

FEDERAL GRANTS: Money received by Governor or his
FLOOD RELIEF: representative should be paid by
DISASTER RELIEF: Governor or his representative
directly to political subdivisions
of state to reimburse such subdivisions
for expenditures as a result of flood.

August 24, 1951

8-29-51



Honorable Forrest Smith
Governor of the State of Missouri
Jefferson City, Missouri

Dear Sir:

This is in answer to your letter of recent date, which letter reads as follows:

"I would greatly appreciate having your help in solving a problem that has arisen relative to the flood rehabilitation program in this state.

"The federal government, through its Housing and Home Finance Agency, Division of Community Facilities and Special Operations, has made, and is making, available for emergency flood rehabilitation a sum of approximately two and one-half million dollars. This money is being used to reimburse political subdivisions of this state for money spent in rehabilitating public utility facilities as a result of the flood which struck this state the middle of July.

"On July 31 and on August 16 I entered into agreements with the Housing and Home Finance Administrator whereby the federal agency agreed to provide federal assistance for disaster relief in sums totaling \$2,474,500 to be allotted for specific assistance as provided under the rules of the federal agency.

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"On July 24 I designated my secretary, Mr. James C. Kirkpatrick, 'as the authorized official of the State of Missouri to certify vouchers and/or claims in behalf of the State of Missouri for reimbursement of costs incurred by the State under the Agreement between the State and the United States of America for flood disaster relief.'

"Under the terms of these agreements all checks sent into Missouri for this flood relief will be made payable to the State of Missouri. The question has now arisen as to how this money can be speedily disbursed to those communities who have met all requirements and are now asking for reimbursement in the terms approved by or designated by the screening committee for which payment has been approved and allotted by the federal government.

"I urgently request your full cooperation and a speedy decision as to how this money can be dispatched to the stricken communities at the earliest possible time and in the most expedient manner."

There is attached to your letter an "AGREEMENT TO PROVIDE FEDERAL ASSISTANCE FOR DISASTER RELIEF," signed July 19, 1951, which agreement consists of an offer by the United States of America, acting by and through the Housing and Home Finance Administrator, to assist the State of Missouri by financial assistance in performing on public or private lands protective and other work essential for the preservation of life and property, clearing debris and wreckage, making emergency repairs to and temporary replacements of public facilities of local governments damaged or destroyed by the recent flood. Such agreement provides that the money is to be paid by the United States to the State of Missouri in such amounts incurred by local governments of the State of Missouri as the Governor of the State determines to be in need of funds for use, with a proviso that no reimbursement is to be made unless the costs are specifically authorized and/or approved by the Regional Engineer or his representative.

A "DISASTER RELIEF AGREEMENT" was entered into on the 19th day of July, 1951, between the United States of America, through the Housing and Home Finance Administrator, and Forrest

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Smith, Governor of Missouri. Such agreement provided that the federal government agreed to supplement the efforts and available resources of the state and local governments and other agencies by giving emergency assistance with federal funds.

Two amendments were made to the "AGREEMENT TO PROVIDE FEDERAL ASSISTANCE FOR DISASTER RELIEF" on July 31, 1951, and August 16, 1951, with the result that at present there has been allocated by the federal government for this disaster relief the sum of \$2,474,500.

We believe it to be clear from the provisions of the "AGREEMENT TO PROVIDE FEDERAL ASSISTANCE FOR DISASTER RELIEF" and the "DISASTER RELIEF AGREEMENT," referred to supra, that the money received from the federal government under the terms of such agreements is to be used directly for the specific purposes set out therein, and that the function of the Governor or his authorized representative is merely to certify that the money requested for the state and local governments therein, or other agencies, has been spent for disaster relief and for relieving hardship and suffering caused by the flood.

A further limitation on the expenditure of this money is found in the provision that reimbursement cannot be made unless the costs are specifically authorized and/or approved by the Regional Engineer or his duly authorized representative. Such Regional Engineer, of course, is a federal employee.

We are enclosing a copy of an official opinion of this department rendered under date of July 2, 1946, to Carl J. Henry, Chairman of the Unemployment Compensation Commission, which discusses the question of the disposition of unemployment compensation funds collected in this state. Said opinion reaches the conclusion that the money so collected is not placed in the treasury of the State of Missouri, nor is it subject to be appropriated by the General Assembly, nor do other constitutional provisions having to do with "state moneys" apply. We believe the same reasoning would be applicable in this case since this is a grant of federal money to the Governor or his representative only for the purposes set out in the agreements between the United States of America, acting by and through the Housing and Home Finance Administrator, and Forrest Smith, Governor of the State of Missouri, to expend this money to make reimbursements for moneys actually expended in relieving hardship and suffering caused by the flood disaster limited to the costs specifically authorized and/or approved by the Regional Engineer or his duly authorized representative.

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It seems clear, therefore, that the Governor or his authorized representative may make such payments out of funds received by the Governor or his representative from the federal government, and that such funds are not to be placed in the state treasury.

CONCLUSION

It is the opinion of this department that moneys received by the Governor of the State or his duly authorized representative as a result of the "disaster relief agreements" entered into between the United States and said Governor, providing for reimbursement by the federal government for expenses incurred by local governments, are not to be placed in the state treasury, but are to be transmitted by said Governor or his authorized representative to the local governments entitled thereto.

Respectfully submitted,

C. B. BURNS, JR.
Assistant Attorney General

APPROVED:

J. E. TAYLOR
Attorney General

CBB:ml
Enc.