



Impacts of the Disaster Mitigation Act of 2000 on FEMA Mitigation and Response and Recovery Programs

*Background, Provisions,
Implementation, and Timelines*



Purpose of Disaster Mitigation Act of 2000

- Amend Stafford Act (42 U.S.C. 5121 et seq.)
- Establish a national program for pre-disaster mitigation
- Streamline administration of disaster relief
- Control Federal costs of disaster assistance



New Stafford Act Sections

- Sec. 203 – Pre-disaster Hazard Mitigation
- Sec. 204 – Interagency Task Force (to coordinate implementation of mitigation programs)
- Sec. 322 – Mitigation Planning
- Sec. 323 – Minimum Standards for Public and Private Structures
- Sec. 324 – Management Costs



New Stafford Act Sections

- Sec. 325 – Public Notice, Comment, and Consultation Requirements.
- New Subsection 404 (c) – Hazard Mitigation Program Administration by States
- Sec. 705 – Disaster Grant Close-out Procedures



Replaced Stafford Act Sections

- Sec. 406 – Repair, Restoration, and Replacement of Damaged Facilities
- Sec. 408 – Temporary Housing Assistance (Renamed Federal Assistance to Individuals and Households)
- Sec. 420 – Fire Suppression Grants (Renamed Fire Management Assistance)



New FEMA Requirements

- Compliance with Buy American Act
- Report on State Management of Small Disasters Initiative
- Study of Participation by Indian Tribes in Emergency Management
- Study on Cost Reduction (by Congressional Budget Office)



Impacts on Mitigation Programs



The DMA and MT: Findings & Purpose

- Aimed at reducing loss of life and property, human suffering, economic disruption, and disaster costs
- High priority should be given to mitigation of hazards at the local level
- Increased emphasis placed on:
 - Assessing risks
 - Implementing loss reduction measures
 - Ensuring critical services/facilities survive a disaster



The DMA and MT: Findings & Purpose

- With unified effort of economic incentives, awareness and education, and Federal support--State and local Governments (including Indian tribes) will be able to:
 - Form effective community-based partnerships
 - Implement effective hazard mitigation measures
 - Leverage additional non-Federal resources
 - Commit to long-term hazard mitigation efforts



New Stafford Act Sections Affecting Mitigation

- Sec. 203 – Pre-disaster Hazard Mitigation and Multi-Hazard Advisory Maps
- Sec. 204 – Interagency Task Force (to coordinate implementation of mitigation programs)
- Sec. 322 – Mitigation Planning
- Sec. 324 – Management Costs
- New Subsection 404 (c) – Hazard Mitigation Program Administration by States



Sec. 203: Pre-Disaster Hazard Mitigation

Program Purpose: To provide funding for cost-effective hazard mitigation measures to States and local governments that have:

- “Identified natural hazards” in their jurisdictions
- “Demonstrated the ability to form effective public-private hazard mitigation partnerships”

Assistance may be used to:

- Support effective partnerships
- Improve the community’s risk assessment
- Establish mitigation priorities and a community hazard mitigation plan to reduce the risk from natural hazards



Sec. 203: Pre-Disaster Hazard Mitigation

Community Selection Process:

- The Governor prioritizes “not fewer than five local governments” to receive assistance per year (by Aug 15)
- The President selects from the Governor’s nominations based on the 10 criteria specified by the DMA (by Oct. 1)
- The President may select communities directly if the State does not submit recommendations or under “extraordinary circumstances”
- No annual max/min number of communities specified
- Total funds per State will be no less than \$500,000 or 1 percent of appropriated funds, whichever is less
- Annual funding for each State, including local grants, may not exceed 15 percent of the annual appropriation



Sec. 203: Pre-Disaster Hazard Mitigation

Assisted State and Community Activities:

- Assistance shall be used principally to implement cost-effective pre-disaster hazard mitigation measures
- Assistance may also be used:
 - To support effective public private partnerships,
 - To improve the community's vulnerability assessment, or
 - To establish mitigation priorities and a community hazard mitigation plan.



Sec. 203: Pre-Disaster Hazard Mitigation

Administrative Provisions:

- Not more than 10 percent of grant to promote “mitigation technologies”
- The cost-share will be 75-25 (90-10 for “small impoverished communities”)
- FEMA Report to Congress by April 1, 2002, “evaluating efforts to implement this [Program] and recommending a process for transferring greater authority and responsibility for administering the assistance program...to capable States”



Sec. 203: Pre-Disaster Hazard Mitigation FEMA Implementation

Pre-disaster mitigation assistance to communities will emphasize the following:

1. Reduction of risk from natural hazards;
2. Community ownership of the process;
3. Funding for mitigation from Federal and non-Federal sources;
4. A comprehensive multi-hazard, multi-agency approach to hazard mitigation
5. Collaborative partnerships between local, state, federal, and private sector.



Sec. 203: Pre-Disaster Hazard Mitigation FEMA Implementation

Our intent is to create a two-part grant for new communities:

- Phase I: A start-up grant with a specific performance period
- Phase II: Implementation grant for cost effective projects

A community that has completed the start-up phase could go immediately to phase II



Sec. 203: Pre-Disaster Hazard Mitigation FEMA Implementation

- A third grant category is being contemplated: *A competitive grant for which any Project Impact designated community could apply.*
- Amounts provided under this grant category would be dependent on the remaining level of available funds.



Sec. 203: Pre-Disaster Hazard Mitigation

FEMA Implementation

- FEMA will write regulations for Pre-Disaster Mitigation grants to communities and states
- The regulation process will include comments from State and local governments and other interested parties
- FEMA will establish criteria for “Small Impoverished Communities”
- States will identify communities that meet FEMA’s criteria



Sec. 203: Pre-Disaster Hazard Mitigation Proposed FEMA Timeline

- January 2001 Concept Paper
- March 2001 Listening Session
- September 2001 Publish Interim Final Rule
- February 2002 Publish Final Rule



Sec. 203: Multi-Hazard Advisory Maps

- Maps should identify all applicable natural hazards
- Requires FEMA to consult with States, local governments and appropriate Federal agencies to develop maps in not fewer than 5 States
- Directs FEMA to use the most cost-effective and efficient technology available
- Maps are advisory in nature and shall not require new policy
- No additional funds authorized for this directive



Sec. 203: Multi-Hazard Advisory Maps **FEMA Implementation**

- A national web-based mapping server at FEMA
- Ability to access hazard data from external sources and to present data in a standard format
- Ability to “turn on and off” hazard layers
- Ability to expand product to present additional hazard and demographic data



Sec. 203: Multi-Hazard Advisory Maps **FEMA Implementation**

PHASE 1 – to be completed October 2001

- Establish a web-based mapping server
- Develop interoperability standards for exchange of GIS hazard data between government agencies, states, local jurisdictions and other organizations
- Ongoing coordination with participating federal agencies, states, and local communities
- State and local participation: web interface with state mapping sites; state provides GIS-based hazard data; states participate in exchange standards development



Sec. 203: Multi-Hazard Advisory Maps **FEMA Implementation**

PHASE II – to be completed June 2002

- Upgrade hazard map server to allow interoperability between data providers using GIS data exchange standards developed in Phase I
- State and local participation: begin implementation of Phase I standards by setting up systems for exchange of state GIS-based hazards data



Sec. 203: Multi-Hazard Advisory Maps

Proposed FEMA Timeline

- February-June 2001:
 - Develop sample multi-hazard map
 - Coordinate with NEMA, NADO and Feds
 - Develop multi-hazard prototype
- July-October 2001:
 - Continue coordination and testing
 - Develop user guidelines and marketing strategy
 - Develop plan for nationwide expansion
- October 2001: Maps for areas in at least 5 states



Sec. 204: Interagency Task Force

- Purpose is to coordinate implementation of Federal pre-disaster mitigation programs to:
 - Integrate policies at the Federal level
 - Create “one Federal Government mechanism” in communities
- Chaired by the Director of FEMA
- Members will include relevant Federal agencies, State and local organizations, and the American Red Cross and may be modeled on the Federal Response Plan to ensure that all programs are complimentary and integrated with no overlap of benefits or conflict of authorities.



Sec. 204: Interagency Task Force Proposed FEMA Timeline

- June 2001 Concept Paper
- September 2001 Initial Task Force Meeting



Sec. 322: Mitigation Planning

New Emphasis on Planning:

- Requires local and Tribal governments to develop and submit Mitigation plans
- Authorizes up to 7% of Hazard Mitigation Grant Program (HMGP) funds to be used for planning purposes
- Increases HMGP funds from 15% to 20% for States that meet enhanced planning criteria
- Provides criteria for State, local and Tribal planning processes that link and reinforce Sections 203 and 204



Sec. 322: Mitigation Planning

FEMA Implementation

Goal: To develop a framework for comprehensive mitigation planning for local and tribal governments that promotes coordination with all local interest groups, identification of specific projects and actions, and links to the State planning process.

HMGP funding: Having approved local and tribal plans in place will be phased in as a requirement for HMGP project grant awards.



Sec. 322: Mitigation Planning

FEMA Implementation

HMGP funding at the 15% level

- State mitigation plans will be required as a condition of receiving funding
- FEMA will revise the basic planning criteria to reflect both the intent of the Act and our experience implementing the current regulation
- Revised criteria will be effective upon publication of the interim final rule
- FEMA will re-evaluate the plans on a periodic basis and will eliminate the requirement to update the plan after every disaster.



Sec. 322: Mitigation Planning

FEMA Implementation

HMGP funding at the 20% level:

- Goal: Comprehensive State Mitigation Planning process that demonstrates:
 - Coordination and integration of State, local, and tribal mitigation planning;
 - Commitment to mitigation activities;
 - Capability to meet the criteria for HMGP Managing State designation
- State plans will be submitted to the appropriate FEMA Regional Office for approval



Sec. 322: Mitigation Planning Proposed FEMA Timeline

Mitigation Planning & HMGP Fund Increase

March 2001

Listening Session

October 2001

Publish Interim Final Rule

March 2002

Publish Final Rule



Sec. 404 (c): State Administration of the HMGP

- Authorizes FEMA to delegate administration of HMGP to qualified States (current Managing States maintain status, with timeline to meet new criteria)
- Qualified States must have demonstrated ability to manage the HMGP
- States must have an approved mitigation plan
- States must have demonstrated commitment to mitigation activities
- Periodic evaluations required



Sec. 404(c): State Administration HMGP FEMA Implementation

Demonstrated ability to manage the HMGP includes:

- Meeting HMGP application deadlines
- Submission of complete and accurate quarterly progress and financial reports
- Completion of projects within negotiated performance periods
- Commitment to establish access through NEMIS and enter project data



Sec. 404(c): State Administration HMGP FEMA Implementation

Demonstrated commitment to mitigation activities includes:

- State Hazard Mitigation Plan integrated with other State planning initiatives
- Actively administers other mitigation programs such as FMA and NFIP
- Supports pre-disaster mitigation
- Establishes public-private partnerships
- Provides funds only to communities in good standing with the NFIP



Sec. 404(c): State Administration HMGP **FEMA Implementation**

- States request designation through Regional Director
- Regional Director responds within 30 days
- Designation is effective for all open disasters with an open HMGP application period
- State and Region will conduct periodic joint evaluations to review sampling of approved projects and effectiveness of completed projects



Sec. 404(c): State Administration HMGP Proposed FEMA Timeline

No statutory timeframe for implementation

- March 2001 Listening Session
- October 2001 Publish Proposed Rule
- March 2002 Publish Final Rule



Impacts on the Individual Assistance Programs



RR-HS

Guiding Principles

- Simplify Assistance
- Provide incentives to applicants to move toward and into permanent housing solutions.
- Insurance model
- Program design will reflect the diversity of our applicants and their needs.
- The system of assistance will provide reasonable assurances that applicants in need most will receive an initial determination of eligibility quickly.
- Delivery of assistance will work well in large disasters.
- Programs will be equitable (assistance will be commensurate with damage).



Sec. 408: Human Services

Introduction

- DMA2000 *does not* change most IA programs:
 - Crisis Counseling Program
 - Disaster Unemployment Assistance
 - Disaster Legal Services
 - Cora Brown
 - Partner Programs (IRS, DOL, ...)
- DMA2000 *does not* change duplication of benefits.



Sec. 408: Human Services Introduction

- DMA2000 does:
 - Eliminate the IFG Program
 - Replace the current Temporary Housing Program in its entirety with a new program called “Federal Assistance to Individuals and Households”



Sec. 408: Human Services

Introduction

- Individuals & Households Program (I&H) has two major components:
 - Housing Assistance 100% Federally Funded
 - Other Assistance 75% Federally Funded



Sec. 408: Human Services

Introduction

- Housing Assistance has four categories

Temporary Housing:-----

- Financial Assistance
- Direct Assistance

The term Temporary Housing was the title for section 408 but in the new Act refers to **ONLY** a category of housing assistance.

Repairs:-----

New Provision

Replacement:-----

New Provision

Permanent Construction:

Explicitly authorizes current policy



Sec. 408: Human Services

Introduction

- Other Assistance has two categories

Medical / Dental / Funeral:

Personal Property / Transportation / Other:



Section 408: Human Services Provisions & Impacts

- **Multiple Types of Assistance.** An individual can now be eligible for more than one category of assistance.
- **Temporary Housing.** Explicitly authorizes funding for rental alternative resources (e.g., recreational vehicles) for temporary housing.
- **Temporary Housing (financial assistance).** Transportation of a rental unit, utility hookups, and unit installation now explicitly eligible.
- **Temporary Housing (direct assistance).** After providing housing units directly, FEMA may charge fair market rent after 18 months.
- **Temporary Housing (direct assistance).** Allows FEMA to sell purchased housing units and deposit proceeds into the disaster relief fund.



Section 408: Human Services

Provisions & Impacts

- **Repairs.** Assistance can now be provided to any uninhabitable residence to return it to a “safe and sanitary living or functioning condition.”
- **Repairs.** Hazard mitigation measures explicitly authorized for residences.
- **Repairs.** Assistance is limited to \$5,000 (adjusted by CPI). (*Note: subject to passage of Congressional technical amendment, this limit would apply only to those applicants able to obtain a loan from SBA. Additional assistance could be provided up to \$25,000—adjusted by CPI—for applicants unable to obtain a loan from SBA.*)
- **Replacement.** Assistance is limited to \$10,000 (adjusted by CPI). Not dependent on SBA. Cannot waive flood insurance requirement



Section 408: Human Services Provisions & Impacts

- **Permanent Housing Construction.** Allows complete construction of homes outside CONUS or in remote areas.
- **Maximum Assistance Provision.** Maximum is combined \$25,000 for all I & H provisions. Replaces current limits of \$10,000 on repairs and \$14,400 limit on IFG assistance.
- **Access to Records.** Electronic information will be available for States that provide assistance above and beyond the assistance under the new I&H program.



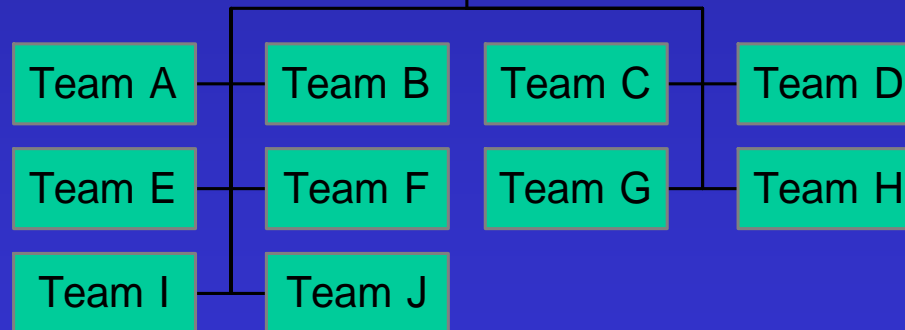
Structure of FEMA HS DMA2000 Implementation

Steering Committee

Interprets DMA2K Impacts
Sets Vision for New Individuals & Households Program

Core Work Group

A Forum to Ensure Synthesis Between Team Leaders
Carries out detailed work to implement Steering Committee's Vision





FEMA HS DMA2000 Implementation

- October 30th, 2000: DMA2000 Signed by President
- February 23rd, 2001: Program Requirements Established
- March 2001 - April 2002: NEMIS System Development
- May 1st, 2002: Individuals & Households Program becomes effective.



**Impacts on the
Public Assistance Program
and
Community Disaster Loan Program**



Immediately Effective Provisions as of October 30, 2000

- Community Disaster Loan Program
- Alternate Projects
- Private Non-Profit Organizations/
Small Business Administration
- Definitions
- Notification to Congress
- Public Notice



Community Disaster Loan Program (Sec. 417)

- Community Disaster Loan (CDL) Program (Sec. 417)
 - Maximum Amount of Loan to ANY Jurisdiction is now limited to \$5 million, regardless of the size of the jurisdiction's operating budget.
 - If a jurisdiction is in arrears on the repayment of a previously approved CDL, the jurisdiction is not eligible to receive another loan.
 - FEMA will publish a rule for comment



Alternate Projects (1)

Section 406(c)

Provision (1):

Federal contribution reduced from 90% to 75% of Federal share

Applicability:

Public-owned and Private non-profit facilities

Exception:

Unstable soils at the original site for publicly-owned facilities



Alternate Projects (2)

Section 406(c)

Provision (2):

Alternate project funding can restore or expand other facilities, or fund mitigation measures

Applicability:

Publicly-owned and PNP facilities

Limitations:

- 1) Facility in floodway
- 2) Uninsured facility in 100-year floodplain



Private Non-Profit Organizations (1) Section 406(a)

Provision:

PNPs must first apply to the Small Business Administration (SBA) for a disaster loan

Applicability:

Permanent work

Exception:

PNPs that provide “critical services”
(power, water, sewer, wastewater treatment,
communications and emergency care)



Private Non-Profit Organizations (2) Section 406(a)

Implementation Procedure:

- PNPs that apply for FEMA assistance first will have applications entered into NEMIS
- If a non-critical facility, FEMA will direct the PNP to apply for a loan with SBA
- If PNP is declined for an SBA loan or the loan does not cover all eligible damages, the applicant may be eligible for FEMA assistance



Definitions Section 102

Expanded:

- “*Local government,*” to specify those entities previously eligible as “political subdivisions of any State”
- “*PNP facility,*” to include irrigation facilities that provide essential services



Notification to Congress

Section 406(a)

Provision:

FEMA must notify 4 Congressional committees before obligating funds > \$20 million for a single project

Applicability:

Permanent work

Clarification:

- Notification, not approval
- Prior to obligation



Public Notice (1) Section 325

Provision (1):

Public notice, comment and consultation required for Public Assistance (PA) policies likely to result in a significant reduction of assistance under the PA Program. Policies may not be retroactive.

Applicability:

New or modified policies only

Provision (2):

FEMA is required to promote public access to policies



Public Notice (2) Section 325

Provision (3):

In order to address disaster-specific policy issues, FEMA must solicit comments from grantees and subgrantees for “interim policies” when they are:

- Likely to result in a significant reduction in assistance
- Change the terms of a written agreement

Implementation:

FEMA has created & implemented public notice system



Delayed Provisions

- Reduced Federal Share for Repetitive Damages
- Cost Estimating Procedure



Reduced Federal Share (1)

Section 406(b)

Provision:

FEMA may reduce the Federal share of assistance to as little as 25% if the owner failed to mitigate the facility

Applicability:

Facilities damaged at least twice in 10 years prior to disaster declaration after October 30, 2000



Reduced Federal Share (2)

Section 406(b)

Implementation:

- FEMA working with Regions/States to apply fairly
- RR-IS will work with MT to determine appropriate mitigation measures
- FEMA must develop implementation procedures
- Effective upon publication of final regulations



Cost Estimating Procedure

Section 406(e)

Provision (1):

FEMA must develop industry-standard methodology for estimating the cost of large projects

Provision (2):

Establish expert panel with industry, State and local reps

- Develop cost estimating procedures
- Establish floor and ceiling percentages



Cost Estimating Procedure

Section 406(e)

Implementation:

- Federal Advisory Committee Act Charter (signed by Director Allbaugh on April 1, 2001)
- First panel meeting June 26-28, 2001 (law allows 18 months)
- Second/Third panel meetings to occur by December 2001



Cost Estimating Procedure Section 406(e)

Implementation (continued):

- Receive panel's recommendations by January 2002
- Publish proposed and final regulations in 2002



Cost Estimating Procedure

Section 406(e)

Expert Panel on Cost Estimating Members

Federal Emergency Management Agency (FEMA): Co-Chair

National Emergency Management Association (NEMA): Co-Chair

American Association of State and Highway Transportation Officials (AASHTO)

Associated General Contractors of America (AGC)

American Institute of Architects (AIA)

American Public Works Association (APWA)

American Society of Professional Estimators (ASPE)

National Association of County Engineers (NACE)

National Society of Professional Engineers (NSPE)



Timeline Overview

- Immediately effective provisions
 - Guidance memo: December 29, 2000
 - Interim Final rule: Published May 4, 2001
 - Final rule (November 1, 2001)
- Cost Estimating Procedure – First meeting, expert panel (June 2001), final rule (Late 2002 target)
- Fire Management Assistance – implemented by October 30, 2001



Impacts on the Fire Suppression Assistance Program



Fire Management (1)

Section 420

Program name:

Changed to “Fire Management Assistance Program”

Provision (1):

The scope of assistance expanded from “suppression” to “mitigation, management and control of any fire”



Fire Management (2)

Section 420

Provision (2):

FEMA may provide funding to local governments as well as State governments (local governments may be subgrantees)

Provision (3):

FEMA must coordinate with State/Tribal foresters



Fire Management (3)

Section 420

Implementation:

- Provisions are effective October 30, 2001
- FEMA will consult with Federal partners
- FEMA will convene a meeting with State/Tribal reps
- Proposed rule: Late Spring;
Final rule: October 30, 2001



Impacts on Management Costs



Management Costs

Section 324

FEMA must establish rate for all grant management activities associated with projects:

- Rate will replace sliding scale
- Rate will include indirect costs



Management Costs FEMA Implementation

- OFM will explore options for implementing this provision
- OFM is coordinating with MT, RR and NEMA
- New rate effective upon publication of final regulations
- FEMA will review costs in three (3) years



Management Costs 2001 Timeline

- Study underway to develop rates
- September 2002: Publish final regulations