



FEMA

March 2, 2009

Honorable Bennie G. Thompson
Chairman, U.S. House Committee on Homeland Security
H2-176 Ford House Office Building
Washington, D.C. 20515

Dear Chairman Thompson:

Thank you for your letter dated February 6, 2009 to the Department of Homeland Security's Federal Emergency Management Agency (FEMA), regarding the expenditure of Public Assistance (PA) and Hazard Mitigation Grant Program (HMGP) funds in the State of Mississippi following Hurricane Katrina. Your letter specifically requested a report of the status of PA and HMGP funding in Mississippi.

As you are aware, FEMA approves and provides PA funding to the State. The State administers the PA program on behalf of FEMA. FEMA, State, and eligible local applicants jointly develop scopes of work and cost estimates for eligible projects. FEMA obligates funds for a project to the State, who is responsible for disbursing funds to applicants in accordance with program and State guidelines. Program regulations authorize disbursement of funds for small projects (projects that cost less than \$55,500 in FY 2005) up front, provided State procedures allow such payments. For large projects (projects that cost \$55,500 or greater), program regulations authorize disbursement of funds on a reimbursable basis. In other words, applicants must have incurred eligible costs before they can request funds from the State. To date, FEMA has approved and obligated \$2.9 billion in PA funding in Mississippi. This represents 82% of the total estimated program costs.

FEMA continues to work with PA applicants to identify high priority permanent projects that are vital to recovery. However, decisions to repair or rebuild public facilities and infrastructure projects are made at the local level. Local officials must determine how to repair, replace and /or relocate damaged facilities to spend the PA obligated funds in a manner that best meets the needs of their post- Katrina communities. Many local governments have decided to relocate facilities or build alternate projects with these funds. Other applicants continue to work through the decision making process. These decisions are often complex in nature, and many permanent work projects are still in the planning or design phase.

The State also administers the HMGP program, establishing State mitigation priorities based on the State Hazard Mitigation Plan, and soliciting project applications from local communities and other eligible sub-applicants. FEMA reviews all project applications that are submitted by the State to determine if the projects meet federal eligibility requirements. As projects are approved, the funds are obligated to the State, which is

Chairman Bennie Thompson
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then responsible for overseeing the implementation of the projects and authorizing reimbursements to local governments as the costs are incurred. Approximately \$393 million in HMGP funding is available to the State of Mississippi as a result of Hurricane Katrina. This reflects two rescissions by Congress of \$20 million each implemented through the 2008 and 2009 DHS appropriations bills.

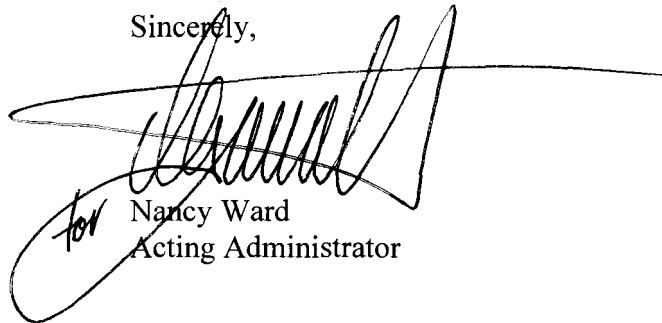
As of February 2009, FEMA has obligated \$150 million in HMGP funds to Mississippi for 233 projects. Currently, there are an additional 59 projects pending review for a total of an additional \$42.4 million. Approximately \$200 million remains available for which the State has not yet submitted applications; however, the State has indicated it has identified over 900 additional projects representing nearly \$430 million in requested funding.

FEMA and the Mississippi Emergency Management Agency (MEMA) are working with local governments to provide support in moving the recovery process forward. MEMA/FEMA PA teams are available to support the applicants in reviewing plans and specifications and to advise applicants of funding options associated with scopes of Project Worksheets. To date we have been able to support all requests for PA technical support, and additional support is available if requested. Some local decisions are still required before funding can be obligated and reimbursed to the applicants. FEMA is participating in the MEMA synchronization initiative designed to expedite the process by de-conflicting PA/HMGP/CDBG applications.

Per your request, the attached documents provide a status summary of PA and HMGP funds FEMA has obligated and the funds the State has disbursed to applicants.

I trust you will find this response helpful, and I thank you for your continued support of recovery efforts following Hurricane Katrina. If you have any further questions, please have a member of your staff contact FEMA's Legislative Affairs Division at (202) 646-4500.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy Ward", is written over a horizontal line. The signature is stylized and cursive.

for Nancy Ward
Acting Administrator

Enclosures

**Public Assistance
State Payout Summary
02/11/2009**

1604 Summary of Funds Obligated by FEMA to the State and Paid Out by the State to Applicants
By Category of Work and By High Priority Counties

| Type of Work | FEMA Obligated Funds Paid to the State | State Payout (Paid to Applicants) | % Obligated Funds Paid Out By State |
|----------------------------|--|-----------------------------------|-------------------------------------|
| Emergency Work (Cat A & B) | \$1,102,920,084 | \$1,063,721,200 | 96% |
| Permanent Work (Cat C-G) | \$1,720,329,308 | \$546,855,260 | 32% |
| Admin Costs | \$138,201,696 | N/A | N/A |
| SUM: | \$2,961,451,088 | \$1,610,576,460 | 54% |

| High Priority Counties | FEMA Obligated Funds Paid to the State | State Payout (Paid to Applicants) | % Obligated Funds Paid Out By State |
|------------------------|--|-----------------------------------|-------------------------------------|
| Hancock | \$467,804,525 | \$254,318,253 | 54% |
| Harrison | \$1,125,593,867 | \$419,036,584 | 37% |
| Jackson | \$243,294,390 | \$133,066,199 | 55% |

| Description of Damage Category Codes | |
|---|--------------------------------------|
| Emergency Work | Permanent Work |
| Category A: Debris Removal | Category C: Roads & Bridges |
| Category B: Emergency Protective Measures | Category D: Water Control Facilities |
| | Category E: Public Buildings |
| | Category F: Public Utilities |
| | Category G: Recreational or Other |

**Mississippi Hazard Mitigation Grant Program
Summary of Funds**

1604 Summary of Funds obligated by FEMA to the State and Paid Out by the State to Applicants as
of 02/13/2009

| Total HMGP Potential Funding | FEMA Obligated Funds (Federal Share) Paid to the State | State Payout (Paid to Applicants) | Value of Applications Pending with FEMA (Federal Share) |
|---|---|--|--|
| \$393,000,000 | \$147,149,708 | \$25,734,179 | \$42,516,776 |
| | | | |