

Tennessee's Comments to the FEMA Draft MOU Covering the Individuals and Households Program

Tennessee has been provided with several differently formatted versions of the Draft MOU document by FEMA. All comments here relate to the version of the MOU titled "IHP-MOU "Draft (02-13-02) 1A" in the document footer.

Page 5 Item (2)

Tennessee fails to understand the requirement to produce a "proposed budget" prior to implementation of the program. The details of who the State will use in the way of personnel for program operation, or the procedures used to meet costs associated with operation of the program would seem to be outside the purview of FEMA.

The State understands that regardless of the actual costs incurred in administration of the I & H Program, reimbursement for those costs will be limited to a maximum of 5% of the federal share of program grants. Further, Tennessee understands that under certain processing options, no reimbursement of administrative costs will be made available to the State.

Rather than requiring a "proposed budget", we feel that FEMA should use this section of the MOU to fully outline what administrative cost are reimbursable by FEMA, and under what circumstances.

Page 8 Program Processing Options

Tennessee is greatly concerned about the lack of flexibility in the choices listed. In earlier versions of the draft MOU, certain features under each processing option were listed as "negotiable" between FEMA and the State. The latest version presents all features of each processing option in a "take it or leave it" paradigm. We would like to have more flexibility built in each of the processing options.

Our concern stems directly from our experience with the use of the NEMIS auto-determination feature. With FEMA determining eligibility and disbursing payments, we fear that no appropriate review for correctness will be performed. Tennessee's history vis-à-vis NEMIS "auto-D" causes us to seriously question the presumed accuracy of payments authorized by the program.

On occasions when the State has processed IFG applications, FEMA felt the need to review a substantial sample of case approvals for accuracy of payment. We understood FEMA's desire to insure that FEMA's 75% of the grant share was being accurately determined before disbursement.

The State has no less an interest in insuring that its 25% of the grant share of the I & H Program has also been correctly determined (before the fact of payment).

At minimum, Tennessee would like to have a choice for case review and responsibility for grant dispersal by the State or FEMA, added to Processing Option 2.

Page 1-6 Item (5) (b) (iv)

The State sees no reason for allowing a 90 day response period relative to appeals. Tennessee feels that a much more reasonable timeframe is 30 days.

Page 3-9 Item (4)

Given the inherent complexity of NEMIS, Tennessee feels that it is unrealistic to expect the State to provide "trained" staff immediately upon implementation of the program.

Further, since NEMIS is the processing system mandated by FEMA, Tennessee feels that the provision of appropriate equipment, training, and technical support by FEMA is essential to make any processing option other than Procession Option 1 viable for any state.