

PUBLICATION

FEMA Increases Public Assistance Program's Simplified Procedures Small Project Threshold

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The Federal Emergency Management Agency (FEMA) recently revised its regulations regarding the Public Assistance (PA) program that provides grants to state, local, tribal, and territorial governments, as well as eligible private nonprofit organizations, after a presidentially declared disaster to update the monetary threshold when using "simplified procedures."

FEMA categorizes each grant award as either a small or large project, which is determined by a monetary threshold set each year by FEMA pursuant to statute.¹

Congress enacted Section 422 of the Stafford Act with the intent of increasing the administrative efficiency of the PA program. The simplified procedures authorized under Section 422 allow FEMA to award funding for projects under the threshold based on estimates, simplifying accounting and closeout procedures. This expedites FEMA's processing of PA grant funding, which ultimately reduces FEMA's cost of administering the program and provides much-needed support to applicants more quickly.

The Sandy Recovery Improvement Act² amended Section 422(b) of the Stafford Act, which directs FEMA to determine whether an increase in the threshold is appropriate and review the threshold every three years.³

In its most recent analysis, FEMA considered the extent to which an increase would reduce the administrative burden to both FEMA and the recipient, without having to amend the statutory audit requirements, while increasing the effectiveness and speed of recovery. Based on its analysis, FEMA determined that it would increase the simplified procedures threshold from \$132,800 to \$1 million. This change increases the number of projects eligible for simplified procedures from 76.8% to 94.4%.⁴

This new threshold will apply to all Project Worksheets (PWs) for major disasters and emergencies declared on or after August 3, 2022 and all unobligated PWs in major disasters and emergencies declared between March 13, 2020 and August 3, 2022.

¹ Section 422 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), codified at 42 U.S.C. 5189.3.

² Public Law 113-2, Section 1107.

³ 42 U.S.C. 5189(b)(2).

⁴ Federal Register Vol. 87, No. 148 (August 3, 2022)