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INSIGHT

Federal Emergency Management Agency (FEMA) Hazard Mitigation Assistance

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Introduction

The majority of funding in the United States for both pre- and post-disaster mitigation comes from the Federal Emergency Management Agency (FEMA), which defines mitigation as "any sustained action to reduce or eliminate long-term risk to people and property from natural hazards and their effects." Mitigation actions have a long-term impact, as opposed to actions associated with immediate preparedness, response, and recovery activities. Mitigation has been shown to save money. A recent study by the Multihazard Mitigation Council found that society saves $6 for every dollar spent on mitigation funded through major federal mitigation grants.

FEMA administers three hazard mitigation grant programs, which it collectively refers to as Hazard Mitigation Assistance (HMA):

- the Hazard Mitigation Grant Program (HMGP);
- the Flood Mitigation Assistance (FMA) Grant Program;
- the Pre-Disaster Mitigation (PDM) Grant Program, replaced by Building Resilient Infrastructure and Communities (BRIC).

Eligible applicants include state and local governments and federally-recognized tribes. Certain nonprofit organizations may apply for HMGP. Individuals may not apply for HMA funding, but they may benefit from a community application. Applicants to all three programs must have FEMA-approved hazard mitigation plans. Eligible activities differ for the three programs.

The Hazard Mitigation Grant Program (HMGP)

The Hazard Mitigation Grant Program is authorized by Section 404 of the Stafford Act (42 U.S.C. §5170c). HMGP assistance is triggered by a major disaster declaration from the President or a Fire Management Assistance Grant (FMAG) and is funded through the Disaster Relief Fund (DRF). The key purpose of the HMGP program is to ensure that the reconstruction process following a disaster addresses opportunities to include mitigation measures to reduce the loss of life and property from future disasters.

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HMGP funding is awarded as a formula grant to a state based on the estimated total federal assistance per major disaster declaration or FMAG, subject to a sliding scale formula (42 U.S.C. §5170c(a) and 44 C.F.R. §206.432(b)). HMGP funding normally does not exceed 15% of the estimated total aggregate federal grant amount, but states with an approved Enhanced State Mitigation Plan in effect before the disaster are eligible for HMGP funding of 20% of such amount. States can use HMGP funds for any eligible activity for any type of hazard and are not limited to the hazard or area for which the grant was awarded. HMGP funds may be used to pay up to 75% of eligible activity costs. Funding from other federal sources cannot be used for the 25% share, with one exception—funding provided under the Community Development Block Grant (CDBG) program.

The Pre-Disaster Mitigation Grant Program (PDM)

Pre-Disaster Mitigation (PDM) funding is authorized by Section 203 of the Stafford Act (42 U.S.C. §5133), with the goal of reducing overall risk to the population and structures from future hazard events, while also reducing reliance on federal funding to respond to future disasters. The PDM program is now funded through the DRF. Until FY2019 the amount available for PDM was appropriated annually to a separate account and PDM grants were awarded competitively. Maximum and minimum amounts to each state for PDM are set in statute, with each applicant eligible to receive an allocation not less than the lesser of 1% of total funds for the fiscal year, or $575,000, with no applicant to receive more than 15% of the appropriated funding.

Changes to Pre-Disaster Mitigation Funding

Funding for pre-disaster mitigation changed significantly with the passage of the Disaster Recovery Reform Act of 2018 (DRRA, Division D of P.L. 115-254). DRRA authorized a new source of funding for pre-disaster mitigation called the National Public Infrastructure Pre-Disaster Mitigation Fund (NPIPDM) For each major disaster declaration, the President may set aside from the DRF an amount equal to 6% of the estimated aggregate amount of the grants to be made pursuant to the following sections of the Stafford Act:

- 403 (essential assistance)
- 406 (repair, restoration, and replacement of damaged facilities)
- 407 (debris removal)
- 408 (federal assistance to individuals and households)
- 410 (unemployment assistance)
- 416 (crisis counseling assistance and training)
- 428 (public assistance program alternative program procedures)

The funds from this 6% set-aside go to the NPIPDM. There is potential for significantly increased funding following a year with many big disasters, but funding could also be less in a year with few disasters. FEMA anticipates that the NPIPDM will receive $300-$500 million per year on average. As of November 30, 2020, there was $962 million available in the 6% set-aside from the DRF. This includes a $500 million set-aside associated with COVID-19; FEMA estimates up to $3.7 billion for BRIC as a result of the COVID-19 major disaster declarations.

FEMA introduced a new program, the Building Resilient Infrastructure and Communities Grant Program (BRIC), to replace the PDM Grant Program. Federal funding is generally available for up to 75% of the eligible activity costs; however, small, impoverished communities may be eligible for up to a 90% federal cost share. A total of $500 million is available in FY2020, in three categories:

1. State/territory allocation: $33.6 million
2. Tribal set-aside: $20 million
3. National competition: $446.4 million

Further information on BRIC is available in CRS Insight IN11515, *FEMA Pre-Disaster Mitigation: The Building Resilient Communities and Infrastructure (BRIC) Program*.

The Flood Mitigation Assistance Grant Program (FMA)

To reduce comprehensive flood risk, FEMA also operates a Flood Mitigation Assistance Grant Program funded through revenue collected by the National Flood Insurance Program (NFIP), with the goal of mitigating NFIP-insured flood-damaged properties to reduce or eliminate NFIP claims. FMA funding is only available to communities which participate in the NFIP.

Congress allows FEMA to withdraw funds from the National Flood Insurance Fund and use those funds to operate the NFIP, but the spending authority to use these offsetting collections for FMA must be authorized in appropriations acts (42 U.S.C. §4017(f)). In December 2020, FEMA increased FY2020 funding for FMA to $200 million. Generally, federal funding is available for up to 75% of eligible costs. However, FEMA may contribute up to 90% for repetitive loss properties and up to 100% for severe repetitive loss properties.

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