



State Representative

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For Immediate Release:

March 10, 2008

At the Capitol with Rep. Steve Drazkowski

FLOOD AID INTENT MUST BE HONORED

*By Steve Drazkowski
State Representative, District 28B*

We all wanted emergency relief funding rushed to southeastern Minnesota almost as rapidly as the flood water arrived itself. Now we must keep the letter of the law in mind to ensure aid is delivered to the intended recipients, in the way prescribed by law.

Southeastern Minnesota newspapers recently reported two Rushford businesses have been approved for low-interest loans of \$500,000 apiece, even though they were not directly impacted by the flood. One of those businesses is reported to not have even existed until two months after the stunning devastation.

It looks like one product of our push to rapidly deliver aid is an agreement between the state and local agents that doesn't match Minnesota law.

The state law penned last September clearly states that business assistance flood funds shall be provided "to businesses and nonprofit organizations directly and adversely affected by the flood." In good faith, state and local officials followed with a flood recovery loan program and it included a stipulation to aid "businesses that did not suffer damages but with assistance can increase job creation or economic activity in the community."

The sole intent of the state's flood relief law passed on Sept. 11, 2007, is to assist flood *victims*. The policy that we find to be front and center in the decision-making for business flood relief loans in Rushford contains a much broader base of appeals – well beyond those intentions of the Legislature and failing to meet the letter of the law.

While a portion of the \$35 million of flood relief aid is being offered to Rushford businesses that are not qualified to receive it, hundreds of flooded southeastern Minnesota home owners have yet to receive a single dollar of state flood relief housing aid. The amount of \$16 million in housing relief aid appropriated for flooded homeowners will not be enough to bring help to more than half of the flooded households in the region. By design, the flood relief law passed last September includes language that provides for funds to be shifted laterally to make up for a shortfall in any particular relief category.

If established businesses that received real damage due to the flood gobble up the pool, that's one thing. But instead of allocating \$1 million in what some might categorize as venture capital, to brand-new businesses brought forward in the name of economic recovery, we need to refocus these funds on flood *victims*. Providing \$1 million to a pair of upstart companies was not the Legislature's intent. That money can instead aid 200 families at \$5,000 each, or 100 families at \$10,000, to help them repair their property.

I have drafted a letter to State Auditor Rebecca Otto, asking her office to provide an analysis of the disposition of flood relief funds in Rushford. It is the role of the State Auditor to carry out audits when questions involving the authorization of the expenditure of state funds are raised.

To be perfectly clear, this is not a crusade against aid being delivered to Rushford's businesses; they need all the help they can get. The attempt here is to ensure the generosity of Minnesotans is correctly appropriated and not abused.

We have local folks who have been living in FEMA trailers for six months now. Other area residents can't afford to repair their homes and risk further damage from the elements. These people – and *victimized* businesses - should remain the top priority. After all, that's the letter and intent of the law.

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Please let me know what you think. You can write me at 247 State Office Building, 100 Rev. Dr. Martin Luther King Jr. Blvd, St. Paul, MN 55155. You can call me toll free, at 1-888-683-3436 or e-mail me at: rep.steve.drazkowski@house.mn. To sign up for my email updates, please visit www.house.mn/28B and click on "Email Updates."