

# PRIMER FOR FEMA'S PUBLIC ASSISTANCE PROGRAM FOR DISASTERS

## – PART 1 –

By Larry Southwick



*This primer is addressed to local government agency staff members who will be involved in processing agency claims to FEMA for reimbursement of disaster-related costs through the Public Assistance Program. This is not an official FEMA publication and does not take precedence or substitute for official guidance. It is a condensed version of information that FEMA will provide to local agencies over a period of time after the disaster. It is a brief overview of FEMA policies and procedures with regard to reimbursement for disaster-related costs. Part 2 will appear in the summer issue.*

### **Overview of FEMA reimbursement**

If and only after a federal disaster is declared by the President, FEMA will reimburse local government agencies (state, county, city, town, utility district, diking or drainage district, parks district, school district, hospital district, PUD, etc) and qualified non-profit agencies (providing government-type services to the general public) for 75% of their costs, less any insurance payments, that are directly related to the disaster itself and restoring public facilities (roads, drainage, buildings, utilities, etc) back to pre-disaster condition or better. The declaration will specify the disaster event, including the days it occurred, and the counties eligible for public assistance. All and only local agencies within a designated county are eligible for reimbursement of disaster-related costs. Some limited costs in anticipation of a disaster event, and before the declaration, such as sandbagging before a flood, may

be eligible for reimbursement.

Documentation, documentation, and documentation are the three primary requirements. Reimbursement is directly tied to acceptable documentation of the function, damage and cost. The applicant must be able to show that the function or damage occurred within, and was a direct outcome of, the disaster. In the past, some local agencies have tried to gain reimbursement for facilities that were aged, damaged or abandoned before but not damaged by the event itself. That is not allowed and only causes mistrust and further scrutiny of the agency. It could also cause further delay, penalties and embarrassment. The better the documentation, the easier and more efficient the process will go.

Begin documentation immediately and/or as soon as possible after the disaster event. Items not documented at the time may become ineligible if you cannot produce adequate and timely documentation. For example, photos taken during or immediately after the disaster may show conditions that are not able to be reproduced later. Showing actual flood levels at damaged sites is valuable documentation. Costs for emergency work (see Categories of Work, next issue) will be reimbursed on a force account basis, i.e., labor, equipment, materials, and contracts, all of which must be adequately documented (see Handbook, Appendix D). Paper copies such as receipts or truck tickets and electronic copies (printed on paper) such as payroll are acceptable. These kinds of records may not be able to be recreated after the fact.



Permanent repair, restoration or replacement of damaged facilities will most likely occur after the event, perhaps significantly afterward, and will be reimbursed on actual or estimated costs, depending on the cost magnitude. “Two different payment methods have been established for Public Assistance Program grants. The difference between the methods is dependent on whether a project is small or large. That determination is based on a cost threshold that changes annually. The threshold is updated at the beginning of each fiscal year and published in the Federal Register. For the year ending September 30, 2001, the threshold is set at \$50,600. If the estimated cost of a project is equal to or exceeds this threshold, the project is processed as a large project,” (Digest page 75). The annual adjustment is based on inflation. The current value will be established by FEMA and tied to the disaster event.

Some judgment may be applied as to how projects are developed as large or small projects with pros and cons for each option. Small projects are reimbursed at the estimated cost which can be processed and paid as soon as the Project Worksheet is fully approved – you will get your funds earlier than for large projects. You will benefit if the actual project cost is less than the estimate and have to absorb any cost that exceeds the estimate. Therefore, extra effort needs to be taken to assure small project estimates are adequate and sufficiently accurate. Large projects are reimbursed the actual cost *after* the project is *completed* and final costs *documented* which might

#### PHOTO CAPTIONS:

**Above:** Sharon and John Aker, FEMA Community Relations Specialists, attach FEMA Tele Registration Flyers to this Road Closed Barricade so that home owners hiking to their homes may find out about FEMA aid. FEMA has programs designed to help individuals recover from a declared disaster. *Marvin Nauman/FEMA photo*

**Opposite page:** The Skykomish River spills off the edge of this section of Index Galena Road. The road washed out when the Skykomish River changed course and is now part of the river for about a mile. FEMA's Public Assistance Program helps states and local governments repair damage from a declared disaster. *Marvin Nauman/FEMA photo*

be months or longer after some of the costs have been incurred, potentially causing a significant cash flow problem for the agency. Large emergency work projects will be paid on actual costs but the reimbursement timing can be short because it is all tied to the duration of the event and can be processed in the early stages. 📄

#### Part 2 will detail FEMA structure and categories of work.

*Larry Southwick is a retired public works manager (City of Bellevue), who recently worked for FEMA in the 406 Mitigation program and is a life member of APWA. If you have specific questions or suggestions about these articles and how they can be better used to assist local agencies, please contact [larrysouth@cablespeed.com](mailto:larrysouth@cablespeed.com).*

You should have copies of the following reference materials in hand to guide your reimbursement efforts. Please use these documents to guide your understanding and preparation of your reimbursement applications. There is no substitute for the specific guidance provided in these documents.

The *Robert T. Stafford Disaster Relief and Emergency Assistance Act, P.L. 93-288, as amended* (Stafford Act) is the statutory basis for the entire public assistance reimbursement program. The website for the statute is <http://www.fema.gov/about/stafact.shtm>. It is also included as Appendix B in the Public Assistance Guide (below).

*Title 44 of the Code of Federal Regulations – Emergency Management and Assistance, (44 CFR)* “contains the rules, policies and procedures that have been issued by FEMA in the form of regulations that are applicable to, among other things, the implementation and administration of federal disaster assistance programs.” (Digest page 1). 44 CFR can be found in Appendix C of the Public Assistance Guide.

The *Public Assistance Guide, FEMA-322, (PAG)* is the official book interpreting the Stafford Act and providing FEMA policies and procedures for public assistance reimbursement. The website for this book is <http://www.fema.gov/pdf/government/grant/pa/pagdoc.pdf>. This is the primary reference book for all issues and questions regarding FEMA public assistance.

The *Public Assistance Policy Digest, FEMA-321, (Digest)* is a brief summary of the PAG with subjects arranged in alphabetical order for easier reference. Each item includes a brief description of the subject and direct references back to the PAG and other sources for the full description of official policies and procedures. The website is <http://www.fema.gov/pdf/government/grant/pa/pdigest.pdf>.

The *Public Assistance Applicant Handbook, FEMA-323, (Handbook)* is a guidebook for local agencies. The website is <http://www.fema.gov/pdf/government/grant/pa/apphndbk.pdf>. It includes details on preparing and processing your reimbursement applications. Appendices B and C provide detailed descriptions of eligibility for the applicant, the work and the costs. Eligibility is a key to the entire process. Appendix D provides forms and instructions for completing them.

# PRIMER FOR FEMA'S PUBLIC ASSISTANCE PROGRAM FOR DISASTERS

## - PART 2 -

By Larry Southwick



### PHOTO CAPTIONS:

**Top:** Snohomish County workers pour concrete to repair a bridge approach that provides the only access to the town of Index. The bridge approach was washed out by high flood waters from the November flooding. *Marvin Nauman/FEMA photo*

**Bottom:** FEMA and Washington State Emergency Management workers check the bank erosion from the November flooding endangering this house. FEMA's Individual Assistance Program may be able to help the home owner repair damage to the home. *Marvin Nauman/FEMA photo*



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### FEMA organization

FEMA has a regional office in Bothell, WA for Region X (10), to serve the states of Alaska, Idaho, Oregon and Washington, website <http://www.fema.gov/about/regions/regionx/index.shtm>. FEMA staff will work closely with the State of Washington Emergency Management Division, website [www.emd.wa.gov/](http://www.emd.wa.gov/) (and similarly in each of the other states). FEMA and the State may establish a joint local office as needed or staff the process from their main offices.

The primary officer who will deal with local government agencies is the Public Assistance Coordinator (PAC) (Digest page 99). At the beginning of the disaster recovery process, a PAC will be assigned to each local agency (applicant). The PAC will have numerous agencies (applicants) and may have more than one county under his/her jurisdiction but usually one PAC per county, depending on the workload. The

State will also assign a PAC and the two will work together to assist and guide the process for local agencies. They must both review and approve all Project Worksheets (see part 3, fall issue) before they are entered into the reimbursement process.

Working directly under the PAC will be several or many Project Officers (POs), depending on the size of the workload. The POs will work directly with the local agencies' staff to document all reimbursement applications on Project Worksheets. Some PACs may be permanent FEMA employees but most of the PACs and POs will be temporary employees (reservists or contractors) deployed just for the specific duties of the disaster assistance process. Deployment of these individuals is usually for 30, 60, or 90 days.

For a long-term disaster recovery process, there will be periodic turnover of these temporary officers which may cause some discontinuity in the process. To avoid problems related to staff turnover, local agencies must maintain copies of all documentation and keep in close touch with their current PAC. The PACs and POs will likely be working out of temporary local offices, possibly within local government-provided space if available, or from their hotel rooms. FEMA will provide all the other resources needed by the PACs and POs.

The local agency must designate a lead staff person to be the primary contact with FEMA and the State. That person's function is primarily administrative but will need the knowledge and skill to assure that the Project Worksheets and documentation are complete and accurate.

*“To avoid problems related to staff turnover, local agencies must maintain copies of all documentation and keep in close touch with their current PAC.”*

In some agencies, that person is from the public works department, others may be in the finance department, the risk management office or the manager's staff. The person will need access to the records across the organization, including payroll and related confidential files. The person must have good organizational, documentation and project management skills, and is key to success in gaining reimbursement.

### Categories of work

(PAG pages 44-60, Digest page 15)

To facilitate the processing of Public Assistance Program grants, FEMA has divided disaster-related reimbursement into seven categories of work:

**Emergency Work** (immediately during and/or following the declared disaster event)

- *Category A:* Debris removal
- *Category B:* Emergency protective measures

**Permanent Work** (repair, restoration or replacement of damaged facilities)

- *Category C:* Roads and bridges (and culverts)
- *Category D:* Water control facilities (drainage, levees, dams, flood control, etc)
- *Category E:* Buildings and equipment
- *Category F:* Utilities (water, sewer, public power, etc)
- *Category G:* Parks, recreational facilities and other items.

Category A, debris removal, includes the “clearance of trees and woody debris; building wreckage; sand, mud, silt and gravel; vehicles; and other disaster-related material deposited on public and, in very limited cases, private property,” (Digest page 15). Costs must be documented on a force account basis, including contracts. This is an area where some agencies and/or contractors have tried to illegally inflate reimbursement – do not do it or allow it. Legitimacy of documentation and costs will be reviewed and investigated if necessary. Penalties and public embarrassment may be the outcome.

As mentioned above, Category B, emergency protective measures, costs are documented and reimbursed on a force account basis. They include all costs for police, fire, public works and other

agency labor plus other direct costs for providing emergency services during and following the disaster event. *Only overtime labor is eligible for permanent employees*, regardless of normal duties or assignments (PAG page 36). (Regular time is eligible for permanent work categories, see below).

Some permanent repair work may be necessary immediately during or after the disaster to return public facilities to service, i.e. streets, bridges, pump stations, etc. Other permanent repair or replacement may occur anytime (within reason) after the event and still be reimbursed. Imagine how long it is going to take New Orleans to repair or replace its damaged infrastructure. Work may be performed by agency staff and reimbursed on a force account basis. For permanent work by the agency, both regular time and overtime costs are eligible for all employees. (PAG page 36). Other work may be performed by contract according to normal agency bidding and contracting procedures.

Permanent work (Digest page 88) must meet three criteria. **Pre-disaster design:** “FEMA only provides funds to restore a facility to its pre-disaster design. If a gravel road is washed out during a flood, FEMA cannot provide funds to replace the gravel with a paved surface.”

### Pre-disaster function

“The facility must perform the same function that it was designed to perform before the disaster.” If you decide to change the function during the repair or replacement, FEMA will only reimburse costs that it would take to return it to the pre-disaster function.

### Pre-disaster capacity

“The restored facility must operate at the capacity available before the disaster.” “FEMA may make exceptions to these criteria for *alternate projects* (Digest page 4) and *improved projects* (Digest page 66).”

**Part 3 will appear in the fall issue, and include details on the project worksheet and mitigation funding. See [www.apwa-wa.org](http://www.apwa-wa.org) for Part 1.**

*Larry Southwick is a retired public works manager (City of Bellevue), who recently worked for FEMA in the 406 Mitigation program and is a life member of APWA. If you have specific questions or suggestions about these articles and how they can be better used to assist local agencies, please contact [larrysouth@cablespeed.com](mailto:larrysouth@cablespeed.com).*

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# PRIMER FOR FEMA'S PUBLIC ASSISTANCE PROGRAM FOR DISASTERS

## – PART 3 –

By Larry Southwick



### PHOTO CAPTIONS:

**Above:** Gig Harbor, WA 12/18/06 – A Peninsula Light Power Crew repairs down power lines and broken power poles on East Bay Drive in Gig Harbor from the November 14 wind storm. Marvin Nauman/FEMA photo

**Opposite page:** Snohomish, WA 11/8/06 – This part of Snohomish, WA was flooded when the Snohomish River breached its levee. Record rains swelled many western Washington rivers and flooded roads, property, and towns. Marvin Nauman/FEMA photo

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### Project worksheet

All reimbursement for all categories must be documented on a Project Worksheet (PAG pages 69-80, Handbook pages 17-33). The Project Worksheet (PW) is a form (both paper and electronic) to document the following information: (Digest page 98)

“The pre-disaster description of the facility and its condition;

The scope of eligible work for the project, including the cause of the damage, dimensions of the damage, and the work necessary to repair the damage; Estimated or actual costs necessary to complete the work; and Special considerations associated with the project, such as insurance and hazard mitigation.”

Each and every separate project must have its own PW (see Handbook, pages 13-16 for Project Formulation). Identify all of the separate costs and arrange them to fit into various projects or categories for the process. Some, like facilities and/or functions, may be consolidated onto one PW. The cover page must summarize

the entire project, including total costs. Additional sheets may be used as needed as long as they are summarized on the first page. All documentation must be attached to the PW. Documentation will mostly be provided by the applicant so that is where your work will end up. The sum total of all PWs will provide the basis for your agency's reimbursement. The applicant, the Project Officer and the PAC all have to sign off on the PW before it is submitted for processing. If you do not agree with the PW, do not sign it until your concerns have been addressed and reflected on the PW to your satisfaction.

You cannot add overhead to the costs on the PW because a blanket overhead amount will be added at the end for local agency costs to develop and document its PWs. It is called an “administrative allowance” (Digest page 3). It is “to meet the cost of administering the grant. The administrative allowance for sub-grantees covers direct and indirect costs incurred in requesting, obtaining and administering public assistance. Examples of costs that the allowance is intended to cover include: identifying the damage, attending meetings, completing forms, establishing files and providing documentation, assessing damages, collecting data, developing cost estimates, working with FEMA and the State and preparing for audits ... The allowance is calculated as a percentage of the total eligible costs that are approved for an applicant in a given disaster.” The State receives a similar allowance and is designated as the grantee, while the local government is designated as the sub grantee.

The PW may be prepared by the applicant or by the FEMA Project Officer. To the extent possible, depending on staff

availability and knowledge, the applicant may prepare the PWs to get an early start, make the process easier and/or more timely, as well as providing a basis for organizing documentation. Or, you can wait for FEMA Project Officers to prepare the PWs, which can take a long time for a large disaster.

PO turnover can also occur during the process, causing discontinuity for the PW. The applicant can only receive reimbursement after the PWs are fully completed and processed, regardless of how long it takes to prepare them. Getting a head start on identifying projects, gathering documentation and developing cost estimates can significantly improve the timeline for reimbursement.

Focus attention and resources to preparing and documenting PWs because they are the only basis for reimbursement. Maintain copies of all signed PWs and related documentation. Sometimes, the original PW may be misplaced in the process with hundreds or thousands of other PWs, so your copy may be needed to get it back into the process. Keep track of the status of each PW and assure that each is processed to your satisfaction. The PAC is your primary contact to address any issues as well as keeping you informed about the status of your projects in the process. FEMA has an elaborate processing system behind the scene and the PAC has direct access to the entire process.

### Mitigation funding

As stated above, the PWs must be based on three criteria: pre-disaster design, function and capacity. However, restoring a facility to that design or capacity may just make it susceptible to the same damages from a future disaster. FEMA also provides additional mitigation funding along with and above the PW amounts to improve or upgrade the facility to a reasonable level and cost if that improvement can be shown to mitigate future damage. This is known as 406 Mitigation, 406 being the section in the Stafford Act that provides for these funds (Digest page 61).

Such an improvement project is documented on a Hazard Mitigation Proposal (HMP) that is prepared and attached to the PW which provides for the additional funding. The mitigation proposal must be reasonable, address only the damaged elements and be cost effective. HMPs are usually prepared by trained FEMA 406 Mitigation temps who work directly with the Project Officers. But the local agency staff can usually see opportunities for mitigation and make these known to the PAC, PO or Mitigation staff. In some



cases, the local staff may need to assist the Mitigation staff in defining the project improvements and developing cost estimates. If you are not offered HMP opportunities, talk to your PAC about it. The goal of the additional funding is to improve your projects to mitigate future damage, and you have a right to that funding (see Digest page 61).

Separately from the Public Assistance Program, the Stafford Act provides for another grant program to fund mitigation projects, known as the 404 (section of the Stafford Act) Hazard Mitigation Grant Program (HMGP) (Digest page 60). It is funded directly to and administered by the State based on a percentage of the total funds provided to the State subsequent to the declared disaster. It is a competitive grant program and projects do not have to be directly related to damaged facilities. Also, all counties are eligible, not only the disaster-declared counties, because they could have similar disasters in the future. Contact the State Emergency

Management Division for further information on how they intend to process grant applications following this disaster. An example of an HMGP project is elevation or relocation of structures above or out of the flood plain. In doing so, future damages are eliminated.

### Conclusion

This series of articles is for information purposes only and intended for the education of local agency staff of the FEMA Public Assistance Program. It is not an official FEMA publication. If it raises questions, please refer to the official documents (see Part 1, spring issue).

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