

Federal Emergency Management Agency

Washington, D.C. 20472

MEMORANDUM FOR: Regional Directors
Regions I-X

ATTENTION: Mitigation Division Directors

FROM: James Lee Witt, Director

DATE: 19-SEP-96

SUBJECT: Policy: Five Percent Hazard Mitigation Grant Program
Initiatives

I am establishing, for each currently open and future Presidential disaster, a set-aside of up to 5% of the total Hazard Mitigation Grant Program (HMGP) funds available that the State can use for hazard mitigation measures, at their discretion. The projects or measures eligible under the set-aside are often difficult to evaluate against traditional program cost effectiveness and eligibility criteria. Mitigation measures such as funding of research for code implementation or hazard warning systems, among others, have been issues requiring a large amount of time to evaluate at the State and Federal levels. Nonetheless, it is generally recognized that these activities provide a benefit in reducing the potential losses from a future disaster.

To be eligible, a set-aside project type must be identified in the state's hazard mitigation plan and fulfill the goal of the program, that is, to reduce, or prevent future damage to property and to reduce or prevent loss of life or injury. In lieu of a benefit-cost analysis, the State should include a narrative that identifies the mitigation benefits and indicates that there is a reasonable expectation that future damage or loss of life or injury will be reduced or prevented. These projects will have to be reviewed for National Environmental Policy Act compliance and under other applicable federal environmental laws. This policy is intended to provide the State discretion along with responsibility to provide the rationale for cost effectiveness.