: To provide grantees with their estimated allotments
for LIHEAP for FY 1993 and for advance FY 1994
funds for a nine-month transition period to a new
program year under forward funding.

BACKGROUND: The Augustus F. Hawkins Human Services
Reauthorization Act of 1990 (Public Law 101-501)
amended the statute for the Low Income Home Energy
Assistance Program (LIHEAP) in many respects and
reauthorized the program through fiscal year (FY)
1994. One of the changes authorized by that law
was putting LIHEAP on a "forward funding" basis,
which was scheduled to begin in FY 1993. Under the
terms of that law, funds appropriated for FY 1993
and subsequent years were to be made available for
a program year of the following July 1 to June 30,
rather than for the normal Federal fiscal year of
October 1 to September 30. In order to switch to
this new program year, the Act provided that funds
appropriated for FY 1993 would be available for a
9-month transition period of October 1, 1992 to
June 30, 1993 and for the new program year of July
1, 1993 to June 30, 1994, a total of 21 months.
After that, funding would be appropriated on the
basis of the new program year.

C. Brown 8/97

Congress' intent in implementing this change was to
give LIHEAP grantees advance notice of what their
funding levels will be for what is mainly a winter
heating program. Under the current system,

2

grantees often do not know until November or December what their funding will be for the fiscal year that already began on October 1. Under forward funding, it is intended that the HHS appropriations bill that is normally enacted in the fall will provide funding for LIHEAP for the 12-month period beginning the following July 1, thus giving grantees 7-10 months advance notice of what their funding levels will be.

The Act appropriating funds for FY 1993 for the Department of Health and Human Services, Public Law 102-394 (the Act), was signed by the President on October 6, 1992. It provides funds for implementing "forward funding" for LIHEAP a year later than authorized, that is, it would begin to implement forward funding in FY 1994 (on October 1, 1993), not in FY 1993, which begins on October 1, 1992. Before being passed by the Congress and signed by the President, the funding figures for LIHEAP included in the bill were reduced by 0.8% as part of an across-the-board reduction for all discretionary programs (i.e., non-entitlement programs) included in the Act, because the bill as a whole exceeded the budget agreement for the programs included in it. In addition, the funds that may be set aside for training and technical assistance activities were reduced because of a requirement in the Act to cut back on the Department's expenses. The funding levels we are using to calculate grantee allotments may be slightly different than the funding levels included in the conference report on the bill, because the conference report rounded all calculations to the nearest thousand dollars, while we used precise numbers.

President Clinton has sent to Congress his Budget Request for FY 1994 which recommends continuation of the forward funding concept, by requesting funds for the program year of July 1, 1994 to June 30, 1995.

Details are discussed below.

CONTENT:

As mentioned above, Public Law 102-394 provides funding for the LIHEAP program for FY 1993 and advance funding for FY 1994 for a nine-month transition period to forward funding of October 1, 1993 to June 30, 1994. Attached are a summary of the LIHEAP funding included in Public Law 102-394 and charts showing allotments for each State,

Contingency Fund

Public Law 102-394 also appropriates \$595,200,000 for FY 1993 for a contingency fund, to be made available only if the President submits a formal budget request to Congress that designates the entire amount of the request as an emergency requirement under the Balanced Budget and Emergency Deficit Control Act of 1985. Such designation as an emergency requirement would mean that the funds would not be subject to the funding limits in the Budget Agreement.

* Under the terms of this provision, the President could request all or part of the \$595,200,000 for FY 1993, could distribute the requested amount to all LIHEAP grantees or to just a portion of them, and could use the normal distribution formula or a different formula.

We will inform grantees if the President decides to request any of these contingency funds.

- ATTACHMENTS:**
- (1) Estimated LIHEAP Allocations (Gross and Net Allotments, and Delayed Funding) for All States and Territories for FY 1993
 - (2) Estimated LIHEAP Allocations For Indian Tribes and Tribal Organizations for FY 1993
 - (3) Estimated LIHEAP Allocations (Gross Allotments and "Reimbursable Funding"), With \$25 Million Set Aside for the Leveraging Incentive Program, for All States and Territories for the Advance FY 1994 Funding for the Transition Period of October 1, 1993 to June 30, 1994
 - (4) Estimated LIHEAP Allocations (Gross Allotments and "Reimbursable Funding"), With No Funds Set Aside for the Leveraging Incentive Program, for All States and Territories for the Advance FY 1994 Funding for the Transition Period of October 1, 1993 to June 30, 1994
 - (5) Summary of LIHEAP Funding for FY 1993 and the Advance FY 1994 Funding for the Transition Period of October 1, 1993 to June 30 1994
 - (6) FY 1993 Appropriations Law (Public Law 102-394) and Committee reports, as they relate to LIHEAP