

# STATEMENT OF CONCERN

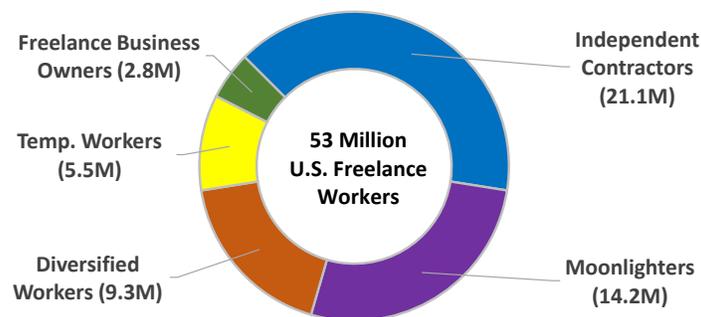
## IMPROVING ACCESS TO ASSISTANCE AFTER DISASTER STRIKES

### STATEMENT OF CONCERN

- We urge the Federal Emergency Management Agency (FEMA) to update its Other Needs Assistance (ONA) tool replacement program to designate self-employed workers as individuals, including artists, freelance workers, and independent contract workers, thus enabling them to be treated the same as other workers (receiving a W-2) with respect to this program.
- We want FEMA to exempt tool replacement assistance from the preliminary requirement for an application, and refusal of, a Small Business Administration (SBA) Disaster Home Loan.

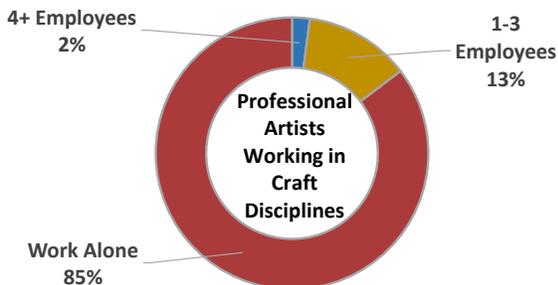
### BACKGROUND

- Technology is liberating our workforce, and working independently is becoming the new normal. The federal disaster recovery system has not caught up with how people work today.

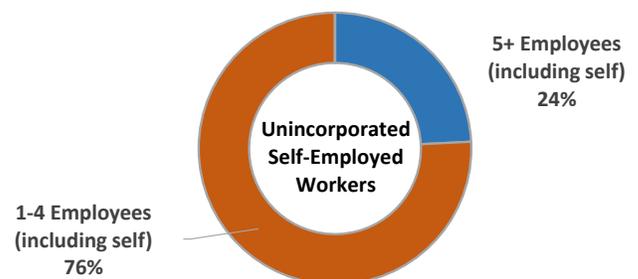


Source: Freelancers Union, 2014

- Self-employed workers, especially artists, are mostly individuals working alone or with very few employees. Yet, under current regulations, FEMA excludes these workers from individual disaster aid for the replacement of the tools, equipment, and protective gear necessary to return to work that is available to workers employed by others.



Source: CERF+, 2007



Source: U.S. Bureau of Labor Statistics, 2007

- Artists and other self-employed workers require specialized tools and equipment to produce their creative work. Loss of tools like kilns, power tools, computers, and musical instruments due to a disaster places these individuals in a position of extreme vulnerability by removing their capacity to earn a living at a time when income creation is most critical to get back on their feet.
- Tool replacement can save careers and is cost effective. Enabling workers to return to employment is preferable to providing disaster unemployment compensation and public assistance.
- Current FEMA regulations deny potentially career-saving assistance to self-employed workers simply because they work for themselves. According to a 2008 study by the National Endowment for the Arts, 2 million Americans describe their primary occupation as artist, and roughly a third of them are self-employed.

## BACKGROUND

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- **Requiring application for an SBA Disaster Home Loan and subsequent rejection to receive this assistance is an unnecessary hurdle, delays recovery, and compounds hardships.** Replacement of tools needed by workers to earn a living is a critical need on par with medical, dental, and funeral expenses that FEMA currently provides *without this requirement*. Compounding the problem, recent low SBA return rates prevent the majority of disaster survivors from making it through this cumbersome process, and for those who do, it adds weeks of delays to receive this vital assistance.
- FEMA has correctly identified replacement of the tools, specialized clothing, and equipment lost to disaster and required to perform one's occupation as "a necessary expense and serious need for individuals and households." This critical need is addressed by the Other Needs Assistance (ONA) provision of the Individual and Households program. **However, by regulations written by FEMA, the self-employed are specifically excluded from eligibility and must seek aid from SBA first.**
- Many workers who are most in need of this assistance—namely independent self-employed workers such as **carpenters, lawn care workers, computer consultants, artists and musicians, and mechanics**—do not currently receive this vital assistance because of its exclusion to self-employed workers.
- FEMA's regulations date to the Disaster Mitigation Act of 2000 (PL 106-390) in which Congress reauthorized federal disaster assistance programs. Congress' intent was to "increase the efficiency of existing disaster assistance programs by eliminating unnecessary and complicated aspects of the program." Included was new authorization for financial assistance to address "other needs," including **necessary expenses or serious needs that an individual or household may have as a result of the major disaster**. In implementing that section of the law, FEMA **excluded self-employed workers** and required SBA application and denial first.
- These burdensome and delaying steps exceed the scope of congressional intent, which statutorily also specifically stated that these individuals or households *shall not* be denied assistance solely on the basis that the individual or household has *not* applied for or received any loan or other financial assistance from the Small Business Administration or any other federal agency. **Correction of this exclusion is necessary to provide assistance to this growing, mobile, and vital sector of our economy.**
- On behalf of the National Coalition for Arts Preparedness and Emergency Response, CERF+ began pursuing the first version of this proposal with FEMA and SBA in April 2013. The proposal was adopted as an advocacy position by the National Voluntary Organizations Active in Disaster (NVOAD) and has been **endorsed by 14 organizations representing more than 500,000 artists and self-employed workers.**