



State of South Carolina

Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

December 1, 2015

The Honorable Lindsey O. Graham
United States Senate
290 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Graham,

Starting October 1, 2015, South Carolina experienced the largest weather event in a generation, with many of her communities enduring “1,000-year” flood levels. The flooding destroyed homes, shuttered businesses and schools, and caused dozens of dams to fail statewide. In the face of this adversity, however, South Carolina shined. Our state and local agencies, in conjunction with the South Carolina National Guard and Guardsmen from around the region, performed swift-water rescues, secured affected communities, and performed emergency maintenance on critical infrastructure. Neighbors, churches, and non-profits rose to the occasion as well, caring for those who lost homes and possessions as a result of the flood.

Significant natural disasters create short-term expenses and leave durable impacts on individuals, communities, and public infrastructure, and the South Carolina flood of 2015 is no exception. To address disaster expenses, the Federal Emergency Management Agency (FEMA) will reimburse our state 75 percent of the cost of disaster response and recovery. Currently, the South Carolina Emergency Management Division (EMD) estimates that total FEMA-eligible expenses will add-up to between \$250 million and \$300 million, including:

- \$36.9 million in non-federal road and bridge damage;
- \$37 million in response costs through the South Carolina National Guard;
- \$50 million currently estimated to repair the Columbia canal; and
- \$40.7 million for parks and beaches statewide.

In addition, Federal Highway Administration (FHWA) Emergency Relief funds are annually appropriated to address over \$70 million in repairs made to FEMA-ineligible roads, and cover up to 90 percent of costs. This leaves the South Carolina Department of Transportation (SCDOT) with roughly \$49 million in expenses that will be unreimbursed due to ineligibility of work or FEMA cost-sharing requirements. The non-federal share of response and infrastructure recovery can be borne by the state, and my budget will contain recommendations to cover costs incurred by state agencies and local governments. As an example, on November 4, 2015, I directed the

transfer of \$9.25 million from the state's unclaimed property fund to cover estimated state match for the South Carolina National Guard and EMD. In any disaster, state and local governments must be financially vested in the recovery to ensure that they effectively prioritize work, and South Carolina is committed to carrying its share of the recovery.

There are many needs that will be addressed in the coming months and years, including damage to our roads, crop losses experienced by farmers, and the local costs for storm response not funded by FEMA. As of November 19th, less than one-quarter of all claims had been closed by crop insurers, and we have heard many complaints from farmers that the process to complete crop insurance claims is unwieldy, and results in unnecessary costs to harvest valueless crops. As I noted in a letter to United States Department of Agriculture (USDA) Secretary Thomas Vilsack on November 23, 2015, no farmer that was properly insured and had a viable business prior to the flood should lose their business solely because of it. We will continue to support our farming community by working with the USDA to address concerns related to the cost and process of making crop insurance claims.

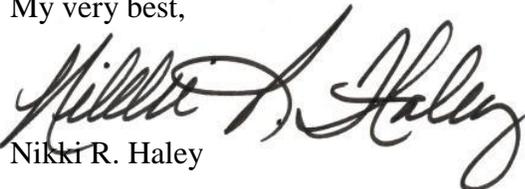
The largest long-term impact of this flood will be felt in neighborhoods, where hundreds of damaged homes now sit without a path to repair. Although FEMA individual assistance funds supplemented individuals in the weeks following the storm, some families are now facing long-term housing instability. South Carolina is blessed to have generous support from private nonprofits, as well as the recently established OneSC fund to bridge the short-term resource gap, but we anticipate that the size and scope of this flooding event will quickly exhaust the capacity of these organizations.

The United States Department of Housing and Urban Development (HUD) has estimated that upwards of 2,600 properties serving low- and moderate-income families will ultimately need restoration at a total cost of \$140 million. In order to address this most significant unmet need, I am requesting that the delegation pursue \$140 million in funding through the Community Development Block Grant – Disaster Recovery (CDBG-DR) program administered by HUD. This program is most appropriate because it has evolved as the predominant vehicle for administering disaster grants, including recent flooding events in the Midwest, South, and Western regions of the country.

Should this funding become available, the South Carolina Department of Commerce, which currently administers the CDBG program in South Carolina, will develop and implement a state housing recovery plan in accordance with HUD requirements. Should any funds allocated to South Carolina be left unspent as the true scope and nature of the flood-related housing need emerges in the coming months, they will be returned to HUD.

Thank you for what you do for the citizens of South Carolina. God bless.

My very best,



Nikki R. Haley

NRH/jdb