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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. A widely cited 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 and one loan program, collectively referred to as Hazard Mitigation Assistance (HMA):

- Hazard Mitigation Grant Program (HMGP);
- Flood Mitigation Assistance Grant Program (FMA);
- Building Resilient Infrastructure and Communities (BRIC), which replaced the Pre-Disaster Mitigation (PDM) Grant Program; and
- Safeguarding Tomorrow Revolving Loan Fund Program (STRLF).

Eligible applicants for the grant programs include state and local governments and federally recognized tribes. Certain nonprofit organizations may apply for HMGP. Individuals may not apply for HMA funding, but may benefit from a community application. Eligible entities for STRLF are states, the District of Columbia, Puerto Rico, and federally-recognized tribes with major disaster declarations between January 1, 2016 and January 1, 2021. Applicants to all four programs must have FEMA-approved hazard mitigation plans.

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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 rebuilding after a disaster addresses opportunities to include mitigation measures to reduce the loss of life and property from future disasters.

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 (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. HMGP funds may be used to pay up to 75% of eligible activity costs. 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.

Building Resilient Infrastructure and Communities (BRIC)

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.

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 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. As of November 30, 2024, there was $4.642 billion in the 6% set-aside in the DRF.

FEMA introduced a new program, the Building Resilient Infrastructure and Communities Grant Program (BRIC) in FY2020. 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. The Infrastructure Investment and Jobs Act (IIJA) appropriated $1 billion for BRIC, with $200 million in each of FY2022-FY2026. This funding is in addition to the 6% set-aside.

A total of $1 billion is available in FY2023, in five categories:

1. State/territory allocation: $112 million

2. Tribal set-aside: $50 million
3. State/territory building codes plus up: $112 million
4. Tribal buildings codes plus up: $50 million
5. National competition: $701 million

The building codes plus up funding is new in FY2023, to support the adopting and enforcement of building codes. BRIC also offers non-financial Direct Technical Assistance to support communities and tribes that may not have the resources to begin climate resilience planning and project solution design on their own.

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 that participate in the NFIP. 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.

The IIJA appropriated $3.5 billion for FMA, with $700 million for each of FY2022-FY2026, and a total of $800 million is available in FY2023 for FMA.

Safeguarding Tomorrow Revolving Loan Fund Program (STRLF)

A new program known as the Safeguarding Tomorrow Revolving Loan Fund Program (STRLF) was created by the STORM Act, which amended the Stafford Act to authorize FEMA to enter into agreements with eligible entities to establish low-interest revolving loan funds for hazard mitigation. The IIJA appropriated $500 million for STRLF, with $100 million for each of FY2022-FY2026. The first STRLF awards were made in FY2023 and $50 million is available for FY2024.

Author Information

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