



# FEMA

# Fact Sheet

## Sandy Recovery Improvement Act of 2013

On January 29, 2013, President Obama signed into law the Sandy Recovery Improvement Act of 2013 (P.L. 113-2) (SRIA). The law authorizes several significant changes to the way the Federal Emergency Management Agency (FEMA) may deliver disaster assistance under a variety of programs. FEMA is currently developing specific implementation procedures for each new authority and will provide further guidance through a combination of rulemaking and the development of policy or other guidance documents. These implementation procedures will detail the applicability of each provision, provide further guidance as to how the authority will be implemented, and may include metrics and other assessment tools and procedures.

### Public Assistance Alternative Procedures.

- FEMA is authorized to develop alternative procedures that an applicant may elect to use for Public Assistance permanent work and debris removal projects.
- FEMA may expeditiously implement this authority as a pilot program until such time that the Agency promulgates implementing regulations.
- Once implemented, FEMA may apply these alternative procedures to future emergencies and major disasters, but may also do so in current declared events for projects where construction has not yet begun.
- These alternative procedures will, at minimum, include the following specified procedures:
  - Permanent Work Alternative Procedures:
    - Permits permanent work grants to be based on fixed estimates, with applicants accepting responsibility for any actual costs above the estimate—this will significantly accelerate the distribution of grant funds and significantly reduce administrative costs associated with grants based on actual costs.
    - Permits FEMA to accept the mutually agreed upon certified cost estimates prepared by applicants' licensed engineers.
    - Applicants may request to utilize a FEMA-funded, independent validation of project estimates for permanent repair projects with an estimated federal share of at least \$5 million.
    - Allows applicants accepting grants based on fixed estimates to use any cost savings for activities that reduce risk in future disasters and other activities to improve future PA operations.
    - Permits applicants to consolidate multiple permanent work projects.
    - Eliminates the reduction in awards previously required by law for applicants who determine that the public welfare would not be best served by restoring a damaged facility or its function to the pre-disaster design (so-called "alternate projects").

- Debris Removal Work Alternative Procedures:
  - Permits debris removal grants to be based on fixed estimates, with applicants accepting responsibility for any actual costs above the estimate—this will significantly accelerate the distribution of grant funds and significantly reduce administrative costs associated with grants based on actual costs.
  - Permits applicants to retain income from debris recycling without an offset from their grant.
  - Allows the use of a sliding scale for applicants' debris removal cost share to incentivize faster and more cost-efficient debris removal.
  - Permits the establishment of financial incentives for a FEMA-approved pre-disaster debris management plan and at least one pre-qualified debris contractor.
  - Allows applicants to use excess funds for activities to improve future debris removal operations.
  - Permits the reimbursement of straight time force account labor costs for applicants' employees performing debris removal work.

## Hazard Mitigation.

- Streamlined Procedures: Directs FEMA to expedite the National Environmental Policy Act and the National Historic Preservation Act compliance processes. Additionally, FEMA may implement streamlined procedures that consider multiple structures as a group for an analysis of cost-effectiveness and satisfaction of cost-share requirements.
- Advance Assistance: Allows FEMA to provide up to 25 percent of the estimated costs for eligible hazard mitigation measures to a State grantee before eligible costs are incurred.
- Allows FEMA to waive notice and comment rulemaking to expeditiously implement state administration of Hazard Mitigation Grant Program (HMGP), if FEMA determines that doing so is necessary to expeditiously implement the administration of HMGP by States as a pilot program.
- Once implemented, FEMA may apply this provision to previously declared disasters for which the application period has not ended as of January 29, 2013 and all future disasters.

## Dispute Resolution Pilot Program.

- Directs FEMA to establish a nationwide dispute resolution pilot program, including arbitration by an independent review panel, for Public Assistance projects.
- This nationwide dispute resolution pilot program will only be available for:
  - Disputes in an amount of at least \$1 million; and
  - Projects with a non-federal cost share requirement; and
  - Applicants that have completed a first appeal pursuant to 44 C.F.R. § 206.206.
- FEMA will establish an independent arbitration review panel and decisions made by the independent review panel will be binding.
- Requests for review under this nationwide dispute resolution pilot program, once implemented, must be submitted by December 31, 2015.
- Arbitration available under this nationwide dispute resolution pilot program is separate and distinct from the arbitration process established for Public Assistance projects for major disasters declared in response to Hurricanes Katrina and Rita.

## Federal Assistance to Individuals and Households.

- Provides the Agency explicit authority to lease and repair rental units for use as direct temporary housing.

## Unified Federal Review.

- Requires the President, in consultation with the Council on Environmental Quality and the Advisory Council on Historic Preservation, to establish a unified and expedited interagency environmental and historic preservation process for disaster recovery projects within 18 months of enactment.

## Small project threshold review.

- By January 29, 2014, FEMA will evaluate and report to Congress whether an increase in the Public Assistance small project threshold is appropriate. FEMA will then take appropriate action based on the outcome of the report. FEMA must review the small project threshold every three years thereafter.

## Essential Assistance.

- Authorizes FEMA to reimburse straight-time force account labor costs for state, tribal and local government employees performing emergency protective measures, if such work is not typically performed by those employees and is the type of work that may otherwise be carried out by contract or agreement with private entities or individuals.
- Affirms that child care expenses are an eligible expense for reimbursement as part of Other Needs Assistance.

## Individual Assistance Factors.

- Requires FEMA to review and revise through rulemaking the factors considered when evaluating the need for the Individual Assistance Program in a major disaster or emergency by January 29, 2014.

## Tribal Requests for a Major Disaster or Emergency Declaration under the Stafford Act.

- Amends the Stafford Act to provide for an option for the Chief Executive of a federally recognized Indian tribe to make a direct request to the President for a major disaster or emergency declaration. The amendment provides that Tribes may elect to receive assistance under a State's declaration, provided that the President does not make a declaration for the Tribe for the same incident.
- Authorizes the President to establish criteria to adjust the non-federal cost share for an Indian tribal government consistent to the extent allowed by current authorities.
- Requires FEMA to consider the unique circumstances of tribes when it develops regulations to implement the provision.
- Amends the Stafford Act to include federally recognized Indian tribal governments in numerous references to state and local governments within the Stafford Act.

## Recommendations for Reducing Costs to Future Disasters.

- Requires FEMA to make recommendations for the development of a national strategy to reduce costs on future disasters by July 30, 2013. The recommendations for the National Strategy should:
  - Respect the constitutional roles and responsibilities of the different levels of government, as well as the private sector;
  - Address vulnerability to damage from flooding, severe weather, and other hazards;
  - Analyze gaps and duplication of emergency preparedness, response, recovery and mitigation at all levels of government; and
  - Include recommendations on improving resiliency of states, local, and tribal communities to lower future response and recovery costs.

Reminder. Funds for grants provided by the Disaster Relief Appropriations Act of 2013 must be expended by the grantees within the 24-month period following the agency's obligation of funds for the grant, unless, in accordance with guidance to be issued by the Director of the Office of Management and Budget, the Director waives this requirement for a particular grant program and submits a written justification for such waiver to the Committees on Appropriations of the House of Representatives and the Senate. In the case of such grants, the law requires FEMA to include a term in the grant that requires the grantee to return to the agency any funds not expended within the 24-month period.

###

*"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."*

*February 2013*