

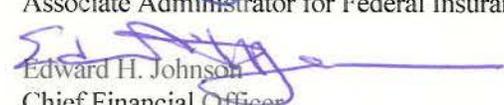
MAY 1 - 2013



FEMA

MEMORANDUM FOR: Regional Administrators
Federal Coordinating Officers
Federal Disaster Recovery Coordinators
Regional Mitigation Division Directors
Regional Comptrollers

FROM: David L. Miller 
Associate Administrator for Federal Insurance and Mitigation

Edward H. Johnson 
Chief Financial Officer

SUBJECT: Hazard Mitigation Grant Program (HMGP) Ceiling

FEMA places a high priority on supporting expeditious disaster recovery as well as appropriately managing obligations against the Disaster Relief Fund. To better advance both of these objectives, this memo rescinds the 6-month lock-in as a floor, or guaranteed minimum funding for HMGP. It clarifies that the 12-month lock-in is the maximum amount available. FEMA recommends that applicants develop and submit projects early during the application period. FEMA will review all submitted projects and obligate funds based on the Grantee's prioritization, up to the 75 percent limit. Grantees will continue to receive estimates at six months post-disaster. Prior to 12 months, total obligations are limited to not more than 75% of any current estimate, without the concurrence of the Regional Administrator or Federal Coordinating Officer with Disaster Recovery Manager authority and the Office of Chief Financial Officer (OCFO). This modification applies to all future disasters and current disasters that have not reached the 6-month lock-in date and is effective immediately.

To ensure that HMGP obligations do not exceed the statutory limit of fifteen percent of total disaster expenditures or twenty percent for states with approved Enhanced State Mitigation Plans, comptrollers will not authorize allocations beyond this limit without concurrence of the Regional Administrator (RA) or Federal Coordinating Officer (FCO) with Disaster Recovery Manager (DRM) authority and the OCFO.

We are modifying HMGP's Unified Guidance (dated June 1, 2010) Section A.3, to remove the language identifying the 6-month lock-in for management cost (44 CFR 207.5) as setting the minimum amount of HMGP funds available for a given disaster. The OCFO will establish the HMGP funding ceiling for each disaster at 12 months after the disaster declaration. This amount, also known as the 'lock-in' value for HMGP, is the maximum that FEMA can obligate for eligible HMGP activities. The OCFO will continue to provide HMGP estimates prior to 12 months; however, these estimates will not represent a minimum or floor amount.

In rare circumstances, a catastrophic disaster may result in major fluctuations in the disaster assistance programs expenditures used to determine HMGP estimates. FEMA may, at the Grantee's written request, conduct a subsequent review 18 months after the declaration. If the resulting review reflects an increase in estimated programs costs, the OCFO will adjust the lock-in accordingly. If this subsequent review reflects a reduction in estimated programs costs, the OCFO will reduce the HMGP ceiling to the appropriate amount.

For more information, please contact Franki Coons, Chief, Grants Implementation Branch at (202) 646-3079 or Greg James, Director, OCFO/Field Based Operations at (228) 229-9864.