

Recent Funding Increases for FEMA Hazard Mitigation Assistance

Updated March 23, 2022

Introduction

The Federal Emergency Management Agency (FEMA) announced that \$3.46 billion in [Hazard Mitigation Grant Program funding](#) (HMGP) will be made available to states, territories, and tribes (STTs) with [major disaster declarations for the COVID-19 pandemic](#). FEMA also announced [increased funding for the Building Resilient Infrastructure and Communities \(BRIC\) program for FY2021](#). In addition, significant new mitigation funding will be available from FY2022 through the [Infrastructure Investment and Jobs Act](#) (IIJA).

The Infrastructure Investment and Jobs Act

The IIJA appropriated \$3.5 billion for the [Flood Mitigation Assistance Grant Program](#) (FMA). This represents the first time that funding has been appropriated for FMA, which has previously been funded by NFIP policyholders. The [IIJA](#) appropriated \$1 billion for BRIC and \$500 million to establish state revolving loan funds for hazard mitigation, which were authorized by the [STORM Act](#).

The Hazard Mitigation Grant Program and the COVID-19 Disasters

[HMGP](#) assistance is triggered by a [major disaster declaration](#) or a [Fire Management Assistance Grant](#) (FMAG) under the [Stafford Act](#), awarded [on a sliding scale](#) as a percentage of the estimated amount of total federal assistance for the disaster. States with a FEMA-approved [Enhanced Hazard Mitigation Plan](#) before the disaster are eligible for HMGP funding of 20% of the total amount of disaster assistance.

States, territories, and tribes (STTs) can use HMGP funding for mitigation projects for any type of natural hazard and for any eligible activity that reduces risk and builds resilience. HMGP funding does not have to be used for the particular incident or disaster type for which it was allocated. For example, funding

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allocated for wildfires in one county could be used for flood mitigation activities in a different county, if eligible.

FEMA [announced](#) on August 5, 2021, that HMGP funding will be made available to every STT that received a [major disaster declaration for the COVID-19 pandemic](#) for 4% of eligible relief costs (see **Figure 1**). This funding is not restricted to pandemic-related mitigation activities. Four percent is a lower percentage than is usually awarded for HMPG, but the total funding of [\\$3.46 billion](#) represents the largest amount of HMGP funding in a single fiscal year. (The largest amount previously was [\\$2.29 billion in FY2005](#).)

Pre-Disaster Mitigation

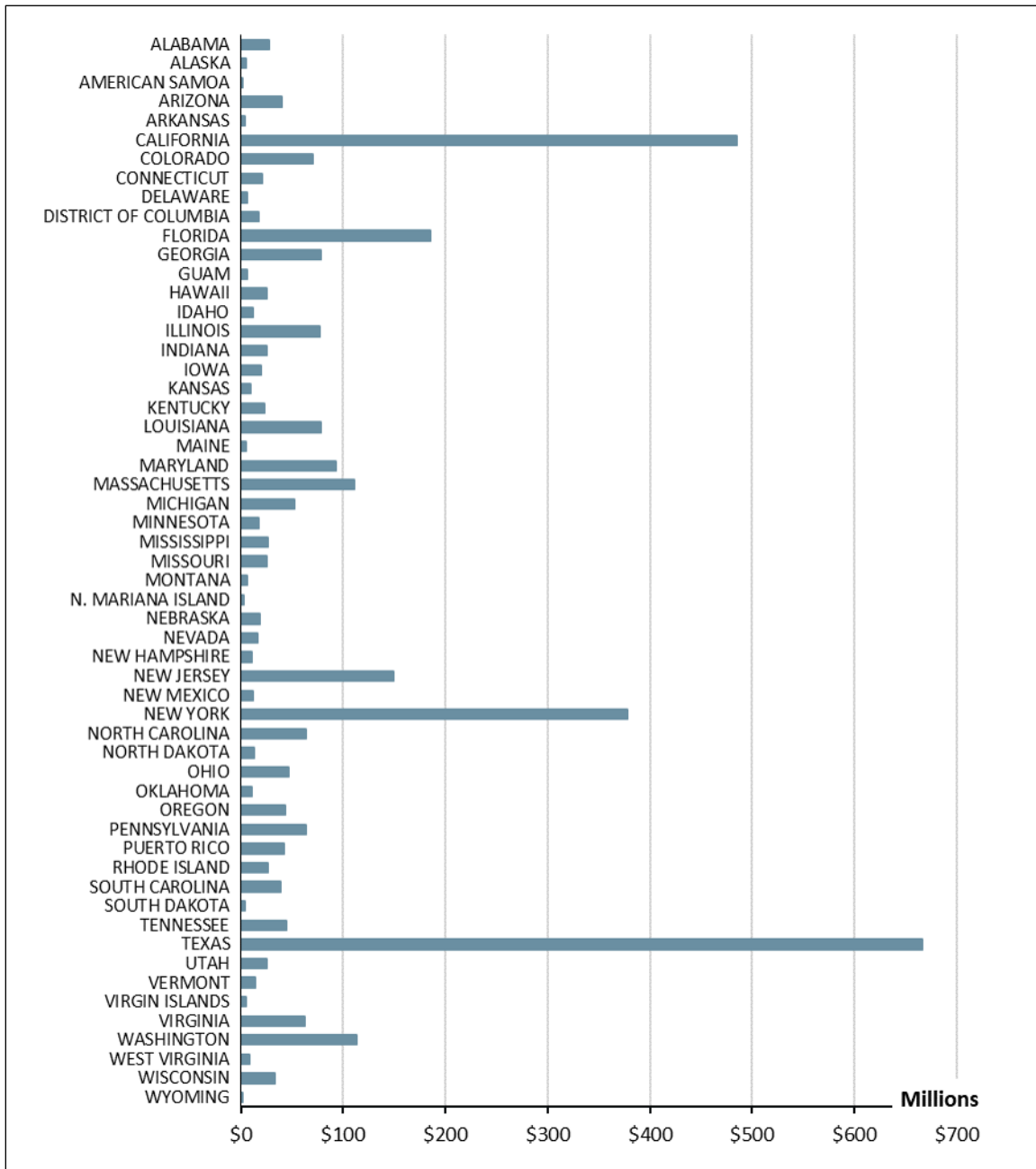
Over the years, post-disaster mitigation has received significantly more funding than pre-disaster mitigation. [GAO found](#) that of the approximately \$11.3 billion in mitigation funding obligated from FY2010 to FY2018, 88% was for post-disaster grants through HMGP and PA. FEMA's competitive pre-disaster grant programs, FMA and the [Pre-Disaster Mitigation Grant Program](#) (the predecessor of BRIC) accounted for about 12% of the total; see **Figure 2**.

Building Resilient Infrastructure and Communities

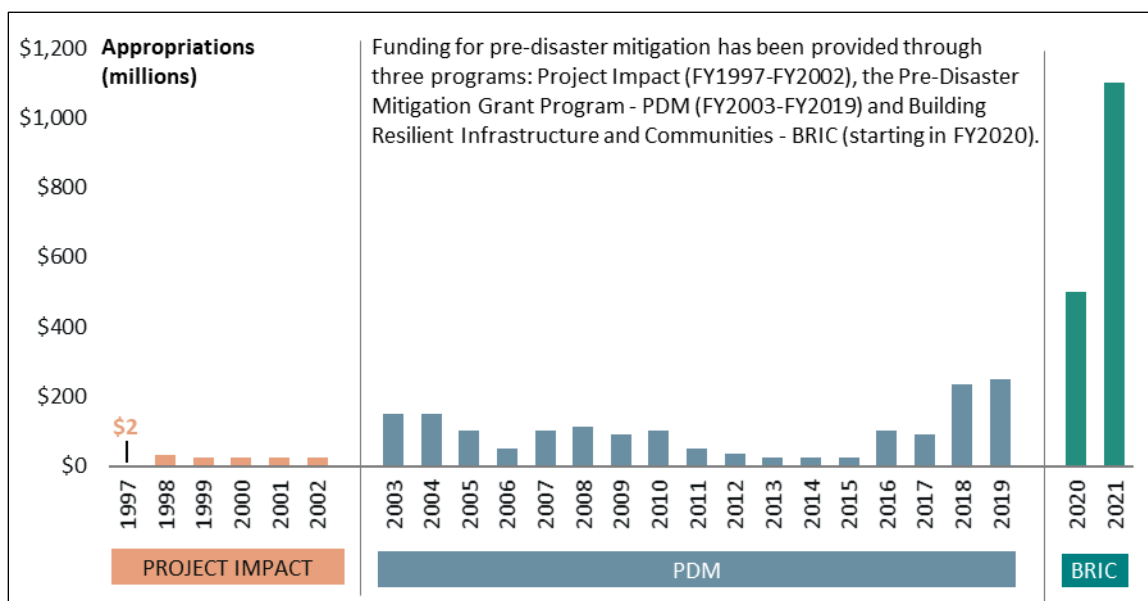
The [BRIC](#) Program began in FY2020, following the [Disaster Recovery Reform Act of 2018](#), which authorized the President to set aside from the [Disaster Relief Fund](#) (DRF), for every major disaster declaration, an amount equal to 6% of the total funding awarded under seven sections of the [Stafford Act](#). Based on historical disaster expenditures, FEMA's expectation was that this set-aside would be \$300-500 million per year; however, the [COVID-19 major disaster declarations](#) resulted in additional funding. As of February 28, 2021, [\\$1.808 billion was set aside](#) in the DRF for pre-disaster mitigation.

[\\$500 million was available for BRIC](#) in FY2020 and [\\$1 billion available](#) in FY2021. The [IIJA](#) appropriated \$1 billion for BRIC, with \$200 million in each of FY2022-FY2026. This funding is [in addition to the 6% set-aside](#).

Figure I. Hazard Mitigation Grant Program Funding for Major Disaster Declarations Related to the COVID-19 Pandemic



Source: FEMA, [HMGP Allocations for COVID-19 Declarations](#).

Figure 2. Funding for Pre-Disaster Mitigation FY1997-FY2021

Sources: CRS Report RL34537, *FEMA's Pre-Disaster Mitigation Program: Overview and Issues*; FEMA, [National Pre-Disaster Mitigation Fund, Fiscal Year 2017 Report to Congress](#), September 1, 2017, p. 4; FEMA Notices of Funding Opportunity for the Pre-Disaster Mitigation Grant Program 2017, 2018, and 2019; FEMA Notices of Funding Opportunity for BRIC FY2020 and FY2021.

Flood Mitigation Assistance

FEMA also operates a [Flood Mitigation Assistance Grant Program](#) (FMA), available only to [communities which participate in the NFIP](#) (National Flood Insurance Program). \$200 million was available for FMA in FY2020 and [\\$160 million was available in FY2021](#) for FMA. Twenty-six states did not submit FMA applications in FY2020 and [31 states did not apply in FY2021](#).

The IIJA appropriated \$3.5 billion for FMA, with \$700 million for each of FY2022 to FY2026, and provides a 90% federal cost share for a property (1) that is located in a census tract with a CDC [Social Vulnerability Index](#) score of not less than 0.5001; or (2) that serves as a primary residence for individuals with a household income of not more than 100% of the applicable area median income. FEMA recently announced the first initiative to be funded with the IIJA funding, the [Swift Current Initiative Funding Opportunity](#). The goal of Swift Current is to obligate FMA dollars for NFIP-insured and [substantially damaged](#) properties as quickly and equitably as possible after a flood. Swift Current allocates \$60 million to Louisiana, Mississippi, New Jersey, and Pennsylvania. These states were selected because they were affected by Hurricane Ida and have the highest [repetitive loss](#) and [severe repetitive loss](#) of NFIP-insured unmitigated properties, and the highest total insurance claims within their respective [FEMA regions](#).

STORM Act

A new source of hazard mitigation funding will be available through the Safeguarding Tomorrow through Ongoing Risk Mitigation Act of 2020 ([STORM Act](#)), which amends the Stafford Act by authorizing FEMA to enter into agreements with STTs to establish hazard mitigation [revolving loan](#) funds. The STORM Act authorized the appropriation of \$100 million annually for FY2022 and FY2023 to make grants to capitalize new revolving loan funds. The IIJA appropriated \$500 million for the revolving loan program, with \$100 million for each of FY2022 to FY2026. FEMA expects that it will take 18-24 months to stand up and implement the program, with the first Notice of Funding Opportunity in FY2023.

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