



# FEMA

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## **FEMA CONGRESSIONAL ADVISORY**

### **FEMA Publishes Rule to Update Simplified Procedures Thresholds**

February 26, 2014

On January 29, 2013, President Barack Obama signed into law the Sandy Recovery Improvement Act (SRIA) of 2013 and the accompanying Disaster Relief Appropriations Act of 2013. The passage of SRIA represents one of the most significant legislative changes to the Department of Homeland Security's Federal Emergency Management Agency (FEMA) substantive authorities since the enactment of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

SRIA authorizes several significant changes to the way FEMA may deliver federal disaster assistance to survivors. SRIA directs FEMA to implement changes to the Simplified Procedures thresholds for eligibility under the Public Assistance (PA) grant program. FEMA's PA program provides supplemental Federal disaster grant assistance to state, local, tribal, and territorial governments, and certain types of private nonprofit organizations for debris removal, emergency protective measures, and the repair, replacement, or restoration of disaster-damaged facilities.

On January 29, 2014, FEMA submitted to Congress a report with a recommendation to increase the thresholds for eligibility under the Public Assistance Program. FEMA is publishing a Final Rule in the Federal Register to increase the Public Assistance (PA) thresholds for eligibility for Simplified Procedures, pursuant to section 422(b) (42 U.S.C. § 5189(b)) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended.

The PA program has two eligibility thresholds: (1) a minimum threshold to qualify for a PA project (and thus Simplified Procedures); and (2) a maximum threshold for Simplified Procedures. Project worksheets under the minimum threshold, previously \$1,000, are not eligible for PA grant funding. FEMA expedites the processing of PA grant funding for project worksheets under the maximum threshold (previously \$68,500 for FY 2014) by eliminating much of the administrative burden placed on larger projects. FEMA refers to projects that fall under the maximum threshold as small projects.

SRIA requires FEMA to complete an analysis to determine whether an increase in the Simplified Procedures threshold for eligibility is appropriate by analyzing the following five criteria: cost-

effectiveness, speed of recovery, capacity of grantees, past performance, and accountability measures. In this analysis, FEMA also considered historical trends and ongoing changes to the PA program.

In order to determine if an increase to the thresholds would be beneficial and lead to greater budgetary efficiency, FEMA focused the analysis on the following approaches:

1. A quantitative analysis of PA program data, as well as state-level emergency management budget information.
2. A qualitative review of input from FEMA Regional Office staff, states and tribes, as well as recent bi-annual reports published by a membership organization representing state-level emergency managers.

Over the past seven years, small projects have made up eighty-eight percent of all projects by number, but only fifteen percent of all project amounts. Raising the thresholds will provide administrative benefits to subgrantees, grantees and FEMA and ensure that time and effort is spent on large projects where more subgrantee, grantee and federal dollars are at stake.

FEMA determined that a change in the thresholds for Simplified Procedures would benefit grantees and sub-grantees, specifically raising the Simplified Procedures maximum threshold to \$120,000, raising the minimum threshold for project eligibility to \$3,000, and adjusting both annually to reflect changes in the Consumer Price Index for All Urban Consumers (CPI) published by the U.S. Department of Labor. The report is available at: [www.fema.gov/media-library/assets/documents/90458](http://www.fema.gov/media-library/assets/documents/90458).

In accordance with the law, FEMA is implementing this change immediately, for disasters declared on or after February 26, 2014, the date of publication of the Final Rule in the Federal Register. The Final Rule is available at <http://www.gpo.gov/fdsys/pkg/FR-2014-02-26/pdf/2014-04220.pdf>. FEMA also plans to publish in the near future a Notice in the Federal Register seeking comment on the Simplified Procedures report. SRIA requires FEMA to review the thresholds every three years.

If you have any questions, please contact FEMA's Congressional Affairs Division at (202) 646-4500.

*FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards.*