



County Road Association
OF MICHIGAN

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Disaster Fiscal Recovery Playbook with Tools for Local Road Agencies

A Michigan State Transportation Innovation Council Initiative

***– from the Gladwin County Road Commission
with the County Road Association of Michigan***

Final Report

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Contents

Acknowledgements	Page 2
Executive Summary	Pages 3-4
Introduction:	Page 5
Objectives:	Page 5
Grant Activities:	Page 5
Conclusion:	Page 10
Appendices A-T:	Separate Document

Acknowledgements

The County Road Association of Michigan and Gladwin County Road Commission appreciate all the counties, municipalities, government officials, staff and elected officials in the Michigan Legislature who assisted in putting together this report, a first-of-its-kind tool to assist our smaller local road agencies in responding to large-scale disasters on the local road and bridge system in ways that maximize all available resources and funding sources to restore transportation functions in their communities.

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Executive Summary

Michigan county road agencies have repeatedly experienced natural environmental disasters that have wreaked havoc on roads, bridges and culverts. Unfortunately, there are currently no “one-stop” resources where these agencies can quickly identify the steps needed to take advantage of all available funding sources for community recovery.

In addition to securing the public safety and waiting for the disastrous condition to abate around the clock for the first several days, the impacted road agency must also know from the first hours of the disaster very specific details about how to track hours and overtime; how to document damage; how “good” a temporary repair can be before it is deemed a permanent repair ineligible for grant funds; and how the road feature may be restored that will not be considered an out-of-compliance improvement. Among many other things.

Given that most road agencies have not experienced a large-scale road disaster in decades (or ever), identifying the government resources, the current rules and contact people is incredibly daunting and often results in potential grant dollars going unclaimed. Further, most smaller road agencies have as few as two or three “front office” workers and they are usually out on the roads ensuring the public safety during these times. In the early hours of a crisis when critical decisions are made, no one has time to search the internet for grant resources and digest their applicability. They do, however, usually have access to their cell phones and can attend to resources gathered and made available for this circumstance.

To address this need, the Gladwin County Road Commission (GCRC) in association with the County Road Association (CRA) of Michigan requested federal funds from the State Transportation Innovation Council (STIC) to create the ***Disaster Fiscal Recovery Playbook: A guide to resources and financing to utilize before, during and after natural disaster events impacting roads.***

The *Playbook* will aid county road agencies in better addressing the fiscal recovery end of a large-scale disaster on the road system. CRA, a 501(c)(6) business association, and GCRC released a request for proposals and selected ICF Incorporated from Fairfax, Virginia, as a vendor to create a *Disaster Fiscal Recovery Playbook*.

The grant process began on November 30, 2020, when CRA and the GCRC applied for the grant and continued through September 30, 2022, when county road agencies begin training on how to use the *Disaster Recovery Playbook* and the suite of tools accompanying it. The five activities that were implemented to create the *Playbook* include:

Activity 1: Vendor Selection. After receiving a grant from Michigan’s State Transportation Innovation Council, the GCRC and CRA selected ICF Incorporated from Fairfax, Virginia to complete the *Playbook*. The project began in April 2021, upon notification of approval from FHWA and the Michigan Department of Transportation.

Activity 2: Understanding the Current Status. The first task that ICF completed for the project involved interviewing six local road agencies to better understand challenges faced following natural disaster events. These interviews found that funding is available for repair and reconstruction from various state and federal sources, but record keeping and the need to establish emergency procurement procedures to expedite purchasing must be established to recover successfully.

Activity 3: Identifying State and Local Resources. The second task for the grant required ICF to interview state and local federal agencies who administer disaster recovery funds to help CRA and local road agencies better understand funding procedures. Representatives from four funding sources were interviewed and revealed the need to proactively prepare for future disasters and to be aware of the key funding requirements of each state and federal funding source.

Activity 4: Providing Support for Building Collaborative Networks. The third task of the grant involved ICF facilitating a roundtable discussion with representatives from various road agencies and relevant state and federal organizations to guide the structure and distribution strategy for the *Playbook*. This roundtable was held on April 8, 2022, and included three sessions: 1) Three counties giving presentations about their recent disaster recovery experiences, 2) Reviewing available funding sources, and 3) Discussing various policies and procedures for coordinating resources.

Activity 5: Production of the *Disaster Fiscal Recovery Playbook*. All input from the prior three tasks culminated in creation of the *Disaster Fiscal Recovery Playbook* and 20 Appendices of resources, tools and financial templates, all included in Activity 5 Appendix of this report. An important part of the *Playbook* project was production of four short videos (4-5 minutes each) covering key concepts for the early days of crisis fiscal recovery. The videos are primarily designed for listening, to allow full access via internet even as the manager is driving from site to site or waiting in a vehicle for the disaster/weather to abate; providing information on-demand vs. in the office.

Videos are accessible through CRA's YouTube channel <https://www.youtube.com/c/CountyRoadAssociationofMichigan> and housed in the Crisis Response "drawer" of the Tool Crib on CRA's website. In the spirit of making federal grant products available to other stakeholders beyond CRA members, this drawer is not password protected and the videos are on YouTube. Three training sessions were held on *Playbook* contents, with one recorded at project conclusion for later viewing. A Michigan expert on public relations provided training on working with the media during a crisis, an important component of the grant.

The *Playbook* was carefully written to be a succinct 20 pages organized into three sections: Preparedness, Response and Recovery. Its Appendices group together a variety of helpful and necessary resources and are cited throughout the *Playbook*. Appendices also contain policies local road agencies should implement now, and fiscal templates useful the day disaster strikes. Altogether, the *Playbook* and Appendices, videos and training sessions held (and recorded) provide a breadth of available tools to assist the disaster-inexperienced road agency in capturing all available funds and avoiding missteps along that road.

Introduction

The County Road Association of Michigan (CRA), a 501(c)(6) business association and the Gladwin County Road Commission (GCRC) selected IFC Incorporated from Fairfax, Virginia, as a vendor to create a *Disaster Fiscal Recovery Playbook* to help county road agencies address their fiscal needs in response to severe crises or disasters impacting county road systems. Although an international company, at least two of the ICF staff on this project were located in Michigan and participated in face-to-face meetings, along with Zoom meetings.

The purpose of this Final Report is to provide a comprehensive list of activities and final products created by the federal grant from the Michigan State Transportation Innovation Council. The grant process began on November 30, 2020, when CRA and the GCRC applied for the grant and continued through September 2022. County road agencies were trained on the features of the *Disaster Fiscal Recovery Playbook*, along with crisis media training and the suite of tools accompanying it.

This report will summarize the grants five activities that have culminated in the creation of the *Disaster Fiscal Recovery Playbook* and its support materials and training programs. The Appendix contains the *Playbook* for reference purposes. All other materials that were created to complete the grant are available from the County Road Association upon request.

Objectives

Michigan county road agencies have repeatedly experienced natural environmental disasters that have wreaked havoc on roads, bridges and culverts. Unfortunately, recovering from these disasters is very difficult since these agencies have often experienced frustration in their ability to coordinate, leverage and maximize available recovery funds. There is currently no “one-stop” resource to identify the steps needed to take advantage of all available funding sources for community recovery. Every potential recovery program has its separate website and documentation process which hinders the need for rapid assimilation of information in response to a disaster.

To address this need, the GCRC in association with CRA of Michigan requested funds from the Michigan State Transportation Innovation Council (STIC) to create a one-stop resource for disaster recovery. The objective of this grant is to create the *Disaster Fiscal Recovery Playbook* to aid county road agencies in quickly obtaining the necessary funds for recovery. To achieve these objectives, this grant completed five activities that are summarized in this report.

Grant Activities

Activity 1: Vendor Selection. On November 20, 2022, CRA submitted a grant application to the STIC to create a *Disaster Fiscal Recovery Playbook*. The grant was submitted by the GCRC and CRA. The workplan identified several tasks that would be completed to accomplish the grant objectives

ranging from planning the project to completing a final report by September 30, 2022. This grant was approved on April 12, 2021, by the Federal Highway Administration in an email communication from Bruce Kadzban of the Michigan Department of Transportation to Steve Puuri, PE, CRA's Engineering Specialist.

Based on this approval, Denise Donohue, the CRA Chief Executive Officer, sent out a Request for Proposals (RFP) on April 16, 2021, to a list of qualified infrastructure emergency recovery funding consultants. The RFP identified a scope of work that ranged from participating in meetings to learning about county road agency disaster recovery needs to creating resources for the *Disaster Fiscal Recovery Playbook*.

One vendor, ICF Incorporated from Fairfax, Virginia, submitted a proposal in response to the RFP on July 8, 2021. The proposal contained a scope of work consistent with the RFP at a cost of \$29,544. The ICF proposal was accepted and CRA executed a contract with ICF August 4, 2021, to complete the work specified in the proposal for the amount proposed by ICF. At that point, ICF began the project.

Activity 2: Understanding the Current Status. The first task that ICF completed for the project involved interviewing six local road agencies to better understand challenges faced following natural disaster events. The agencies interviewed included:

1. The City of Houghton (9-13-2021)
2. The Houghton County Road Commission (9-15-2021)
3. The Isabella County Road Commission (9-21-2021)
4. The Chippewa County Road Commission (9-22-2021)
5. The Gladwin County Road Commission (9-32-2021)
6. The Gogebic County Road Commission (9-30-2021)

The key findings across these six interviews include:

1. Federal Highway Emergency Relief (ER) funding are available for the repair and reconstruction of federal-aid highways and is administered by MDOT. There are certain funding limits and reimbursement timing is sometimes an issue.
2. FEMA Public Assistance Funding can fill in gaps not covered by ER funding, but criteria for funding is very stringent and requires detailed documentation.
3. Emergency relief for federally owned roads is available for roads on federal lands and for tribal governments.
4. A common source of funding for local road agencies is from the Michigan State Infrastructure Bank (SIB) where most loans are around five years with 0% interest.
5. Record keeping is vital in securing funding since it allows agencies to more accurately assign costs by site which is required by funding agencies.

6. Road agency representatives talked about the need to establish emergency procurement procedures to expedite purchasing since conventional means of procurement can be too slow and cumbersome.

Activity 3: Identifying State and Local Resources. The second task for the grant required ICF to interview state and local federal agencies who administer disaster recovery funds to help CRA and local road agencies better understand funding procedures. Representatives from the following four funding sources were interviewed:

1. FHWA Emergency Relief (FHWA ER)
2. FEMA Public Assistance (FEMA PA)
3. Michigan State Infrastructure Bank (SIB) financing
4. HUD Community Development Block Grant (CDBG)

ICF was unsuccessful in interviewing a representative from the Bureau of Indian Affairs (BIA), an important grant resource to many Michigan road agencies. BIA's requirements and perspective were provided during the Roundtable and as background by county road agencies with BIA grant experience.

The key findings from these interviews include:

1. All interviewees encouraged local road agencies to proactively prepare for future disasters by following a series of recommendations. These include developing disaster recovery policies and procedures, strengthening procurement policies and procedures, maintaining a list of pre-qualified vendors, maintaining up-to-date roadway standards and guidelines, and maintaining up-to-date roadway inventories.
2. FHWA ER funding can be used for the repair and reconstruction of federal-aid highways. Congress appropriates \$100M to the FHWA ER program annually. Congressional action is required to allocate additional funding. FHWA ER is the most common funding sources of disaster recovery for local road agencies experiencing natural disasters.
3. FEMA Public Assistance (PA) funding is governed by the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The Michigan State Police (MSP) serves as a pass-through entity facilitating grant disbursement and reimbursement. FEMA has specified a series of steps to acquire funding in the pre-declaration process, and in the post-declaration process that were identified in the ICF report.
4. The Michigan State Infrastructure Bank (SIB) loan program is available to any Act 51 public entity (county road departments, cities, villages, or MDOT) for eligible transportation projects. The SIB complements traditional funding sources and serves as a tool to meet urgent project financing demands. Michigan SIB has provided vital financing to nearly all major natural disasters in Michigan's recent history.

5. The Community Development Block Grant (CDBG) state program, administered by the U.S. Department of Housing and Urban Development (HUD), funds the Michigan Strategic Fund (MSF), and serves as the fiscal agent for the CDBG program. The Michigan Economic Development Corporation (MEDC) is responsible for administering and distributing funds to eligible Units of General Local Government to carry out MSF-approved activities.

Activity 4: Providing Support for Building Collaborative Networks. The third task of the grant involved ICF facilitating a roundtable discussion to guide the structure and distribution strategy for the *Playbook*. This roundtable was held on April 8, 2022, at the Radisson Hotel in Lansing, Michigan. Representatives of the following organizations attended the roundtable: County road agencies, the Michigan Department of Transportation, the Federal Highway Administration-Michigan, Michigan State Police, a Tribal Representative (RSVP'd, did not attend), the Michigan Economic Development Corporation, the Michigan Municipal League, and staff representing the Michigan Legislature. Two ICF consultants attended, and the meeting was facilitated by Dr. Tim Colling, PE, Director of the Center for Technology & Training at Michigan Technological University.

The roundtable agenda included three sessions:

1. **Session 1** involved three counties giving presentations about their recent disaster recovery experiences. Chippewa County in Michigan's Upper Peninsula experienced a rain disaster causing \$1.4M in road damage. Given the need to repair the roads quickly, the Chippewa County Road Commission used internal funds for road repairs but was also able to access \$800,000 from the Bureau of Indian Affairs to help the recovery process. Gladwin County experienced a major flooding problem in 2020 that caused \$5.5M in damage to the roadways. They secured an SIB loan to help repair the damage. Houghton County flooding caused \$30M in damage to local roads and infrastructure in 2018. SIB loans were secured to help address their needs but are still waiting on other emergency funding to fill gaps.
2. **Session 2** reviewed available funding sources, all of which are reviewed in Activity 3 above.
3. **Session 3** involved a facilitated discussion around four topics. The first topic focused on the State's role in coordinating various disaster relief programs. The conclusion of this discussion was emphasizing the importance of following a sequence of steps following a disaster to ensure that appropriate people are informed about the problem so that these individuals can assist in securing funding to quickly begin recovery. The second topic focused on the need to streamline the document preparation and information collection process to speed up recovery. Rigorous preparedness for a disaster was emphasized along with the need for accurate documentation and consistent record keeping. The third topic focused on pre-disaster planning and coordination and the need for road agencies to discuss pre-disaster planning with their boards. The final topic addressed the issue of reimbursement timeline issues and how to work with the sources of funding outlined above to secure quick relief from these agencies.

Activity 5: Production of the *Disaster Fiscal Recovery Playbook*. The final task that ICF completed was creating the *Disaster Fiscal Recovery Playbook* and its 20 Appendices. The *Playbook* contains videos that are accessible through the CRA YouTube channel: <https://www.youtube.com/c/CountyRoadAssociationofMichigan>. The *Playbook* is organized into three sections: Preparedness, Response and Recovery. The 20 Appendices developed for and referenced in the *Playbook* contain several tools road agencies can use to guide their disaster mitigation strategy. At this point it will be useful to summarize each section of the *Playbook* to gain a sense of its scope.

1. **Preparedness.** What steps can be taken to prepare for the next disaster? The *Playbook* details four steps. First, the *Playbook* recommends that road agencies proactively engage with elected officials and the local emergency management coordinator well before a disaster. Also recommended is the need to establish a relationship with a local bank to extend a line of credit, and if applicable, with local tribal governments. Second, establishing a set of clear road policies is important to ensure maximum reimbursement from federal funding programs. Policies related to right-of-way restoration or pavement replacement are necessary to establish before a disaster to comply with funder requirements. Third, the *Playbook* recommends that local road agencies adopt procurement policies and procedures that meet state and federal standards like those found on the Michigan State Police website. Fourth, the *Playbook* indicates that understanding what the disaster declaration process looks like, and any thresholds that must be met will allow local agencies to set expectations regarding how they are going to secure funds for disaster mitigation. Local, state and federal declaration criteria are contained in the *Playbook*.
2. **Response.** The *Playbook* lists four stems needed to respond quickly and effectively to a disaster. First, the local agency must assess the damage and prioritize emergency repairs to preserve health and safety. Photographic evidence is particularly important to gather. A checklist for assessment is contained in the *Playbook's* Appendices. Second, agencies must communicate with key stakeholders including their District Coordinator, the Michigan State Police and key vendors needed to source needed supplies. Third, record keeping and documentation are the most important factors in receiving reimbursement through state and federal funding programs. Again, photographic evidence is highly recommended. Fourth, emergency procurement is vital in the aftermath of a disaster. Local agencies should have board-approved emergency procurement policies in place to they can quickly source needed materials.
3. **Recovery.** The Recovery section of the *Playbook* lists the key funding sources (all noted above) for mitigation needs. Each funding source is identified, eligibility requirements are specified and what funders will pay for is also listed. The process for getting reimbursed is also contained in this section of the *Playbook*.

Conclusion

The *Disaster Fiscal Recovery Playbook* has been created to be a vital resource that local road agencies can use to prepare for, respond to and recover from disasters on the county road network. This resource provides agencies with a one-stop shop that can walk them through the steps needed at each phase of the process. Funding sources and contact information are provided in addition to visual resources that personnel can use when in the field.

CRA has completed the five activities included in the *Playbook*, including training members and making them aware of where these resources will be housed 24/7 and 365 days a year, in the event they experience a disaster on the road system. At the conclusion of the grant (Sept. 30, 2022), more than 250 county road agency members had already participated in training, plus several dozen more who read about the *Playbook* in CRA's *Crossroads* magazine (circulation 1600).

Paper copies of the *Playbook* in a shelf-visible, truck-ready 3-ring vinyl binder – which holds a flash drive of all materials including the videos – are being distributed to all 83 county road agencies. The *Playbook* cover has a QR code that takes the reader directly to the CRA website Tool Crib Crisis Response “drawer” where all materials are housed, thereby making all documents and templates accessible in any type of disaster.

CRA staff and CRA members are appreciative of this Michigan STIC grant to create the state's first-ever holistic resource packet for addressing and preserving financial options and opportunities when confronted with an unexpected disaster on the county road system. CRA will continue to refine the *Playbook* as needed, and has future plans to reconvene the Crisis Fiscal Roundtable group to report back on the plan and further develop these inter-agency relationships.