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INSIGHT

Recent Funding Increases for FEMA Hazard Mitigation Assistance

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Introduction

The Federal Emergency Management Agency (FEMA) recently announced that $3.46 billion in Hazard Mitigation Grant Program funding will be made available to states, territories, and tribes (STTs) with major disaster declarations for the COVID-19 pandemic. FEMA also announced increased funding for the Building Resilient Infrastructure and Communities (BRIC) program for FY2021. In addition, further funding for BRIC and the Flood Mitigation Assistance Grant Program (FMA) may be available through the Infrastructure Investment and Jobs Act (IIJA).

The Hazard Mitigation Grant Program and the COVID-19 Disasters

Hazard Mitigation Grant Program (HMGP) assistance is triggered by a major disaster declaration from the President or a Fire Management Assistance Grant (FMAG) under the Stafford Act, awarded on a sliding scale as a percentage of the estimated amount of total federal assistance for the disaster:

- up to 15% of the first $2 billion,
- up to 10% for amounts between $2 billion and $10 billion, and
- up to 7.5% for amounts between $10 billion and $35.333 billion.

STTs with a FEMA-approved Enhanced Hazard Mitigation Plan before the disaster are instead eligible for HMGP funding of 20% of the total amount of disaster assistance.

STTs can use HMGP funding for mitigation projects for any type of natural hazard and for any eligible activity that reduces risk and builds resilience. HMGP funding does not have to be used for the particular incident or disaster type for which it was allocated. For example, funding allocated for wildfires in one county could be used for flood mitigation activities in a different county, if eligible.

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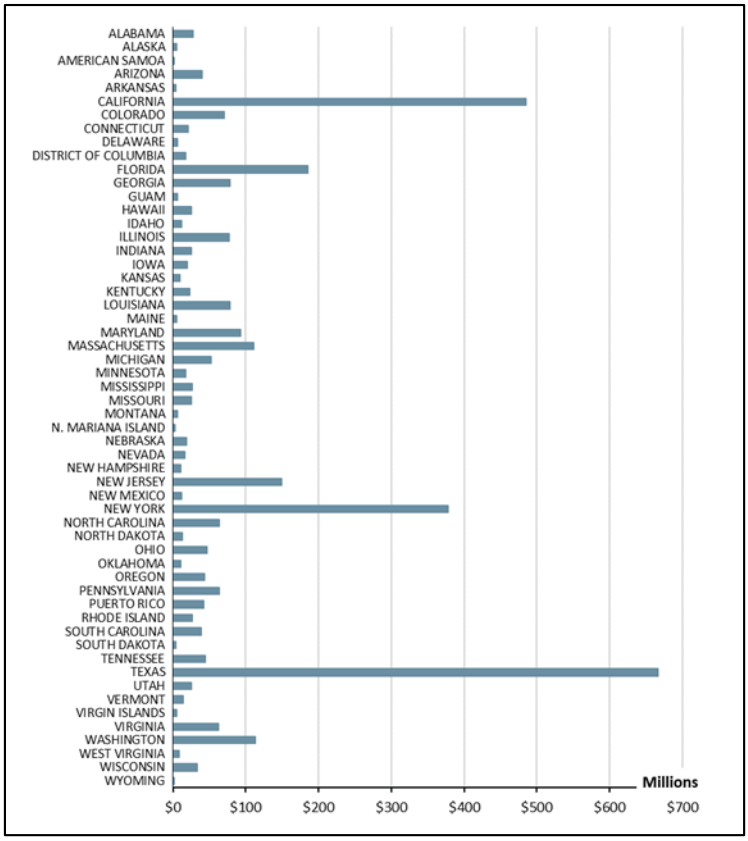
All 50 states, five territories, the District of Columbia, and three tribes requested HMGP funding for the COVID-19 pandemic. These requests have been under review since March 2020. FEMA announced on August 5, 2021, that HMGP funding will be made available to every STT that received a major disaster declaration for the COVID-19 pandemic for 4% of eligible relief costs (see **Figure 1**). This funding is not restricted to pandemic-related mitigation. Four percent is a lower percentage than is usually awarded for HMPG, but the total funding of $36.46 million represents the largest amount of HMGP funding in a single fiscal year. (The largest amount previously was $2.29 billion in FY2005.)

Figure 1. Hazard Mitigation Grant Program Funding for Major Disaster Declarations Related to the COVID-19 Pandemic



Source: FEMA, HMGP Allocations for COVID-19 Declarations.

Pre-Disaster Mitigation

Over the years, post-disaster mitigation such as HMGP has received significantly more funding than pre-disaster mitigation. GAO has found that most of the hazard mitigation funding obligated by FEMA from FY2010 though FY2018 was for post-disaster mitigation. Of the approximately $11.3 billion obligated during that period, 88% was for post-disaster grants through HMGP and PA. FEMA's competitive pre-disaster grant programs, FMA and the Pre-Disaster Mitigation Grant Program (the predecessor of BRIC) accounted for about 12% of the total; see **Figure 2**.

The BRIC Program began in FY2020, following the Disaster Recovery Reform Act of 2018, which authorized the President to set aside from the Disaster Relief Fund (DRF), for every major disaster declaration, an amount equal to 6% of the total funding awarded under seven sections of the Stafford Act. Based on historical disaster expenditures, FEMA's expectation was that this set-aside would be $300-500

million per year; however, the COVID-19 major disaster declarations resulted in additional funding. As of July 31, 2021, $1.635 billion was set aside in the DRF for pre-disaster mitigation.

A total of $500 million was available for BRIC in FY2020. The program was oversubscribed, with 53 states and territories requesting over $3.6 billion. The Notice of Funding Opportunity (NOFO) for BRIC FY2021 was posted on August 9, 2021, with a total of $1 billion available:

- state/territory allocation: $56 million;
- tribal set-aside: $25 million;
- national competition: $919 million.

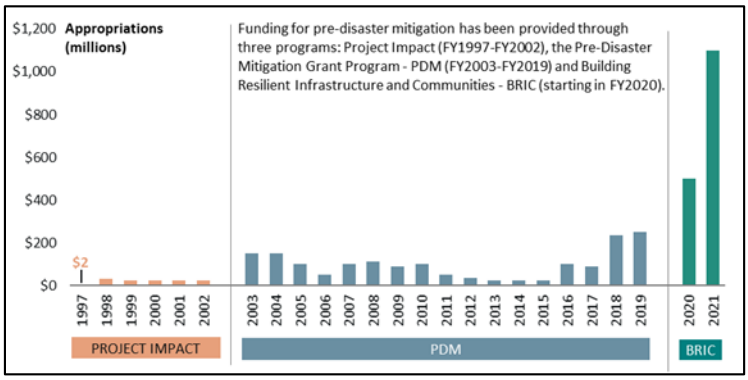
The priorities for FY2021 incentivize

- natural hazard risk reduction activities that mitigate risk to public infrastructure and disadvantaged communities;
- projects that mitigate risk to one or more community lifelines;
- projects that incorporate nature-based solutions;
- projects that enhance climate resilience; and
- projects proposed by applicants who adopt and enforce mandatory building codes based on the latest published editions of building codes.

BRIC FY2021 will promote equity by prioritizing 40% of the funding for disadvantaged communities, in accordance with E.O. 14008 and the Justice40 Initiative.

The IIJA would appropriate $1 billion for BRIC, with $200 million for each of FY2022 to FY2026. This funding would be in addition to the 6% set-aside.

Figure 2. Funding for Pre-Disaster Mitigation FY1997-FY2021



Sources: CRS Report RL34537, *FEMA's Pre-Disaster Mitigation Program: Overview and Issues*; FEMA, *National Pre-Disaster Mitigation Fund, Fiscal Year 2017 Report to Congress*, September 1, 2017, p. 4; FEMA Notices of Funding Opportunity for the Pre-Disaster Mitigation Grant Program 2017, 2018, and 2019; FEMA Notices of Funding Opportunity for BRIC FY2020 and FY2021.

Flood Mitigation Assistance

FEMA also operates a Flood Mitigation Assistance Grant Program (FMA), available only to communities which participate in the NFIP (National Flood Insurance Program). $200 million was available for FMA in FY2020. FEMA received 236 applications for FMA from 30 states and territories, requesting total project costs exceeding $477 million. Twenty-six states did not submit FMA applications.

The FY2021 NOFO for FMA was posted on August 9, 2021, with $160 million available in FY2021. FMA will prioritize 40% of funding for disadvantaged communities, and will use the Centers for Disease Control and Prevention (CDC) Social Vulnerability Index (SVI) at a threshold of 0.7501 or greater as a priority scoring criterion.

The IIJA would appropriate $3.5 billion for FMA, with $700 million for each of FY2022 to FY2026, and would provide a 90% federal cost share for a property: (1) that is located in a census tract with a CDC SVI score of not less than 0.5001; or (2) that serves as a primary residence for individuals with a household income of not more than 100% of the applicable area median income. This would represent the first time that funding has been appropriated for FMA, which has previously been funded by NFIP policyholders.

None of this additional hazard mitigation funding (HMGP, BRIC, or FMA) requires hazard-resistant or energy-efficient codes and standards. These standards may particularly benefit low-income households and communities.

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