



FEMA

DISASTER ASSISTANCE

FACT SHEET

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FREQUENTLY ASKED QUESTIONS (FAQs) PUBLIC ASSISTANCE PILOT PROGRAM

Overview

The Department of Homeland Security Appropriations Act, 2007, Public Law 109-295, directed the Federal Emergency Management Agency (FEMA) to conduct a Public Assistance (PA) Pilot Program. The legislation sets forth three goals for the PA Pilot Program: reducing the costs to the Federal Government of providing assistance to State and local governments, increasing flexibility in grant administration, and expediting the provision of assistance to States and local governments. The PA Pilot Program specifically addresses the provision of assistance under sections 403(a)(3)(A), 406, and 407 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C. 1570b(a)(3)(A), 5172, 5173.

FEMA identified the following procedures to implement in the PA Pilot Program:

- FEMA will provide grants on the basis of estimates for large projects up to \$500,000.
- FEMA will provide an additional five percent Federal cost share, not to exceed 100 percent, to applicants that have a FEMA-approved debris management plan and at least two pre-qualified debris and wreckage removal contractors identified prior to a disaster.
- FEMA will allow applicant to retain any revenue from the salvage value of recyclable disaster debris as an incentive to recycle debris.
- FEMA will reimburse the straight- or regular-time salaries and benefits of an applicant's permanently employed staff that performs debris-related activities.

This document addresses frequently asked questions regarding the PA Pilot Program procedures.

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Questions & Answers

1. Can Pilot procedures be used for disasters declared prior to June 1, 2007?

No. The PA Pilot procedures may be used in disasters declared on or after June 1, 2007. No Pilot projects may be approved (in this case, approval equals obligation) after December 31, 2008.

2. Are all applicants required to participate in the PA Pilot Program?

No. Participation in the PA Pilot Program is voluntary. Applicants may choose to participate in the PA Pilot on a project-by-project basis.

Grants on the Basis of Estimates

3. Are applicants that participate in the PA Pilot Program required to have all of their projects funded on the basis of estimates?

No. Applicants may select the projects they want to include in the PA Pilot Program.

4. How will cost estimates for projects be developed?

We must emphasize that the most important aspect of developing a cost estimate is having a complete and accurate scope of work to repair the disaster-related damage to the facility. The FEMA or State project officer will use the Cost Estimating Format to develop cost estimates for all category C-G projects. If the applicant has contract bids when the Project Worksheets (PWs) are written, we will use these costs as the basis for the PA grant, if these costs are reasonable. Category A cost estimates will be developed by the applicant, State, and FEMA.

5. Will cost estimates reflect regional cost of construction?

Yes.

6. How will actual or potential insurance proceeds affect the grants under the PA Pilot Program?

FEMA will make appropriate deductions for actual or potential insurance proceeds prior to approving the grants. Applicants should be confident that anticipated insurance proceeds will accurately reflect insured damages when selecting Pilot Estimated Projects (PEPs).

7. Will FEMA reimburse applicants for costs incurred to prepare or review estimates for projects they want to receive grants on the basis of estimates?

No. The applicant can use its statutory administrative fee for this purpose.

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8. Can projects that the applicant selects for grants on the basis of estimates include section 406 hazard mitigation proposals?

Yes, provided the total project estimate, including the 406 hazard mitigation proposal, does not exceed \$500,000.

9. Can applicants request to use an approved grant based on estimates on improved or alternate projects?

Yes.

10. Is the applicant required to complete the scope of work defined in the estimate?

Yes. The applicant must complete the approved scope of work. If the applicant does not complete the approved scope of work, FEMA may de-obligate the grant.

11. Are applicants required to document how project funds were expended?

Yes. Applicants are required to document how grant funds were spent. The State will review final project costs during project closeout.

12. How will applicants document expenditures for PA Pilot Program projects?

Applicants will document expenditures for PA Pilot Program projects in the same manner as other PA projects. All projects will require a final review once the work is completed.

13. Will FEMA review projects that the applicant selects for grants on the basis of estimates for compliance with National Environmental Policy Act (NEPA), section 106 and other special considerations?

Yes. FEMA will review all projects for compliance with NEPA, section 106 and other special considerations prior to approving the projects.

14. After an applicant accepts a grant on the basis of an estimate, can it subsequently request additional funding from FEMA if the final project cost exceeds the estimated grant?

No. However, if there was a significant omission or error in the original scope of work, FEMA may adjust the funding.

15. If the scope of a project changes after FEMA approves the project grant and the State disburses the funds to the applicant, will FEMA revise the grant amount?

If there was a significant omission of eligible work in the approved scope of work, FEMA may adjust the project grant.

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16. What happens if an applicant runs out of money and does not complete the project?

If the applicant does not complete the approved scope of work, FEMA may de-obligate the grant.

17. Will the applicant who participates in the “grants on the basis of estimates” procedure of the PA Pilot Program receive the total Federal share of the grant immediately after FEMA approves and obligates the grant?

The State is authorized to disburse the total Federal share of the project funds to the applicant after FEMA approves the project and obligates funds.

18. Will the Federal-cost-share for the major disaster apply to PA Pilot Program projects?

Yes.

19. Can applicants deposit grant funds in an interest bearing account?

Yes. If applicants deposit grant funds in an interest bearing account, the applicant shall promptly remit interest earned to FEMA, in accordance with 44 CFR §13.21. It is not recommended that an applicant deposit funds in an interest-bearing account unless it is a State requirement.

20. If an applicant completes the approved project scope of work for less than the approved grant amount, can it keep the cost underruns (i.e., cost savings)?

Yes. The applicant can keep the underruns; however, it must spend the cost savings on the approved items articulated in the PA Pilot Program Guidance.

21. How will the use of underrun money be documented?

The use of underrun money will be recorded in the scope of work on the final PW (version in NEMIS or amendment in EMMIE). If an applicant plans to use underrun money for hazard mitigation they must notify FEMA of their intent prior to spending this money to ensure adequate environmental and/or historic review.

22. Will an applicant need FEMA approval to use an underrun for a hazard mitigation project?

Yes. Hazard mitigation projects must satisfy compliance review requirements as established by 44 CFR parts 9 and 10, the National Historic Preservation Act, and all other applicable Federal environmental and historic preservation requirements. These reviews must occur prior to the applicant spending Federal money on projects involving environmental or historic issues.

23. Can an applicant use underrun money for mitigation-related demolition?

No. Demolition for any purpose is not eligible under the PA Pilot Program.

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24. **Can applicants use underruns to pay for internal program management and/or for administrative costs that exceed the sliding scale funding allotment?**

Yes.

25. **Can an applicant use PA Pilot Program project underruns for work on facilities not damaged by the declared disaster?**

The applicant may use PA Pilot Program Project underrun money for hazard mitigation on facilities that are not damaged by the declared disaster. However, these facilities must be those that would be eligible for PA funding in subsequent disasters. The applicant may not use PA Pilot Program underruns for the repair, restoration, or replacement of facilities that are not damaged in the declared disaster.

26. **Can applicants use project underruns for the non-Federal cost-share?**

No.

27. **Are category A Debris Removal projects eligible for grants on the basis of estimates?**

Yes.

Increased Federal Share Incentive

28. **Do both the State and local governments need an approved debris management plan in order to receive an increased cost share for category A project worksheets?**

Any applicant applying for an increased federal cost share as part of this procedure is required to have a FEMA-approved debris management plan. Plans do not need to be approved prior to the declared disaster.

29. **Will FEMA provide sample or model plans?**

Yes. A suggested outline for debris management plans is included in the PA Pilot Program Guidance document.

30. **Who approves the debris plan?**

The Regional Administrator approves the State and applicants' debris management plans prior to a declared disaster. The Regional Administrator may delegate this authority to the Federal Coordinating Officer following a disaster declaration.

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31. What criteria will FEMA use to evaluate debris management plans?

The debris management plan evaluation criteria are included in the PA Pilot Program Guidance document.

32. There are some jurisdictions that currently have debris management plans. If the plans do not meet the standards that FEMA establishes, will FEMA provide the increased cost share to these applicants?

No. FEMA will provide the increased cost share to applicants with debris management plans that meet the standards established in the PA Pilot Program Guidance. However, FEMA and the State may provide technical assistance to assist applicants in updating their debris plan.

33. What does having a “pre-qualified contractor” mean?

The applicant must identify and evaluate contractors’ abilities to perform debris removal work (capabilities, bonding, insurance, availability). However, the applicant does not sign a contract with the selected contractors until there is work to be performed, usually after a disaster event. This is different from a “standby” contractor where the applicant actually signs a contract prior to the disaster.

34. If the applicant has pre-qualified contractors, but the contractors are not available after the disaster, will the applicant still receive an increased cost share for category A project worksheets?

Yes. Applicants will receive the increased cost share after FEMA approves their debris management plans and verifies that the applicant has pre-qualified two or more contractors. FEMA will document instances where pre-qualified contractors are not available in its evaluation of the PA Pilot Program.

Debris Recycling

35. Where can communities receive information about establishing a debris recycling program?

The United States Environmental Protection Agency (www.epa.gov) may provide guidance on recycling programs. We encourage applicants to establish a recycling program prior to the disaster. It is not prudent to attempt to establish a recycling program during disaster recovery.

36. Are the costs to sort debris as part of the recycling programs eligible for reimbursement?

Yes.

37. If the cost to recycle certain types of debris is more expensive than traditional disposal methods, is the total cost of recycling eligible for reimbursement?

Yes.

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38. Is FEMA encouraging applicants to develop recycling programs after a disaster occurs?

We believe that communities should develop recycling programs prior to disasters occurring. However, if there are opportunities for communities to efficiently and effectively establish a recycling plan after a disaster occurs, we encourage them to do so.

39. Does FEMA provide funding to assist communities in developing a recycling program?

FEMA does not provide funding for this purpose under the Public Assistance Program.

Force Account Labor

40. Are base wages (straight time) for an applicant's regular employees who perform debris-related activities eligible under the PA Pilot Program?

Yes.

41. Is straight time for an applicant's regular employees who perform category B, Emergency Protective Measures, eligible under the Pilot Program?

No.

42. Are applicants required to document the debris-related activities its regular employees perform?

Yes. The FEMA project officer must record the types of debris-related activities the regular employees perform to assist FEMA in evaluating the Pilot Program.

43. Will FEMA continue to pay overtime expenses for force account labor involved in category A work?

Yes.



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Date