



**FEMA**

May 8, 2025

**DECISION**

MEMORANDUM FOR: Cameron Hamilton  
Senior Official Performing the Duties of the Administrator

THROUGH: Christopher P. Logan  
Senior Official Performing the Duties of Deputy Administrator for Resilience

FROM: Derrick Hiebert  
Assistant Administrator, Hazard Mitigation Directorate

SUBJECT: **New Grant Program Proposal – The National Mitigation Assistance Grant Program**

---

**Purpose:** This memorandum requests authorization to move forward on work to design and establish a unified National Mitigation Assistance grant program, an initiative that brings together existing programs funded under the Disaster Relief Fund (DRF) into a unified and streamlined structure with aligned policies, priorities, and requirements. This program would maintain the core funding mechanisms established under Sections 404 and 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) while creating a more efficient, accessible, effective, and predictable system for state, local, tribal, and territorial communities to increase national disaster resilience. This memo lays out the general structure and authorities of the proposed program. Upon receipt of authorization, the team will begin formal program design work alongside Regional and HQ partner organizations.

**Background:** The proposal addresses four critical challenges in the current system: (1) the need for states, territories, and tribes to take greater ownership of program administration, (2) excessive complexity across multiple mitigation programs, (3) lengthy timelines for project approval, obligation, and implementation, and (4) inflexibility in FEMA and state, local, tribal and territorial (SLTT) staffing across mitigation programs. Implementation would require a combination of policy changes within FEMA's authority, regulatory amendments through the rulemaking process, and statutory modifications requiring Congressional action.

**Objectives:** The National Mitigation Assistance grant program would achieve four primary objectives:

1. **Cut Regulation and Simplify the Applicant Experience:** Create a unified program that eliminates redundancies, streamlines application processes, and presents a single,

coherent system to states, territories, tribes, and communities seeking mitigation assistance.

2. **Adopt Risk-Based Priorities:** Target funding toward effective hazard mitigation measures that are designed to reduce future expenditures through FEMA's Public Assistance (PA), Individual Assistance (IA), or National Flood Insurance Program (NFIP).
3. **Reduce Waste and Increase Applicant Accountability:** Establish clear performance standards for Applicants to maintain good standing based on timely obligation of funds and successful project implementation, with consequences for non-performance.
4. **Build Applicant Capacity and Drive Mitigation Readiness:** Provide dedicated resources and incentives for Applicants to develop and maintain permanent hazard mitigation programs that extend risk reduction beyond federally funded projects.

**Structure:** The National Mitigation Assistance grant program would preserve both the annual and post-disaster funding streams while integrating their management:

1. **Disaster Allocation (Section 404 Authorities)**

- Post-disaster funding would accrue on a rolling basis to Applicant accounts following Presidentially Declared Disasters. Applicants can co-mingle 404 funding from multiple disasters on a single project. Funds retain their disaster-specific identifiers for federal tracking purposes but would be managed and spent as a single pool at the Applicant level. Funds case to be available if not used as is current practice.
- Initial funding levels authorized by disaster declarations may be lower than current default 404 allocations, at President's discretion.
- States, territories, and tribes that demonstrate effective execution of grants or achieve Enhanced State status would become eligible for higher funding levels.
- Funds not obligated to projects within a specified time would return back to the DRF (similar to how the Flood Mitigation Assistance Swift Current opportunity works today)

2. **Annual Formula Allocation (Section 203 Authorities)**

- States, Tribes, and Territories **not receiving a minimum amount of Section 404 funding** will be eligible to receive a formula-based allocation based on the factors identified in Section 203(g), including elements like building codes implementation, maintaining state-funded staff, and increased cost share.
- Funding levels would remain consistent with current Section 203 allocations (up to 6%).

- The first \$400M allocation for Section 203 will come from unspent IIJA funds.
- Following acceptance of a legislative proposal, funding for Sections 203 and 404 could be combined on projects if proper accounting is maintained.
- Requirements on utilizing funds are consistent with the Section 404 program.

### **3. Capacity Building Funding (from the annual Section 203 allocation)**

- A dedicated percentage of annual funding would be allocated specifically to supplement state management costs, including salaries, through a cooperative agreement grant that also imposes minimum performance requirements.
- Capacity building funds may be prioritized for extremely low-capacity states or allocated to states using a formula. The intent is to enable all states to demonstrate effective use of mitigation funds and achieve eligibility for higher Sections 203 and 404 amounts.
- All states, including those receiving Section 404 funding, would be eligible to receive annual allocations of Section 203 Capacity Building grants.

**Administration:** FEMA would establish and maintain stronger requirements for state administration with appropriate monitoring safeguards. Unifying administration of Sections 203 and 404 programs would enable FEMA to utilize program CORE staff more efficiently, allowing them to work any Section 203 and 404 DRF-funded project.

#### **1. State Management Requirements**

- Enhanced states would be required to adopt Program Administration by States (PAS). A legislative change request would have to be made to also allow this for Section 203. Should no change occur, this will apply to Section 404 only.
- All states would be required to implement at least partial PAS. The purpose of Section 203 capacity building funds is to drive states toward accepting more and more PAS responsibilities. Include EHP in PAS.
- States would need to maintain, and FEMA would enforce, "good standing" in the program to access full funding. States that fail to maintain good standing would not be eligible for annual Section 203 allocations or recommended for Section 404 allocations. States not in good standing are still eligible for capacity building funding from Section 203.
- Good standing criteria could include timely obligation of funds, successful project completion, and compliance with reporting requirements.

#### **2. Planning and Pre-Authorization**

This proposal moves to a posture of front-loading application reviews, cutting regulatory review requirements, and moves mitigation plans from a principally strategic document to one that is more risk-based and action oriented. This element represents one of the most significant practice changes, but is essential to reducing FEMA workload, reducing waste, and speeding project review and construction.

- A risk-informed mitigation action plan would be incorporated into state and local hazard mitigation plans listing specific projects. This plan could be like a capital improvements plan updated less frequently (e.g., every 5 years) with an annual “intended use plan” that identifies and updates projects to be undertaken that year.
- Projects in the action plan would undergo preliminary FEMA review to pre-authorize them as eligible and cost effective. FEMA would develop templates and checklists for Environmental and Historic Preservation (EHP), Cost Effectiveness, standards for demonstrating compliance with 2 CFR requirements, etc. that would help capture the data necessary for FEMA preliminary review.
- Pre-authorized projects that are for Phase 1 awards (design, feasibility, environmental review, and planning) could proceed to obligation without further review. Projects for full construction would complete a risk-based review to meet minimum compliance requirements required for construction.
- FEMA will eliminate regulatory requirements that do not conform with applicable statute. For example, FEMA currently requires technical feasibility reviews by regulation. This increases requests for information (RFIs) and award timelines. Applicants should be able to submit stamped, engineered designs to FEMA without back-and-forth between FEMA engineers and applicant engineers.
- FEMA will invest in technology (e.g., Artificial Intelligence tools) to speed project development, review, etc. Some of these tools are already under development. Tool development will need to include FEMA teams (like OEHP). NMAP is an opportunity to build IT and AI tools along with a new program, improving the efficiency and effectiveness.

### **3. Project Implementation:**

- States would be able to request obligation of funding for Phase 1 and Planning pre-authorized projects as money becomes available. Phase 2/Construction projects would complete any requirements not met through preauthorization review.
- States may divide large projects into smaller scopes of work that can be funded individually but evaluated for effectiveness collectively.

- Develop a way, including any applicable updates to 44 C.F.R. § 206.439(c), for states to request Advanced Construction for their projects to allow them to start work with FEMA authorization and reimburse themselves as funding comes available. This is widely used by DOT formula grant programs and is similar to FEMA's Hazard Eligibility and Local Projects Act (HELP Act) authority.
- Only projects ready to begin implementation would be eligible for obligation. Multiple phases (i.e., design and construction) of projects will be funded separately via separate awards.
- States would be expected to leverage "project scoping" to complete designs prior to seeking construction funding.
- Period of performance (POP) may be variable by project type and would be based on the project schedule laid out in the scope of work. FEMA would only approve projects with reasonable POPs. The standard POP would be the current four years, beginning at the first obligation. This would enable FEMA to do larger, transformational projects, while still holding smaller and less complex projects to a high standard.
- If states fail to complete projects within the requisite timeframe, projects would be terminated and unspent funds deobligated. FEMA will evaluate whether there is adequate justification for the lack of progress and potentially recoup funds. This is consistent with current FEMA requirements, but these requirements are often not fully implemented.

#### **4. FEMA Regional and Headquarters Implementation Structure**

This proposal moves to a deliver model similar to Assistance for Firefighter Grants in which Regions maintain staffing autonomy with some shared national tasks:

- Headquarters maintains responsibility for program policy, regulation, etc.
- Regions maintain responsibility for SLTT engagement and technical assistance.
- Project and plan review and approval, BCA assistance, and other technical/engineering tasks are consolidated, with work distributed across HQ and all 10 Regions based on capacity and capability.

- Project monitoring and closeout remain the responsibility of Regions.

Roll Responsibility	Current Model	Proposed Model
Develop Program Guidance, Policy, and NOFOs	Headquarters	Headquarters
Respond to Congressional Inquiries	Headquarters	Headquarters
Technical Assistance, Outreach, Communications	HQ and Regions Separately	Regions
Mitigation Plan Review	Regions	Consolidated
Grant Technical Review and Pre-Award	Regions	Consolidated
Obligate Funds and Approve Payments	Regions	Regions
Monitor Grants, Conduct Site Visits, Closeout etc.	Regions	Regions
Manage Audits and Compliance Tasks	Regions	Regions
Manage Data and Reporting	HQ and Regions Separately	Consolidated
Staff Training	HQ and Regions Separately	Consolidated

## Implementation Policy, Regulatory, and Proposed Statutory Changes

### 1. Policy Changes (Within FEMA Authority)

- Alignment of application forms, processes, and guidance documents
- Standardization of technical review procedures and criteria
- Establishment of capacity-building guidance and eligible expenses
- Creation of uniform reporting requirements and templates
- Update and implement PAS and Enhanced State, Territory, Tribe requirements in a manner consistent with regulation.
- Launch unified program application in the FEMA Grants Outcomes grants management system.
- Change the way CORE positions are scoped to include both 404 and 203, adopt split billing, or fund Mitigation CORES out of the DRS or DRF Base.
- Modify POPs and application periods.

### 2. Regulatory Changes (Rulemaking Required)

- Establishment of "good standing" criteria and consequences (may leveraged “Enhanced STT process).
- Removal of non-statutory elements of project review (e.g., technical feasibility) from regulations.
- Update Section 404 regulations to permit “fund as you go,” allow funding for projects currently underway, etc.
- Update regulations to permit the merging of multiple application periods.
- Remove duplication of programs regulation.

### 3. Statutory Changes (Congressional Action)

- Authorization for full integration of funding streams under Stafford Act Sections 203 and 404
  1. This would enable applicants to combine Section 203 and 404 funds and more efficiently complete projects.
  2. Until statutory integration is complete, programs will operate as a unified program administratively while maintaining separate tracking and reporting for Section 203 and 404 funds
  3. Until statutory harmonization, cost share requirements may differ by funding source, increasing complexity (e.g., Small and Impoverished Communities share).
  4. Harmonization with Public Assistance language (not less than 75%) is desirable.
- Eliminate the 7-year disaster requirement for Section 203 funding.
- Expansion of Program Administration by States to Section 203 as well as other Hazard Mitigation Assistance (HMA) programs (Pre-Disaster Mitigation, Flood Mitigation Assistance, etc.).
- Authorization to move deobligated or withdrawn funds from Section 404 authorities into the Section 203 allocations for reuse on other mitigation projects.
- Remove the requirement for a separate hazard mitigation plan with specific elements from statute.

- Exempt Sections 203 and 404 from the National Environmental Policy Act, the National Historic Preservation Act, and the Endangered Species Act or substantially increase FEMA's ability to use categorical exclusions or exceptions for Section 203 and 404 projects.

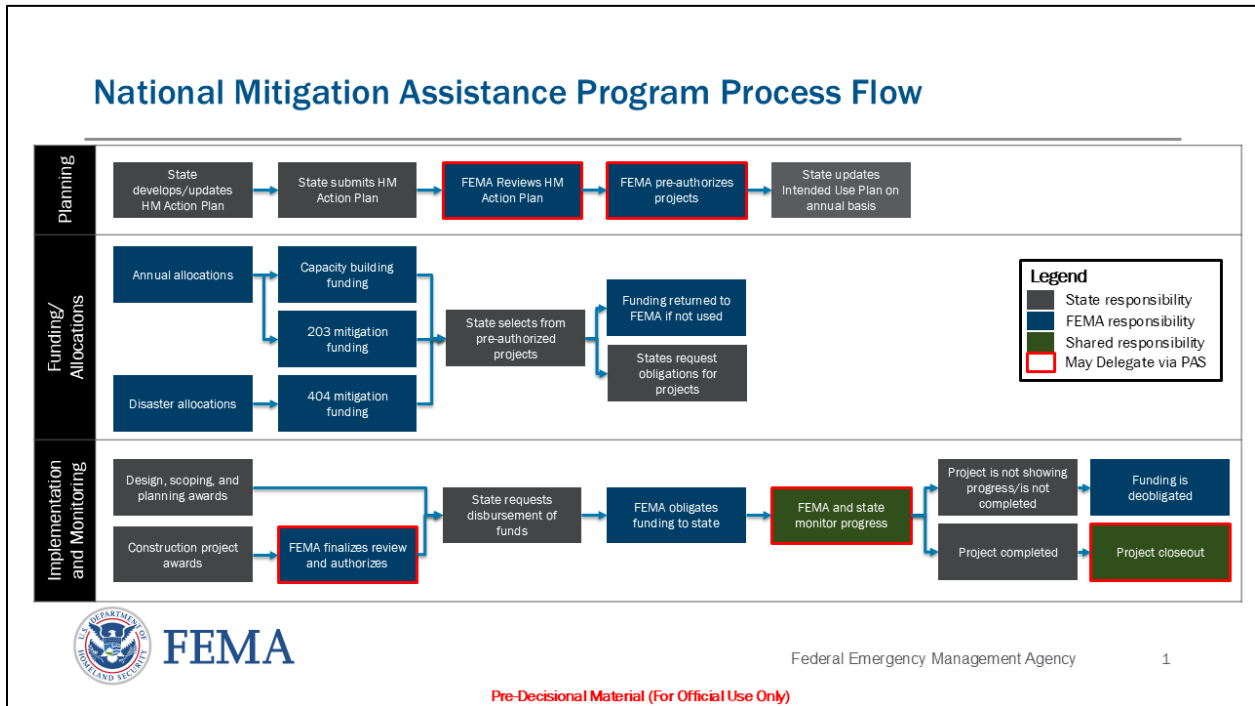


Figure 1 (Process Flow) shows the process for standing up the National Mitigation Assistance Grant Program.

**Staffing Requirements:** Any new program must be developed in stages. First, the team must build the core program concepts, features, requirements, and procedures. Next, the program must begin implementation. To maximize efficiency and minimize the need to hire new staff, the National Mitigation Assistance program may be stood up as existing programs like the Building Resilient Infrastructure and Communities (BRIC) are wound down and staff incorporated into the program.

**Establishing a new program is labor and data intensive, particularly without substantial contractor support.**

**The below staffing counts for Phase 2 represent approximately a 20-25% cut from existing staffing.**

Assumptions:

- 1) Program starts with a baseline of existing, open awards over >\$20B that must be managed (mostly Section 404).
- 2) The program is stood up quickly – target of 6 months.



- 3) New program will have lower running costs but pivoting to more SLTT-led work will take time, training, and technical assistance.
- 4) In addition to HMD staffing, support from mitigation planning and EHP will be required.
- 5) FEMA is authorized to leverage 6M and 06 CORES interchangeably. If this is not possible, additional staffing or flexible billing options will need to be authorized to achieve similar staffing efficiencies.
- 6) Regions start with existing 404 staff and roll on the 203 staff that are retained to close out the BRIC program.
- 7) Staffing requirements for Phase 2 include Phase 1 staff, Section 404 staff AND Section 203 staff rolling off existing Section 203 closeout duties.
- 8) Shared services (e.g., travel, internal training, HR) already exist in org structure and are not counted in the below numbers.

Phase (Timeframe)	Function	Staffing (HQ + Regions)
Phase 1 (Build)	Program Management/Project Management Office	5
Phase 1 (Build)	Administrative and Regulatory Compliance	15
Phase 1 (Build)	Tools, Systems and Data Requirements	10
Phase 1 (Build)	Hazard mitigation planning redesign	5
	<b>TOTAL</b>	<b>35</b>
Phase 2 (Implement)	Communications, Outreach, and Training	10
Phase 2 (Implement)	Program Operations Specific Functions (Policy, HM Planning, Guidance Development, Analytics - Rules and Tools)	30
Phase 2 (Implement)	Program Implementation (Project Reviews, Feasibility and Cost Effectiveness, Program Evaluation, EHP Support, Regional Coordination)	80
Phase 2 (Implement)	Program Monitoring, Oversight, Compliance	70
Phase 2 (Implement)	Grants Management and Finance (grants awards executions, closeouts, additional resourcing)	40

Phase 2 (Implement)	Hazard mitigation planning implementation, evaluation, and monitoring	20
	<b>TOTAL</b>	<b>250</b>

We request your approval to move forward with the necessary program design, coordination, staff transition, and partner engagement activities necessary to develop and launch a new program along the lines described herein. FEMA leadership will have numerous additional input and decision opportunities as program design COAs are presented. We are targeting a completion of full program design for approval by the Undersecretary of Management by 9/30/2025, launching in January 2026.

Approve/date \_\_\_\_\_

Disapprove/date \_\_\_\_\_

Modify/date \_\_\_\_\_

Needs discussion/date \_\_\_\_\_