

**Frequently Asked Questions:
2010 Southern Alberta Disaster Recovery Program**

1. After a sharp rise in the number of cheques issued in August, is it expected that these numbers will level off?

The Minister of Municipal Affairs assigned extra staff to ensure that residential applications were processed as quickly as possible. There are some residential applications that are on hold pending more information from their insurance companies. The Alberta Emergency Management Agency has contacted these applicants, as well as the Insurance Bureau of Canada to ensure that the remaining applications can be completed.

Now that the majority of residential applications have received full or partial payments, the pace will slow down somewhat. Applications for small business and agriculture are more complex and take longer to make their way into the system. This is normal process in any disaster recovery program. Now that the completed small business and agriculture applications are starting to arrive, they should move through the system smoothly.

If you have questions about your small business or agriculture application, or would like more information on what's required, please call our toll-free at 1-888-671-1111. DRP program staff are still available seven days a week on the phone lines to answer your questions.

2. Why does it take longer to complete applications for small business and agriculture?

These applications are more complex than most residential applications. For example, these applications can involve multiple insurance companies. They also require tax information and receipts for completed work. In addition, we know that applicants may be busy due to demands placed on them from their businesses, which can affect the receipt of required information and the scheduling of evaluations.

We do recognize this and want to let all these applicants know that the program office is currently open seven days a week and will remain open until all the applications are processed. To talk to our program staff about your application, call toll-free 1-888-671-1111.

3. Is DRP funding for residential, small business, agriculture and infrastructure applications distributed equally?

The funds for DRP applications are distributed based on need and the type of disaster. If a disaster impacts an agricultural area for example, you would see significantly higher

agriculture applications and more program costs in that area.

Traditionally, in a major program like this one, the largest amount of funding goes toward repairing municipal and provincial infrastructure – this can potentially make up more than half of the total program costs. For example, a community bridge or roadway can cost tens of millions of dollars to repair.

Other expenses that can impact a program are those for reimbursing the municipality, such as initial emergency response and hotel accommodations for displaced residents; administration and contingency costs. In this program, a large contingency was built in due to the preliminary nature of this request and the fact that the floodwaters had not yet receded.

4. In what order are DRP applications processed?

Disasters can happen in just minutes, but it can take a long time to recover. That's why residential applications are the first priority for processing – to help residents get their lives back to normal as quickly as possible after a disaster. While residential applications are the first priority, they do not typically make up the largest percentage or dollar amount of a disaster recovery program. Once the majority of residential applications have received full or partial payment, the focus shifts to small business and agriculture applications. This is the point we are approaching with the Southern Alberta Disaster Recovery Program.

Applications for small business and agriculture are more complex than most residential applications. For example, these applications can involve multiple insurance companies. They also require tax information and receipts for completed work. In addition, we know that applicants may be busy due to demands placed on them from their businesses, which can how quickly they are able to provide the required information and the scheduling of evaluations. Many farmers have asked for additional time to do their tax returns as well.

We do recognize this and want to let all these applicants know that the program will remain open until all the applications are processed.

5. \$203.5 million has been approved for disaster recovery programs in south and south eastern Alberta. Will all this money be spent?

The \$203.5 million is based on the first estimates of the damages. The actual cost of the program may be higher or lower from the initial estimates. When an initial estimate is submitted, every attempt is made to make sure there is enough money in the program to deliver on all the potential needed repairs. Every penny in the program is accounted for by provincial and federal auditors and if there is money that isn't used it is returned to general revenues.

6. How much of the total program costs will be spent on administration expenses?

Every attempt is made to keep administrative costs at a minimum, but administration is essential to make the program responsive to the needs of applicants. These costs include things like training, staff, evaluators, office and equipment rentals, advertising, registration centres, the DRP office, and in the case of this program, the Irvine office.

Generally, administration costs run about 12 to 15 per cent of the total program costs but the numbers can vary greatly. In this program, we expect administration costs to come in at a lower percentage than normal. This is, in part, due to the large infrastructure component in this program, which does not require as much administrative work to process.

7. Do higher administrative costs mean lower payouts for other applicants?

Administrative costs do not affect the amount of assistance that goes individual residents, small business owners or farmers. In any disaster recovery program, our first goal is to ensure that all applicants receive their maximum eligibility for uninsured and essential losses under the program guidelines.

8. I've heard that it could take up to five years for the program to be complete. Is this true?

The vast majority of applications are completed in a much shorter period of time; however there could be some applications that take longer. The goal is to ensure that all applicants receive the maximum benefit they are eligible for under the program. This disaster recovery program will remain open until all applications are completed.

- A small minority of business and agriculture applications could take one or two years to complete, depending on the type and level of damages experienced. This is because it may take longer for applicants to do the repairs and submit their receipts. If repairs are required that impact waterways, then there may be regulatory limitations on when the work can be completed.
- Municipal infrastructure applications could take up to five years to be complete. A number of factors are involved here, like what a municipality's priorities are, the availability of contractors, and things like access to waterways. Municipalities won't receive final funds until all the work is completed, it is inspected and signed off by a program engineer and the documentation is provided.