



FEMA

Public Assistance Program Update

Notice of Proposed Rulemaking

Regulatory Impact Analysis

FEMA-2023-0005

RIN: 1660-AB09

July 2024

Prepared by:
Federal Emergency Management Agency
Office of Chief Counsel
Regulatory Affairs Division
Washington, DC

CONTENTS

TABLE OF TABLES	7
LIST OF ABBREVIATIONS USED	8
EXECUTIVE SUMMARY	10
Need for Regulation	13
Affected Population.....	13
Baseline	14
Costs	16
Benefits.....	23
Transfers.....	24
1. INTRODUCTION	33
2. NEED FOR REGULATION	33
3. PROGRAM BACKGROUND	35
4. SUMMARY OF REGULATORY CHANGE.....	36
5. METHODOLOGY AND ASSUMPTIONS.....	37
5.1 Methodology	37
5.2 Assumptions	38
5.2.1 Time Value of Money Assumption	38
5.2.2 Consumer Price Index	38
5.2.3 Wages	39
6. BASELINE.....	40
7. NO-ACTION ANALYSIS	40
7.1 No-Action Baseline Rehabilitational Facilities.....	40
7.1.1 Costs- Rehabilitational Facilities.....	41
7.1.2 Transfer- Rehabilitational Facilities	42
7.1.3 Benefits- Rehabilitational Facilities	43
7.2 No-Action Baseline Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals	43
7.2.1 Costs- Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals.....	43
7.2.2 Transfer- Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals.....	45
7.2.3 Benefits- Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals.....	46
7.3 No-Action Baseline Community Arts and Performing Arts Facilities	46

7.3.1 Costs- Community Arts and Performing Arts Facilities	46
7.3.2 Transfer Payments- Community Arts and Performing Arts Facilities	48
7.3.3 Benefits- Community Arts and Performing Arts Facilities	48
7.4 No-Action Baseline Community Disaster Loan Program.....	48
7.4.1 Costs Community Disaster Loan Program	49
7.4.2 Transfers Community Disaster Loan Program.....	49
7.4.3 Benefits- Community Disaster Loan Program	50
7.5 No-Action Baseline Alternative Procedures Pilot for Debris Removal.....	50
7.5.1 Costs- Alternative Procedures Pilot for Debris Removal.....	50
7.5.2 Transfer Payments- Alternative Procedures Pilot for Debris Removal.....	51
7.5.3 Benefits- Alternative Procedures Pilot for Debris Removal	51
7.6 No-Action Baseline Broadcasting Facilities	51
7.6.1 Costs- Broadcasting Facilities	52
7.6.2 Transfer Payments- Broadcasting Facilities.....	53
7.6.3 Benefits- Broadcasting Facilities.....	54
7.7 No-Action Baseline Food Banks.....	54
7.7.1 Costs- Food Banks.....	54
7.7.2 Transfer Payments- Food Banks.....	55
7.7.3 Benefits- Food Banks	55
7.8 No-Action Baseline Houses of Worship.....	55
7.8.1 Costs- HOW	56
7.8.2 Transfer Payments- HOW	57
7.8.3 Benefits- HOW	58
7.9 No-Action Baseline Alternate Project Funding	58
7.9.1 Costs- Alternate Project Funding	59
7.9.2 Transfers- Alternate Project Funding.....	59
7.9.3 Benefits- Alternate Project Funding.....	60
7.10 No-Action Baseline Center-Based Childcare Facilities	60
7.10.1 Costs- Center-Based Childcare Facilities.....	60
7.10.2 Transfer- Center-Based Childcare Facilities	61
7.10.3 Benefits- Center-Based Childcare Facilities.....	61
7.11 No-Action Baseline Codes and Standards	61
7.11.1 Costs- Codes and Standards	62
7.11.2 Transfers- Codes and Standards	62

7.11.3 Benefits- Codes and Standards	63
7.12 No-Action Baseline Alternate Projects Legal Consideration.....	63
7.12.1 Costs- Alternate Projects Legal Consideration.....	63
7.12.2 Transfers- Alternate Projects Legal Consideration	64
7.12.3 Benefits- Alternate Projects Legal Consideration	64
7.13 No-Action Baseline State and Tribal Administrative Plans.....	65
7.13.1 Costs- State and Tribal Administrative Plans.....	66
7.13.2 Transfers- State and Tribal Administrative Plans.....	67
7.13.3 Benefits- State and Tribal Administrative Plans	67
7.14 No-Action Baseline Work Documentation	67
7.14.1 Costs- Work Documentation	68
7.14.2 Transfers- Work Documentation	69
7.14.3 Benefits- Work Documentation.....	69
8. PRE-STATUTORY ANALYSIS	70
8.1 Pre-statutory Rehabilitational Facilities	70
8.1.1 Costs- Rehabilitational Facilities.....	70
8.1.2 Transfer- Rehabilitational Facilities	71
8.1.3 Benefits- Rehabilitational Facilities	72
8.2 Pre-statutory Baseline Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals	72
8.2.1 Costs- Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals.....	72
8.2.2 Transfer- Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals.....	73
8.2.3 Benefits- Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals.....	74
8.3 Pre-statutory Baseline Community Arts and Performing Arts Facilities.....	74
8.3.1 Costs- Community Arts and Performing Arts Facilities	74
8.3.2 Transfer Payments- Community Arts and Performing Arts Facilities	76
8.3.3 Benefits- Community Arts and Performing Arts Facilities	76
8.4 Pre-statutory Baseline Community Disaster Loan Program	76
8.4.1 Costs Community Disaster Loan Program	77
8.4.2 Transfers Community Disaster Loan Program.....	77
8.4.3 Benefits Community Disaster Loan Program.....	78
8.5 Pre-statutory Baseline Alternative Procedures Pilot for Debris Removal	78

8.5.1 Costs- Alternative Procedures Pilot for Debris Removal	78
8.5.2 Transfer- Alternative Procedures Pilot for Debris Removal	79
8.5.3 Benefits- Alternative Procedures Pilot for Debris Removal	80
8.6 Pre-statutory Baseline Broadcasting Facilities.....	80
8.6.1 Costs- Broadcasting Facilities	80
8.6.2 Transfer Payments- Broadcasting Facilities	82
8.6.3 Benefits- Broadcasting Facilities.....	82
8.7 Pre-statutory Baseline Food Banks	82
8.7.1 Costs- Food Banks.....	82
8.7.2 Transfer Payments- Food Banks.....	84
8.7.3 Benefits- Food Banks	84
8.8 Pre-statutory Baseline Houses of Worship	84
8.8.1 Costs- HOW	85
8.8.2 Transfer Payments- HOW	86
8.8.3 Benefits- HOW	87
8.9 Pre-statutory Baseline Alternate Project Funding.....	87
8.9.1 Costs- Alternate Project Funding	88
8.9.2 Transfers- Alternate Project Funding	88
8.9.3 Benefits- Alternate Project Funding.....	89
8.10 Pre-statutory Baseline Center-Based Childcare Facilities	89
8.10.1 Costs- Center-Based Childcare Facilities	90
8.10.2 Transfer- Center-Based Childcare Facilities	91
8.10.3 Benefits- Center-Based Childcare Facilities.....	91
8.11 Pre-statutory Baseline Codes and Standards.....	91
8.11.1 Costs- Codes and Standards	93
8.11.2 Transfers- Codes and Standards	94
8.11.3 Benefits- Codes and Standards.....	96
8.12 Pre-statutory Baseline Alternate Projects Legal Consideration	96
8.12.1 Costs- Alternate Projects Legal Consideration.....	97
8.12.2 Transfers- Alternate Projects Legal Consideration	97
8.12.3 Benefits- Alternate Projects Legal Consideration	98
8.13 Pre-statutory Baseline State and Tribal Administrative Plans	98
8.13.1 Costs- State and Tribal Administrative Plans.....	99
8.13.2 Transfers- State and Tribal Administrative Plans.....	100

8.13.3 Benefits- State and Tribal Administrative Plans	100
8.14 Pre-statutory Baseline Work Documentation.....	100
8.14.1 Costs- Work Documentation	101
8.14.2 Transfers- Work Documentation	102
8.14.3 Benefits- Work Documentation.....	102
9. SUMMARY OF COSTS	102
9.1 Familiarization Costs.....	102
9.2 No-action Baseline Costs	103
9.3 Pre-Statutory Baseline Costs.....	105
9.4 Post Implementation Cost Analysis	106
10. SUMMARY OF BENEFITS	113
10.1 No-action Baseline Benefits Summary	113
10.2 Pre-Statutory Baseline Benefits Summary	114
10.3 Clarifications and Other Minor Changes	115
11. SUMMARY OF TRANSFER PAYMENTS	116
11.1 No-action Baseline Transfer Payments.....	116
11.2 Pre-Statutory Baseline Transfer Payments.....	116
11.3 Post Implementation Transfer Payment Analysis	119
12. UNCERTAINTY ANALYSIS	124
12.1 Houses of Worship	124
12.2 Alternate Project Funding	125
13. ALTERNATIVES CONSIDERED	126
14. CONCLUSION	127

TABLE OF TABLES

Table ES-1. Summary of the Impacts for the Proposed Changes, No-Action Baseline, 2020-2029 (2019\$)	11
Table ES-2. Summary of the Impacts for Changes, Pre-Statutory Baseline, 2020-2029 (2019\$).....	12
Table ES-3. Average Annual Effects of Proposed Rule, Future 10-Year Period, No-Action Baseline (2019\$)	15
Table ES-4. Average Annual Impacts of Proposed Rule, Future 10-Year Period, Pre-Statutory Baseline (2019\$) 16	
Table ES-5. Summary of No-action Baseline Costs, Future 10-Year Period (2019\$).....	18
Table ES-6. Summary of Pre-Statutory Baseline Costs, Future 10-Year Period (2019\$)	23
Table ES-7. Summary of Pre-Statutory Baseline Transfers, Future 10-Year Period (2019\$).....	29
Table ES-8. Circular A-4 Accounting Statement, No-Action Baseline (2019\$).....	30
Table ES-9. Circular A-4 Accounting Statement, Pre-Statutory Baseline (2019\$)	30
Table 5-1. CPI Conversion Table to 2019 Dollars.....	39
Table 7-1. Information Collection Forms and Burden Hours Estimate for ICR 1660-0017	41
Table 7-2. Information Collection Forms and Burden Hours Estimate for ICR 1660-0017	44
Table 8-1. Baseline Estimate Recalculating Post-Implementation Period to Apply Funding Cap	89
Table 8-2. Impact Estimate Recalculating Pre-Implementation Period to Remove Funding Cap.....	89
Table 9-1. Summary of No-action Baseline Costs, Future 10-Year Period (2019\$).....	104
Table 9-2. Annual Average Costs, Pre-Statutory Baseline, 2020-2029 (2019\$).....	105
Table 9-3. Summary of Pre-Statutory Baseline Costs, Future 10-Year Period (2019\$)	106
Table 9-4. Newly Eligible Recipient Burden Costs Post Implementation 2006-2019 (2019\$)	109
Table 9-5. Newly Eligible FEMA Burden Costs Post Implementation 2006-2019 (2019\$).....	110
Table 9-6. Summary of Pre-Statutory Baseline Costs, Past 20-Year Period and Future 10-Year Period (2019\$). 112	
Table 11-1. Annual Average Transfer Payment, Pre-Statutory Baseline (2019\$).....	117
Table 11-2. Summary of Pre-Statutory Baseline Transfers, Future 10-Year Period (2019\$)	118
Table 11-3. Newly Eligible Transfer Payments Post Implementation 2006-2019 (2019\$)	120
Table 11-4. Debris Removal Straight-Time Labor Pilot Projects Post Implementation 2013-2019 (2019\$)	121
Table 11-5. Alternate Projects Post Implementation August 2017 – 2019 (2019\$).....	122
Table 11-6. Summary of Pre-Statutory Baseline Transfers, Past 20-Year and Future 10-Year Period (2019\$)....	123
Table 14-1. Summary of Annual Transfers and Costs of the Proposed Rule, No-action Baseline, 2020-2029 (2019\$)	128
Table 14-2. Summary of Annual Transfers and Costs of the Proposed Rule, Pre-statutory Baseline, 2020 - 2029 (2019\$).....	129
APPENDIX A. Revisions to FEMA’s Public Assistance Program, Marginal Analysis Table.....	130

LIST OF ABBREVIATIONS USED

Abbreviation	Definition
ADA	Americans with Disabilities Act
BCAT	Building Codes Adoption Tracking
BLS	Bureau of Labor Statistics
CDL	Community Disaster Loans
CFR	Code of Federal Regulations
CPI	Consumer Price Index
CRA	Congressional Review of Agency Rulemaking Act
Debris Pilot	Alternate Procedures Pilot for Debris Removal
DRRA	Disaster Recovery Reform Act of 2018
EA	Environmental Assessment
EDW	Enterprise Data Warehouse
EMAC	Emergency Management Assistance Compact
ES	Executive Summary
FEMA	Federal Emergency Management Agency
FY	Fiscal Year
GAO	Government Accountability Office
GS	General Schedule
HOW	House of Worship
HUD	Department of Housing and Urban Development
IBC	International Building Code
ICC	International Code Council's
ICR	Information Collection Request
NAC	National Advisory Committee
NEA	National Endowment for the Arts
NEPA	National Environmental Policy Act
NPRM	Notice of Proposed Rulemaking
OES	Occupational Employment Statistics
OPM	Office of Personnel Management
OMB	Office of Management and Budget
PA	Public Assistance
PAPPG	Public Assistance Program and Policy Guide
PETS	Pets Evacuation and Transportation Standards Act of 2006
PKEMRA	Post-Katrina Emergency Management Reform Act of 2006
PNP	Private Nonprofit
PV	Present Value
PW	Project Worksheet
RIA	Regulatory Impact Analysis
RPA	Request for Public Assistance
SAFE	Security and Accountability for Every Port Act of 2006

SBA	Small Business Administration
SOW	Scope of Work
SRIA	Sandy Recovery Improvement Act of 2013
Stafford Act	Robert T. Stafford Disaster Relief and Emergency Assistance Act

EXECUTIVE SUMMARY

Executive Orders 12866 (Regulatory Planning and Review), as amended by Executive Order 14094 (Modernizing Regulatory Review) and 13563 (Improving Regulation and Regulatory Review) direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility.

The Office of Management and Budget (OMB) has designated this proposed rule a “significant regulatory action” under section 3(f) of Executive Order 12866, but it is not significant under section 3(f)(1). Accordingly, the rule has been reviewed by OMB.

This Regulatory Impact Analysis (RIA) provides an assessment of the potential costs, benefits, and transfer payments for Public Assistance (PA) Program Update Notice of Proposed Rulemaking (NPRM) under the criteria of Executive Orders 12866, 13563, and 14094. This analysis does not attempt to replicate the regulatory language of the proposed rule or any other supporting documentation. FEMA urges the reader to review the NPRM in addition to reviewing this analysis.

FEMA proposes to revise the regulations for its PA and Community Disaster Loan (CDL) programs to reflect current statutory authorities, agency practice, and implement program improvements. The proposed rule would incorporate changes brought about by amendments to the Stafford Act. FEMA is also proposing clarifications and corrections to the PA program. FEMA previously implemented many of the changes limiting the practical effects of this rule. The primary purpose of this rule would be to codify these changes to improve efficiency and consistency of information for the Programs. The following Table ES-1 summarizes the proposed changes of this rule and their impacts as measured against a no-action baseline (i.e., what the world would look like absent the rule) and Table ES-2 summarizes the changes and their impacts as measured against a pre-statutory baseline (i.e., what the world would look like without the statutory changes or FEMA’s implementing guidance).

Table ES-1. Summary of the Impacts for the Proposed Changes, No-Action Baseline, 2020-2029 (2019\$)

Category	Summary
Changes	Codify availability of assistance for the rescue, care, shelter and essential needs of household pets and service animals.
	Codify expansion of PA eligibility for certain types of private nonprofits (PNPs): rehabilitational facilities, community and performing arts facilities, broadcasting facilities, food banks, houses of worship, and center-based childcare facilities.
	Codify expanding CDL percentage to 50 percent under certain conditions while maintaining \$5 million maximum loan cap.
	Codify alternative procedures for debris removal.
	Codify the alternate project funding Federal cost share caps.
	Codify consensus-based codes and standards requirement for PA funded projects.
	Proposed requirement for applicants to identify any legal considerations for alternate projects.
	Proposed requirement that State and Tribal Administrative Plans include an outline for timely closeout of project and disaster specific staffing plans.
	Proposed setting of submission dates for certain work documentation required for PA projects.
	Non-substantive changes and clarifications to improve the efficiency and consistency of the PA program.
	Affected Population
Transfer Payments from FEMA to Applicants	Under a no-action baseline, there are no transfer payments to report.
Costs (quantitative)	For the no-action baseline, the total 10-year costs to applicants and FEMA discounted at 3 percent and 7 percent, respectively, is \$251,270 and \$216,272. The annualized cost is \$29,457 and \$30,792 at the 3 and 7 percent discount rates.
Benefits (quantitative)	FEMA is unable to estimate quantitative benefits.
Benefits (qualitative)	Codifying already implemented changes would improve clarity and align FEMA regulations with statutory changes and current practices and procedures.
	Identifying legal considerations early in the application process would allow for more complete project application review for alternate projects.
	Adding submission deadlines for work documentation would increase clarity and add more time early in the application process for work documentation.
	Keeping administrative plans up-to-date and providing additional staffing information about prior disasters would help recipients be in a better position to respond to and recover from emergencies and disasters.

Table ES-2. Summary of the Impacts for Changes, Pre-Statutory Baseline, 2020-2029 (2019\$)

Category	Summary
Changes	Amends availability of assistance for the rescue, care, shelter and essential needs of household pets and service animals.
	Amends PA eligibility for certain types of private nonprofits (PNPs): rehabilitational facilities, community and performing arts facilities, broadcasting facilities, food banks, houses of worship, and center-based childcare facilities.
	Amends CDL percentage to 50 percent under certain conditions while maintaining \$5 million maximum loan cap.
	Amends alternative procedures for debris removal.
	Amends the alternate project funding Federal cost share caps.
	Amends consensus-based codes and standards requirement for PA funded projects.
	Proposed requirement for applicants to identify any legal considerations for alternate projects.
	Proposed requirement that State and Tribal Administrative Plans include an outline for timely closeout of project and disaster specific staffing plans.
	Proposed setting of submission dates for certain work documentation required for PA projects.
	Non-substantive changes and clarifications to improve the efficiency and consistency of the PA program.
Affected Population	Applicants eligible to request a Federal major disaster declaration authorizing PA, including 56 State and Territorial governments, 574 Federally recognized Indian Tribal governments, local governments, and certain private nonprofit organizations.
Transfer Payments from FEMA to Applicants	Under a pre-statutory baseline, the net increase in 10-year total transfer payments discounted at 3 and 7 percent, respectively, is \$50,762,154 and \$41,796,443. The net increase in annualized transfer payment is \$5,950,873 at the 3 and 7 percent discount rates.
Costs (quantitative)	Under the pre-statutory baseline, the total 10-year costs to applicants and FEMA discounted at 3 percent and 7 percent, respectively, is \$70,957,558 and \$58,434,274. The annualized cost is \$8,318,390 and \$8,319,726 at the 3 and 7 percent discount rates.
Benefits (quantitative)	FEMA is unable to estimate quantitative benefits.
Benefits (qualitative)	Expands PA eligibility for certain PNPs allowing FEMA to consistently provide additional assistance to such PNPs to allow them to recover more quickly from disaster-damage.
	Improving clarity and aligning FEMA regulations with statutory changes and current practices and procedures.
	Promotes resiliency and reduces future damage risk of repaired facilities with consensus-based codes and standards requirement for PA funded projects.
	Increasing recipient flexibility when determining whether the community would benefit more from facility restoration or an alternate project.
	Increasing flexibility for debris removal projects by allowing FEMA to reimburse base and overtime wages for the employees of State, Tribal, or local governments.
	Identifying legal considerations early in the applications process would allow for more complete project application review for alternate projects.

	Increases clarity and adds more time early in the application process for work documentation.
	Keeping administrative plans up-to-date and providing additional staffing information about prior disasters would help recipients be in a better position to respond to and recover from emergencies and disasters.

Need for Regulation

FEMA proposes to revise its PA and CDL program regulations to reflect current statutory authorities and implement program improvements. The proposed rule would incorporate changes brought about by amendments to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act)¹ to the PA and CDL programs. FEMA proposes to amend its PA and CDL program regulations to incorporate these statutory changes and to improve program administration. FEMA is also proposing clarifications and corrections to improve the efficiency and consistency of the PA program. FEMA previously implemented many of the changes through guidance, limiting the practical effects of this rule. The primary purpose of this rule would be to codify these changes to improve efficiency and consistency of information for the program.

FEMA addresses the substantive changes in this analysis and presents how they affect costs, benefits, and transfer payments. The remaining changes would be non-substantive, meaning they are technical and include definitional updates and other changes that modernize and standardize regulations, reduce redundancy, or increase readability. The non-substantive changes do not have an economic impact. FEMA included a detailed marginal analysis table in Appendix A that summarizes changes listed in the NPRM and the related impacts.

Affected Population

The proposed rule would affect all potential applicants for Federal assistance under the PA and CDL programs. Eligible applicants for PA include 56 State and Territorial governments, 574 Federally recognized Tribal governments,² local governments, and certain PNP. Based on data from 2010 to 2019, the PA program as a whole obligated an average amount of \$5.6 billion (in 2019 dollars) across 28,721 projects per year. For PNP entities specifically, PA program obligated an average amount of \$454.7 million (in 2019 dollars) per year across 2,070 projects from 2010 to 2019.

Under the PA program, FEMA awards grants to help communities quickly respond to and recover from Presidentially-declared emergencies and major disasters. Generally, the State, Territory, or the District of Columbia for which the emergency or major disaster is declared is the recipient. Federally recognized Indian Tribal governments may apply for PA directly and be classified as a

¹ Several Federal statutes have amended sections of the Stafford Act relating to Public Assistance and Community Disaster Loans. These include the Post-Katrina Emergency Management Reform Act of 2006 (PKEMRA), 6 U.S.C. 701 et seq., the Security and Accountability for Every Port Act of 2006 (SAFE Port Act), Pub. L. 109-347, 120 Stat. 1884, the Pets Evacuation and Transportation Standards Act of 2006 (PETS Act), Pub. L. 109-308, 120 Stat. 1725, the Sandy Recovery Improvement Act of 2013 (SRIA), Pub. L. 113-2, 127 Stat. 39, the Emergency Information Improvement Act of 2015, Pub. L. 114-111, 129 Stat. 2240, the Bipartisan Budget Act of 2018, Pub. L. 115-123, 132 Stat. 64, and the FAA Reauthorization Act of 2018, Division D, Disaster Recovery Reform Act of 2018 (DRRA), Pub. L. 115-254, 132 Stat. 3438.

² List of the 574 Tribal entities can be found at: <https://www.federalregister.gov/documents/2023/01/12/2023-00504/indian-entities-recognized-by-and-eligible-to-receive-services-from-the-united-states-bureau-of>, Jan. 12, 2023.

recipient.³ The applicant is a State, Tribal, or Territorial agency, local government, or eligible private nonprofit organization submitting an application to the recipient for assistance under the recipient's grant. Upon award, the recipient notifies the applicant of the award, and the applicant becomes a subrecipient.

Baseline

Following guidance in OMB Circular A-4, FEMA assessed each impact of this rule against a pre-statutory and no-action baseline. The pre-statutory baseline is what the world would be like if the relevant statute(s) had not been adopted and implemented through guidance. Accordingly, measuring the proposed rule against a pre-statutory baseline shows the effects of the proposed rule as compared to FEMA practice prior to the enactment of the enabling statute or guidance (i.e., as if FEMA had not already implemented the statutory or policy changes.) A no-action baseline is an assessment of the way the world would look absent the proposed action. Accordingly, measuring the proposed rule against a no-action baseline shows the effects of the proposed rule as compared to current FEMA practice (i.e., compared to FEMA guidance, which reflects FEMA's current practice).

The proposed rule under a no-action baseline would have monetary costs and qualitative benefits. Under a pre-statutory baseline, the proposed rule would have distributional transfer payments, monetary costs, opportunity costs, and qualitative benefits. Table ES-3 shows the undiscounted annual effects of this proposed rule under a no-action baseline. Table ES-4 shows the undiscounted annual effects of this proposed rule under a pre-statutory baseline.

³ FEMA Tribal Policy (Rev. 2). FEMA. https://www.fema.gov/sites/default/files/documents/fema_tribal-policy.pdf. Accessed on June 1, 2021.

Table ES-3. Average Annual Effects of Proposed Rule, Future 10-Year Period, No-Action Baseline (2019\$)

Change No.	Change	Year Implemented	Costs	Benefits	Transfers from FEMA to Recipients
1	Rehabilitational Facilities	1988	\$0	Qualitative	\$0
2	Pets and Service Animals	2006	\$0		\$0
3	Community and Performing Arts	2007	\$0		\$0
4	CDL Program	2012	\$0		\$0
5	Debris Removal Pilot	2013	\$0		\$0
6	Broadcasting Facilities	2015	\$0		\$0
7	Food Banks	2017	\$0		\$0
8	Houses of Worship	2017	\$0		\$0
9	Alternate Project Funding	2017	\$0		\$0
10	Center-Based Childcare Facilities	2018	\$0		\$0
11	Codes and Standards	2019	\$0		\$0
12	Alt Projects Legal Considerations	New	\$1,434		\$0
13	State and Tribal Admin Plans*	New	\$22,138		\$0
14	Work Documentation	New	\$0		\$0
	Familiarization*		\$4,926	\$0	
	Annual Increase		\$28,498	\$0	
	Annual Decrease		\$0	\$0	
	Total		\$28,498	Qualitative	\$0

* For consistency in the table, this cost is displayed as an annual average over ten years. Familiarization cost would be a one-time cost in the first year of \$49,264. Change 13 has a cost of \$40,250 in the first year and \$20,125 in subsequent years.

Table ES-4. Average Annual Effects of Proposed Rule, Future 10-Year Period, Pre-Statutory Baseline (2019\$)

Change No.	Change	Year Implemented	Costs	Benefits	Transfers from FEMA to Recipients
1	Rehabilitational Facilities	1988	\$10,890	Qualitative	\$1,126,114
2	Pets and Service Animals	2006	\$3,496		\$590,464
3	Community and Performing Arts	2007	\$1,485		\$224,514
4	CDL Program	2012	\$0		\$0
5	Debris Removal Pilot	2013	\$0		-\$7,373,048
6	Broadcasting Facilities	2015	\$1,485		\$344,235
7	Food Banks	2017	\$0		\$0
8	Houses of Worship	2017	\$76,725		\$2,121,795
9	Alternate Project Funding	2017	\$0		\$2,524,814
10	Center-Based Childcare Facilities	2018	\$0		\$0
11	Codes and Standards	2019	\$8,194,853		\$6,391,985
12	Alt Project Legal Considerations	New	\$1,434		\$0
13	State and Tribal Admin Plans*	New	\$22,138		\$0
14	Work Documentation	New	\$0		\$0
	Familiarization*		\$4,926	\$0	
	Annual Increase		\$8,317,432		\$13,323,921
	Annual Decrease		\$0		-\$7,373,048
	Total (Net)		\$8,317,432	Qualitative	\$5,950,873

* For consistency in the table, these costs are displayed as an annual average over ten years. Familiarization would be a one-time cost in the first year of \$49,216. Change 13 has a cost of \$40,250 in the first year and \$20,125 in subsequent years.

Costs

No-Action Baseline

FEMA estimates the total average undiscounted cost for this proposed rule, as measured against a no-action baseline, to be \$28,498 per year over a future ten-year period. Changes 1 through 11 would not result in any additional costs, as measured against the no-action baseline, because FEMA has already implemented them through guidance and proposes to codify these changes through this rule. The proposed rule under a no-action baseline would result in additional costs due to Change 12: Alternate Project Legal Considerations (recipient costs of \$1,434) and Change 13: State and Tribal Admin Plans (recipient costs of \$40,250 in the first year and \$20,125 in the subsequent years). Changes 12 and 13, and their estimated impacts, are described in more detail in the Pre-Statutory Baseline section below.

The proposed regulation would also result in familiarization costs. FEMA assumed a State Government Chief Executive, a senior level government official, or an individual in an equivalent occupation would read the proposed regulations to understand the changes. FEMA obtained the wage rate of \$52.83 for a State Government Chief Executive from Bureau of Labor Statistics (BLS) Occupational Employment Statistics (OES) data.⁴ To account for employee benefits,

⁴ U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics (May 2019). NAICS code 999200, State Government, Standard Occupational Code 11-1011 for Chief Executives, mean hourly wage. https://www.bls.gov/oes/2019/may/naics4_999200.htm

FEMA multiplied the base hourly wage rate by a load factor of 1.6 to find a loaded hourly wage rate of \$84.53 (\$52.83 hourly mean wage for Chief Executives \times 1.6 wage rate multiplier).⁵ FEMA used 93 respondents (56 States territories + 37 Tribes acting as recipients)⁶ in the estimate as this is the level from which a PA disaster declaration request is made. FEMA assumed there would be 112 Chief Executives that review the proposed changes, two from each State. FEMA also assumed there would be 74 Chief Executives that review the proposed changes, two from each Tribe. This means that there are a total of 186 (112 + 74) Chief Executives. FEMA assumed the States regularly update their emergency response networks and local emergency management divisions on changes in the field and the States would disseminate the regulatory changes through each State's respective process. As of the time of this analysis, there are approximately 47,000 words in the NPRM document for this rule. Although FEMA could not identify formal studies on the subject, some reports suggest that, on average, a person reads about 250 words per minute, though there can be variation according to individual attributes and type of material being read.⁷ Based on the word count at the time of this analysis, it would thus take about 3.1333 (47,000 words \div 250 words per minute \div 60 minutes per hour) hours to read the rule. At the burdened wage for Chief Executives, this would be about \$264.86 (\$84.53 \times 3.1333 hours) per review. The total familiarization cost would be about \$49,264 (186 respondents \times \$264.86), which would potentially be incurred during the first year the rule is effective.

Under a no-action baseline, FEMA estimates the total annual cost undiscounted would be \$90,948 (\$1,434 + \$40,250 + \$49,264) for only the first year. The first year includes the calculations for familiarization costs discussed in the previous paragraph as well as costs due to Change 12: Alternate Project Legal Considerations and Change 13: State and Tribal Admin Plans. Then the total annual cost undiscounted would be \$21,559 (\$1,434 + \$20,125) for each year after that. The discounted total net 10-year cost at 3 percent and 7 percent, respectively, would be \$251,270 and \$216,272. The annualized cost would be \$29,457 and \$30,792 at the 3 and 7 percent discount rates (Table ES-5).

⁵ Bureau of Labor Statistics. Employer Costs for Employee Compensation, Table 1. "Employer costs For Employee Compensation by ownership," March 2019. Retrieved from

http://www.bls.gov/news.release/archives/ecec_06182019.pdf. Accessed on July 17, 2020.

The wage multiplier is calculated by dividing total compensation for State and local government workers of \$50.89 by Wages and salaries for State and local government workers of \$31.75 per hour yielding a benefits multiplier of approximately 1.6 ($\$50.89 \div \31.75). Fully-loaded wage rates include other benefits, and we are using a factor of 1.6 to calculate the fully-loaded wage rates. The unloaded wage rate does not account for costs to the employer for benefits, such as paid leave, health insurance, retirement, and other benefits.

⁶ 56 States includes 50 states and 6 territories: the District of Columbia, and territories including American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and U.S. Virgin Islands. FEMA's annual estimate of 37 Tribes was based on the number of Tribes acting as recipients historically.

⁷ The benchmark of 250 words per minute applies to most adults, according to several reports. *See, e.g.*, HealthGuidance.org, What Is the Average Reading Speed and the Best Rate of Reading? (Jan. 3, 2020), <https://www.healthguidance.org/entry/13263/1/what-is-the-average-reading-speed-and-the-best-rate-of-reading.html>, Accessed Feb. 15, 2023; ExecuRead, Speed Reading Facts, <https://secure.execuread.com/facts/>, Accessed Feb. 15, 2023. It is noted that the reading of technical material can be slower than other types of documents. Because this document is technical in some ways, the actual review time might be higher, thus resulting in higher familiarization costs than reported herein.

Table ES-5. Summary of No-action Baseline Costs, Future 10-Year Period (2019\$)

Year	FEMA Costs	Recipient Costs	Total Costs Undiscounted	Annual Costs Discounted at 3%	Annual Costs Discounted at 7%
2020	\$0	\$90,948	\$90,948	\$88,299	\$84,998
2021	\$0	\$21,559	\$21,559	\$20,321	\$18,830
2022	\$0	\$21,559	\$21,559	\$19,730	\$17,599
2023	\$0	\$21,559	\$21,559	\$19,155	\$16,447
2024	\$0	\$21,559	\$21,559	\$18,597	\$15,371
2025	\$0	\$21,559	\$21,559	\$18,055	\$14,366
2026	\$0	\$21,559	\$21,559	\$17,529	\$13,426
2027	\$0	\$21,559	\$21,559	\$17,019	\$12,548
2028	\$0	\$21,559	\$21,559	\$16,523	\$11,727
2029	\$0	\$21,559	\$21,559	\$16,042	\$10,960
Total	\$0	\$284,979	\$284,979	\$251,270	\$216,272
Annualized				\$29,457	\$30,792

Pre-Statutory Baseline

The proposed rule, under a pre-statutory baseline, would result in additional costs for Change 1: Rehabilitational Facilities; Change 2: Pets and Service Animals; Change 3: Community and Performing Arts; Change 6: Broadcasting Facilities; Change 8: Houses of Worship; Change 11 Codes and Standards; Change 12: Alternate Project Legal Considerations; and Change 13: State and Tribal Admin Plans. The proposed rule would also result in familiarization costs. FEMA estimates the total undiscounted cost of this proposed rule, as assessed against a pre-statutory baseline, would be \$8,317,432 per year over a future ten-year period.

Change 2: PKEMRA and the PETS Act authorized FEMA to provide assistance for the rescue, care, shelter, and essential needs of household pets and service animals. FEMA implemented this change via PA guidance and proposes to codify it through this rule. FEMA used data from Enterprise Data Warehouse (EDW) database between 2006 and 2019 to estimate costs of assistance for the rescue, care, shelter, and essential needs of household pets and service animals. FEMA estimated an increase in costs for recipients for completing additional assistance request forms and FEMA for reviewing these additional forms totaling \$3,496 (\$3,392 recipients + \$104 FEMA) per year.

Changes 1, 3, 6, and 8: The definition of PNPs was expanded by multiple statutory amendments occurring between 1988-2018 to include the following: rehabilitational facilities in 1988, community and performing arts facilities in 2007, broadcasting facilities in 2015, and houses of worship in 2017. FEMA implemented all these changes via PA guidance and proposes to codify them through this rule. FEMA used PNP project data from the EDW database for 2000-2019 to estimate costs for these changes, but impacts in many cases were estimated with fewer than 10 years of data due to different dates of implementation. FEMA estimated an increase in costs for PNP recipients for completing assistance request forms and FEMA for reviewing these forms totaling \$90,585 (rehabilitational facilities \$10,890 (\$10,516 recipients + \$374 FEMA) + community and performing arts \$1,485 (\$1,434 recipients + \$51 FEMA) + broadcasting \$1,485

(\$1,434 recipients + \$51 FEMA) + house of worships \$76,725 (\$74,090 recipients + \$2,635 FEMA)) per year.

Change 11: DRRA section 1235(b) defines the framework for consistent and appropriate implementation of consensus-based codes, specifications, and standards requirement for disaster-related repair, restoration, reconstruction, or replacement of buildings, roads and bridges, electric power, potable water, and wastewater projects. FEMA implemented this statutory change in 2019. Because this change was recently made and these types of projects can take years to complete, FEMA does not have 10 years of data with the change in effect. Therefore, FEMA estimated the impact of this change against a pre-statutory baseline by using data pulled from EDW from 2010 through 2018. During this time period, FEMA provided assistance for an average of 2,386 projects (PA categories: C – roads/bridges, E – buildings/equipment, F – utilities) per year.

FEMA used the Building Codes Adoption Tracking (BCAT) Regional reports⁸ to identify projects in States with moderate to low hazard-resistant building code adoption rates. FEMA expects the consensus-based codes and standards requirement would impact projects in moderate to low hazard-resistant building code areas by applying more stringent requirements than the local codes and standards. Based on the BCAT reports, FEMA estimates the number of impacted projects from 2010 to 2018 was 1,313 projects per year and the average annual amount for these projects was \$819,485,316 (\$179,372,869 non-Federal share + \$640,112,447 Federal share) per year. FEMA developed a project cost increase range of 1 percent to 10 percent based on input from subject matter experts and is in line with additional costs estimates of hazard-resistant building codes referenced in the 2020 Building Codes Saves: A Nationwide Study and 2019 Natural Hazard Mitigation Saves Report.⁹ This range of additional costs reflects the unknown variations between local codes and/or standards used and the consensus-based codes and standard, and FEMA expects Change 11 would have limited impacts on projects costs due to FEMA's policy referencing multiple industry consensus-based codes and standards that may be selected from to meet the requirement.¹⁰ Accordingly, for the impacted 1,313 projects, FEMA estimated between an additional \$8,194,853 (\$819,485,316 × 1 percent) and \$81,948,532 (\$819,485,316 × 10 percent) per year in PA total project costs for the consensus-based codes and standards requirement. Due to the policy implementation in November 2019, little post-implementation data were available. For the primary estimate of this change under a pre-statutory baseline, FEMA selected the lower estimate of \$8,194,853 per year, due to the change aligning with commonly used industry building standards. Not all of these additional costs are borne by recipients as PA projects have a cost share structure; the increased total project costs for more

⁸ FEMA Building Code Adoption Tracking: Regions 1-10 Reports, 2023. A State or Territory is classified as moderate or lower resistance when less than 75 percent of jurisdictions have adopted hazard-resistant building codes. Available at <https://www.fema.gov/emergency-managers/risk-management/building-science/bcat/fact-sheets>. Accessed May 2, 2023

⁹ Building Codes Saves: A National Study, page 1-6, https://www.fema.gov/sites/default/files/2020-11/fema_building-codes-save_study.pdf. Accessed August 9, 2023. Additional reference, Natural Hazard Mitigation Saves: 2019 Report, page 70, 126, 143, Additional construction cost estimates for flooding 1.7 percent, hurricane 1 percent, and safe room wind 5 to 7 percent, respectively. <https://www.nibs.org/files/pdfs/NIBS MMC MitigationSaves 2019.pdf>. Accessed August 9, 2023.

¹⁰ Appendix A: Consensus-Based Codes, Specifications and Standards, page 9-16. Accessed August 08, 2022. https://www.fema.gov/sites/default/files/2020-05/DRRA1235b_Consensus_BasedCodes_Specifications_and_Standards_for_Public_Assistance122019.pdf

stringent codes and standards are partially offset by FEMA in form of increased grants (transfer payments; addressed below) resulting in a higher the Federal cost share amount provided to recipients.

Change 12: Alternate Project Legal Considerations is the proposal to add a requirement for alternate projects that the recipient must identify any other legal considerations that might impact the project, such as liens on property, ownership issues, or zoning concerns, beyond those currently required. FEMA has not yet implemented this change and proposes to do so through this rule. FEMA anticipates that the burden to identify any legal considerations would be comparable to that of identifying issues required under the current regulations, such as floodplain management and insurance considerations, as they are similar in nature. FEMA estimates the burden associated with identifying floodplain management and insurance considerations to be 0.5 hours.¹¹ Based on data from 2010-2019, on average, FEMA funded 53 alternate projects per year. Using the 0.5 hour burden estimate as the time estimated time required to complete the legal considerations and the State government loaded mean wage rate of \$54.10 (\$33.81 hourly mean wage for Emergency Management Directors × 1.6 wage rate multiplier) yields an annual average cost of \$1,434 (53 projects × 0.5 hour × \$54.10 fully-loaded wage rates for Emergency Management Directors).¹² Because FEMA has not implemented this change and proposes to do so through this rule, the estimated annual cost of Change 12 is the same whether measured against the no-action or pre-statutory baseline.

Change 13: State and Tribal Admin Plans is FEMA's proposal to add certain requirements to State and Tribal administrative plans. As currently required, all recipients file administrative plans with FEMA.¹³ This requirement includes Indian Tribal governments when they choose to act as a recipient. The proposed rule would add that recipient administrative plans must include an outline for timely closeout of project and disaster-specific staffing plans. FEMA subject-matter experts estimate that 93 respondents (56 States and Territories + 37 Tribes acting as recipients)¹⁴ would provide one Administrative Plan a year and that the additional activities identified above would add an average of 8 hours of effort to the current burden estimate in the first year, and then 4 hours in each successive year to account for any updates needed. Using the State Emergency Management Directors, the fully-loaded wage rate is \$54.10 (\$33.81 hourly mean wage for Management Directors × 1.6 wage rate multiplier), which yields a total burden of \$40,250 (93 respondents × 1 annual plan x 8 hours × \$54.10 fully-loaded wage rate for

¹¹ See Information Collection Request 202208-1660-001, Special Considerations Questions Form 009-0-120, https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202208-1660-001. Until recently, information about floodplain management and insurance considerations was captured on Special Considerations Questions Form 009-0-120, with an estimated hour burden of 0.5 hours per response. This collection has been revised and now captures floodplain management and insurance considerations information on different forms that also ask for other information. See Information Collection Request 202212-1660-015, https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202212-1660-015.

¹² Bureau of Labor Statistics, Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Fully loaded wage rates include other benefits, we are using a factor of 1.6 to calculate fully loaded wage rates. The unloaded wage rate does not account for cost of benefits, such as health insurance, to the employer. Accessed July 29, 2020.

¹³ 44 CFR 206.207

¹⁴ 56 States includes 50 states and 6 territories: the District of Columbia, and territories including American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and U.S. Virgin Islands. FEMA's annual estimate of 37 Tribes was based on the number of Tribes acting as recipients historically.

Management Directors) in year one and \$20,125 (93 respondents × 1 annual plan × 4 hours × \$54.10 fully-loaded wage rate for Management Directors) each year after that.¹⁵ Because FEMA has not implemented this change and proposes to do so through this rule, the estimated annual cost of Change 13 is the same whether measured against the no-action or pre-statutory baseline.

Change 14: Work Documentation relates to two PA documentation requirement changes. First, FEMA proposes to adjust the time-period during which an applicant must identify and report all disaster impacts included on project applications from a 60-day time-period to within 90 calendar days following FEMA’s approval of the Request for PA to ensure applicants have adequate time to identify and report the impacts. This would be a change from the existing deadline, which is 60 days following the Recovery Scoping Meeting with FEMA. FEMA expects this additional time for documentation would not impose additional cost burden on applicants or FEMA.

Second, FEMA proposes to require applicants to submit all eligible work and costs documentation within 30 calendar days following a site inspection or 120 calendar days following FEMA’s approval of the Request for PA, whichever is later. There is no current submission date for eligible work and costs documentation. FEMA used PA project data from 2016 through 2019 to estimate the percentage of projects that met the 120 day proposed submission dates due to PA grants process and system changes prior to 2016. This period from 2016 through 2019 reflects the new grants delivery model¹⁶ and new software applications, “PA Grants Manager” and “Grants Portal”¹⁷, used for all stakeholders involved in the PA grant process since 2016. FEMA estimates that more than 45 percent of completed work documentation are complete within 120 days of FEMA’s approval of the Request for PA. FEMA expects the new requirement to submit documentation within a certain timeframe would not impose an additional cost burden on applicants because FEMA currently requires the documentation prior to obligating PA funds and close to half of applicants meet the requirement voluntarily. FEMA expects all applicants to meet the new documentation requirement as FEMA believes the lack of a formal deadline is the reason for delays in submitting these documents. Additionally, applicants may request documentation time extensions for extenuating circumstances as needed consistent with the current practice for requesting extensions for project work completion deadlines.¹⁸ Accordingly, FEMA estimates the proposed change to documentation deadlines would not impose additional future cost burdens. Because FEMA has not implemented this change and proposes to do so through this rule, this estimated impact is the same whether measured against the no-action or pre-statutory baseline.

¹⁵ Bureau of Labor Statistics, Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Fully loaded wage rates include other benefits, we are using a factor of 1.6 to calculate fully loaded wage rates. The unloaded wage rate does not account for cost of benefits, such as health insurance, to the employer. Accessed July 29, 2020. FEMA assumes the equivalent of a managerial position in State or local government would prepare Administrative Plans, PWs, and other FEMA forms.

¹⁶ PA Delivery Model Fact Sheet, accessed: November 17, 2022, available at:

https://www.fema.gov/sites/default/files/2020-07/fema_pa_delivery-model_factsheet.pdf

¹⁷ PA Grant Manager and Grants Portal Fact Sheet, accessed: November 17, 2022, available at:

https://www.fema.gov/sites/default/files/2020-07/fema_pa_grants-manager-grants-portal-tool_factsheet.pdf

¹⁸ Federal Emergency Management Agency (2020). Public Assistance Program and Policy Guide, version 4, Effective June 1, 2020 (Report No. 104-009-2), Work Completion Deadlines page 196. Retrieved from https://www.fema.gov/sites/default/files/documents/fema_pappg-v4-updated-links_policy_6-1-2020.pdf. Accessed on December 12, 2022.

Changes 4, 5, 7, 9, and 10 did not result in any additional costs post implementation and FEMA does not expect additional costs in the future, as measured against the pre-statutory baseline.

Change 4: CDL Program, The SAFE Port Act amended the Stafford Act by increasing the amount that communities may receive in a community disaster loan from no greater than 25 percent to no greater than 50 percent of their annual operating budgets when revenue losses suffered are equal to greater than 75 percent of their operating budget. FEMA implemented updated guidance in 2012 reflecting this CDL change. FEMA estimated a pre-statutory baseline for total costs at no costs as CDLs above 25 percent were not possible prior to the change. From 2012-2019, FEMA did not have any CDLs at the higher percent and FEMA estimated this change did not create additional cost burdens. Additionally, documentation requirements are consistent for all CDLs meaning the change allows for higher loan amounts and does not impact recipient documentation. The CDL program does not adjust the maximum loan amount of \$5,000,000 for inflation and as inflation increases prices and local government budgets each year the probability of a CDL issued above 25 percent declines with each year.

Change 5: Debris Removal Pilot allowed straight-time labor costs to be eligible for budgeted employees conducting debris removal activities. FEMA estimated the Debris Pilot change did not create additional costs. The increase in eligibility for budgeted employees conducting debris removal activities did not change reporting requirements for debris removal projects, and therefore did not impact costs.

Changes 7 and 10: The definition of PNP was expanded to include Food Banks (change 7) in 2017 and Center-Based Childcare Facilities (change 10) in 2018. FEMA implemented these changes via PA guidance and proposes to codify them through this rule. FEMA estimated that the additional cost for expanding eligibility to facilities that collect, store, and distribute food to food banks and Center-Based Childcare facilities were zero dollars because there were zero PA awards for these PNPs since they became eligible. FEMA acknowledges that there may be PNPs that receive PA funding in the future. However, due to the limited sample size, FEMA was unable to estimate the number of these PNP projects impacted by these changes over the next 10-year period. If such PNPs were to receive an award in the future, FEMA estimated potential future costs of \$495 (\$478 recipient + \$17 FEMA) per additional award.

Change 9: Alternate Project Funding, FEMA estimated the change to funding limitations for alternate projects had no impact on total costs because it increases funding per project. FEMA has not received an increase in alternate projects applications post implementation and FEMA does not expect this change to impact the number of alternate projects in the future.

The proposed regulation would also result in familiarization costs (as detailed in the above No-Action Baseline Section). FEMA estimates it would cost about \$49,264 under a no-action and pre-statutory baseline. This would be a one-time cost for the applicants in the first year.

Under a pre-statutory baseline, FEMA estimates the total annual cost undiscounted would be \$8,376,667 for only the first year. The first year includes calculations for familiarization costs. Then the total annual cost undiscounted would be \$8,310,493 for each year after that. The discounted total 10-year cost at 3 percent and 7 percent, respectively, would be \$70,957,558 and

\$58,434,274. The annualized cost would be \$8,318,390 and \$8,319,726 at the 3 and 7 percent discount rates (Table ES-6).

Table ES-6. Summary of Pre-Statutory Baseline Costs, Future 10-Year Period (2019\$)

Year	FEMA Costs	Recipient Costs	Total Costs Undiscounted	Annual Costs Discounted at 3%	Annual Costs Discounted at 7%
2020	\$3,215	\$8,376,667	\$8,379,882	\$8,135,808	\$7,831,665
2021	\$3,215	\$8,307,278	\$8,310,493	\$7,833,437	\$7,258,706
2022	\$3,215	\$8,307,278	\$8,310,493	\$7,605,278	\$6,783,838
2023	\$3,215	\$8,307,278	\$8,310,493	\$7,383,765	\$6,340,035
2024	\$3,215	\$8,307,278	\$8,310,493	\$7,168,704	\$5,925,267
2025	\$3,215	\$8,307,278	\$8,310,493	\$6,959,907	\$5,537,632
2026	\$3,215	\$8,307,278	\$8,310,493	\$6,757,191	\$5,175,357
2027	\$3,215	\$8,307,278	\$8,310,493	\$6,560,380	\$4,836,783
2028	\$3,215	\$8,307,278	\$8,310,493	\$6,369,301	\$4,520,358
2029	\$3,215	\$8,307,278	\$8,310,493	\$6,183,787	\$4,224,633
Total	\$32,150	\$83,142,169	\$83,174,319	\$70,957,558	\$58,434,274
Annualized				\$8,318,390	\$8,319,726

Benefits

All benefits associated with the proposed rule would be qualitative. The proposed rule would improve clarity and align FEMA regulations with statutory changes and current practices under a no-action and pre-statutory baseline. Although not quantified, these changes would result in users better understanding the PA program. Such increased clarity and understanding would improve the efficiency and consistency of FEMA’s PA program.

The clearer FEMA regulations are, the faster and better agencies can understand and correctly apply them, which in turn can speed disaster assistance to communities and help them support survivors. This would be especially helpful when agencies bring on new staff to States or localities that experience disasters infrequently need to familiarize themselves with the program and its requirements. This increased efficiency allows both applicants and FEMA to direct their energy and resources towards responding to and recovering from the disaster or emergency. FEMA is unable to quantify this impact, but it would be an important intended result of this proposed rule.

No-Action Baseline

Changes 1-11 have already been implemented. As discussed above, codifying these changes would improve clarity by aligning FEMA regulations with statutory changes and current practices. Benefits from newly proposed changes would include: (1) Change 12: Reduced project delays related to legal consideration; (2) Change 13: Keeping administrative plans up-to-date would provide additional staffing information about prior disasters helping recipients to be in a better position to respond to and recover from emergencies and disasters; (3) Change 14: Increasing the impact documentation date by 30 days earlier in the process would provide benefits by helping to ensure applicants have adequate time to identify and report the impacts prior to the

start of the project benefitting both the applicant's recovery and FEMA's ability to assist with their recovery, and FEMA expects the submission deadlines for eligible work and costs documentation would set expectations early in the process and help timely closeout of projects benefitting FEMA, recipients, and disaster-impacted communities.

Pre-Statutory Baseline

In this section, FEMA examines the benefits against a pre-statutory baseline. FEMA has already-implemented Changes 1-11; they provide the following benefits: (1) Change 2: Expanded PA eligibility for the rescue, care, shelter, and essential needs of household pets and service animals provide additional assistance to recipients allowing them to more quickly address pet-related needs during and after a disaster; (2) Changes 1, 3, 6, 7, 8, and 10: The expanded definition of PNP to include rehabilitational facilities, community and performing arts facilities, broadcasting facilities, food banks, houses of worship, and center-based childcare facilities allows FEMA to consistently provide additional assistance to such PNPs, which enables them to recover more quickly from a disaster; (3) Change 4: CDL Program allows local governments to receive higher loans amounts if they suffered extreme losses due to a disaster, which assists local governments in recovering more quickly from extreme disaster losses; (4) Change 5: Debris Removal Pilot allows straight-time labor costs to be eligible for budgeted employees conducting debris removal activities, which increases the eligible supply of debris removal staff for PA projects and increases recipient flexibility for debris removal; (5) Change 9: Alternate Project Funding provides additional assistance consistent with standard project funding, which allows communities greater flexibility when deciding which project type benefits the communities more; and (6) Change 11: Codes and Standards requires the use of consensus-based codes that incorporate hazard-resistant design for repairs, which promotes resiliency and reduces risk of future repair and replacement of disaster damaged facilities funded by PA. Facilities restored to a code that includes hazard-resistant designs and criteria would experience fewer interruptions and less damage in the future enabling those facilities to continue to function during and after a disaster. The benefits from newly proposed Changes 12-14 would be reduced project delays related to legal consideration, keeping administrative plans up-to-date and providing additional staffing information, and increased clarity and adding more time early in the application process for impact documentation.

Transfer Payments

Transfer payments are monetary payments from one group to another that do not affect the total resources available to society.¹⁹ The grants FEMA provides to recipients through PA are considered transfer payments because these monetary payments from FEMA to recipients do not affect the total resources available to society. In this analysis, FEMA has analyzed the impact of this proposed rule on transfer payments.

No-Action Baseline

This rule will not result in any impacts to transfer payments under a no-action baseline.

Pre-Statutory Baseline

¹⁹ Office of Management and Budget, Circular A-4, Regulatory Analysis, September 17, 2003. Available at: <https://www.reginfo.gov/public/jsp/Utilities/a-4.pdf>.

In this section, FEMA examines the effects of the proposed changes on transfer payments, as measured against a pre-statutory baseline. FEMA has already implemented changes 1-11 and discusses their impacts on the transfers payments: Change 2 authorized assistance for the rescue, care, shelter, and essential needs of household pets and service animals; Changes 1, 3, 6, 7, 8, and 10 expanded PNP eligibility; Change 4: CDL Program; Change 5: Debris Removal Pilot; Change 9: Alternate Project Funding; and Change 11: Codes and Standards.

Change 2: In 2006, FEMA was authorized to provide assistance for the rescue, care, shelter, and essential needs of household pets and service animals. FEMA proposes to codify this change in regulation. Before this change, such assistance was not eligible under PA, and FEMA estimates the pre-statutory baseline at zero dollars. FEMA used data from EDW database from 2006 through 2019 to estimate the assistance FEMA provided for rescue, care, shelter, and essential needs of household pets and service animal related assistance during this time period. FEMA estimates an average of 8 awards per year for animal related essential assistance and an average award amount of \$73,808. In total, rescue, shelter, care, and essential needs of household pets and service animal related assistance increased from zero to an average of \$590,464 (8 projects × \$73,808) per year in PA funding from FEMA to recipients.

Changes 1, 3, 6, 7, 8, and 10: FEMA was authorized to expand PA grant funding eligibility for the following types of PNPs: rehabilitational facilities (in 1988), community and performing arts facilities (in 2007), broadcasting facilities (in 2015), food banks (in 2017), houses of worship (in 2017), and center-based childcare facilities (in 2017). FEMA proposes to codify these changes in regulation. To estimate the impacts of these changes measured against a pre-statutory baseline, FEMA used PNP project data from the EDW database for 2000-2019; however, impacts in many cases were estimated with fewer than 10-years of data due to different dates of implementation. FEMA estimates an average increase in transfer payments through PA funding from FEMA to PNP recipients of \$3,816,658 (rehabilitational facilities \$1,126,114 + community and performing arts \$224,514 + broadcasting \$344,235 + house of worships \$2,121,795) per year.

Change 9: In August 2017, the Disaster Recovery Reform Act (DRRA) amended the Stafford Act to remove the 90 percent (75 percent for PNPs) alternate project funding limit of the original project eligible Federal cost share amounts in.²⁰ FEMA proposes to codify these changes in regulation. Because this change was recently made and FEMA does not have 10 years of data with the change in effect, FEMA estimated the impact of this change against a pre-statutory baseline by using data pulled from EDW for PA alternate projects from 2010 to 2019 and recalculating obligations for alternate projects at the full eligible Federal cost share amounts. FEMA does not believe this change impacted the number of projects but rather just the funding source for those projects. Accordingly, FEMA estimates the average annual number of affected projects over this time period is 53. FEMA estimates that if this change had been in effect for the entire 2010 to 2019 period, the average annual obligations would have increased from \$349,196 to \$396,834 per project, and the average total obligation would have increased from \$18,507,388 (\$349,196 × 53 projects) to \$21,032,202 (\$396,834 × 53 projects) per year. FEMA estimates an increase of PA assistance from FEMA to PA recipients of \$2,524,814 (\$21,032,202 - \$18,507,388) per year for the removal of the alternate project funding limit.

²⁰ Fact Sheet. Disaster Recovery Reform Act Public Assistance Program Amendments. FEMA. Accessed at: https://www.fema.gov/sites/default/files/2020-07/fema_pa_disaster-recovery-reform-act_factsheet.pdf

Change 5: Debris Pilot relates to the implementation of alternative debris removal procedures through a pilot program starting on June 28, 2013. Before this pilot, FEMA would only reimburse for debris removal costs for overtime labor of recipient budgeted employees or debris removal costs for third-party contractors. The Debris Pilot allows FEMA to reimburse recipients for straight-time labor costs for budgeted employees to perform all or part of debris removal operations. FEMA used data from the EDW database for Debris Pilot projects and those choosing to opt out of the Pilot (non-Pilot projects) from 2013 through 2019 to estimate the baseline and impact of the pilot program. The Pilot project data includes straight-time labor cost projects and other contract projects to allow for comparison to the non-Pilot projects.²¹ This proposed codification for the eligibility of recipient's budgeted employee straight-time labor costs is directly related to the Debris Pilot for straight-time labor and would not impact the other contracts portion, such as overtime labor, of the Debris Pilot. During this period, the average number of Debris Pilot projects was 501 per year, and the average Federal obligation amount was \$445,721 per project equaling an annual Federal obligation amount of \$223,306,221 ($\$445,721 \times 501$ Debris Pilot projects) per year.

For non-Pilot projects during this period, the average number of projects per year was 514, and the average obligation amount was \$473,328. Based on this information, FEMA estimates that if the debris pilot had not been in place (the pre-statutory baseline) total assistance for the 501 debris projects that did participate in the pilot would have been \$237,137,328 ($\$473,328 \times 501$ Debris Pilot projects) per year over this time period. By using the non-Alternative Debris Removal project average obligation amount, FEMA converted the Debris Pilot Removal projects into non-Pilot project estimates.

Next FEMA isolated the Debris Pilot straight-time labor portion from the Debris Pilot other contract costs because this debris removal change would be specific to the straight-time labor portion of the Debris Pilot. , FEMA used the average straight-time labor costs project obligation from 2013-2019 of \$119,969,697 per year and the Pilot project total obligations of \$223,306,221 per year to estimate that 53.7 percent ($\$119,969,697 \div \$223,306,221$) of Debris Pilot obligations were for straight-time labor cost projects. Because the other 46.3 percent of debris pilot obligations were for overtime or contract costs, which were unaffected by this change, FEMA compares non-pilot to pilot costs for only the 53.7 percent of obligations affected by the rule. FEMA applied this percentage to non-pilot obligations to calculate the amount in obligations replaced by straight-time cost labor: \$127,342,745 ($\$237,137,328 \times 53.7$ percent) per year. FEMA considers this the baseline cost without the pilot. FEMA then took the difference between the average straight-time labor costs for pilot obligations of \$119,969,697 per year and the baseline estimate \$127,342,745 per year. FEMA estimated a transfer payment decrease of \$7,373,048 ($\$119,969,697 - \$127,342,745$) per year due to implementation of the Debris Pilot.

Change 11: DRRRA section 1235(b) defines the framework for consistent and appropriate implementation of consensus-based codes, specifications, and standards requirement for disaster-related repair, restoration, reconstruction, or replacement of buildings, roads and bridges, electric power, potable water, and wastewater projects. FEMA implemented this statutory change in 2019. Because this change was recently made and these types of projects can take years to

²¹ Straight-time labor cost is the wage rate for budgeted employees during the standard workday or work week.

complete, FEMA does not have 10 years of data with the change in effect. Therefore, FEMA estimated the impact of this change against a pre-statutory baseline by using data pulled from EDW from 2010 through 2018. During this time period, FEMA provided assistance for an average of 2,386 projects (PA categories: C – roads/bridges, E – buildings/equipment, F – utilities) per year.

FEMA used Building Codes Adoption Tracking (BCAT) Regional reports²² to identify projects in States with moderate to low hazard-resistant building code adoption rates. FEMA expects the consensus-based codes and standards requirement would impact projects in moderate to low hazard-resistant building code areas by applying more stringent requirements than the local codes and standards. Based on the BCAT reports, FEMA estimates the number of impacted projects from 2010 to 2018 was 1,313 projects per year and the average annual amount for these projects was \$819,485,316 (\$179,372,869 non-Federal share + \$640,112,447 Federal share) per year. FEMA estimated the average Federal cost share for PA project was 78 percent (\$640,112,447 Federal share ÷ \$819,485,316 total project amount). FEMA developed a project cost increase range of 1 percent to 10 percent based on input from subject matter experts and is in line with additional costs estimates of hazard-resistant building codes referenced in the 2020 Building Codes Saves: A Nationwide Study and 2019 Natural Hazard Mitigation Saves Report.²³ This range of additional costs reflects the unknown variations between local codes and/or standards used and the consensus-based codes and standard, and FEMA expects Change 11 would have limited impacts on projects costs due to FEMA’s policy referencing multiple industry consensus-based codes and standards that may be selected from to meet the requirement.²⁴ Accordingly, for the impacted 1,313 projects, FEMA estimated an increase in FEMA’s portion of the cost share (transfer payments) of between an additional \$6,391,985 ($\$819,485,316 \times 1 \text{ percent} \times 78 \text{ percent Federal share}$) and \$63,919,855 ($\$819,485,316 \times 10 \text{ percent} \times 78 \text{ percent Federal share}$) per year in PA project costs for the consensus-based codes and standards requirement. Due to the interim policy implementation in November 2019, little post-implementation data were available. For the primary estimate of this change under a pre-statutory baseline, FEMA selected the lower estimate of \$6,391,985 per year, due to the change aligning with commonly used industry building standards.

Change 4: In 2012, FEMA released guidance that implemented changes by the SAFE Port Act which increased the amount that communities may receive in a CDL; by allowing communities to receive up to 50 percent of their annual operating budgets if they suffered a loss of tax or other revenue equal to or greater than 75 percent of their annual operating budget in the fiscal year in

²² FEMA Building Code Adoption Tracking: Regions 1-10 Reports, 2023. A State or Territory is classified as moderate or lower resistance when less than 75 percent of jurisdictions have not adopted hazard-resistant building codes. Available at <https://www.fema.gov/emergency-managers/risk-management/building-science/bcat/fact-sheets>. Accessed May 2, 2023

²³ Building Codes Saves: A National Study, page 1-6, https://www.fema.gov/sites/default/files/2020-11/fema_building-codes-save_study.pdf. Accessed August 9, 2023. Additional reference, Natural Hazard Mitigation Saves: 2019 Report, page 70, 126, 143, Additional construction cost estimates for flooding 1.7 percent, hurricane 1 percent, and safe room wind 5 to 7 percent, respectively. <https://www.nibs.org/files/pdfs/NIBS MMC MitigationSaves 2019.pdf>. Accessed August 9, 2023.

²⁴ Appendix A: Consensus-Based Codes, Specifications and Standards, page 9-16. Accessed August 08, 2022. https://www.fema.gov/sites/default/files/2020-05/DRRA1235b_Consensus_BasedCodes_Specifications_and_Standards_for_Public_Assistance122019.pdf

which the disaster occurred, up to \$5,000,000.²⁵ FEMA proposes to codify this change in regulation. Prior to the 2012 guidance, loans administered through the CDL program were not to exceed 25 percent of the operating budget of the local government for the fiscal year in which the disaster occurred, not to exceed \$5,000,000.²⁶ FEMA used CDL program data to analyze the effects of this change against the pre-statutory baseline. CDL data was available from 2012 through 2019.²⁷ During this period, zero loans were issued above 25 percent of the local government's operating budget. It is rare for a community to lose revenues up to 75 percent of an operating budget following a disaster, and therefore, local governments would not often qualify for the higher loan amount. Additionally, the CDL program does not adjust the maximum loan amount of \$5,000,000 for inflation and as inflation increases prices and local government budgets each year the probability of a CDL issued above 25 percent declines with each year. Therefore, FEMA does not expect to issue a CDL loan above 25 percent of the local government's operating budget in the next 10 years.

Changes 7, 10, and 14 did not result in any additional transfer payments post implementation and FEMA does not expect additional transfer payments in the future, as measured against the pre-statutory baseline.

Change 7: Food Banks and Change 10: Center-Based Childcare Facilities, FEMA estimated that expanding eligibility to facilities that collect, store, and distribute food to food banks and Center-Based Childcare facilities did not result in any additional transfer payments post implementation and FEMA does not expect additional transfer payments in the future because there were zero PA awards for these PNPs. FEMA acknowledges that there may be PNPs that receive PA funding in the future. However, due to the limited sample size, FEMA was unable to estimate the number of these PNPs impacted by these changes over the next 10-year period.

Change 14: Work Documentation, FEMA does not expect these documentation changes to impact transfer payments. These changes move when FEMA requires documents from applicants but does not change whether an applicant is eligible to receive assistance. Additionally, FEMA expects all applicants to meet these new documentation submission requirements.

For the pre-statutory baseline, FEMA estimates the net 10-year undiscounted transfer payment from FEMA to applicants of the proposed rulemaking would be \$59,508,730. The total 10-year discounted transfer payments would be \$50,762,154 at a 3 percent discount rate and \$41,796,443 at a 7 percent discount rate with annualized transfer of \$5,950,873 at both 3 and 7 percent discount rates (See Table ES-7).

²⁵ Federal Emergency Management Agency. Public Assistance: The Community Disaster Loan (CDL) Implementation Process. Retrieved from https://www.fema.gov/sites/default/files/2020-03/community-disaster-loan-implementation-process_2-4-2019.pdf. Accessed on August 17, 2021.

²⁶ FEMA places the approved amount of funds into account for use by the local government, which can be drawn upon the loan at any point during the five-year loan period.

²⁷ There were zero CDLs issued in 2014.

Table ES-7. Summary of Pre-Statutory Baseline Transfer Payments, Future 10-Year Period (2019\$)

Year	FEMA to Recipient Transfers	Total Transfers Undiscounted	Annual Transfers Discounted at 3%	Annual Transfers Discounted at 7%
2020	\$5,950,873	\$5,950,873	\$5,777,547	\$5,561,564
2021	\$5,950,873	\$5,950,873	\$5,609,269	\$5,197,723
2022	\$5,950,873	\$5,950,873	\$5,445,892	\$4,857,685
2023	\$5,950,873	\$5,950,873	\$5,287,274	\$4,539,893
2024	\$5,950,873	\$5,950,873	\$5,133,275	\$4,242,890
2025	\$5,950,873	\$5,950,873	\$4,983,762	\$3,965,318
2026	\$5,950,873	\$5,950,873	\$4,838,604	\$3,705,905
2027	\$5,950,873	\$5,950,873	\$4,697,674	\$3,463,462
2028	\$5,950,873	\$5,950,873	\$4,560,849	\$3,236,881
2029	\$5,950,873	\$5,950,873	\$4,428,008	\$3,025,122
Total	\$59,508,730	\$59,508,730	\$50,762,154	\$41,796,443
Annualized			\$5,950,873	\$5,950,873

Table ES-8. Circular A-4 Accounting Statement, No-Action Baseline (2019\$)

Category	3 Percent Discount Rate	7 Percent Discount Rate	Source Citation
BENEFITS			
Annualized Monetized	N/A	N/A	RIA Section 10
Annualized quantified, but unmonetized benefits	N/A	N/A	
Qualitative (unquantified) benefits	<ul style="list-style-type: none"> Improving clarity and aligning FEMA regulations with statutory changes and current practices and procedures. Identifying legal considerations early in the application process would allow for more complete alternate project review. Increasing clarity and adding more time early in the application process for work documentation. Keeping administrative plans up-to-date and providing additional staffing information about prior disasters would help recipients be in a better position to respond to and recover from emergencies and disasters. 		
COSTS			
Annualized Monetized	\$29,457	\$30,792	RIA Section 9
Annualized quantified, but unmonetized, costs	N/A	N/A	
Qualitative (unquantified) costs	N/A		
TRANSFERS			
Annualized Monetized	\$0	\$0	RIA Section 11
From/To			
Category	Effects		Source Citation
Effects on State, local, and/or Tribal governments	<ul style="list-style-type: none"> Establishing additional requirements for Administrative Plans, alternate project legal consideration identification, and application work documentation. 		RIA
Effects on small businesses	<ul style="list-style-type: none"> Codifying the Expansion of Federal assistance to specific types of facilities does not impact the number of small entities to receive aid from FEMA. In an average year, FEMA approves 28,721 PA projects and of those, FEMA estimated small entities to account for 19,818 projects. 		Regulatory Flexibility Act
Effects on wages	None		N/A
Effects on growth	None		N/A

Table ES-9. Circular A-4 Accounting Statement, Pre-Statutory Baseline (2019\$), 2000-2029

Category	3 Percent Discount Rate	7 Percent Discount Rate	Source Citation
<i>BENEFITS</i>			
Annualized Monetized	N/A	N/A	RIA Section 10
Annualized quantified, but unmonetized benefits	N/A	N/A	
Qualitative (unquantified) benefits	<ul style="list-style-type: none"> Expanding PA eligibility for certain types of PNPs allowing FEMA to consistently provide additional assistance to such PNPs to allow them to recover more quickly from disaster-damage. Increasing recipient flexibility when determining whether the community would benefit more from facility restoration or an alternate project. Increasing flexibility for debris removal projects by allowing FEMA to reimburse base and overtime wages for the employees of State, Tribal, or local governments. Improving clarity and aligning FEMA regulations with statutory changes and current practices and procedures. Promoting resiliency and reduces future damage risk of repaired facilities with consensus-based codes and standards requirement for PA funded projects. Identifying legal considerations early in the application process would allow for more complete alternate project review. Increasing clarity and adding more time early in the application process for work documentation. Keeping administrative plans up-to-date and providing additional staffing information about prior disasters would help recipients be in a better position to respond to and recover from emergencies and disasters. 		
<i>COSTS</i>			
Annualized Monetized	\$2,021,806	\$1,233,307	RIA Section 9
Annualized quantified, but unmonetized, costs	N/A	N/A	
Qualitative (unquantified) costs	N/A		
<i>TRANSFERS</i>			
Annualized Monetized	\$739,294	-\$139,749	RIA Section 11
From/To	Increasing transfers from FEMA to PA recipients when discounted at 3 percent.		
Category	Effects		Source Citation
Effects on State, local, and/or Tribal governments	<ul style="list-style-type: none"> Increasing PA eligibility of private non-profit organizations, more flexibility with alternate projects and debris removal projects, and additional requirements for Administrative Plan should better position communities for emergencies and disasters. 		RIA

	<ul style="list-style-type: none"> Establishing additional requirements for Administrative Plans, alternate project legal consideration identification, and application work documentation. 	
Effects on small businesses	<ul style="list-style-type: none"> Expanding Federal assistance through increasing the types of facilities eligible for PA increases the opportunity for small entities to receive aid from FEMA. In an average year, FEMA approves 28,721 PA projects and of those, FEMA estimated small entities to account for 19,818 projects. 	Regulatory Flexibility Act
Effects on wages	None	N/A
Effects on growth	None	N/A

1. INTRODUCTION

FEMA proposes to revise the regulations for its PA and CDL programs to reflect current statutory authorities and implement program improvements. This proposed rule would incorporate into regulation changes made to the Stafford Act relating to PA and CDL programs. FEMA is also proposing clarifications and minor changes to improve the efficiency and consistency of the programs.

This Regulatory Impact Analysis (RIA) provides a preliminary assessment of the potential impacts from the changes to PA and CDL programs in the Notice of Proposed Rulemaking (NPRM). This analysis does not attempt to exactly replicate the regulatory language of the proposed rule or any other supporting documentation; the regulatory text, not the text of this analysis, would be legally binding. FEMA urges the reader to review the NPRM in addition to reviewing this analysis. FEMA considers all estimates and analysis in this RIA to be preliminary and subject to change in consideration of public comments.

2. NEED FOR REGULATION

In accordance with Executive Orders 12866, 13563, 14094, and Office of Management and Budget (OMB) Circular A-4, an agency must identify the problem that it intends to address through regulatory action. The action may be taken to address a significant market failure, including negative externalities, market power, moral hazard, or inadequate or asymmetric information, or to meet some other compelling public need.

The Stafford Act authorizes the President to provide Federal assistance when the severity and magnitude of an incident or threatened incident, exceeds the affected State, Territorial, Indian Tribal, and local government's capabilities to effectively respond or recover. If the President declares an emergency or major disaster authorizing the PA program, FEMA may award PA grants to assist State, local, Tribal and Territorial governments and certain private nonprofit (PNP) organizations so communities can quickly respond to and recover from the major disaster or emergency.

The PA program provides a broad range of assistance. It provides assistance for emergency protective measures, such as emergency evacuation, sheltering, and debris removal, as well as financial assistance for the permanent restoration of facilities. In addition, the Stafford Act authorizes Community Disaster Loans (CDL) for any local or Tribal government that has suffered a substantial loss of tax and other revenues as a result of a major disaster, and that demonstrates a need for financial assistance to perform its governmental functions.

Several Federal statutes have amended sections of the Stafford Act relating to PA and CDL. These include the Post-Katrina Emergency Management Reform Act of 2006 (PKEMRA), Pub. L. 109-295, 120 Stat. 1394, the Security and Accountability for Every Port Act of 2006 (SAFE Port Act), Pub. L. 109-347, 120 Stat. 1884, the Pets Evacuation and Transportation Standards Act of 2006 (PETS Act), Pub. L. 109-308, 120 Stat. 1725, the Sandy Recovery Improvement Act of 2013 (SRIA), Pub. L. 113-2, 127 Stat. 39, the Emergency Information Improvement Act of 2015, Pub. L. 114-111, 129 Stat. 2240, the Bipartisan Budget Act of 2018, Pub. L. 115-123, 132

Stat. 64, and the FAA Reauthorization Act of 2018, Division D, Disaster Recovery Reform Act of 2018 (DRRA), Pub. L. 115-254, 132 Stat. 3438.

In the NPRM, FEMA proposes to amend its PA and CDL program regulations to incorporate certain statutory changes and to improve program administration.

1. PKEMRA
 - a. Amend section 206.221 to include performing arts facilities and community arts facilities as eligible PNP facilities.
 - b. Amend section 206.225 to cover essential assistance for the rescue, care, shelter and essential needs of household pets and service animals, including assistance animals.
 - c. Amend section 206.226(c)(1) (proposed section 206.226(i)(1)) to include education in the list of critical services that qualify PNPs to apply for PA without having first applied for an SBA loan.
2. SRIA
 - a. Amend 206.228, “Allowable costs,” to incorporate the PA Alternative Procedures Pilot for Debris Removal (Stafford Act, sec. 428) (making straight-time labor costs eligible for budgeted employees conducting eligible debris removal activities).
3. Bipartisan Budget Act of 2018
 - a. Amend definition of “private nonprofit facility” in section 206.221 to include Houses of Worship (HOW) and change the term “essential governmental service facilities” to “essential social services facilities.”
4. DRRA
 - a. Revise proposed sections 206.204(b)(4) and 206.226 to eliminate funding reductions for alternate projects.
 - b. Amend definition of “private nonprofit facility” in section 206.221 to include “center-based childcare” facilities.
 - c. Amend definition of “essential social service facility” in section 206.221 to include food banks.
 - d. Amend section 206.226(d) (proposed section 206.226(c)) to incorporate the requirement to use the latest codes and standards.
 - e. Amend section 206.221 to reflect current Stafford Act definitions, which include rehabilitational facilities and broadcast facilities.
5. SAFE Port Act
 - a. Amend subpart K, “Community Disaster Loans,” to reflect the current statutory loan maximums.
6. Additional Update
 - a. Amend section 206.221 to reflect current Stafford Act definitions, which include rehabilitational facilities and broadcast facilities.

When promulgating new or revised regulations, it is necessary to consider whether the regulation should be issued at the Federal level or at the State and/or local level. As this rule revises regulations that pertain to a federally run program, action at the Federal level is necessary. Additionally, Congress has tasked FEMA with the implementation of the statutorily mandated changes included in this proposed rule.

The changes for PA and CDL programs align current practices and provide clarifications to the regulatory text. These changes serve to improve the efficiency and consistency of these programs and help communities quickly respond to and recover from major disasters and emergencies.

3. PROGRAM BACKGROUND

The Stafford Act authorizes the President to declare an emergency or major disaster to provide financial and physical assistance by FEMA to an applicant when the magnitude of an incident or threatened incident exceeds a State's capabilities to respond or recover. Federal, State, Territorial, Tribal, and local governments, as well as certain private nonprofit (PNP) organization officials work together to estimate and document the impact and magnitude of the incident. The Governor or Indian Tribal Chief Executive requests a declaration from the President through the FEMA regional office. FEMA is proposing to revise its PA and CDL program regulations to reflect current statutory authorities and implement program improvements.

There are two types of declarations provided for in the Stafford Act: emergency declarations and major disaster declarations.²⁸ An emergency declaration can be declared for any occasion or instance when the President determines Federal assistance is needed. Emergency Declarations supplement State and local efforts in providing emergency services, such as the protection of lives, property, public health, and safety, or to lessen or avert the threat of a catastrophe in any part of the United States. A major disaster declaration is when any natural event occurs, such as hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought, or, regardless of cause, fire, flood, or explosion, that the President believes has caused damage of such severity that it is beyond the combined capabilities of State and local governments to respond. A major disaster declaration provides a wide range of Federal assistance programs for individuals and public infrastructure, including funds for both emergency and permanent work.²⁹

Through the PA program, FEMA provides supplemental Federal grant assistance for debris removal, emergency protective measures, and the restoration of disaster-damaged, publicly owned facilities and specific facilities of certain PNP organizations. The PA program also encourages protection of these damaged facilities from future incidents by providing assistance for hazard mitigation measures. FEMA provides this assistance based on authority in statutes, executive orders (EOs), regulations, and policies.

If an emergency or major disaster is declared, FEMA may award PA grants to assist State, Tribal, Territory, local governments and eligible PNP organizations as defined in subpart H of 44 CFR part 206 (collectively referred to as "recipient" or "subrecipient"). A recipient is a State, Territorial or Tribal government that is responsible for administering PA grants and a subrecipient is an eligible applicant that receives a PA grant as reimbursement for performing

²⁸ Federal Emergency Management Agency. How a Disaster Gets Declared. Retrieved from <https://edit.fema.gov/disasters/how-declared>. Accessed September 16, 2020.

²⁹ Federal Emergency Management Agency. Disaster Declaration Process. Fact Sheet. Retrieved from https://www.fema.gov/pdf/media/factsheets/dad_disaster_declaration.pdf. Accessed February 10, 2021.

eligible disaster work. These grants support the recipient's response and recovery efforts. Specifically, the PA program provides assistance for emergency work (debris removal and emergency protective measures) and permanent work (restoration of infrastructure).³⁰

Recipients or subrecipients may use PA funds to restore the pre-disaster design and function of the facility, or they may pursue an improved or alternate project. An improved project is a project that restores the pre-disaster function, to at least the same capacity as before, but also incorporates improvements or changes to its pre-disaster design.³¹ An alternate project uses the awarded funds for a project for a different facility (or facilities) that benefits the same community. These projects occur when the applicant determines the public welfare would not be best served by restoring a damaged facility or its function.³² For improved projects, FEMA caps the amount of funding at either the estimated amount to restore the damaged facility to its pre-disaster design or the Federal share of the actual cost of completing the project, whichever is less.³³

Recipients and subrecipients document the projects they undertake in a Project Worksheet (PW).³⁴ PWs include a detailed description of the disaster-related damage and dimensions, the project's scope of work (SOW), and associated costs. If the project involves multiple locations, FEMA or the applicant may use site sheets to differentiate damage, work, and costs by site within the PW.³⁵

4. SUMMARY OF REGULATORY CHANGE

FEMA proposes to revise its regulations governing the PA and CDL programs to reflect current statutory authorities and implement program improvements. FEMA previously implemented many of the changes, limiting the practical effects of this rule. The primary purpose of this rule is to codify these changes to improve efficiency and consistency of information for the programs.

Additionally, FEMA proposes new changes to identify alternate project legal considerations, to update State and Tribal administrative plans by requiring an outline for timely project closeout and a post-disaster update to the plans, and to include submission dates for work documentation.

FEMA addresses the substantive changes in this analysis and presents how they affect costs, benefits, and transfer payments. The remaining changes are non-substantive, meaning they are

³⁰ Federal Emergency Management Agency (2020). Public Assistance Program and Policy Guide, version 4, Effective June 1, 2020 (Report No. 104-009-2). Retrieved from https://www.fema.gov/sites/default/files/documents/fema_pappg-v4-updated-links_policy_6-1-2020.pdf. Accessed on August 21, 2021.

³¹ 44 CFR § 206.203(d)(1)

³² 44 CFR § 206.203(d)(2)

³³ Federal Emergency Management Agency (2020). Public Assistance Program and Policy Guide, version 4, Effective June 1, 2020 (Report No. 104-009-2), page 164. Retrieved from https://www.fema.gov/sites/default/files/documents/fema_pappg-v4-updated-links_policy_6-1-2020.pdf. Accessed on August 17, 2021.

³⁴ In the future, Project Worksheets will be renamed Project Applications.

³⁵ Federal Emergency Management Agency. FEMA Price Worksheet form. Retrieved from https://www.fema.gov/sites/default/files/2020-06/fema-public-assistance-project-worksheet_form009-0-91_06-2020.pdf. Accessed on August 17, 2021.

technical or include definitional updates and other changes that modernize and standardize regulations, reduce redundancy, or increase readability. The non-substantive changes do not have an economic impact, and FEMA included them in a detailed marginal analysis table in Appendix A that summarizes all changes listed in the NPRM and the related impacts.

The proposed rule would affect all applicants that are eligible to request a Federal major disaster or emergency declared by the President authorizing PA. Eligible applicants for PA include 56 State and Territorial governments, 574 Federally recognized Indian Tribal governments,³⁶ local governments, and certain PNPs. A disaster declaration request is done at the State level, but the applicants fill out the forms for PA eligibility and to receive funding once PA funding is made available through a declaration.

5. METHODOLOGY AND ASSUMPTIONS

This RIA analyzes the impacts of the proposed rule, which would revise 44 C.F.R. Part 206 Definitions, Subpart A General, Part 206 Subpart G Public Assistance Project Administration; Part 206 Subpart H Public Assistance Eligibility; Part 206 Subpart K Community Disaster Loans.

5.1 Methodology

This economic analysis adheres to methodologies consistent with the guidelines in; Executive Order 12866, “Regulatory Planning and Review” and amendments;³⁷ Executive Order 13563, “Improving Regulation and Regulatory Review;”³⁸ and the Office of Management and Budget’s (OMB) Circular A-4 on Regulatory Analysis.³⁹

Due to the nature of disasters, FEMA cannot predict or accurately forecast disasters over a 10-year period. FEMA also can neither predict which programs would be authorized for future disasters nor how much funding would be obligated. Because of this, FEMA conducted a 10-year retrospective analysis of PA project data from 2010-2019 to estimate how the proposed changes would impact the costs, benefits, and transfers of major disaster declarations over a 10-year period. FEMA recognizes a future 10-year period could vary from the 2010-2019 period. However, this is the best estimate given the data available and the unpredictability of the number, size, and cost of future PA project obligations.

Although FEMA applied a 10-year retrospective analysis to each change, the availability of data and pre-regulation implementation, in many cases, resulted in fewer than 10-years of data being used to estimate impacts. Additionally, in a few cases FEMA used more than 10-years of data to

³⁶ List of the 574 Tribal entities is available at <https://www.federalregister.gov/documents/2023/01/12/2023-00504/indian-entities-recognized-by-and-eligible-to-receive-services-from-the-united-states-bureau-of>, January 12, 2023.

³⁷ Federal Register. Executive Order 12866 of September 30, 1993: Regulatory Planning and Review. Retrieved from https://www.reginfo.gov/public/jsp/Utilities/EO_12866.pdf. Accessed on September 17, 2020.

³⁸ Federal Register. Executive Order 13565 of January 18, 2011: Improving Regulation and Regulatory Review. Retrieved from https://www.reginfo.gov/public/jsp/Utilities/EO_13563.pdf. Accessed on September 17, 2020

³⁹ Federal Register. Circular A-4: Regulatory Analysis. Retrieved from <https://www.federalregister.gov/documents/2003/10/09/03-25606/circular-a-4-regulatory-analysis>. Accessed on September 17, 2020

estimate impacts. To provide the most accurate estimates possible, FEMA customized the analysis period for each change based on the available data. This is described in more detail in the analysis of each change.

Throughout the RIA, FEMA refers to using the Federal share obligated amounts to estimate the impacts of the proposed rule. The Federal share obligated is the amount of funding provided to recipients and is the amount FEMA used to estimate the funding transfer payments in the RIA.

After a Presidential declaration has been made, FEMA will publish in the Federal Register the President's decision on which areas are eligible for assistance and the types of assistance available. PA awards are typically subject to a Federal cost share where the recipient is responsible for covering a percentage of the project cost. The Federal cost share will typically be 75 percent of the eligible costs and may be more, depending on the severity of the disaster or emergency. All applicants, including PNP organizations, are subject to the cost share outlined in the FEMA-State Agreement. This cost sharing applies to all eligible work.

FEMA identified PNP PA Federal funding obligations from 2000-2019 using Enterprise Data Warehouse (EDW), FEMA's PA database. EDW provides data and reporting services to all FEMA employees and contractors. The PA data stored in EDW includes applicant name, applicant address, associated disaster declaration number (as assigned by FEMA), total project amount, Federal share amount obligated to the applicant, scope of work, and other information necessary for the administration of the PA program.

5.2 Assumptions

FEMA used the following key assumptions in this analysis.

5.2.1 Time Value of Money Assumption

This analysis calculated the Present Value (PV) of cost and transfer flows. PV calculations permit comparisons of cost and benefit streams that involve different time paths. FEMA used the following formula to calculate these flows: $\frac{1}{(1+r)^t}$, where "r" is the discount rate, and "t" is the number of years in the future that the benefits or costs are expected to occur. Per OMB Circular A-4, FEMA uses real discount rates of three percent and seven percent to discount benefits and costs measured in constant dollars. These figures estimate the value of future benefits and costs adjusted for differences in their timing.

5.2.2 Consumer Price Index

FEMA uses the BLS Consumer Price Index (CPI) for all Urban Consumers⁴⁰ to adjust all obligation amount dollars occurring from 2000-2019 to 2019 dollars. The conversion factors used can be found in the following table.

⁴⁰ Bureau of Labor Statistics. Consumer Price Index for All Urban Consumers; CUUR0000SA0, All items in U.S. city average, all urban consumers, not seasonally adjusted, annual averages. Retrieved from https://data.bls.gov/timeseries/CUUR0000SA0&years_option=specific_years&from_year=2000&to_year=2019&periods_option=specific_periods&periods=M13&annualAveragesRequested=true. Accessed on September 17, 2020

Table 5-1. CPI Conversion Table to 2019 Dollars

Year	Annual Average CPI	(2019 CPI ÷ Year CPI) Conversion Factor
2000	172.2	1.48
2001	177.1	1.44
2002	179.9	1.42
2003	184	1.39
2004	188.9	1.35
2005	195.3	1.31
2006	201.6	1.27
2007	207.342	1.23
2008	215.303	1.19
2009	214.537	1.19
2010	218.056	1.17
2011	224.939	1.14
2012	229.594	1.11
2013	232.957	1.10
2014	236.736	1.08
2015	237.017	1.08
2016	240.007	1.07
2017	245.120	1.04
2018	251.107	1.02
2019	255.657	1.00

5.2.3 Wages

FEMA assumes the equivalent of a managerial position in State or local government would prepare Administrative Plans, PWs, and other FEMA forms. According to the U.S. BLS May 2019, OES, the average hourly wage is \$33.81 for Emergency Management Directors within the state government.⁴¹ FEMA determined the fully-loaded wage rate for Emergency Management Directors to be \$54.10 (\$33.81 hourly mean wage for Emergency Management Directors × 1.6 wage rate multiplier).⁴²

The unloaded wage rate does not account for costs to the employer for benefits, such as paid leave, health insurance, retirement, and other benefits. Fully-loaded wage rates include other benefits. FEMA uses a factor of 1.6 to calculate fully-loaded wage rates for state and local

⁴¹ Bureau of Labor Statistics. Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. Retrieved from https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Accessed on July 2020.

⁴² Fully loaded wage rates include other benefits, we are using a factor of 1.6 to calculate fully loaded wage rates. The unloaded wage rate does not account for costs to the employer for benefits, such as paid leave, health insurance, retirement, and other benefits. Bureau of Labor Statistics. Employer Costs for Employee Compensation, Table 1. “Employer costs For Employee Compensation by ownership,” March 2019. Retrieved from http://www.bls.gov/news.release/archives/ecec_06182019.pdf. Accessed on July 17, 2020.

The wage multiplier is calculated by dividing total compensation for State and local government workers of \$50.89 by Wages and salaries for State and local government workers of \$31.75 per hour yielding a benefits multiplier of approximately 1.6 (\$50.89 ÷ \$31.75).

government employees. For all other employees, FEMA uses a factor of 1.46 to calculate fully-loaded wage rates.⁴³

6. BASELINE

To properly evaluate the benefits, costs, and transfers of regulations, agencies must evaluate them against a baseline. FEMA implemented many of these changes through policy guidance and now FEMA proposes to codify those changes in this rule. Following OMB Circular A-4 guidance, FEMA assessed the impacts of this rule against a no-action and a pre-statutory baseline. A pre-statutory baseline is what the world would be like if the relevant statutory changes had not been made or adopted through guidance. Accordingly, measuring the proposed rule against a pre-statutory baseline shows the effects of the proposed rule as compared to FEMA practice prior to enactment of the enabling statute (i.e., as if FEMA had not already implemented the changes through the PA Guidance). A no-action baseline is an assessment of the way the world would look absent the proposed action. Accordingly, measuring the proposed rule against a no-action baseline shows the effects of the proposed rule as compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA’s current practice, but not the current regulations).

7. NO-ACTION ANALYSIS

In this section, FEMA analyzes the impacts of each of the proposed changes against the no-action baseline, or what the world would look like absent this regulation.

7.1 No-Action Baseline Rehabilitational Facilities

The term rehabilitational facility has been in section 102 of the Stafford Act since 1988 but FEMA inadvertently omitted the term from the PA regulations. FEMA has been providing PA for rehabilitational facilities since then and FEMA proposes to add rehabilitational facilities to the definition of PNP facilities to codify the change. Before 1988, such facilities were ineligible to receive PA funding.

FEMA estimated a no-action baseline for rehabilitational PNP facilities to show the effects of the proposed codification compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA’s current practice, but not the current regulations). FEMA used EDW data from 2000 to 2019 to estimate PA funding for rehabilitational PNPs.⁴⁴ On average 22 rehabilitational facilities received PA funding per year and the average PA funding per project

⁴³ Bureau of Labor Statistics. Employer Costs for Employee Compensation, Table 1. “Employer costs For Employee Compensation by ownership,” March 2019. Retrieved from http://www.bls.gov/news.release/archives/ecec_06182019.pdf. Accessed on November 9, 2022.

The wage multiplier is calculated by dividing total compensation for civilian workers of \$36.77 by Wages and salaries for civilian workers of \$25.22 per hour yielding a benefits multiplier of approximately 1.46 ($\$36.77 \div \25.22). Fully-loaded wage rates include other benefits. FEMA is using a factor of 1.46 to calculate fully-loaded wage rates. The unloaded wage rate does not account for costs to the employer for benefits, such as paid leave, health insurance, retirement, and other benefits.

⁴⁴ PNP data for Rehabilitation facilities was available back to 2000 and FEMA used this 20-year period from 2000 to 2019 to analyze the change.

was \$51,187. In total, rehabilitational facilities received \$1,126,114 (22 projects × \$51,187) per year in PA funding from FEMA.

7.1.1 Costs- Rehabilitational Facilities

7.1.1.1 Costs for Recipients

To estimate the current cost burden for recipients to receive PA for rehabilitational facilities, FEMA based the average number of PA projects for rehabilitational PNP facilities (22 projects) on burden estimate information for FEMA forms specific to project worksheets obtained from the PA ICR 1660-0017.⁴⁵ For analysis purposes, FEMA identified eight forms that a PNP rehabilitational facility would be required to complete, noted in the following table. FEMA estimated the average burden for completion of these eight forms (one additional project) at 8.8333 hours. See Table 7-1.

Table 7-1. Information Collection Forms and Burden Hours Estimate for ICR 1660-0017

Form Name / Form No.	Avg. Burden per Response (in hours)
FEMA Form 009-0-91, Project Worksheet (PW) and a Request for Time Extension	1.5000
FEMA Form 009-0-91A Project Work Sheet (PW) Damage Description and Scope of Work	1.5000
FEMA Form 009-0-91B, Project Worksheet (PW) Cost Estimate Continuation Sheet and Request for additional funding for Cost Overruns	1.3333
FEMA Form 009-0-91C Project Worksheet (PW) Maps and Sketches Sheet	1.5000
FEMA Form 009-0-91D Project Worksheet (PW) Photo Sheet	1.5000
FEMA Form 009-0-120, Special Considerations Questions	0.5000
FEMA Form 009-0-128, Applicant's Benefits Calculation Worksheet	0.5000
FEMA Form 009-0-121, PNP Facility Questionnaire	0.5000
Sum of Avg. Burden Hours	8.8333

According to the U.S. BLS May 2019, OES, the average hourly wage is \$33.81 for Emergency Management Directors within the state government.⁴⁶ FEMA determined the fully-loaded wage rate for Emergency Management Directors to be \$54.10 (\$33.81 hourly mean wage for Emergency Management Directors × 1.6 wage rate multiplier). FEMA estimated recipient burden cost at \$478 (8.8333 average burden hours × \$54.10 for fully-loaded wage for Emergency Management Directors) per PNP project.

FEMA estimated a no-action baseline for recipient costs using an average of 22 rehabilitational PNP facilities projects per year and the average burden cost per project of \$478 to equal recipient

⁴⁵ See Information Collection Request 202208-1660-001, https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202208-1660-001. Accessed February 24, 2023

⁴⁶ Bureau of Labor Statistics. Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. Retrieved from https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Accessed July 2020.

costs at \$10,516 (22 projects × \$478 estimated recipient burden cost) per year. In other words, this is the average annual cost to recipients to apply for PA for rehabilitational facilities.

Because FEMA is already providing PA assistance to rehabilitational facilities and FEMA is proposing to codify in regulation this current practice without change, FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.1.1.2 Costs for Government

To estimate current costs to FEMA for providing assistance to rehabilitational facilities, FEMA used information in PA ICR 1660-0017, specifically the number of forms with responses and FEMA staff resources reviewing forms, and 2019 salary data for the Office of Personnel Management (OPM). The number of PA form responses averaged 398,068 per year (ICR 1660-0017, Item 12.c.) and staff resources per year were 12 employees (GS-12, Step 5) spending 50 percent of their time (ICR 1660-0017, Item 14).

According to OPM, the salary for a GS-12 Step 5 in 2019 in Washington-Baltimore-Arlington, DC-MD-VA-WV-PA was \$94,520.⁴⁷ The fully-load GS-12 Step 5 salary equals \$137,999 ($\$94,520 \times 1.46$ wage multiplier). FEMA estimated staff resource costs for 12 GS-12 employees, who spend 50 percent of their time reviewing forms submitted under ICR 1660-0017, at \$827,994 (12 Federal employees × \$137,999 × 50 percent of time) per year. FEMA then estimated the staff resource cost per form reviewed by dividing the staff resource costs by the number of forms responses for ICR 1660-0017, equaling \$2.08 per form ($\$827,994 \div 398,068$ forms). FEMA multiplied the staff resource cost per form of \$2.08 by eight forms to account for the number of forms that an additional project for a PNP would typically require resulting in a FEMA cost estimate of \$17 ($\2.08×8 forms) per PNP project.

FEMA estimated a no-action baseline for FEMA costs using an average of 22 rehabilitational PNP facilities projects per year and the average burden cost per project of \$17 to equal FEMA costs at \$374 (22 projects × \$17) per year. In other words, this is the average annual cost to FEMA for providing assistance to rehabilitational facilities.

Because FEMA is already providing PA assistance to recreational facilities and FEMA is proposing to codify in regulation this current practice without change, FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.1.1.3 Total Costs

For rehabilitational PNP facilities, FEMA estimated a no-action baseline of current costs at \$10,890 (\$10,516 recipient + \$374 government) per year. FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.1.2 Transfer Payments- Rehabilitational Facilities

FEMA used EDW data from 2000 to 2019 to estimate PA funding for rehabilitational PNP facilities under the no-action baseline. On average 22 rehabilitational facilities received PA

⁴⁷ Office of Personnel Management. Salary Table 2019- DCB. Available at: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/DCB.pdf>. Last accessed on January 3, 2023.

funding per year and the average PA funding per project was \$51,187. In total, rehabilitational facilities received \$1,126,114 (22 projects × \$51,187) per year in PA funding from FEMA.

FEMA estimated a no-action baseline for transfer payments from FEMA to rehabilitational PNP facilities at 22 facilities receiving a total of \$1,126,114 in PA funding per year. In other words, this is the average annual amount in assistance that FEMA currently provides.

Because FEMA is already providing PA assistance to recreational facilities and FEMA is proposing to codify in regulation this current practice without change, FEMA does not expect the codification of this prior change to impact future transfer payments to rehabilitational PNP facilities.

7.1.3 Benefits- Rehabilitational Facilities

FEMA's codification in the CFR of adding rehabilitational facilities to the PNP eligible critical services list would improve clarity and align FEMA regulations with statutory changes and current practices. Although not quantified, this change would result in users better understanding the PA program. Such increased clarity and understanding would improve the efficiency and consistency of FEMA's PA program.

7.2 No-Action Baseline Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals

FEMA implemented Section 689(b) of PKEMRA and Section 4 of the PETS Act to include the rescue, shelter, care, and essential needs of household pets and service animals as an essential service eligible for PA via guidance in 2006. Before this change, such assistance was not eligible under PA. FEMA is proposing to codify this change.

FEMA estimated the impacts of the change to the rescue, shelter, care, and essential needs of household pets and service animals against the no-action baseline to show the effects of the proposed codification compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA's current practice, but not the current regulations). FEMA used data from EDW between 2006 and 2019. Eight recipients received PA for animal related essential assistance on average per year and they each received an average of \$73,808 in PA per year. In total, rescue, shelter, care, and essential needs of household pets and service animal related recipients received \$590,464 (8 awards × \$73,808) per year in PA funding from FEMA.

7.2.1 Costs- Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals

7.2.1.1 Costs for Recipients

To estimate the current cost burden for recipients to receive animal related essential PA, FEMA based the average number of PA awards for the rescue, care, shelter, and essential needs of household pets and service animals (8 awards) on burden estimate information for FEMA forms specific to project worksheets obtained from the PA ICR 1660-0017. For analysis purposes, FEMA identified six forms that recipients would be required to complete for an assistance request for rescue, care, shelter, and essential needs of household pets and service animal, listed below. FEMA estimated the average burden for completion of these six forms (one additional request) at 7.8333 hours. See Table 7-2.

Table 7-2. Information Collection Forms and Burden Hours Estimate for ICR 1660-0017

Form Name / Form No.	Avg. Burden per Response (in hours)
FEMA Form 009-0-91, Project Worksheet (PW) and a Request for Time Extension	1.5000
FEMA Form 009-0-91A Project Work Sheet (PW) Damage Description and Scope of Work	1.5000
FEMA Form 009-0-91B, Project Worksheet (PW) Cost Estimate Continuation Sheet and Request for additional funding for Cost Overruns	1.3333
FEMA Form 009-0-91C Project Worksheet (PW) Maps and Sketches Sheet	1.5000
FEMA Form 009-0-91D Project Worksheet (PW) Photo Sheet	1.5000
FEMA Form 009-0-128, Applicant's Benefits Calculation Worksheet	0.5000
Sum of Avg. Burden Hours	7.8333

According to the U.S. BLS May 2019, OES, the average hourly wage is \$33.81 for Emergency Management Directors within the state government.⁴⁸ FEMA determined the fully-loaded wage rate for Emergency Management Directors to be \$54.10 (\$33.81 hourly mean wage for Emergency Management Directors × 1.6 wage rate multiplier). FEMA estimated recipient burden cost at \$424 (7.8333 average burden hours × \$54.10 for fully-loaded wage for Emergency Management Directors) per recipient award.

FEMA estimated a no-action baseline for recipient costs using an average of 8 awards per year for the rescue, care, shelter, and essential needs of household pets and service animals and the average burden cost per awards of \$424 to equal recipient costs at \$3,392 (8 award × \$424 estimated recipient burden cost) per year. In other words, this is the average annual cost to recipients to apply for PA.

Because FEMA is already providing PA assistance for the rescue, care, shelter, and essential needs of household pets and service animals and FEMA is proposing to codify in regulation this current practice without change, FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.2.1.2 Costs for Government

To estimate current costs to FEMA for providing assistance for the rescue, care, shelter, and essential needs of household pets and service animals, FEMA used information in PA ICR 1660-0017, specifically the number of forms with responses and FEMA staff resources reviewing forms, and 2019 salary data from OPM. The number of PA form responses averaged 398,068 per year (ICR 1660-0017, Item 12.c.) and staff resources per year were 12 employees (GS-12, Step 5) spending 50 percent of their time (ICR 1660-0017, Item 14).

⁴⁸ Bureau of Labor Statistics. Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. Retrieved from https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Accessed July 2020.

According to OPM, the salary for a GS-12 Step 5 in 2019 in Washington- Baltimore- Arlington, DC-MD-VA-WV-PA was \$94,520.⁴⁹ The fully-load GS-12 Step 5 salary equals \$137,999 ($\$94,520 \times 1.46$ wage multiplier). FEMA estimated staff resource costs for 12 GS-12 employees, who spend 50 percent of their time reviewing forms submitted under ICR 1660-0017, at \$827,994 (12 Federal employees \times \$137,999 \times 50 percent of time) per year. FEMA then estimated the staff resource cost per form reviewed by dividing the staff resource costs by the number of forms responses for ICR 1660-0017, equaling \$2.08 per form ($\$827,994 \div 398,068$ forms). FEMA multiplied the staff resource cost per form of \$2.08 by six forms to account for the number of forms that an additional animal related essential assistance award would typically require resulting in a FEMA cost estimate of \$13 ($\2.08×6 forms).

FEMA estimated a no-action baseline for FEMA costs using an average of 8 rescue, care, shelter, and essential needs of household pets and service animal related essential assistance awards per year and the average burden cost per awards of \$13 to equal FEMA costs at \$104 (8 awards \times \$13) per year. In other words, this is the average annual cost to FEMA for providing such assistance.

Because FEMA is already providing PA assistance for the rescue, care, shelter, and essential needs of household pets and service animals and FEMA is proposing to codify in regulation this current practice without change, FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.2.1.3 Total Costs

For rescue, care, shelter, and essential needs of household pets and service animal related essential assistance awards, FEMA estimated a no-action baseline of current costs at \$3,496 ($\$3,392$ recipient + \$104 government) per year. FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.2.2 Transfer Payments - Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals

FEMA used data from 2006 to 2019 to estimate PA funding for rescue, care, shelter, and essential needs of household pets and service animal related essential assistance under the no-action baseline. FEMA estimated an average of 8 awards per year for animal related essential assistance and an average award amount of \$73,808. In total, rescue, care, shelter, and essential needs of household pets and service animal related essential assistance received \$590,464 (8 projects \times \$73,808) per year in PA funding from FEMA.

FEMA estimated a no-action baseline for transfer payments from FEMA rescue, care, shelter, and essential needs of household pets and service animal related essential assistance recipients at 8 awards and \$590,464 in PA funding per year. In other words, this is the average annual amount in assistance that FEMA currently provides.

⁴⁹ Office of Personnel Management. Salary Table 2019- DCB. Available at: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/DCB.pdf>. Last accessed on January 3, 2023

Because FEMA is already providing PA assistance for the rescue, care, shelter, and essential needs of household pets and service animals and FEMA is proposing to codify in regulation this current practice without change, FEMA does not expect the codification of this prior change to impact future transfer payments to rescue, care, shelter, and essential needs of household pets and service animal recipients.

7.2.3 Benefits- Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals

FEMA's codification in the CFR of adding rescue, care, shelter, and essential needs of household pets and service animal related essential assistance would improve clarity and align FEMA regulations with statutory changes and current practices. Although not quantified, this change would result in users better understanding the PA program. Such increased clarity and understanding would improve the efficiency and consistency of FEMA's PA program.

7.3 No-Action Baseline Community Arts and Performing Arts Facilities

In 2007, section 688 of PKEMRA amended section 102 of the Stafford Act to include community arts centers and performing arts facilities in the definition of essential social service facilities.⁵⁰ FEMA implemented the change to make community arts centers and performing arts facilities an essential social service so that they would be eligible for PA. FEMA is proposing to codify this change. Prior to 2007, such facilities were ineligible to receive PA funding.

FEMA estimated the impacts of the change to community arts centers and performing arts facilities against the no-action baseline to show the effects of the proposed codification compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA's current practice, but not the current regulations). FEMA used EDW data between 2007 and 2019. Three community arts centers and performing arts facilities received PA funding on average per year and the each received an average of \$74,838 in PA per year. In total, community arts centers and performing arts facilities received \$224,514 (3 projects × \$74,838) per year in PA funding from FEMA.

7.3.1 Costs- Community Arts and Performing Arts Facilities

7.3.1.1 Costs for Recipients

To estimate the cost burden for recipients to receive PA for community and performing arts facilities, FEMA the average number of such PA projects (3 projects) on burden estimate information for FEMA forms specific to project worksheets included from the PA ICR 1660-0017. For analysis purposes, FEMA identified eight forms that a PNP community arts centers and performing arts facility would be required to complete for an assistance request. FEMA estimated the average burden for completion of these eight forms (one additional project) at 8.8333 hours.⁵¹

⁵⁰ Federal Emergency Management Association. "Public Assistance Policy Digest FEMA 321/January 2008." <https://www.fema.gov/pdf/government/grant/pa/pdigest08.pdf>. Accessed on December 17, 2020.

⁵¹ See RIA Table 7-1. Information Collection Forms and Burden Hours Estimate.

According to the U.S. BLS May 2019, OES, the average hourly wage is \$33.81 for Emergency Management Directors within the state government.⁵² FEMA determined the fully-loaded wage rate for Emergency Management Directors to be \$54.10 (\$33.81 hourly mean wage for Emergency Management Directors × 1.6 wage rate multiplier). FEMA estimated recipient burden cost at \$478 (8.8333 average burden hours × \$54.10 for fully-loaded wage for Emergency Management Directors) per PNP project.

FEMA estimated a no-action baseline for recipient costs using an average of 3 community arts centers and performing arts facilities projects per year and the average burden cost per project of \$478 to equal recipient costs at \$1,434 (3 projects × \$478 estimated recipient burden cost) per year. In other words, this is the average annual cost to recipients to apply for PA for community and performing arts facilities.

Because FEMA is already providing PA assistance for community and performing arts facilities and FEMA is proposing to codify in regulation this current practice without change, FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.3.1.2 Costs for Government

To estimate current costs to FEMA for providing assistance to community and performing arts facilities, FEMA used information in PA ICR 1660-0017, specifically the number of forms with responses and FEMA staff resources reviewing forms, and 2019 salary data for OPM. The number of PA form responses averaged 398,068 per year (ICR 1660-0017, Item 12.c.) and staff resources per year were 12 employees (GS-12, Step 5) spending 50 percent of their time (ICR 1660-0017, Item 14).

According to OPM, the salary for a GS-12 Step 5 in 2019 in Washington-Baltimore-Arlington, DC-MD-VA-WV-PA was \$94,520.⁵³ The fully-load GS-12 Step 5 salary equals \$137,999 (\$94,520 × 1.46 wage multiplier). FEMA estimated staff resource costs for 12 GS-12 employees, who spend 50 percent of their time reviewing forms submitted under ICR 1660-0017, at \$827,994 (12 Federal employees × \$137,999 × 50 percent of time) per year. FEMA then estimated the staff resource cost per form reviewed by dividing the staff resource costs by the number of forms responses for ICR 1660-0017, equaling \$2.08 per form (\$827,994 ÷ 398,068 forms). FEMA multiplied the staff resource cost per form of \$2.08 by eight forms to account for the number of forms that an additional project for a PNP would typically require resulting in a FEMA cost estimate of \$17 (\$2.08 × 8 forms) per PNP project.

FEMA estimated a no-action baseline for FEMA costs using an average of 3 community arts centers and performing arts facilities projects per year and the average burden cost per project of \$17 to equal FEMA costs at \$51 (3 projects × \$17) per year. In other words, this is the average cost to FEMA for providing current assistance to community and performing arts facilities.

⁵² Bureau of Labor Statistics. Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. Retrieved from https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Accessed July 2020.

⁵³ Office of Personnel Management. Salary Table 2019- DCB. Available at: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/DCB.pdf>. Last accessed on January 3, 2023

Because FEMA is already providing PA assistance for community and performing arts facilities and FEMA is proposing to codify in regulation this current practice without change, FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.3.1.3 Total Costs

For community arts centers and performing arts facilities, FEMA estimated a no-action baseline of current costs at \$1,485 (\$1,434 recipient + \$51 government) per year. FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.3.2 Transfer Payments- Community Arts and Performing Arts Facilities

FEMA used data from 2007 to 2019 to estimate PA funding community arts centers and performing arts facilities. Three community arts centers and performing arts facilities received PA funding on average per year and the average PA funding per project was \$74,838. In total, community arts centers and performing arts facilities received \$224,514 (3 projects × \$74,838) per year in PA funding from FEMA.

FEMA estimated a no-action baseline for transfer payments from FEMA to community arts centers and performing arts facilities at \$224,514 in PA funding per year. In other words, this is the average annual amount in assistance that FEMA currently provides.

Because FEMA is already providing PA assistance to community and performing arts facilities and FEMA is proposing to codify in regulation this current practice without change, FEMA does not expect the codification of this prior change to impact future transfer payments community arts centers and performing arts facilities.

7.3.3 Benefits- Community Arts and Performing Arts Facilities

FEMA's codification in the CFR of adding community arts centers and performing arts facilities to the eligible critical services list would improve clarity and align FEMA regulations with statutory changes and current practices. Although not quantified, this change would result in users better understanding the PA program. Such increased clarity and understanding would improve the efficiency and consistency of FEMA's PA program.

7.4 No-Action Baseline Community Disaster Loan Program

FEMA implemented guidance in 2012, consistent with the SAFE Port Act, which increased the amount that communities may receive in a Community Disaster Loan (CDL). It allowed communities to receive 50 percent of their annual operating budgets if they suffered a loss of tax or other revenue equal to or greater than 75 percent of their annual operating budget in the fiscal year in which the disaster occurred, up to \$5,000,000.⁵⁴ Prior to 2012, loans administered through the CDL program were not to exceed 25 percent of the operating budget of the local government for the fiscal year in which the disaster occurred, up to \$5,000,000.⁵⁵ FEMA is proposing to codify this CDL change potentially allowing local governments to receive higher

⁵⁴ Congressional Research Services, Federal Emergency Management Agency. Public Assistance: The Community Disaster Loan (CDL) Implementation Process. Retrieved from <https://crsreports.congress.gov/product/pdf/IF/IF11600>. Accessed on December 08, 2022.

⁵⁵ FEMA places the approved amount of funds into account for use by the local government, which can be drawn upon the loan at any point during the five-year loan period.

loan amounts, up to 50 percent of their annual operating budgets while maintaining the \$5,000,000 maximum loan cap.

FEMA estimated the impacts of the CDL change against a no-action baseline to show the effects of the proposed codification compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA's current practice, but not the current regulations). CDL program data was available from 2012 through 2019 and no loans were issued above 25 percent of the local government's operating budget. Furthermore, the CDL program was unable to provide any instances of a CDL above 25 percent of annual operating budget of the local government ever being issued to a local government. It is rare for a community to lose revenues up to 75percent of an operating budget following a disaster and therefore, local governments would not often qualify for the higher loan amount. Additionally, the CDL program does not adjust the maximum loan amount of \$5,000,000 for inflation and as inflation increases prices and local government budgets each year the probability of a CDL issued above 25 percent declines with each year.

7.4.1 Costs Community Disaster Loan Program

7.3.1.1 Costs for Recipients

Recipients have not incurred costs for CDLs above 25 percent as there have not been loans of this type since they were made available in 2012.

Because FEMA has already implemented this change and is proposing to codify it in regulation without change, FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.4.1.2 Costs for Government

FEMA has not incurred costs for CDLs above 25 percent as no such loans have not occurred since they were made available in 2012.

Because FEMA has already implemented this change and FEMA is proposing to codify it in regulation without change, FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.4.1.3 Total Costs

FEMA estimated a no-action baseline of current costs at no costs as CDLs above 25 percent have not occurred since the program was implemented in 2012. FEMA does not expect the codification of this prior change to create additional future cost burdens. Additionally, documentation requirements are consistent for all CDLs meaning the change allows for higher loan amounts and does not impact recipient documentation.

7.4.2 Transfers Payments - Community Disaster Loan Program

FEMA used CDL data gathered directly from the program to analyze this change. CDL data was available from 2012 through 2019. During this period, zero loans were issued above 25 percent of the local government's operating budget. It is rare for a community to lose revenues up to 75percent of an operating budget following a disaster and therefore, local governments would not often qualify for the higher loan amount.

FEMA estimated a no-action baseline for transfer payments from FEMA to local governments at zero dollars as CDL above 25 percent level have not occurred.

Because FEMA is already providing PA assistance to recreational facilities and FEMA is proposing to codify in regulation this current practice without change, FEMA does not expect the codification of this prior change to create additional future transfer payments. However, if a CDL above the 25 percent level were issued, transfer payments due to this change would increase by the amount of the CDL above the standard 25 percent level up to the \$5,000,000 million dollar cap amount. Any recipient of a higher percent CDL would have been eligible for the standard CDL and therefore increases in transfer payments would be the difference between the standard 25 percent CDL amount and the higher percentage CDL amount up to the maximum cap.

7.4.3 Benefits- Community Disaster Loan Program

FEMA's codification in the CFR of the CDL program change would improve clarity and align FEMA regulations with statutory changes and current practices. Although not quantified, this change would result in users better understanding the PA program. Such increased clarity and understanding would improve the efficiency and consistency of FEMA's PA program.

7.5 No-Action Baseline Alternative Procedures Pilot for Debris Removal

SRIA authorized alternative procedures for debris removal under PA and allowed FEMA to implement the alternative procedures through a pilot program. On June 28, 2013, FEMA established the Alternate Procedures Pilot for Debris Removal (Debris Pilot) for subgrants in all major disasters and emergency declarations. FEMA is proposing to amend 206.228, "Allowable costs," to incorporate the PA Alternate Procedures Pilot for Debris Removal (Stafford Act, sec. 428), which made straight-time labor costs eligible for budgeted employees conducting debris removal activities. FEMA is proposing to codify this change.

FEMA estimated the impacts of the Debris Pilot change against the no-action baseline to show the effects of the proposed codification compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA's current practice, but not the current regulations). FEMA used data from the EDW database for Debris Pilot projects from 2013 through 2019 to estimate the baseline and impact of the codification.

7.5.1 Costs- Alternative Procedures Pilot for Debris Removal

7.5.1.1 Costs for Recipients

The Debris Pilot change allowed for straight-time labor costs to be eligible for budgeted employees conducting debris removal activities. Because FEMA is codifying in regulation this current practice without change, FEMA does not expect the codification of this prior change would create additional future cost burdens.

7.5.1.2 Costs for Government

Because FEMA is codifying in regulation this current practice without change, FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.5.1.3 Total Costs

FEMA estimated the Debris Pilot change implemented in 2013 did not create additional costs as the eligibility increase for budgeted employees conducting debris removal activities did not change reporting requirements for debris removal projects. FEMA does not expect the codification of this prior change would create additional future cost burdens.

7.5.2 Transfer Payments- Alternative Procedures Pilot for Debris Removal

FEMA used data from the EDW database for the Debris Pilot average straight-time labor project obligation data from 2013 through 2019 pulled from EDW to estimate the no-action baseline of \$119,969,697 per year. In other words, this is the average annual amount in assistance that FEMA currently provides for straight-time labor Debris Pilot removal projects.

Because FEMA is codifying in regulation the Debris Pilot without change, FEMA does not expect the codification of this prior change would impact future transfer payments.

7.5.3 Benefits- Alternative Procedures Pilot for Debris Removal

FEMA's codification in the CFR of the Debris Pilot change would improve clarity and align FEMA regulations with statutory changes and current practices. Although not quantified, this change would result in users better understanding the PA program. Such increased clarity and understanding would improve the efficiency and consistency of FEMA's PA program.

7.6 No-Action Baseline Broadcasting Facilities

FEMA implemented the Emergency Information Improvement Act of 2015, which amended the list of critical services in section 406(a)(3)(B) of the Stafford Act to replace "communications" with "communications (including broadcast and telecommunications)". FEMA added broadcasting facilities to the list of PNP eligible noncritical essential social services, through policy guidance in 2015.⁵⁶ For PNP facilities that provide noncritical essential social services, FEMA provides PA funding for permanent work, such as repairs, for only eligible costs that a Small Business Administration (SBA) loan will not cover for those facilities. Therefore, noncritical PNPs must apply for a disaster loan from the SBA and receive a determination prior to PA funding.⁵⁷ Before this change in 2015, such broadcast facilities were ineligible to receive any PA funding.

Additionally, following the 2018 Bipartisan Budget Act, FEMA moved broadcasting facilities from the noncritical essential social services list to the PNP eligible critical services list. Critical facility PNPs are eligible for PA funding without submitting for SBA disaster loans and

⁵⁶ Congress (2015). S. 1090 - Emergency Information Improvement Act of 2015. Retrieved from <https://www.congress.gov/bill/114th-congress/senate-bill/1090>. Accessed on June 25, 2021.

⁵⁷ Federal Emergency Management Agency (2020). Public Assistance Program and Policy Guide, version 4, Effective June 1, 2020 (Report No. 104-009-2), Page 58. Retrieved from https://www.fema.gov/sites/default/files/documents/fema_pappg-v4-updated-links_policy_6-1-2020.pdf. Accessed on May 16, 2022.

receiving a determination, unlike noncritical PNPs.⁵⁸ FEMA proposes to codify the addition of broadcasting facilities to the critical services list of PNPs eligible to receive PA.⁵⁹

FEMA estimated the impacts of the changes to PA eligibility for broadcasting PNP facilities against a no-action baseline to show the effects of the proposed codification compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA's current practice, but not the current regulations). FEMA used EDW data from 2015 to 2019 to estimate PA funding for broadcasting PNPs prior to the changes made by the Emergency Information Improvement Act of 2015 and the 2018 Bipartisan Budget Act. Three broadcasting facilities received PA funding on average per year and the average PA funding per project was \$114,745. In total, broadcasting facilities received \$344,235 (3 projects × \$114,745) per year in PA funding from FEMA. This funding was for permanent work, such as repairs, for eligible costs that an SBA loan did not cover for those facilities.

7.6.1 Costs- Broadcasting Facilities

7.6.1.1 Costs for Recipients

To estimate the current cost burden for recipients to receive PA for broadcasting facilities, FEMA the average number of PA projects for broadcasting PNPs (3 projects) on burden estimate information for FEMA forms specific to project worksheets obtained from the PA ICR 1660-0017. For analysis purposes, FEMA identified eight forms that a PNP broadcasting facility would be required to complete. FEMA estimated the average burden for completion of these eight forms (one additional project) at 8.8333 hours.⁶⁰

According to the U.S. BLS May 2019, OES, the average hourly wage is \$33.81 for Emergency Management Directors within the state government.⁶¹ FEMA determined the fully-loaded wage rate for Emergency Management Directors to be \$54.10 (\$33.81 hourly mean wage for Emergency Management Directors × 1.6 wage rate multiplier). FEMA estimated recipient burden cost at \$478 (8.8333 average burden hours × \$54.10 for fully-loaded wage for Emergency Management Directors) per PNP project.

FEMA estimated a no-action baseline for recipient costs using an average of 3 broadcasting PNP projects per year and the average burden cost per project of \$478 to equal recipient costs at \$1,434 (3 projects × \$478 estimated recipient burden cost) per year. In other words, this is the current average annual cost to recipients for applying for assistance for PNP broadcasting facilities.

⁵⁸ Federal Emergency Management Agency (2020). Public Assistance Program and Policy Guide, version 4, Effective June 1, 2020 (Report No. 104-009-2), pages 58. Retrieved from https://www.fema.gov/sites/default/files/documents/fema_pappg-v4-updated-links_policy_6-1-2020.pdf. Accessed on May 16, 2022.

⁵⁹ Federal Emergency Management Agency (2020). Public Assistance Program and Policy Guide, version 4, Effective June 1, 2020 (Report No. 104-009-2). Page 45. Retrieved from https://www.fema.gov/sites/default/files/documents/fema_pappg-v4-updated-links_policy_6-1-2020.pdf. Accessed on August 17, 2021.

⁶⁰ See RIA Table 7-1. Information Collection Forms and Burden Hours Estimate

⁶¹ Bureau of Labor Statistics. Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. Retrieved from https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Accessed July 2020.

Because FEMA is already providing PA assistance for community broadcasting facilities as eligible critical services and FEMA is proposing to codify this current practice without change, FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.6.1.2 Costs for Government

To estimate current costs to FEMA for providing assistance to PNP broadcasting facilities, FEMA used information in PA ICR 1660-0017, specifically the number of forms with responses and FEMA staff resources reviewing forms, and 2019 salary data for OPM. The number of PA form responses averaged 398,068 per year (ICR 1660-0017, Item 12.c.) and staff resources per year were 12 employees (GS-12, Step 5) spending 50 percent of their time (ICR 1660-0017, Item 14).

According to OPM, the salary for a GS-12 Step 5 in 2019 in Washington-Baltimore-Arlington, DC-MD-VA-WV-PA was \$94,520.⁶² The fully-load GS-12 Step 5 salary equals \$137,999 ($\$94,520 \times 1.46$ wage multiplier). FEMA estimated staff resource costs for 12 GS-12 employees who spend 50 percent of their time reviewing forms submitted under ICR 1660-0017, at \$827,994 (12 Federal employees \times \$137,999 \times 50 percent of time) per year. FEMA then estimated the staff resource cost per form reviewed by dividing the staff resource costs by the number of forms responses for ICR 1660-0017, equaling \$2.08 per form ($\$827,994 \div 398,068$ form). FEMA multiplied the staff resource cost per form of \$2.08 by eight forms to account for the number of forms that an additional project for a PNP would typically require resulting in a FEMA cost estimate of \$17 ($\2.08×8 forms) per PNP project.

FEMA estimated a no-action baseline for FEMA costs using an average of 3 broadcasting PNP projects per year and the average burden cost per project of \$17 to equal FEMA costs at \$51 (3 projects \times \$17) per year. In other words, this is the average cost to FEMA for providing current assistance to PNP broadcasting facilities.

Because FEMA is already providing PA assistance for community broadcasting facilities as eligible critical services and FEMA is proposing to codify this current practice without change, FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.6.1.3 Total Costs

For broadcasting PNPs, FEMA estimated a no-action baseline for current costs at \$1,485 (\$1,434 recipient + \$51 FEMA) per year. FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.6.2 Transfer Payments- Broadcasting Facilities

FEMA used EDW data from 2015 to 2019 to estimate PA funding for broadcasting PNPs. Three broadcasting facilities received PA funding on average per year and the average PA funding per

⁶² Office of Personnel Management. Salary Table 2019- DCB. Available at: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/DCB.pdf>. Last accessed on January 3, 2023

project was \$114,745. In total, broadcasting facilities received \$344,235 (3 projects × \$114,745) per year in PA funding from FEMA.

FEMA estimated a no-action baseline for transfer payments from FEMA to broadcasting PNPs at \$344,235 in PA funding per year. In other words, this is the average annual amount in assistance that FEMA currently provides.

Because FEMA is already providing PA assistance for community broadcasting facilities as eligible critical services and FEMA is proposing to codify this current practice without change, FEMA does not expect the codification of this prior change to impact future transfer payments to broadcasting PNPs.

7.6.3 Benefits- Broadcasting Facilities

FEMA's codification in the CFR of moving broadcasting facilities from the PNP eligible non-critical services list to the PNP eligible critical services list would improve clarity and align FEMA regulations with statutory changes and current practices. Although not quantified, this change would result in users better understanding the PA program. Such increased clarity and understanding would improve the efficiency and consistency of FEMA's PA program.

7.7 No-Action Baseline Food Banks

Prior to DRRA, PNP food banks qualified for PA benefits, but eligibility was limited to facilities that distributed food to the public. DRRA Section 1214 amended the meaning of food banks under the definition of PNP to include facilities that collect, store, and distribute food to food banks as eligible applicants. FEMA implemented the change via policy fact sheet for the DRRA, effective August 1, 2017.⁶³ FEMA proposes to codify this change.

FEMA estimated the impacts of the change to food banks against the no-action baseline to show the effects of the proposed codification compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA's current practice, but not the current regulations). FEMA used EDW data between 2017 and 2019. There were zero food bank facilities that received PA funding between 2017 and 2019.

7.7.1 Costs- Food Banks

7.7.1.1 Costs for Recipients

Recipients have not incurred costs to receive PA for facilities that collect, store, and distribute food to food banks as there have not been any such facilities that have received PA funding after they became eligible in 2017.

Because such facilities are currently eligible for PA and FEMA is proposing to codify this current practice in regulation without change, FEMA does not expect the codification of this prior change to impact future costs for recipients for food bank PNPs.

⁶³ FEMA Fact Sheet https://www.fema.gov/sites/default/files/2020-07/fema_pa_disaster-recovery-reform-act_factsheet.pdf. Accessed on August 17, 2021.

7.7.1.2 Costs for Government

FEMA has not incurred costs to provide assistance for facilities that collect, store, and distribute food to food banks as there have not been any such facilities that have received PA funding after they became eligible in 2017.

Because such facilities are currently eligible for PA and FEMA is proposing to codify this current practice in regulation without change, FEMA does not expect the codification of this prior change to impact future costs for government for food bank PNPs.

7.7.1.3 Total Costs

For food bank PNPs, FEMA estimated a no-action baseline current costs at no cost as none have received assistance since becoming eligible in 2017. FEMA does not expect the codification of this prior change to impact future costs for the total cost for food bank PNPs.

7.7.2 Transfer Payments- Food Banks

FEMA estimated a no-action baseline for transfer payments from FEMA to food bank PNPs of zero dollars in PA funding per year as none have received assistance since becoming eligible in 2017.

Because facilities that collect, store, and distribute food to food banks are currently eligible for PA and FEMA is proposing to codify this current practice in regulation without change, FEMA does not expect the codification of this prior change to impact future transfer payments to food bank PNPs.

7.7.3 Benefits- Food Banks

FEMA's codification in the CFR of adding facilities that collect, store, and distribute food to food bank facilities to the PNP eligible critical services list would improve clarity and align FEMA regulations with statutory changes and current practices. Although not quantified, this change would result in users better understanding the PA program. Such increased clarity and understanding would improve the efficiency and consistency of FEMA's PA program.

7.8 No-Action Baseline Houses of Worship

Section 20604(a) of the Bipartisan Budget Act of 2018 amended section 102(11)(B) of the Stafford Act to include HOWs as eligible PNP facilities. Section 20604(c) of the Act provided that this change would apply to assistance in response to major disasters or emergencies declared on or after August 23, 2017. Before the change, PA eligibility was limited to those that provided certain other non-religious community services. The addition of HOWs to the list of eligible PNP facilities expanded PA eligibility to all HOWs open to the general public. FEMA proposes to codify the addition of Houses of Worship (HOW) to the list of PNPs eligible to receive PA.⁶⁴

⁶⁴ Federal Emergency Management Agency (2020). Public Assistance Program and Policy Guide, version 4, Effective June 1, 2020 (Report No. 104-009-2). Page 46. Retrieved from https://www.fema.gov/sites/default/files/documents/fema_pappg-v4-updated-links_policy_6-1-2020.pdf. Accessed on August 17, 2021.

FEMA estimated the impacts of the change to HOW facilities against a no-action baseline to show the effects of the proposed codification compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA’s current practice, but not the current regulations). FEMA used EDW data from 2010 to 2019 to estimate PA funding for HOW PNPs.

Prior to the eligibility expansion (2010 to 2016), an average of 53 projects each year were HOWs and each project received on average \$222,107. After implementing the change (2017 to 2019), the average annual number of HOW projects increased by 155 projects (from 53 to 208 projects)⁶⁵ and the average obligation per project declined by \$160,773 (from \$222,107 to \$61,334). Therefore, FEMA assumes that the 155 net increase is the average number of additional projects made eligible by the Bipartisan Budget Act of 2018.

7.8.1 Costs- HOW

7.8.1.1 Costs for Recipients

To estimate the cost burden for recipients to receive PA for HOWs, FEMA used the average number of such PA projects for HOW PNPs on burden estimate information for FEMA forms specific to project worksheets obtained from the PA ICR 1660-0017. For analysis purposes, FEMA identified eight forms that a PNP HOW facility would be required to complete. FEMA estimated the average burden for completion of these eight forms (one additional project) at 8.8333 hours.⁶⁶

According to the U.S. BLS May 2019, OES, the average hourly wage is \$33.81 for Emergency Management Directors within the state government.⁶⁷ FEMA determined the fully-loaded wage rate for Emergency Management Directors to be \$54.10 (\$33.81 hourly mean wage for Emergency Management Directors × 1.6 wage rate multiplier). FEMA estimated recipient burden cost at \$478 (8.8333 average burden hours × \$54.10 for fully-loaded wage for Emergency Management Directors) per PNP project.

FEMA estimated a no-action baseline for recipient costs using an average of 155 HOW projects per year made eligible by the Bipartisan Budget Act of 2018 and the average burden cost per project of \$478 to equal recipient costs at \$74,090 (155 projects × \$478 estimated recipient burden cost) per year. In other words, this is the current average annual cost to recipients to apply for PA assistance for HOWs that don’t provide certain other non-religious community services.

Because FEMA is already providing PA assistance for all HOWs, regardless if they also provide certain other non-religious community services and FEMA is proposing to codify this current practice without change, FEMA does not expect the codification of this prior change would create additional future cost burdens.

⁶⁵ FEMA Public Assistance database; 2010-2019; HOWs annual average number of projects was 53; An additional 155 projects are estimated to receive funding.

⁶⁶ See RIA Table 7-1. Information Collection Forms and Burden Hours Estimate

⁶⁷ Bureau of Labor Statistics. Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. Retrieved from https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Accessed July 2020.

7.8.1.2 Costs for Government

To estimate current costs to FEMA for providing assistance to HOWs that don't also provide certain other non-religious community services, FEMA used information in PA ICR 1660-0017, specifically the number of forms with responses and FEMA staff resources reviewing forms, and 2019 salary data for OPM. The number of PA form responses averaged 398,068 per year (ICR 1660-0017, Item 12.c.) and staff resources per year were 12 employees (GS-12, Step 5) spending 50 percent of their time (ICR 1660-0017, Item 14).

According to OPM, the salary for a GS-12 Step 5 in 2019 in Washington- Baltimore- Arlington, DC-MD-VA-WV-PA was \$94,520.⁶⁸ The fully-load GS-12 Step 5 salary equals \$137,999 ($\$94,520 \times 1.46$ wage multiplier). FEMA estimated staff resource costs for 12 GS-12 employees who spend 50 percent of their time reviewing forms submitted under ICR 1660-0017, at \$827,994 (12 Federal employees \times \$137,999 \times 50 percent of time) per year. FEMA then estimated the staff resource cost per form reviewed by dividing the staff resource costs by the number of forms responses for ICR 1660-0017, equaling \$2.08 per form ($\$827,994 \div 398,068$ forms). FEMA multiplied the staff resource cost per form of \$2.08 by eight forms to account for the number of forms that an additional project for a PNP would typically require resulting in a FEMA cost estimate of \$17 ($\2.08×8 forms) per PNP project.

FEMA estimated a no-action baseline for FEMA costs using an average of 155 HOW projects based on PA data from 2017 through 2019. FEMA used the average burden cost per project of \$17 and multiplied by 155 to estimate FEMA costs at \$2,635 (155 projects \times \$17 estimated recipient burden costs) per year. In other words, this is the average cost to FEMA for providing current assistance to HOWs that don't also provide certain other non-religious community services.

Because FEMA is already providing PA assistance for all HOWs, regardless if they also provide certain other non-religious community services and FEMA is proposing to codify this current practice without change, FEMA does not expect the codification of this prior change would create additional future cost burdens.

7.8.1.3 Total Costs

For HOW PNPs, FEMA estimated a no-action baseline for current costs at \$76,725 (\$74,090 recipients + \$2,635 FEMA) per year. FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.8.2 Transfer Payments- HOW

FEMA used PA applicant data from 2017 through 2019 to determine the impact of expanding PA eligibility for HOWs. The average number of HOW projects during this period was 208 per year and each project received on average \$61,334 in PA, totaling an average annual obligation amount for HOWs of \$12,757,472 (208 projects \times \$61,334).

⁶⁸ Office of Personnel Management. Salary Table 2019- DCB. Available at: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/DCB.pdf>. Last accessed on January 3, 2023

After implementing the change 2017 to 2019, the average annual number of projects increased by 155 (from 53 to 208 projects)⁶⁹ and the average obligation per project declined by \$160,773 (from \$222,107 to \$61,334) and the total amount obligated per year increased by \$985,801 (from \$11,771,671 to \$12,757,472). Large HOWs provide certain other non-religious services and thus remain unchanged by the PA eligibility expansion to smaller HOWs that do not provide these services. After 2017, the number of PA projects increased with expansion of eligibility and the average amount of these projects declined as smaller HOWs that provided fewer services were now eligible for PA.

FEMA estimated a no-action baseline for transfer payments from FEMA to recipients at \$2,121,795 (155 projects × \$13,689) per year. In other words, this is the average annual amount in assistance that FEMA currently provides to HOWs who don't also provide other certain non-religious services.

Because FEMA is already providing PA assistance for all HOWs, regardless of whether they also provide certain other non-religious community services and because FEMA is proposing to codify this current practice without change, FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.8.3 Benefits- HOW

FEMA's codification in the CFR of adding HOWs to the PNP eligible list would improve clarity and align FEMA regulations with statutory changes and current practices. Although not quantified, this change would result in users better understanding the PA program. Such increased clarity and understanding would improve the efficiency and consistency of FEMA's PA program.

7.9 No-Action Baseline Alternate Project Funding

When a recipient determines that the public welfare is not best served by restoring a damaged facility or its function, it may use the funds for a different facility (facilities) that benefit the same community; this is known as an alternate project. Prior to the August 2017 policy guidance update,⁷⁰ FEMA limited the Federal Share for an alternate project at the lesser of:

- 90 percent (75 percent for PNPs) of the Federal share of the estimate to restore the original facility; or
- The Federal share of the actual cost of completing the alternate project.

Section 1207 of the DRRA removes the "90 percent of" and "percent of the original project" limitations on alternate projects. In other words, FEMA currently provides the full Federal share amount for alternate projects rather than only providing a portion (such as 90 percent) of the Federal cost share. This change makes the Federal cost share consistent across standard projects and alternate projects. FEMA implemented this change through guidance in August 2017 and is now proposing to codify the change.

⁶⁹ FEMA Public Assistance database; 2010-2019; HOWs annual average number of projects was 53; An additional 155 projects are estimated to receive funding.

⁷⁰ Fact Sheet. Disaster Recovery Reform Act Public Assistance Program Amendments. FEMA. Accessed at: https://www.fema.gov/sites/default/files/2020-07/fema_pa_disaster-recovery-reform-act_factsheet.pdf.

FEMA estimated the impacts of the change to alternate project funding against a no-action baseline to show the effects of the proposed codification compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA's current practice, but not the current regulations). FEMA used data from the EDW database for alternate projects from 2010 to 2019 to determine the impact of the change. In an average year, FEMA funded 53 alternate projects.

7.9.1 Costs- Alternate Project Funding

7.3.1.1 Costs for Recipients

Because FEMA is already providing assistance for alternate projects without Federal cost share limitation and FEMA is proposing to codify this current practice without change, FEMA does not expect the codification of this prior change to create additional future cost burdens for recipients.

7.9.1.2 Costs for Government

Because FEMA is already providing assistance for alternate projects without the Federal cost share limitation and FEMA is proposing to codify this current practice without change, FEMA does not expect the codification of this prior change to create additional future cost burdens for FEMA.

7.9.1.3 Total Costs

FEMA does not expect the codification of this prior change to create additional future cost burdens.

7.9.2 Transfer Payments - Alternate Project Funding

FEMA used data from the EDW database for alternate projects from 2010 through 2019 to determine the impact of the change.⁷¹ FEMA estimated the baseline for alternate projects by recalculating project data from 2010 through July 2017 to remove the 90 percent (75 percent for PNPs) funding cap and then combining it with the project data from August 2017 through 2019 after PA had removed the funding caps by the policy change. If this change was active from 2010 through 2019, FEMA estimated the number of projects annually remain at 53, average obligations at \$396,834 per project, and the average obligation would be \$21,032,202 (53 projects × \$396,834) per year.

FEMA estimated a no-action baseline for transfer payments from FEMA to PA recipients of \$21,032,202 per year using data from 2010 through 2019. In other words, this is the estimated average annual amount in assistance for alternate projects that FEMA currently provides with no funding caps in place.

Because FEMA is already providing assistance for alternate projects without the 90 percent Federal cost share limitation and FEMA is proposing to codify this current practice without change, FEMA does not expect the codification of this prior change to create additional future transfer payments.

⁷¹ FEMA's EDW Public Assistance database; 2010-2019. Note: two unrepresentative alternate projects were excluded from the calculation due to extreme size. If included in the calculation, the average alternate project amount would be \$4,430,282 and the total annual amount would be (\$4,430,282 × 64) = \$283,538,048.

7.9.3 Benefits- Alternate Project Funding

FEMA's codification in the CFR of the alternate project funding change for FEMA providing the full Federal cost share amount would improve clarity and align FEMA regulations with statutory changes and current practices. Although not quantified, this change would result in users better understanding the PA program. Such increased clarity and understanding would improve the efficiency and consistency of FEMA's PA program.

7.10 No-Action Baseline Center-Based Childcare Facilities

Section 1238(b) of DRRRA amended section 102(11)(A) of the Stafford Act to add "center-based childcare" to the definition of PNP facility. Section 1238(c) of DRRRA provided that this change would apply to any major disaster or emergency declared on or after the date of enactment, October 5, 2018. FEMA updated its program guidance to reflect the center-based childcare services change via fact sheet.⁷² FEMA is proposing to codify this change. Prior to 2018, PNP center-based childcare facilities were not eligible for PA.

FEMA estimated the impacts of the change to PNP center-based childcare facilities against a no-action baseline to show the effects of the proposed codification compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA's current practice, but not the current regulations). FEMA used EDW data between 2018 and 2019. There were zero center-based childcare facilities that received PA funding between 2018 and 2019.

7.10.1 Costs- Center-Based Childcare Facilities

7.10.1.1 Costs for Recipients

Recipients have not incurred costs to receive PA for center-based childcare facilities as there have not been any such facilities that have received PA funding after they became eligible in 2018.

Because center-based childcare facilities are currently eligible for PA and FEMA is proposing to codify this current practice in regulation without change, FEMA does not expect the codification of this prior change to impact future costs to recipients for center-based childcare facility PNP.

7.10.1.2 Costs for Government

FEMA has not incurred costs to provide assistance for center-based childcare facilities as there have not been any such facilities that have received PA funding after they became eligible in 2018. Because center-based childcare facilities are currently eligible for PA and FEMA is proposing to codify this current practice in regulation without change, FEMA does not expect the codification of this prior change to impact future costs for government for center-based childcare facility PNP.

7.10.1.3 Total Costs

For center-based childcare facilities PNP, FEMA estimated a no-action baseline for current costs at zero dollars as none have received assistance since becoming eligible in 2018. FEMA

⁷² Fact Sheet. Disaster Recovery Reform Act Public Assistance Program Amendments. FEMA. Accessed at: https://www.fema.gov/sites/default/files/2020-07/fema_pa_disaster-recovery-reform-act_factsheet.pdf.

does not expect the codification of this prior change to impact future total costs for center-based childcare facility PNPs.

7.10.2 Transfer Payments - Center-Based Childcare Facilities

FEMA estimated a no-action baseline for transfer payments from FEMA to center-based childcare facility PNPs of zero dollars in PA funding per year as none have received assistance since becoming eligible in 2018.

Because center-based childcare facilities are currently eligible for PA and FEMA is proposing to codify this current practice in regulation without change, FEMA does not expect the codification of this prior change to impact future transfer payments to center-based childcare facility PNPs.

7.10.3 Benefits- Center-Based Childcare Facilities

FEMA's codification in the CFR of adding center-based childcare facilities to the PNP eligible critical services list would improve clarity and align FEMA regulations with statutory changes and current practices. Although not quantified, this change would result in users better understanding the PA program. Such increased clarity and understanding would improve the efficiency and consistency of FEMA's PA program.

7.11 No-Action Baseline Codes and Standards

Section 1235(b) of DRRA amended section 406(e) of the Stafford Act to require FEMA fund repair, restoration, reconstruction, or replacement in conformity with "the latest published editions of relevant consensus-based codes, specifications, and standards that incorporate the latest hazard-resistant design and establish minimum acceptable criteria for the design, construction, and maintenance of residential structures and facilities that may be eligible for assistance under the Stafford Act for the purposes of protecting the health, safety, and general welfare of a facility's users against disasters." FEMA issued interim guidance on DRRA section 1235(b), which defines the framework for consistent and appropriate implementation of consensus-based codes, specifications, and standards requirement for disaster-related repair, restoration, reconstruction, or replacement of buildings, roads and bridges, electric power, potable water, and wastewater projects. FEMA implemented this interim policy for these PA projects on November 6, 2019. Appendix A of the interim policy guidance lists industry design and construction code books which qualify as consensus-based codes, specifications, and standards.⁷³ FEMA proposes to codify the statutory requirement into the regulations; the framework and details provided in the interim guidance would continue to apply.

Prior to the interim policy guidance, PA funds would restore (including required upgrades) disaster-damaged facilities with codes and standards required by Federal, State, Territorial, Tribe, or local jurisdictions. As codes and standards vary across State and local jurisdictions, the impact of the consensus-based codes and standards requirement also varies. For example, if a local jurisdiction's code or standard is more stringent than the FEMA consensus-based codes and standards, then PA would continue to fund projects at the more stringent local level and the

⁷³ Appendix A: Consensus-Based Codes, Specifications and Standards, page 9-16. Accessed August 08, 2022. https://www.fema.gov/sites/default/files/2020-05/DRRA1235b_Consensus_BasedCodes_Specifications_and_Standards_for_Public_Assistance122019.pdf

consensus-based codes and standards would not have an additional impact. However, if a local jurisdiction's code or standard is less stringent than the FEMA consensus-based codes and standards, then FEMA requires the use of the more stringent consensus-based codes and standards. The requirement to use the more stringent consensus-based codes and standards results in PA projects with increased project costs.

Additionally, prior to the interim policy guidance, FEMA generally required that the applicant incorporate the natural hazard-resistant codes and standards and related provisions referenced in the most recent published edition of the International Code Council's (ICC) International Building Code (IBC), International Existing Building Code (IEBC), or International Residential Code (IRC) into the building design and construction. These referenced industry codes and standards were included in the interim policy along with additional references for meeting the consensus-based codes and standards requirement. However, prior to the interim policy these more stringent codes and standards only applied to PA projects for substantially damaged buildings. Substantially damaged means that the value of the building damage is equal to or greater than half of its pre-disaster value. Most PA projects do not have this threshold of damage and the prior requirement would not apply to most PA projects. FEMA did not control for substantially damaged PA projects in this analysis due to the small number of substantially damaged projects.

FEMA estimated the impacts of changes to codes and standards against the no-action baseline to show the proposed codification compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA's current practice, but not the current regulations).

7.11.1 Costs- Codes and Standards

7.11.1.1 Costs for Recipients

FEMA has already implemented interim policy guidance on consensus-based codes, specifications, and standards and FEMA is proposing to codify this current practice without change. Accordingly, FEMA estimated no impact for recipient costs as FEMA does not expect the codification of this prior change to impact future costs.

7.11.1.2 Costs for Government

FEMA has already implemented interim policy guidance on consensus-based codes, specifications, and standards and FEMA is proposing to codify this current practice without change. Accordingly, FEMA estimated no impact for FEMA costs as FEMA does not expect the codification of this prior change to impact future costs.

7.11.1.3 Total Costs

FEMA estimated no impact for recipient costs and FEMA costs as FEMA does not expect the codification of this prior change to impact future costs.

7.11.2 Transfer Payments - Codes and Standards

Because FEMA has already implemented interim policy guidance on consensus-based codes, specifications, and standards and FEMA is proposing to codify this current practice without

change, FEMA does not expect the codification of this prior change to impact future transfer payments.

7.11.3 Benefits- Codes and Standards

FEMA's codification in the CFR of consensus-based codes and standards would improve clarity and align FEMA regulations with statutory changes and current practices. Although not quantified, this change would result in users better understanding the PA program. Such increased clarity and understanding would improve the efficiency and consistency of FEMA's PA program.

7.12 No-Action Baseline Alternate Projects Legal Consideration

Currently, when a recipient wishes to pursue a project, they must provide the necessary documents for compliance with certain requirements, including, but not limited to floodplain management, environmental assessment, hazard mitigation, protection of wetlands, and insurance.⁷⁴ FEMA proposes to add a requirement for alternate projects requiring the recipient to identify any other legal considerations, such as liens on property, ownership issues, or zoning concerns, beyond those currently required. FEMA has not yet implemented this change and proposes to do so through this rule.

FEMA estimated for the impacts of the change to alternate project legal considerations against a no-action baseline to show the effects of the proposed changes compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA's current practice, but not the current regulations). FEMA used data from the EDW database for alternate projects from 2010 to 2019 to determine the impact of the change. In an average year, FEMA funds 53 alternate projects.⁷⁵

7.12.1 Costs- Alternate Projects Legal Consideration

7.12.1.1 Costs for Recipients

Based on data from 2010-2019, on average, FEMA funded 53 alternate projects per year. FEMA estimated the burden to identify other legal considerations would be comparable to identifying environmental and historic preservation issues, which is required under the current regulations, as they are similar in nature. FEMA estimates the burden associated with identifying floodplain management and insurance considerations to be 0.5 hours⁷⁶ and the State government fully-

⁷⁴ 44 206.203(d)(2)(v)

⁷⁵ FEMA's EDW Public Assistance database; 2010-2019. Note: two unrepresentative alternate projects were excluded from the calculation due to extreme size. If included in the calculation, the average alternate project amount would be \$3,671,628 and the total annual amount would be $(\$3,671,628 \times 53) = \$194,596,284$.

⁷⁶ See Information Collection Request 202208-1660-001, Special Considerations Questions Form 009-0-120, https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202208-1660-001. Until recently, information about floodplain management and insurance considerations was captured on Special Considerations Questions Form 009-0-120, with an estimated hour burden of 0.5 hours per response. This collection has been revised and now captures floodplain management and insurance considerations information on different forms that also ask for other information. See Information Collection Request 202212-1660-015, https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202212-1660-015.

loaded mean wage rate for Emergency Management Directors of \$54.10,⁷⁷ FEMA estimated that the annual average cost to recipients to complete the new legal considerations form would be \$1,434 (53 projects × 0.5 hours × \$54.10 fully-loaded hourly wage rate for Emergency Management Directors).

FEMA estimated the no-action baseline of this newly proposed change for recipients at no costs. FEMA estimated additional recipient costs would be \$1,434 per year to identify these additional legal considerations.

7.12.1.2 Costs for Government

FEMA estimated a no-action baseline for FEMA costs at no costs as these changes are newly proposed and not currently implemented by PA. FEMA does not expect additional FEMA costs related to this change as the number of alternate projects each year is unaffected by this change and FEMA currently reviews these considerations after projects have begun or after identifying an issue.

7.12.1.3 Total Costs

For the alternate project legal considerations change, FEMA estimated a no-action baseline for costs at no costs (to recipients and FEMA). FEMA estimated this change would result in additional total costs of \$1,434 per year.

7.12.2 Transfer Payments- Alternate Projects Legal Consideration

FEMA does not expect impacts to transfer payments as the number of awards and amounts of awards would be unaffected due to applicants providing additional legal considerations documentation. However, this change should save applicants from starting an approved project with obligated funds and then later having those funds de-obligated (returned to FEMA) due to legal considerations. The net result of FEMA not approving these projects under the proposed change or later de-obligating these projects (current practice) in terms of impacts on transfer payments would remain unchanged.

7.12.3 Benefits- Alternate Projects Legal Consideration

FEMA proposes to add a requirement for alternate projects that the recipient must identify any other legal considerations, such as liens on property, ownership issues, or zoning concerns, beyond those currently required. Each year, several PA projects end up either delayed or have

⁷⁷ Bureau of Labor Statistics, Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Accessed July 29, 2020.

Fully loaded wage rates include other benefits, we are using a factor of 1.6 to calculate fully loaded wage rates. The unloaded wage rate does not account for costs to the employer for benefits, such as paid leave, health insurance, retirement, and other benefits. Bureau of Labor Statistics. Employer Costs for Employee Compensation, Table 2. "Employer costs For Employee Compensation by ownership," March 2019. Retrieved from http://www.bls.gov/news.release/archives/ecec_06182019.pdf. Accessed on July 17, 2020.

The wage multiplier is calculated by dividing total compensation for State and local government workers of \$50.89 by Wages and salaries for State and local government workers of \$31.75 per hour yielding a benefits multiplier of approximately 1.6 ($\$50.89 \div \31.75).

Fully loaded Emergency Management Directors salary paid is $\$33.81 \times 1.6 = \54.10 .

their funds de-obligated because of legal concerns.⁷⁸ These delays can be costly to the recipient. By requiring the identification of other legal considerations for alternate projects, FEMA aims to reduce delays that stem from not addressing these types of issues prior to the start of construction. The benefit of identifying these legal considerations early in the applications process would allow for more complete project application review and save applicants from starting an approved project and later having PA funds de-obligated due to legal considerations. While FEMA was unable to estimate quantitative benefits for this change, FEMA wanted to discuss the importance of the qualitative advantages of knowing the potential legal issues before starting a project.

7.13 No-Action Baseline State and Tribal Administrative Plans

Current regulations state that recipients shall develop a plan for the administration of the PA program that includes the designation of the State agency or agencies that will have the responsibility for program administration.⁷⁹ The administrative plan also includes a staffing plan that identifies all PA staffing functions, the sources of staff to fill these functions, and the management and oversight responsibilities of each. This administrative plan requirement includes Indian Tribal governments when they choose to act as a recipient. Indian Tribal governments that choose to act as a subrecipient, like all subrecipients, are not required to submit administrative plans.

The first change would add Tribal administrative plans to paragraph (b) of section 206.207 which is currently identified as “State administrative plans.” FEMA already requires Indian Tribal governments to submit administrative plans when they act as recipients and this change is a clarification noted for context. The following proposed new changes would add requirements that administrative plans include procedures for addressing timely closeout procedures and updating disaster specific staffing plans, a goal supported by the National Advisory Council (NAC)⁸⁰ in its recommendation.

FEMA proposes to add requirements to improve State/Tribal administrative plans. The first new requirement would add that administrative plans include an outline for timely closeout of projects. Currently, 44 CFR 206.207 does not explicitly require that Administrative Plans include procedures for timely close out. However, recipients are subject to the close out requirements outlined in 2 CFR 200.344 and should already have procedures for ensuring timely close out.⁸¹ Although timely closeout is an existing expectation, this revision would reinforce this requirement and highlight FEMA’s goal of expediting project and program closure. FEMA has not yet implemented this change and proposes to do so through this rule.

The second new proposed requirement would add that State/Tribal governments update administrative plans following a disaster, including the disaster-specific staffing plan. Currently, FEMA requires recipients to prepare a staffing plan for administering the PA program as part of

⁷⁸ The specific reason for project delays is not information that FEMA collects under currently approved collection notices.

⁷⁹ 44 CFR 206.207(b)(3)

⁸⁰ The NAC is a chartered Federal Advisory Committee with the responsibility for advising FEMA on all aspects of emergency management.

⁸¹ 2 CFR 206.344 Closeout

the administrative plan in 44 CFR 206.207(b)(3). A staffing plan identifies all PA staffing functions, sources of staff to fill these functions, and the management and oversight responsibilities of each position. The staffing plan identifies the number of positions needed by each function for various size disasters. Each State/Tribal administrative plan would, therefore, have an overarching plan in place before disasters hit and would be able to refine any such plan to address the specific needs of a disaster once it occurs. Including an updated disaster-specific staffing plan when amending the administrative plan post-disaster would provide the opportunity for management to discuss and resolve any potential issues. FEMA has not yet implemented this change and proposes to do so through this rule.

FEMA estimated the impacts of the State and Tribal administrative plan updates against a no-action baseline to show the effects of the proposed changes compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA's current practice, but not the current regulations).

7.13.1 Costs- State and Tribal Administrative Plans

7.13.1.1 Costs for Recipients

FEMA subject-matter experts estimate that 93 respondents (56 States territories + 37 Tribes⁸² acting as recipient) would provide one administrative plan per year and that the additional outline for timely closeout and post-disaster update to administrative plans, including staffing plans, would add an average of 8 hours of effort to the current burden estimate in the first year, and then 4 hours in each following year to account for any updates needed. Using the State government manager loaded average wage rate of \$54.10,⁸³ this yields a total burden of \$40,250 (93 respondents × 1 annual plan × 8 hours × \$54.10 wage rate) in year one and \$20,125 (93 respondents × 1 annual plan × 4 hours × \$54.10 wage rate) each year after that.

FEMA estimated a no-action baseline for recipient costs at no costs as these changes are newly proposed and not currently implemented by PA. FEMA estimated recipient costs of the proposed changes for State and Tribal administrative plans would be \$40,250 in year one and \$20,125 in each following year.

7.13.1.2 Costs for Government

FEMA estimated a no-action baseline for FEMA costs at no costs as these changes are newly proposed and not currently implemented by PA. FEMA does not expect additional costs related to State and Tribal administrative plan changes because the number of administrative plans submitted for review each year would be unaffected.

⁸² FEMA estimated 37 Tribes per year would submit administrative plans based on the number of Tribes acting as recipients historically.

⁸³ Bureau of Labor Statistics, Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Fully loaded wage rates include other benefits, we are using a factor of 1.6 to calculate fully loaded wage rates. The unloaded wage rate does not account for cost of benefits, such as health insurance, to the employer. Accessed July 29, 2020.

Fully loaded Emergency Management Directors salary paid is $\$33.81 \times 1.6 = \54.10

7.13.1.3 Total Costs

For State and Tribal administrative plan changes, FEMA estimated a no-action baseline for costs at no costs (recipients and FEMA). FEMA estimated total costs at \$40,250 in year one and \$20,125 in each following year.

7.13.2 Transfer Payments - State and Tribal Administrative Plans

The proposed State and Tribal administrative plan changes would not impact transfer payments because the number of awards and amounts of awards would be unaffected.

7.13.3 Benefits- State and Tribal Administrative Plans

FEMA proposes to add requirements for administrative plans to include an outline for timely project closeout and updating administrative plans, including disaster specific staffing plans, following a disaster. The anticipated benefit from these changes would keep administrative plans up-to-date and provide additional staffing information about prior disasters helping recipients to be in a better position to respond to and recover from emergencies and disasters.

7.14 No-Action Baseline Work Documentation

Currently, an applicant's authorized local representative is responsible for identifying and reporting all impacts the applicant proposes be included on Project Applications. The applicant will have 60 days following the Recovery Scoping Meeting with FEMA to identify and to report damage. For work not completed prior to or during the development period, the applicant must conduct any site inspections necessary to validate incident impacts, complete a detailed damage description of the impacts and provide the recipient and FEMA all other documentation necessary to determine eligible work and costs. FEMA does not currently have a deadline for this documentation step in the PA process however PA funds are not obligated until the documentation is submitted and approved by FEMA. Additionally, FEMA has work completion deadlines for emergency projects of 6 months and for permanent projects of 18 months from the declaration date.⁸⁴ Applicants with extenuating circumstances that cannot meet the work completion deadline may request an extension.

FEMA proposes changing the 60-day time-period to within 90 calendar days following FEMA's approval of the Request for PA for the applicant to identify and report all impacts included on the project applications. This would be a change from the existing deadline, which is 60 days following the Recovery Scoping Meeting with FEMA. FEMA proposes increasing the time-period from 60 days to 90 days, to ensure applicants have adequate time to identify and report the impacts.

FEMA also proposes applicant submission date requirements for all eligible work and costs documentation of work not completed prior to or during the development period. FEMA proposes to require applicants to submit these documents within 30 calendar days following a site inspection or 120 calendar days following FEMA's approval of the Request for PA, whichever is later. There is currently no submission deadline for eligible work and costs

⁸⁴ Federal Emergency Management Agency (2020). Public Assistance Program and Policy Guide, version 4, Effective June 1, 2020 (Report No. 104-009-2), Work Completion Deadlines page 196. Retrieved from https://www.fema.gov/sites/default/files/documents/fema_pappg-v4-updated-links_policy_6-1-2020.pdf. Accessed on December 12, 2022.

documentation. The proposed change is based on FEMA’s past experience with the eligible work and costs documentation process; FEMA expects the new requirement dates are an appropriate length of time to avoid undue delay in the process while still giving applicants sufficient time to submit the required information.

FEMA estimated the impacts of the changes to work documentation against a no-action baseline to show the effects of the proposed changes compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA’s current practice, but not the current regulations). FEMA used PA project data from 2016 through 2019 to estimate the percentage of projects that met the proposed submission dates due to PA grants process and system changes prior to 2016. This period from 2016 through 2019 reflects the new grants delivery model⁸⁵ and new software applications, “PA Grants Manager” and “Grants Portal”⁸⁶, used for all stakeholders involved in the PA grant process since 2016.

7.14.1 Costs- Work Documentation

7.14.1.1 Costs for Recipients

FEMA proposes changing the prior 60 day following its first substantive meeting with FEMA to within 90 calendar days following FEMA’s approval of the Request for PA for the applicant to identify and report all impacts included on the project applications. FEMA estimated that more than 85 percent of project application documentation are complete within 90 days of FEMA’s approval of the Request for PA. FEMA expects this additional time for documentation would not impose additional cost burden on applicants.

FEMA also proposes to add applicant submission date requirements for all eligible work and costs documentation of work not completed prior to or during the development period. FEMA proposes to require applicants to submit these documents within 30 calendar days following a site inspection or 120 calendar days following FEMA’s approval of the Request for PA, whichever is later. FEMA estimated that more than 45 percent of completed work documentation are complete within 120 days of FEMA’s approval of the Request for PA without a requested submission deadline. FEMA expects the new requirement for documentation would not impose additional cost burden on applicants because FEMA currently requires the documentation prior to obligating PA funds and close to half of applicants are meeting the requirement voluntarily. FEMA expects all applicants to meet the new documentation requirement as FEMA believes the lack of a formal deadline is the reason for delays in submitting these documents. Additionally, applicants may request time extensions for extenuating circumstances as needed consistent the current practice for requesting an extension for a work completion deadline (as noted above). If the applicant misses the proposed date requirement, then the project would become ineligible for PA and need to be submit an appeal or resubmitted for approval.

⁸⁵ PA Delivery Model Fact Sheet, accessed: November 17, 2022, available at:

https://www.fema.gov/sites/default/files/2020-07/fema_pa_delivery-model_factsheet.pdf

⁸⁶ PA Grant Manager and Grants Portal Fact Sheet, accessed: November 17, 2022, available at:

https://www.fema.gov/sites/default/files/2020-07/fema_pa_grants-manager-grants-portal-tool_factsheet.pdf

FEMA estimated a no-action baseline for recipient costs at no costs for these changes as these are new changes that FEMA has not yet implemented. FEMA estimated that providing additional time for impact documentation and the new requirement to submit all eligible work and costs documentation of work not completed prior to or during the development period would not impose additional cost burdens on applicants.

7.14.1.2 Costs for Government

FEMA does not expect these changes to increase FEMA costs for PA project applications.

7.14.1.3 Total Costs

FEMA estimated that the additional time for impact documentation and the requirement to add a deadline for submission of all eligible work and costs documentation would not impose additional future cost burdens for applicants or FEMA.

7.14.2 Transfer Payments - Work Documentation

FEMA does not expect these changes to impact transfer payments. These document submission changes adjust when FEMA requires documents from applicants. However, these changes do not change whether an applicant is eligible to receive assistance. Additionally, FEMA expects all applicants to meet these new documentation submission requirements.

7.14.3 Benefits- Work Documentation

These changes would provide benefits by increasing clarity and adding more time early in the application process would help ensure accurate identification and reporting of disaster impacts. The PA application process requires recipients to document the project impacts, and applicants often find the submission deadlines confusing and difficult to meet due to the narrow timeframe. FEMA proposes adjusting the documentation submission dates from the first substantive meeting with FEMA to FEMA's approval date of the Request for PA to avoid potential confusion about which of the multiple meetings early in the PA process was a substantive meeting. Additionally, FEMA expects the new requirement for eligible work and costs documentation submission dates would set expectations early in the process and help timely closeout of projects benefiting FEMA, recipients, and disaster-impacted communities. Increasing the impact documentation date by 30 days early in the process would provide benefits by helping to ensure applicants have adequate time to identify and report the impacts prior to the start of the project benefiting both the applicant's recovery and FEMA's ability to assist with their recovery.

8. PRE-STATUTORY ANALYSIS

In this section, FEMA analyzes the impacts of each of the proposed changes against the pre-statutory baseline, or what the world would look like if the relevant statutes had not been adopted and implemented through guidance. Accordingly, measuring the proposed rule against a pre-statutory baseline shows the effects of the proposed rule as compared to FEMA practice prior to the enactment of the enabling statute or guidance (i.e., as if FEMA had not already implemented the statutory or policy changes.)

8.1 Pre-statutory Rehabilitational Facilities

Since 1998, the term “rehabilitational” has been included in section 102 of the Stafford Act but FEMA inadvertently omitted the term from PA regulations. FEMA has provided assistance under PA for rehabilitational facilities since then and FEMA proposes to add rehabilitational facilities to the definition of eligible PNP facilities to codify the change. Before 1988, such facilities were ineligible to receive PA funding and the estimated baseline is zero dollars. A pre-statutory baseline was used to measure the impact of this change. FEMA used EDW data from 2000 to 2019 to estimate PA funding rehabilitational centers facilities PNPs.⁸⁷ On average, 22 rehabilitational facilities received PA funding per year and the average PA funding per project was \$51,187. In total, rehabilitational facilities received \$1,126,114 (22 projects × \$51,187) per year in PA funding from FEMA.

8.1.1 Costs- Rehabilitational Facilities

8.1.1.1 Costs for Recipients

FEMA estimated burden cost for recipients based on the average number of PA projects for rehabilitational PNP facilities (7 projects) and burden estimate information from FEMA forms specific to project worksheets included in the PA ICR 1660-0017.⁸⁸ For analysis purposes, FEMA identified eight forms that a PNP rehabilitational facility would be required to complete. FEMA estimated the average burden for completion of these eight forms (one additional project) at 8.8333 hours.⁸⁹

According to the U.S. BLS May 2019, OES, the average hourly wage is \$33.81 for Emergency Management Directors within the state government.⁹⁰ FEMA determined the fully-loaded wage rate for Emergency Management Directors to be \$54.10 (\$33.81 hourly mean wage for Emergency Management Directors × 1.6 wage rate multiplier). FEMA estimated recipient burden cost at \$478 (8.8333 average burden hours × \$54.10 for fully-loaded wage for Emergency Management Directors) per PNP project.

⁸⁷ PNP data for Rehabilitation facilities was available back to 2000 and FEMA used this 20-year period from 2000 to 2019 to analyze the change.

⁸⁸ See Information Collection Request 202208-1660-001, https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202208-1660-001. Accessed February 24, 2023

⁸⁹ See RIA Table 7-1. Information Collection Forms and Burden Hours Estimate

⁹⁰ Bureau of Labor Statistics. Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. Retrieved from https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Accessed July 2020.

FEMA estimated a pre-statutory baseline for recipient costs at zero dollars, as before 1988 rehabilitational facilities were ineligible to receive PA. FEMA estimated that adding rehabilitational facilities to the definition of eligible PNP facilities expanded eligibility by an average of 22 rehabilitational PNP facilities projects per year. Using the average burden cost per project of \$478, recipient costs total \$10,516 (22 projects × \$478 recipient burden cost) per year.

8.1.1.2 Costs for Government

FEMA estimated its costs based on information in PA ICR 1660-0017, specifically the number of forms with responses and FEMA staff resources reviewing forms, and 2019 salary data for OPM. The number of PA form responses averaged 398,068 per year (ICR 1660-0017, Item 12.c.) and staff resources per year were 12 employees (GS-12, Step 5) spending 50 percent of their time (ICR 1660-0017, Item 14).

According to OPM, the salary for a GS-12 Step 5 in 2019 in Washington-Baltimore-Arlington, DC-MD-VA-WV-PA was \$94,520.⁹¹ The fully-load GS-12 Step 5 salary equals \$137,999 ($\$94,520 \times 1.46$ wage multiplier). FEMA estimated staff resource costs for 12 GS-12 employees spending 50 percent of their time reviewing all ICR 1660-0017 forms received at \$827,994 (12 Federal employees × \$137,999 × 50 percent of time) per year. FEMA then estimated the staff resource cost per form reviewed by dividing the staff resource costs by the number of forms responses for ICR 1660-0017, equaling \$2.08 per form ($\$827,994 \div 398,068$ forms). FEMA multiplied the staff resource cost per form of \$2.08 by eight forms to account for the number of forms that an additional project for a PNP would typically require resulting in a FEMA cost estimate of \$17 ($\2.08×8 forms) per PNP project.

FEMA estimated a pre-statutory baseline for FEMA costs at zero dollars, as before 1988 rehabilitational facilities were ineligible to receive PA. FEMA estimated that adding rehabilitational facilities to the definition of eligible PNP facilities expanded eligibility by an average of 22 rehabilitational PNP facilities projects per year. Using the average burden cost per project of \$17 to total FEMA costs equal \$374 (22 projects × \$17) per year.

8.1.1.3 Total Costs

FEMA estimated that costs for adding rehabilitational facilities to the definition of eligible PNP facilities total \$10,890 (\$10,516 recipient + \$374 government) per year.

8.1.2 Transfer Payments - Rehabilitational Facilities

FEMA used EDW data from 2000 to 2019 to estimate PA funding for rehabilitational centers facilities PNPs. On average 22 rehabilitational facilities received PA funding per year and the average PA funding per project was \$51,187. In total, rehabilitational facilities received \$1,126,114 (22 projects × \$51,187) per year in PA funding from FEMA. FEMA estimated a pre-statutory baseline for transfer payments from FEMA to rehabilitational facility PNPs at zero dollars because rehabilitational facilities were ineligible. Accordingly, FEMA estimated that expanding eligibility for PA to rehabilitational facilities increased transfer payments from FEMA to recipients by \$1,126,114 in PA funding per year.

⁹¹ Office of Personnel Management. Salary Table 2019- DCB. Available at: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/DCB.pdf>. Last accessed on January 3, 2023

8.1.3 Benefits- Rehabilitational Facilities

FEMA's expansion of PNP eligibility to include rehabilitational facilities provides additional assistance to PNPs allowing them to recover more quickly from disaster-damage, more consistently provides PA assistance to PNPs, and codifying this change will align FEMA regulations with statutory changes.

8.2 Pre-statutory Baseline Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals

FEMA implemented Section 689(b) of PKEMRA and Section 4 of the PETS Act to include the rescue, shelter, care, and essential needs of household pets and service animals as an essential service eligible for PA via guidance in 2006. Before this change, such assistance was ineligible to be funded by FEMA's PA program. FEMA is proposing to codify this change.

FEMA used EDW data from 2006 to 2019 to estimate PA funding for rescue, shelter, care, and essential needs of household pets and service animals related assistance. FEMA used a pre-statutory baseline to show the effects of the change prior to enactment of the enabling statute (i.e., as if FEMA had not already implemented the changes through the PA Guidance). FEMA used a pre-statutory baseline of zero dollars as this type of assistance was ineligible prior to the 2006 policy guidance.

8.2.1 Costs- Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals

8.2.1.1 Costs for Recipients

FEMA estimated burden cost for recipients based on the average number of PA assistance awards for rescue, shelter, care, and essential needs of household pets and service animals and burden estimate information from FEMA forms specific to project worksheets included in the PA ICR 1660-0017. For analysis purposes, FEMA identified six forms that recipients would need to complete for an additional assistance request for rescue, care, shelter, and essential needs of household pets and service animals. FEMA estimated the average burden for completion of these six forms (one additional request) at 7.8333 hours.⁹²

According to the U.S. BLS May 2019, OES, the average hourly wage is \$33.81 for Emergency Management Directors within the state government.⁹³ FEMA determined the fully-loaded wage rate for Emergency Management Directors to be \$54.10 (\$33.81 hourly mean wage for Emergency Management Directors × 1.6 wage rate multiplier). FEMA estimated recipient burden cost at \$424 (7.8333 average burden hours × \$54.10 for fully-loaded wage for Emergency Management Directors) per award.

FEMA estimated a pre-statutory baseline for recipient costs at zero dollars as assistance related to rescue, care, shelter and essential needs of household pets and service animal was ineligible prior to 2006. FEMA estimated providing assistance for the rescues, shelter, care, and essential

⁹² See Table 7-2. Information Collection Forms and Burden Hours Estimate

⁹³ Bureau of Labor Statistics. Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. Retrieved from https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Accessed July 2020.

needs of household pets and service animals expanded eligibility by an average of 8 awards per year from 2006-2019. Using the average burden cost per award of \$424, equals total recipient costs at \$3,392 (8 awards × \$424 estimated recipient burden cost per award) per year.

8.2.1.2 Costs for Government

FEMA estimated its costs based on information in PA ICR 1660-0017, specifically the number of forms with responses and FEMA staff resources reviewing forms, and 2019 salary data for OPM. The number of PA form responses averaged 398,068 per year (ICR 1660-0017, Item 12.c.) and staff resources per year were 12 employees (GS-12, Step 5) spending 50 percent of their time (ICR 1660-0017, Item 14).

According to OPM, the salary for a GS-12 Step 5 in 2019 in Washington-Baltimore-Arlington, DC-MD-VA-WV-PA was \$94,520.⁹⁴ The fully-load GS-12 Step 5 salary equals \$137,999 ($\$94,520 \times 1.46$ wage multiplier). FEMA estimated staff resource costs for 12 GS-12 employees spending 50 percent of their time reviewing all ICE 1660-0017 forms received at \$827,994 (12 Federal employees × \$137,999 × 50 percent of time) per year. FEMA then estimated the staff resource cost per form reviewed by dividing the staff resource costs by the number of forms responses for ICR 1660-0017, equaling \$2.08 per form ($\$827,994 \div 398,068$ forms). FEMA multiplied the staff resource cost per form of \$2.08 by six forms to account for the number of forms that an additional household pets and service animals related assistance award would typically require resulting in a FEMA cost estimate of \$13 ($\2.08×6 forms) per PNP project.

FEMA estimated a pre-statutory baseline for FEMA costs at zero dollars for rescue, care, shelter and essential needs of household pets and service animal related assistance as it was ineligible for PA prior to 2006. FEMA estimated that adding such assistance expanded PA eligibility by an average of 8 rescue, shelter, care, and essential needs of household pets and service animals related essential assistance awards per year. Using the average burden cost per award of \$13 to equal FEMA costs at \$104 (8 awards × \$13) per year.

8.2.1.3 Total Costs

FEMA estimated that the total cost for expanding PA eligibility to include rescue, shelter, care, and essential needs of household pets and service animals related essential assistance awards, is \$3,496 (\$3,392 recipients + \$104 FEMA) per year.

8.2.2 Transfer Payments - Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals

FEMA used data from 2006 to 2019 to estimate transfer payments for rescue, care, shelter, and essential needs of household pets and service animal related assistance. FEMA estimated an average of 8 awards per year for household pets and service animals related assistance and an average award amount of \$73,808. In total, rescue, shelter, care, and essential needs of household pets and service animal related assistance increased from zero prior to 2006 to an average of \$590,464 (8 projects × \$73,808) per year in PA funding from FEMA to recipients.

⁹⁴ Office of Personnel Management. Salary Table 2019- DCB. Available at: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/DCB.pdf>. Last accessed on January 3, 2023

FEMA estimated a pre-statutory baseline for transfer payments from FEMA to rescue, care, shelter, and essential needs of household pets and service animal facility at zero dollars, rescue, care, shelter and essential needs of household pets and service animal related essential assistance were ineligible. Accordingly, FEMA estimated that expanding PA eligibility increased transfer payments from FEMA to recipients by \$590,464 in PA funding per year.

8.2.3 Benefits- Rescue, Care, Shelter, & Essential Needs of Household Pets and Service Animals

FEMA's expansion of PA eligibility to include rescue, care, shelter, and essential needs of household pets and service animal related assistance provides additional assistance to recipients allowing them to more quickly address pet-related needs due to disaster-damage and codifying this change will align FEMA regulations with statutory changes. One common benefit is increasing pet shelter access so that disaster survivors may use temporary housing shelters because shelters that house people do not allow pets. Another benefit quickens the gathering of loose pets after a disaster before reuniting with owners or moving pets to other sheltering options.

8.3 Pre-statutory Baseline Community Arts and Performing Arts Facilities

In 2007, section 688 of PKEMRA amended section 102 of the Stafford Act to include community arts centers and performing arts facilities in the definition of eligible PNP facilities, making such facilities eligible to receive PA.⁹⁵ FEMA implemented the statutory change to make community arts centers and performing arts facilities eligible for PA in 2007. Prior to 2007, such facilities were ineligible to receive PA funding so therefore, FEMA used a pre-statutory baseline of zero dollars to measure the change. FEMA used EDW data from 2007 to 2019 to estimate PA funding for community arts facilities and performing arts facilities PNPs.

8.3.1 Costs- Community Arts and Performing Arts Facilities

8.3.1.1 Costs for Recipients

FEMA estimated burden cost for recipients based on the average number of PA projects for community arts facilities and performing arts facilities PNPs and burden estimate information from FEMA forms specific to project worksheets included in the PA ICR 1660-0017. For analysis purposes, FEMA identified eight forms that a PNP community arts centers and performing arts facility would be required to complete. FEMA estimated the average burden for completion of these eight forms (one additional project) at 8.8333 hours.⁹⁶

According to the U.S. BLS May 2019, OES, the average hourly wage is \$33.81 for Emergency Management Directors within the state government.⁹⁷ FEMA determined the fully-loaded wage rate for Emergency Management Directors to be \$54.10 (\$33.81 hourly mean wage for Emergency Management Directors × 1.6 wage rate multiplier). FEMA estimated recipient

⁹⁵ Federal Emergency Management Association. "Public Assistance Policy Digest FEMA 321/ January 2008." <https://www.fema.gov/pdf/government/grant/pa/pdigest08.pdf>. Accessed on December 17, 2020.

⁹⁶ See Table 7-1. Information Collection Forms and Burden Hours Estimate

⁹⁷ Bureau of Labor Statistics. Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. Retrieved from https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Accessed July 2020.

burden cost at \$478 (8.8333 average burden hours × \$54.10 for fully-loaded wage for Emergency Management Directors) per PNP project.

FEMA estimated a pre-statutory baseline for recipient costs at zero dollars, as before 2007 community arts and performing art facilities were ineligible to receive PA. FEMA estimated that adding community arts and performing arts facilities to eligible PNP facilities expanded PA eligibility by an average of 3 community arts facilities and performing arts facilities PNPs per year from 2010-2019. Using the average burden cost per project of \$478, recipient costs total \$1,434 (3 projects × \$478 recipient burden cost) per year.

8.3.1.2 Costs for Government

FEMA estimated its costs based on information in PA ICR 1660-0017, specifically the number of forms with responses and FEMA staff resources reviewing forms, and 2019 salary data for OPM. The number of PA form responses averaged 398,068 per year (ICR 1660-0017, Item 12.c.) and staff resources per year were 12 employees (GS-12, Step 5) spending 50 percent of their time (ICR 1660-0017, Item 14).

According to OPM, the salary for a GS-12 Step 5 in 2019 in Washington- Baltimore- Arlington, DC-MD-VA-WV-PA was \$94,520.⁹⁸ The fully-load GS-12 Step 5 salary equals \$137,999 (\$94,520 × 1.46 wage multiplier). FEMA estimated staff resource costs for 12 GS-12 employees spending 50 percent of their time reviewing all ICR 1660-0017 forms received at \$827,994 (12 Federal employees × \$137,999 × 50 percent of time) per year. FEMA then estimated the staff resource cost per form reviewed by dividing the staff resource costs by the number of forms responses for ICR 1660-0017, equaling \$2.08 per form (\$827,994 ÷ 398,068 forms). FEMA multiplied the staff resource cost per form of \$2.08 by eight forms to account for the number of forms that an additional project for a PNP would typically require resulting in a FEMA cost estimate of \$17 (\$2.08 × 8 forms) per PNP project.

FEMA estimated a pre-statutory baseline for FEMA costs at zero dollars, as before 2007 community arts and performing arts facilities were ineligible to receive PA. FEMA estimated including community arts centers and performing arts facilities in the definition of eligible PNP facilities expanded eligibility by an average of 3 community arts facilities and performing arts facilities projects per year. Using the average burden cost per project of \$17, total FEMA costs equal \$51 (3 projects × \$17) per year.

8.3.1.3 Total Costs

For community arts facilities and performing arts facilities PNPs, FEMA estimated a pre-statutory baseline for costs at zero dollars because community arts and performing arts facilities were ineligible to receive PA funding. FEMA estimated additional costs of expanding eligibility at \$1,485 (\$1,434 recipients + \$51 FEMA) per year.

⁹⁸ Office of Personnel Management. Salary Table 2019- DCB. Available at: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/DCB.pdf>. Last accessed on January 3, 2023

8.3.2 Transfer Payments- Community Arts and Performing Arts Facilities

FEMA used data from 2010 to 2019 to estimate PA funding for community arts facilities and performing arts facilities. Three community arts facilities and performing arts facilities received PA funding on average per year and the average PA funding per project was \$74,838. In total, community arts facilities and performing arts facilities received \$224,514 (3 projects × \$74,838) per year in PA funding from FEMA.

FEMA estimated a pre-statutory baseline for transfer payments from FEMA to community arts and performing arts facilities PNP at zero dollars because community arts and performing arts facilities were ineligible to receive PA funding prior to 2007. Therefore, FEMA estimated additional transfer payments from FEMA to recipients for expanding eligibility at \$224,514 in PA funding per year.⁹⁹

8.3.3 Benefits- Community Arts and Performing Arts Facilities

FEMA's expansion of PNP eligibility to include community arts facilities and performing arts facilities provides additional assistance to PNPs to recover more quickly from disaster-damage, more consistently provides PA assistance to PNPs, and codifying this change will align FEMA regulations with statutory changes.

8.4 Pre-statutory Baseline Community Disaster Loan Program

FEMA implemented guidance in 2012 consistent with the SAFE Port Act, which increased the amount that communities may receive in a Community Disaster Loan (CDL). It allowed communities to receive up to 50 percent of their annual operating budgets if they suffered a loss of tax or other revenue equal to or greater than 75 percent of their annual operating budget in the fiscal year in which the disaster occurred, up to \$5,000,000.¹⁰⁰ Prior to 2012, loans administered through the CDL program were not to exceed 25 percent of the operating budget of the local government for the fiscal year in which the disaster occurred, not to exceed \$5,000,000.¹⁰¹ FEMA is proposing to codify this CDL change potentially allowing local governments to receive higher loan amounts, up to 50 percent of their annual operating budgets while maintaining the \$5,000,000 maximum loan cap.

FEMA estimated the impacts of this change against a pre-statutory baseline to show the effects of the proposed change prior to enactment of the enabling statute (i.e., as if FEMA had not already implemented the changes through the PA Guidance). CDL program data were available from 2012 through 2019 and no loans were issued above 25 percent of the local government's operating budget. Furthermore, the CDL program was unable to provide any instances of a CDL above 25 percent of the annual operating budget of the local government ever being issued to a local government. It is rare for a community to lose revenues up to 75 percent of an operating budget following a disaster, and therefore, local governments would not often qualify for the higher loan amount. Additionally, the CDL program does not adjust the maximum loan amount

⁹⁹ FEMA is making the assumption that the money recipients have to spend on the non-Federal share for the new assistance would have been spent by recipients towards repairing the facility anyway.

¹⁰⁰ Congressional Research Service. FEMA's Community Disaster Loan (CDL) Program: A Primer. July 13, 2020. Retrieved from <https://crsreports.congress.gov/product/pdf/IF/IF11600>. Accessed on December 08, 2022.

¹⁰¹ FEMA places the approved amount of funds into an account for use by the local government, which can be drawn upon the loan at any point during the five-year loan period.

of \$5,000,000 for inflation and as inflation increases prices and local government budgets each year, the probability of a CDL issued above 25 percent declines with each year.

8.4.1 Costs Community Disaster Loan Program

8.4.1.1 Costs for Recipients

FEMA estimated a pre-statutory baseline for recipient costs at no costs as CDLs above 25 percent were not possible prior to the change. From 2012-2019, FEMA did not have any CDLs at the higher percent and FEMA estimated this change did not create additional recipient costs.

8.4.1.2 Costs for Government

FEMA estimated a pre-statutory baseline for FEMA costs at no costs as CDLs above 25 percent were not possible prior to the change. From 2012-2019, FEMA did not have any CDLs at the higher percent and FEMA estimated this change did not create additional costs.

8.4.1.3 Total Costs

FEMA estimated a pre-statutory baseline for total costs at no costs as CDLs above 25 percent were not possible prior to the change. From 2012-2019, FEMA did not have any CDLs at the higher percent and FEMA estimated this change did not create additional cost burdens. Additionally, documentation requirements are consistent for all CDLs meaning the change allows for higher loan amounts and does not impact recipient documentation. The CDL program does not adjust the maximum loan amount of \$5,000,000 for inflation and as inflation increases prices and local government budgets each year the probability of a CDL issued above 25 percent declines with each year.

8.4.2 Transfer Payments - Community Disaster Loan Program

FEMA implemented guidance in 2012 increasing the amount that communities may receive in a CDL allowing communities to receive up to 50 percent of their annual operating budgets if they suffered a loss of tax or other revenue equal to or greater than 75 percent of their annual operating budget in the fiscal year in which the disaster occurred, up to \$5,000,000.¹⁰² FEMA is proposing to codify this CDL change potentially allowing local governments to receive higher loans amounts up to 50 percent of their annual operating budgets while maintaining the \$5,000,000 maximum loan cap.

FEMA used CDL data gathered directly from the program to analyze this change. From 2012 through 2019, no loans were issued at the higher 50 percent of the local government's operating budget. It is rare for a community to lose revenues up to 75 percent of an operating budget following a disaster. Additionally, the CDL program does not adjust the maximum loan amount of \$5,000,000 for inflation and as inflation increases prices and local government budgets each year the probability of a CDL issued above 25 percent declines with each year.

FEMA estimated a pre-statutory baseline for transfer payments from FEMA to recipients at zero dollars because CDLs above 25 percent were not possible prior to the change. From 2012-2019, FEMA did not have any CDLs at the higher percent and therefore this change did not create

¹⁰² Congressional Research Services, Federal Emergency Management Agency. Public Assistance: The Community Disaster Loan (CDL) Implementation Process. Retrieved from <https://crsreports.congress.gov/product/pdf/IF/IF11600>. Accessed on December 08, 2022.

additional transfer payments. However, if a CDL above the 25 percent level were issued, transfer payments due to this change would increase by the amount of the CDL above the standard 25 percent level up to the \$5,000,000 cap amount. Any recipient of a higher percent CDL would have been eligible for the standard CDL and, therefore, any increase in transfer payments would be the difference between the standard 25 percent CDL amount and the higher percentage CDL amount up to the maximum cap.

8.4.3 Benefits Community Disaster Loan Program

FEMA's CDL program change allows local governments to receive higher loans amounts if they suffered extreme losses due to a disaster. These higher loan amounts could benefit local governments by assisting them in recovering more quickly from extreme disaster losses. Codifying this change improves clarity and aligns FEMA regulations with statutory changes.

8.5 Pre-statutory Baseline Alternative Procedures Pilot for Debris Removal

SRIA authorized alternative procedures for debris removal under PA and allowed FEMA to implement the alternative procedures through a pilot program. On June 28, 2013, FEMA established the Alternate Procedures Pilot for Debris Removal (Debris Pilot) for subgrants in all major disasters and emergency declarations. FEMA is proposing to amend 206.228, "Allowable costs," to incorporate the PA Alternate Procedures Pilot for Debris Removal (Stafford Act, sec. 428), which made straight-time labor costs eligible for budgeted employees conducting debris removal activities. Under normal procedures for emergency work, only overtime labor is eligible for budgeted employees, while straight-time and overtime labor are eligible for unbudgeted employees. FEMA is proposing to codify this change.

FEMA estimated the effects of the Debris Pilot change against a pre-statutory baseline to show the effects of the proposed change prior to enactment of the enabling statute (i.e., as if FEMA had not already implemented the changes through the PA Guidance). FEMA used data from the EDW database for Debris Pilot projects and those choosing to opt out of the Pilot (non-Pilot projects) from 2013 through 2019 to estimate the baseline and impact of the change.

8.5.1 Costs- Alternative Procedures Pilot for Debris Removal

8.5.1.1 Costs for Recipients

The Debris Pilot change allows for straight-time labor costs to be eligible for budgeted employees conducting debris removal activities. This did not change application or reporting requirements for debris removal projects. Accordingly, this change did not create additional recipient costs.

8.5.1.2 Costs for Government

FEMA estimated this change did not create additional FEMA costs.

8.5.1.3 Total Costs

FEMA estimated the Debris Pilot change did not create additional costs. The increase in eligibility for budgeted employees conducting debris removal activities did not change reporting requirements for debris removal projects, and therefore did not impact costs.

8.5.2 Transfer Payments - Alternative Procedures Pilot for Debris Removal

FEMA used data from the EDW database for Debris Pilot projects and those choosing to opt out of the Pilot (non-Pilot projects) from 2013 through 2019 to estimate the baseline and impact of the change. The Pilot project data includes straight-time labor cost projects and removal contract projects to allow for comparison to the non-Pilot projects. The average number of Debris Pilot projects was 501 per year and the average Federal obligation amount was \$445,721 per project equaling an annual Federal obligation amount of \$223,306,221 (501 Debris Pilot projects × \$445,721) per year. For non-Pilot projects, the average number of projects per year was 514 and the average obligation amount was \$473,328 per project equaling an annual Federal obligation amount of \$243,290,592 (514 non-Pilot projects × \$473,328) per year. FEMA has no reason to believe there is a difference between projects that used the Debris Pilot and those that did not. A municipality's debris removal capabilities (staff and equipment) and the degree of disaster-damage are likely the primary factors for using the Debris Pilot or not. Use of staff incurring straight-time labor costs for debris removal rather than standard debris removal (non-pilot) contracts results in cost savings likely due to high demand for debris removal contracts following a disaster and/or higher staff overtime pay.

To estimate the pre-statutory baseline (obligations as if the Debris Pilot for straight-time labor costs was not implemented and these projects were completed as standard non-Pilot projects), FEMA multiplied the average number of Debris Pilot projects of 501 (458 straight-time labor projects and 43 other contract projects) per year by the non-Pilot average obligation amount of \$473,328 resulting in an estimate of \$237,137,328 ($\$473,328 \times 501$ Debris Pilot projects). By using the non-Pilot average obligation amount, FEMA converted these Debris Pilot project amounts into estimated non-Pilot project dollar amounts as if the Debris Pilot did not exist.

Next FEMA isolated the Debris Pilot straight-time labor portion from the Debris Pilot other contract projects because this debris removal change would be specific to the straight-time labor portion of the Debris Pilot. FEMA used the Debris Pilot average straight-time labor project obligation from 2013 through 2019 of \$119,969,697 per year and the total Debris Pilot (straight-time labor and other contracts) of \$223,306,221 per year to estimate the portion of straight-time labor project amount at 53.7 percent ($\$119,969,697 \div \$223,306,221$) of Debris Pilot obligations. Because the other 46.3 percent (100 percent – 53.7 percent) of debris pilot obligations were for overtime or contract costs, which were unaffected by this change, FEMA compares non-pilot to pilot costs for only the 53.7 percent of obligations affected by the rule.

FEMA applied the 53.7 percent to non-pilot obligations to calculate the amount in obligations replaced by straight-time labor: \$127,342,745 ($\$237,137,328 \times 53.7$ percent) per year. FEMA considers this the baseline cost without the project because it represents the straight-time labor project annual amount if the Debris Pilot projects were non-Pilot projects. The estimate for Debris Pilot straight-time labor project amounts is the average obligation of \$119,969,697 per year from 2013 through 2019. FEMA took the difference between the average straight-time labor costs for pilot obligations (\$119,969,697 per year) and the baseline estimate of \$127,342,745 per year) to estimate that the Debris Pilot straight-time labor change resulted in an average decrease in transfer payments from FEMA to PA recipients of \$7,373,048 ($\$127,342,745 - \$119,969,697$) per year under the pre-statutory baseline.

8.5.3 Benefits- Alternative Procedures Pilot for Debris Removal

The Debris Pilot change, which allowed straight-time labor costs to be eligible for budgeted employees conducting debris removal activities, increases the eligible supply of debris removal staff for PA projects as previously budgeted employee costs were ineligible during standard working hours (straight-time), increases recipient flexibility for completing debris removal, and codifying this change will align FEMA regulations with statutory changes.

8.6 Pre-statutory Baseline Broadcasting Facilities

FEMA implemented the Emergency Information Improvement Act of 2015, which amended the list of critical services in section 406(a)(3)(B) of the Stafford Act to replace “communications” with “communications (including broadcast and telecommunications)”. It added broadcasting facilities to the list of PNP eligible noncritical essential social services, through policy guidance in 2015.¹⁰³ For PNP facilities that provide noncritical essential social services, FEMA provides PA funding for permanent work, such as repairs, for only eligible costs that an SBA loan will not cover for those facilities. Therefore, noncritical PNPs must apply for a disaster loan from the SBA and receive a determination prior to PA funding.¹⁰⁴ Before this change, such facilities were ineligible to receive any PA funding.

Additionally, following the 2018 Bipartisan Budget Act, FEMA moved broadcasting facilities from the noncritical essential social services list to the PNP eligible critical services list. Critical facility PNPs are eligible for PA funding without first applying for a disaster loan from the SBA. FEMA is proposing to codify this change.

FEMA used a pre-statutory baseline of zero dollars to measure the impact of both adding broadcasting facilities to the noncritical list and then later moving broadcasting facilities from the noncritical to the critical list. FEMA used EDW data from 2015 to 2019 to estimate PA funding broadcasting facilities PNPs.

8.6.1 Costs- Broadcasting Facilities

8.6.1.1 Costs for Recipients

FEMA estimated burden cost for recipients to apply for PA based on the average number of PA projects for broadcasting PNPs (3 projects) and burden estimate information from FEMA forms specific to project worksheets included in the PA ICR 1660-0017. For analysis purposes, FEMA identified eight forms that a PNP broadcasting facility would be required to complete. FEMA estimated the average burden for completion of these eight forms (one additional project) at 8.8333 hours.¹⁰⁵

¹⁰³ Congress (2015). S. 1090 - Emergency Information Improvement Act of 2015. Retrieved from <https://www.congress.gov/bill/114th-congress/senate-bill/1090>. Accessed on June 25, 2021.

¹⁰⁴ Federal Emergency Management Agency (2020). Public Assistance Program and Policy Guide, version 4, Effective June 1, 2020 (Report No. 104-009-2), Page 58. Retrieved from https://www.fema.gov/sites/default/files/documents/fema_pappg-v4-updated-links_policy_6-1-2020.pdf. Accessed on May 16, 2022.

¹⁰⁵ See RIA Table 7-1. Information Collection Forms and Burden Hours Estimate

According to the U.S. BLS May 2019, OES, the average hourly wage is \$33.81 for Emergency Management Directors within the state government.¹⁰⁶ FEMA determined the fully-loaded wage rate for Emergency Management Directors to be \$54.10 (\$33.81 hourly mean wage for Emergency Management Directors × 1.6 wage rate multiplier). FEMA estimated recipient burden cost at \$478 (8.8333 average burden hours × \$54.10 for fully-loaded wage for Emergency Management Directors) per PNP project.

FEMA estimated a pre-statutory baseline for recipient costs at zero dollars because broadcasting facilities were ineligible to receive PA. FEMA estimated that the additional cost of expanding eligibility resulted in an average of 3 broadcasting PNP projects per year receiving PA with an average burden cost per project of \$478, totaling \$1,434 (3 projects × \$478 estimated recipient burden cost) per year in costs to recipients.

8.6.1.2 Costs for Government

FEMA estimated the costs to FEMA to provide assistance to PNP broadcasting facilities based on information in PA ICR 1660-0017, specifically the number of forms with responses and FEMA staff resources reviewing forms, and 2019 salary data for OPM. The number of PA form responses averaged 398,068 per year (ICR 1660-0017, Item 12.c.) and staff resources per year were 12 employees (GS-12, Step 5) spending 50 percent of their time (ICR 1660-0017, Item 14).

According to OPM, the salary for a GS-12 Step 5 in 2019 in Washington-Baltimore-Arlington, DC-MD-VA-WV-PA was \$94,520.¹⁰⁷ The fully-load GS-12 Step 5 salary equals \$137,999 (\$94,520 × 1.46 wage multiplier). FEMA estimated staff resource costs for 12 GS-12 employees who spend 50 percent of their time reviewing forms submitted under ICR 1660-0017, for a cost of \$827,994 (12 Federal employees × \$137,999 × 50 percent of time) per year. FEMA then estimated the staff resource cost per form reviewed by dividing the staff resource costs by the number of forms responses for ICR 1660-0017, equaling \$2.08 per form (\$827,994 ÷ 398,068 forms). FEMA multiplied the staff resource cost per form of \$2.08 by eight forms to account for the number of forms that an additional project for a PNP would typically require resulting in a FEMA cost estimate of \$17 (\$2.08 × 8 forms) per PNP project.

FEMA estimated a pre-statutory baseline for FEMA costs at zero dollars because broadcasting facilities were ineligible for PA. FEMA estimated that the additional cost of expanding eligibility resulted in an average of 3 broadcasting PNP projects per year receiving PA with an average burden cost per project of \$17, totaling \$51 (3 projects × \$17) per year in costs to FEMA.

8.6.1.3 Total Costs

For broadcasting PNPs, FEMA estimated a pre-statutory baseline for costs at zero dollars because broadcasting facilities were ineligible for PA. FEMA estimated that expanding

¹⁰⁶ Bureau of Labor Statistics. Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. Retrieved from https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Accessed July 2020.

¹⁰⁷ Office of Personnel Management. Salary Table 2019- DCB. Available at: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/DCB.pdf>. Last accessed on January 3, 2023

eligibility for PA to broadcasting facilities resulted in \$1,485 (\$1,434 recipient + \$51 FEMA) in costs per year.

8.6.2 Transfer Payments- Broadcasting Facilities

FEMA used EDW data from 2015 to 2019 to estimate PA funding for broadcasting PNPs including projects from both the prior status as noncritical essential social services and current critical services status. The difference in status only impacts eligibility steps as noncritical PNPs must apply for an SBA loan before PA assistance and critical PNPs can skip this step; once eligible a project would receive the same level of PA funding. Three broadcasting facilities received PA funding on average per year and the average PA funding per project was \$114,745. In total, broadcasting facilities received an average of \$344,235 (3 projects × \$114,745) per year in PA funding from FEMA.

FEMA estimated a pre-statutory baseline for transfer payments from FEMA to broadcasting PNPs at zero dollars because prior to 2015 broadcasting facilities were ineligible for PA. FEMA estimated that expanding eligibility for PA to broadcasting facilities resulted in an additional \$344,235 in PA funding per year.

8.6.3 Benefits- Broadcasting Facilities

FEMA's expansion of PNP eligibility to include broadcasting facilities provides additional assistance to PNPs to recover more quickly from disaster-damage, more consistently provides PA assistance to PNPs, and codifying this change will align FEMA regulations with statutory changes.

8.7 Pre-statutory Baseline Food Banks

Prior to DRAA, PNP food banks qualified for PA benefits, but eligibility was limited to facilities that distributed food to the public. DRRRA Section 1214 amended the meaning of food banks under the definition of PNP to include facilities that collect, store, and distribute food to food banks as eligible applicants. FEMA implemented the change via the policy fact sheet for the DRRRA, effective August 1, 2017¹⁰⁸

FEMA used EDW data from 2017 to 2019 to estimate PA funding for every PNP operated food bank facility. There were zero food banks that received PA during 2017-2019 after FEMA implemented the changes for food banks.¹⁰⁹

8.7.1 Costs- Food Banks

8.7.1.1 Costs for Recipients

From 2017 to 2019, there were zero food banks that received PA funding after the implementation, so therefore the estimated burden cost for recipients was zero dollars due to zero PA awards for these PNPs. FEMA acknowledges that there may be PNPs that collect, store, and distribute food to food banks that receive PA funding in the future. However, due to the limited sample size, FEMA was unable to estimate the number of food banks that would be impacted by

¹⁰⁸ FEMA Fact Sheet https://www.fema.gov/sites/default/files/2020-07/fema_pa_disaster-recovery-reform-act_factsheet.pdf. Accessed on August 17, 2021.

¹⁰⁹ Between 2017 and 2019, there were zero food bank facilities that received PA.

this change over the next 10-year period. For the purpose of this analysis, FEMA reflects zero awards for these PNPs over the next ten years.

FEMA estimated potential future burden cost for recipients based on information from FEMA forms specific to project worksheets included in the PA ICR 1660-0017. For analysis purposes, FEMA identified eight forms that recipients would need to complete for an additional assistance request for PNPs that collect, store, and distribute food. FEMA estimated the average burden for completion of these eight forms (one additional request) at 8.8333 hours.¹¹⁰

According to the U.S. BLS May 2019, OES, the average hourly wage is \$33.81 for Emergency Management Directors within the state government.¹¹¹ FEMA determined the fully-loaded wage rate for Emergency Management Directors to be \$54.10 (\$33.81 hourly mean wage for Emergency Management Directors × 1.6 wage rate multiplier). FEMA estimated recipient burden cost at \$478 (8.8333 average burden hours × \$54.10 for fully-loaded wage for Emergency Management Directors) per PNP project.

8.7.1.2 Costs for Government

Since there were zero food banks that received PA funding after the implementation, FEMA determined that the estimated burden cost for the government was zero dollars.

FEMA estimated potential future costs based on information in PA ICR 1660-0017, specifically the number of forms with responses and FEMA staff resources reviewing forms, and 2019 salary data for OPM. The number of PA form responses averaged 398,068 per year (ICR 1660-0017, Item 12.c.) and staff resources per year were 12 employees (GS-12, Step 5) spending 50 percent of their time (ICR 1660-0017, Item 14).

According to OPM, the salary for a GS-12 Step 5 in 2019 in Washington-Baltimore-Arlington, DC-MD-VA-WV-PA was \$94,520.¹¹² The fully-load GS-12 Step 5 salary equals \$137,999 (\$94,520 × 1.46 wage multiplier). FEMA estimated staff resource costs for 12 GS-12 employees spending 50 percent of their time reviewing all ICR 1660-0017 forms received at \$827,994 (12 Federal employees × \$137,999 × 50 percent of time) per year. FEMA then estimated the staff resource cost per form reviewed by dividing the staff resource costs by the number of forms responses for ICR 1660-0017, equaling \$2.08 per form (\$827,994 ÷ 398,068 forms). FEMA multiplied the staff resource cost per form of \$2.08 by eight forms to account for the number of forms that an additional project for a PNP would typically require resulting in a FEMA cost estimate of \$17 (\$2.08 × 8 forms) per PNP project.

¹¹⁰ See RIA Table 7-1. Information Collection Forms and Burden Hours Estimate

¹¹¹ Bureau of Labor Statistics. Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. Retrieved from https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Accessed July 2020.

¹¹² Office of Personnel Management. Salary Table 2019- DCB. Available at: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/DCB.pdf>. Last accessed on January 3, 2023

8.7.1.3 Total Costs

FEMA estimated that the additional cost for expanding eligibility to facilities that collect, store, and distribute food to food banks over the 2017 to 2019 period was zero dollars.

FEMA acknowledges that there may be PNPs that collect, store, and distribute food to food banks that receive PA funding in the future. However, due to the limited sample size, FEMA was unable to estimate the number of food banks that would be impacted by this change over the next 10-year period. FEMA estimated potential future costs of \$495 (\$478 recipient + \$17 FEMA) per additional award.

8.7.2 Transfer Payments- Food Banks

FEMA used EDW data from 2017 to 2019 to estimate PA funding for food bank facilities PNPs. There were zero food banks that received PA during 2017-2019 after FEMA implemented the changes for food banks. Due to the lack of awards for 2017-2019 from the limited sample, FEMA estimated transfer payments from FEMA to food bank PNPs at zero dollars in per year. FEMA acknowledges that there may be PNPs that collect, store, and distribute food to food banks that receive PA funding in the future. However, due to the lack of historical data FEMA was unable to estimate the transfer payments.

8.7.3 Benefits- Food Banks

FEMA's expansion of PNP eligibility to include PNP facilities that collect, store, and distribute food to food banks provides additional assistance to PNPs which allows them to recover more quickly from disaster-damage, more consistently provides PA assistance to PNPs, and codifying this change will align FEMA regulations with statutory changes.

8.8 Pre-statutory Baseline Houses of Worship

Section 20604(a) of the Bipartisan Budget Act 2018 amended section 102(11)(B) of the Stafford Act to include HOW as eligible PNP facilities. Section 20604(c) of the Act provided that this change would apply to assistance in response to major disasters or emergencies declared on or after August 23, 2017. Before this change, PA eligibility was limited to those HOWs that provided certain other non-religious community services. The addition of HOWs to the list of eligible PNP facilities expanded PA eligibility to all HOWs open to the general public. FEMA proposes to codify the addition of HOWs to the list of PNPs eligible to receive PA.¹¹³

FEMA estimated the impacts of the change to HOW eligibility against a pre-statutory baseline to show the effects of the proposed change prior to implementation (i.e., as if FEMA had not already implemented the changes through the PA Guidance). FEMA used EDW data from 2010 to 2019 to estimate PA funding for HOW PNPs.

Prior to the eligibility expansion, from 2010 to 2016, an average of 53 projects each year were eligible and each project received on average \$222,107. After implementing the change (from 2017 to 2019), the average annual number of projects increased by 155 (from 53 to 208

¹¹³ Federal Emergency Management Agency (2020). Public Assistance Program and Policy Guide, version 4, Effective June 1, 2020 (Report No. 104-009-2). Page 46. Retrieved from https://www.fema.gov/sites/default/files/documents/fema_pappg-v4-updated-links_policy_6-1-2020.pdf. Accessed on August 17, 2021.

projects)¹¹⁴ and the average obligation per project declined by \$160,773 (from \$222,107 to \$61,334).

8.8.1 Costs- HOW

8.8.1.1 Costs for Recipients

FEMA estimated burden cost for recipients based on the average number of PA projects for HOW PNPs and burden estimate information from FEMA forms specific to project worksheets included in the PA ICR 1660-0017. For analysis purposes, FEMA identified eight forms that a PNP HOW would be required to complete to request PA. FEMA estimated the average burden for completion of these eight forms (one additional project) at 8.8333 hours.¹¹⁵

According to the U.S. BLS May 2019, OES, the average hourly wage is \$33.81 for Emergency Management Directors within the state government.¹¹⁶ FEMA determined the fully-loaded wage rate for Emergency Management Directors to be \$54.10 (\$33.81 hourly mean wage for Emergency Management Directors × 1.6 wage rate multiplier). FEMA estimated recipient burden cost at \$478 (8.8333 average burden hours × \$54.10 for fully-loaded wage for Emergency Management Directors) per PNP project.

FEMA estimated that from 2010-2016, under the pre-statutory baseline (i.e., before FEMA expanded PA eligibility to all HOWs), FEMA provided PA to an average of 53 HOW projects per year and the average burden cost per project was \$478. Accordingly, costs to recipient totaled \$25,334 (53 projects × \$478 estimated recipient burden cost) per year.

FEMA estimated the PA eligibility expansion allowed and would allow in the future an additional 155 HOW projects per year based on PA data from 2017 through 2019. FEMA used the average burden cost per project of \$478 and multiplied by 155 to estimate recipient costs at \$74,090 (155 projects × \$478 estimated recipient burden cost) per year for these newly eligible projects.

8.8.1.2 Costs for Government

FEMA estimated its costs to provide assistance to newly eligible HOWs based on information in PA ICR 1660-0017, specifically the number of forms with responses and FEMA staff resources reviewing forms, and 2019 salary data for OPM. The number of PA form responses averaged 398,068 per year (ICR 1660-0017, Item 12.c.) and staff resources per year were 12 employees (GS-12, Step 5) spending 50 percent of their time (ICR 1660-0017, Item 14).

¹¹⁴ FEMA Public Assistance database; 2010-2019; HOWs annual average number of projects was 53; An additional 155 projects are estimated to receive funding.

¹¹⁵ See Table 7-2. Information Collection Forms and Burden Hours Estimate

¹¹⁶ Bureau of Labor Statistics. Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. Retrieved from https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Accessed July 2020.

According to OPM, the salary for a GS-12 Step 5 in 2019 in Washington-Baltimore-Arlington, DC-MD-VA-WV-PA was \$94,520.¹¹⁷ The fully-load GS-12 Step 5 salary equals \$137,999 ($\$94,520 \times 1.46$ wage multiplier). FEMA estimated staff resource costs for 12 GS-12 employees who spend 50 percent of their time reviewing forms submitted under ICR 1660-0017, for a cost of \$827,994 (12 Federal employees \times \$137,999 \times 50 percent of time) per year. FEMA then estimated the staff resource cost per form reviewed by dividing the staff resource costs by the number of forms responses for ICR 1660-0017, equaling \$2.08 ($\$827,994 \div 398,068$). FEMA multiplied the staff resource cost per form of \$2.08 by eight forms to account for the number of forms that an additional project for a PNP would typically require resulting in a FEMA cost estimate of \$17 ($\2.08×8 forms) per PNP project.

FEMA estimated that from 2010-2016, under a pre-statutory baseline (i.e., before FEMA expanded PA eligibility to all HOWs), FEMA provided PA to an average of 53 HOW projects per year and the average burden cost per project was \$17. Accordingly, costs to FEMA totaled \$901 (53 projects \times \$17) per year.

FEMA estimated the PA eligibility expansion allowed and would allow in the future an additional 155 HOW projects per year based on PA data from 2017 through 2019. FEMA used the average burden cost per project of \$17 and multiplied by 155 to estimate FEMA costs at \$2,635 (155 projects \times \$17 estimated recipient burden cost) per year for these newly eligible projects.

8.8.1.3 Total Costs

For HOW PNPs, FEMA estimated a pre-statutory baseline for costs at \$26,235 (\$25,334 recipients + \$901 FEMA) per year and FEMA estimated additional cost burdens at \$76,725 (\$74,090 recipients + \$2,635 FEMA) per year after implementation in 2017.

8.8.2 Transfer Payments- HOW

FEMA used PA applicant data from 2010 through 2019 to determine the impact of expanding PA eligibility for HOWs. Prior to the eligibility expansion, from 2010 to 2016, an average of 53 projects each year were eligible HOWs and each project received on average \$222,107 in PA, totaling an average obligation amount for HOW of \$11,771,671 (53 projects \times \$222,107). The average number of HOW projects after implementation, from 2017 to 2019, was 208 per year and each project received on average \$61,334 in PA, totaling an average annual obligation amount for HOWs of \$12,757,472 (208 projects \times \$61,334).

After implementing the change, from 2017 to 2019, the average annual number of projects increased by 155 (from 53 to 208 projects),¹¹⁸ the average obligation per project declined by \$160,773 (from \$222,107 to \$61,334), and the total amount obligated per year increased by \$985,801 (from \$11,771,671 to \$12,757,472). The amount of funding provided for the average large HOW project (i.e., a HOW that was eligible for PA before the expansion in eligibility)

¹¹⁷ Office of Personnel Management. Salary Table 2019- DCB. Available at: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/DCB.pdf>. Last accessed on January 3, 2023

¹¹⁸ FEMA Public Assistance database; 2010-2019; HOW annual average number of projects was 53 from 2010-2016; An additional 155 projects are estimated to receive funding after implementation 2017-2019.

remained essentially unchanged by the PA eligibility expansion to smaller HOWs. After 2017, the number of PA projects increased with expansion of eligibility and the average amount of these projects declined as smaller HOWs that provided fewer services were now eligible for PA.

The increase in number of projects per year and decrease in the project amounts presented a challenge for baseline estimation due to the newly eligible smaller projects outnumbering the prior larger projects roughly 3 to 1. FEMA estimated the baseline using the average annual number of HOW PA projects of 53 from 2010-2016 and then identified the largest 159 projects (53 project × 3 years) over the three-year period since the expansion 2017-2019. FEMA assumes that these 159 larger projects represent HOWs that FEMA would have approved without the 2017 implementation. Based on these post expansion 159 larger projects, FEMA estimated the pre-statutory baseline of 53 projects per year at an average project obligation amount of \$200,374 and a total HOW project obligation amount of \$10,619,822 (53 projects × \$200,374) per year.

FEMA used the remaining smaller HOW projects from 2017-2019 to represent the newly eligible HOW projects to estimate the impact. FEMA estimated an increase of 155 additional HOW projects per year at an average project obligation amount of \$13,689 based on the 2017-2019 data, excluding the larger baseline projects. This represents an average annual increase in transfer payments from FEMA to recipients of \$2,121,795 (155 projects × \$13,689 average obligation for smaller HOW projects) per year under the pre-statutory baseline.

8.8.3 Benefits- HOW

Benefits associated with the HOW eligibility expansion involve providing additional PNPs assistance to recover from disaster-damage more quickly and therefore HOWs can more quickly resume providing community services in disaster-damaged community. Additionally, this change more consistently provides PA assistance to large and smaller HOWs, and codifying this change would align FEMA regulations with statutory changes.

8.9 Pre-statutory Baseline Alternate Project Funding

When a recipient determines that the public welfare is not best served by restoring a damaged facility or its function, it may use the funds for a different facility (facilities) that benefits the same community; this is known as an alternate project. Prior to the August 2017 policy guidance update,¹¹⁹ FEMA limited the Federal share for an alternate project at the lesser of:

- 90 percent (75 percent for PNPs) of the Federal share of the original project estimate to restore the original facility; or
- The Federal share of the actual cost of completing the alternate project.

Section 1207 of the DRRRA removes the “90 percent of” and “percent of the original project” limitations on alternate projects. FEMA is proposing to codify this change.

FEMA estimated the impacts of the change to alternate project funding caps against a pre-statutory baseline to show the effects of the proposed change prior to implementation (i.e., as if

¹¹⁹ Fact Sheet. Disaster Recovery Reform Act Public Assistance Program Amendments. FEMA. Accessed at: https://www.fema.gov/sites/default/files/2020-07/fema_pa_disaster-recovery-reform-act_factsheet.pdf.

FEMA had not already implemented the changes through the PA Guidance). FEMA used data from the EDW database for alternate projects from 2010 to 2019 to determine the impact of the change. In an average year, FEMA funded 53 alternate projects.

8.9.1 Costs- Alternate Project Funding

8.9.1.1 Costs for Recipients

FEMA estimated that the change to funding limitations for alternate projects had no impact on recipient costs because it increases PA funding per project. FEMA has not received an increase in alternate projects applications post implementation and FEMA does not expect this change would impact the number of alternate projects in the future.

8.9.1.2 Costs for Government

FEMA estimated that the change to funding limitations for alternate projects had no impact on FEMA costs because it increases PA funding per project. FEMA has not received an increase in alternate projects applications post implementation and FEMA does not expect this change to impact the number of alternate projects in the future.

8.9.1.3 Total Costs

FEMA estimated the change to funding limitations for alternate projects had no impact on total costs because it increases funding per project. FEMA has not received an increase in alternate projects applications post implementation and FEMA does not expect this change to impact the number of alternate projects in the future.

8.9.2 Transfer Payments- Alternate Project Funding

FEMA removed alternate project funding caps by policy change in August 2017. FEMA used data from the EDW database for alternate projects from 2010 to 2019 to determine the baseline and impact of the change.¹²⁰ FEMA estimated the pre-statutory baseline for the change to funding limitations for alternate projects by using project data from 2010 through July 2017 (before the funding caps were removed) and then combining it with project data from August 2017 through 2019 (after the funding caps were removed), that were recalculated to apply funding caps (Table 8-1). If alternate project funding caps remained from 2010 through 2019, FEMA estimated the number of projects annually remain at 53, average obligations at \$349,196 per project, and the average obligation would be \$18,507,388 (53 projects × \$349,196) per year.

¹²⁰ FEMA's EDW Public Assistance database; 2010-2019. Note: two unrepresentative alternate projects were excluded from the calculation due to extreme size. If included in the calculation, the average alternate project amount would be \$4,430,282 and the total annual amount would be (\$4,430,282 × 64) = \$283,538,048.

Table 8-1. Baseline Estimate Recalculating Post-Implementation Period to Apply Funding Cap

	Total Alt Project Obligations, With Funding Cap	Average Annual Alt Projects	Average Per Alt Project Obligations, With Funding Cap	Average Annual Obligations, With Funding Cap
Pre-Implementation 2010-2017(July)	\$162,375,192	64	\$338,282	\$21,650,048
Post-Implementation 2017(Aug)- 2019	\$22,698,491	19	\$477,863	\$9,079,397
Baseline Estimate 2010-2019	\$185,073,683	53	\$349,196	\$18,507,388

FEMA estimated the impact of removing funding caps or limits for alternate projects by recalculating project data for 2010 through July 2017 to remove the 90 percent (75 percent for PNPs) funding limit, and then combining it with the project data from August 2017 through 2019 after PA had removed the funding limits by the policy change (Table 8-2). If this change was active from 2010 through 2019, FEMA estimated the number of projects annually remain at 53, average obligations at \$396,834 per project, and the average obligation would be \$21,032,202 (53 projects ×\$396,834) per year.

Table 8-2. Impact Estimate Recalculating Pre-Implementation Period to Remove Funding Cap

	Total Alt Project Obligations, Without Funding Cap	Average Annual Alt Projects	Average Per Alt Project Obligations, Without Funding Limit	Average Annual Obligations, Without Funding Limit
Pre-Implementation 2010-2017(July)	\$185,068,988	64	\$385,560	\$24,675,840
Post-Implementation 2017(Aug)- 2019	\$25,253,282	19	\$531,648	\$10,101,312
Transfer Payment Impact Estimate 2010-2019	\$210,322,270	53	\$396,834	\$21,032,202

FEMA estimated the alternate project funding change resulted in an average increase in transfer payments from FEMA to PA recipients of \$2,524,814 (\$21,032,202 - \$18,507,388) per year under the pre-statutory baseline.

8.9.3 Benefits- Alternate Project Funding

Benefits associated with the alternate project funding change involve providing additional assistance to recover from disaster-damage and more consistently providing PA assistance for standard projects and alternate projects allowing communities greater flexibility when deciding which project type benefits the communities more. Codifying this change will align FEMA regulations with statutory changes.

8.10 Pre-statutory Baseline Center-Based Childcare Facilities

Section 1238(b) of DRRA amended section 102(11)(A) of the Stafford Act to add “center-based childcare” to the definition of PNP facility. Section 1238(c) of DRRA provided that this change would apply to any major disaster or emergency declared on or after the date of enactment, October 5, 2018. FEMA updated its program guidance to reflect the center-based childcare

services change via fact sheet.¹²¹ FEMA is proposing to codify this change. Prior to 2018, private nonprofit center-based childcare facilities were not eligible for PA and the estimated baseline is zero dollars in PA. A pre-statutory baseline of zero dollars was used to measure the impact of this change.

FEMA used EDW data from 2018 to 2019 to estimate PA funding for PNP center-based childcare facilities.

8.10.1 Costs- Center-Based Childcare Facilities

8.10.1.1 Costs for Recipients

From 2018 to 2019, there were zero center-based childcare facilities that received PA funding after the implementation, therefore, the estimated burden cost for recipients was zero dollars. FEMA acknowledges that there may be center-based childcare facilities that receive PA funding in the future. However, due to the limited sample size, FEMA was unable to estimate the number of center-based childcare facilities that would be impacted by this change over the next 10-year period. For the purpose of this analysis, FEMA reflects zero awards for these PNPs over the next ten years.

FEMA estimated potential burden cost for recipients based on information from FEMA forms specific to project worksheets included in the PA ICR 1660-0017. For analysis purposes, FEMA identified eight forms that a PNP facility would be required to complete. FEMA estimated the average burden for completion of these eight forms (one additional project) at 8.8333 hours.¹²²

According to the U.S. BLS May 2019, OES, the average hourly wage is \$33.81 for Emergency Management Directors within the State government.¹²³ FEMA determined the fully-loaded wage rate for Emergency Management Directors to be \$54.10 (\$33.81 hourly mean wage for Emergency Management Directors × 1.6 wage rate multiplier). FEMA estimated recipient burden cost at \$478 (8.8333 average burden hours × \$54.10 for fully-loaded wage for Emergency Management Directors) per PNP project.

8.10.1.2 Costs for Government

Since there were zero center-based childcare facilities that received PA funding after the implementation, FEMA determined that the estimated burden cost for the government was zero dollars.

FEMA estimated potential FEMA costs based on information in PA ICR 1660-0017, specifically the number of forms with responses and FEMA staff resources reviewing forms, and 2019 salary data for OPM. The number of PA form responses averaged 398,068 per year (ICR 1660-0017, Item 12.c.) and staff resources per year were 12 employees (GS-12, Step 5) spending 50 percent of their time (ICR 1660-0017, Item 14).

¹²¹ Fact Sheet. Disaster Recovery Reform Act Public Assistance Program Amendments. FEMA. Accessed at: https://www.fema.gov/sites/default/files/2020-07/fema_pa_disaster-recovery-reform-act_factsheet.pdf.

¹²² See RIA Table 7-1. Information Collection Forms and Burden Hours Estimate

¹²³ Bureau of Labor Statistics. Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. Retrieved from https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Accessed July 2020.

According to OPM, the salary for a GS-12 Step 5 in 2019 in Washington-Baltimore-Arlington, DC-MD-VA-WV-PA was \$94,520.¹²⁴ The fully-load GS-12 Step 5 salary equals \$137,999 ($\$94,520 \times 1.46$ wage multiplier). FEMA estimated staff resource costs for 12 GS-12 employees spending 50 percent of their time reviewing all ICR 1660-0017 forms received at \$827,994 (12 Federal employees \times \$137,999 \times 50 percent of time) per year. FEMA then estimated the staff resource cost per form reviewed by dividing the staff resource costs by the number of forms responses for ICR 1660-0017, equaling \$2.08 per form ($\$827,994 \div 398,068$ forms). FEMA multiplied the staff resource cost per form of \$2.08 by eight forms to account for the number of forms that an additional project for a PNP would typically require resulting in a FEMA cost estimate of \$17 ($\2.08×8 forms) per PNP project.

8.10.1.3 Total Costs

For center-based childcare facilities PNPs, FEMA estimated a pre-statutory baseline for costs at zero dollars.

FEMA acknowledges that there may be center-based childcare facilities that receive PA funding in the future. However, due to the limited sample size, FEMA was unable to estimate the number of PNPs that would be impacted by this change over the next 10-year period. FEMA estimated potential future costs of \$495 (\$478 recipient + \$17 FEMA) per additional award.

8.10.2 Transfer Payments - Center-Based Childcare Facilities

FEMA used PA applicant data from 2018 to 2019 to determine the impact of expanding PA eligibility to include PNP center-based childcare facilities. There were zero PNP center-based childcare services projects during that time period. FEMA was unable to estimate the change in transfer payments from FEMA to recipients since there were no center-based childcare facilities that received PA after FEMA implemented the changes in 2018.¹²⁵ FEMA acknowledges that there may be center-based childcare facilities that receive PA funding in the future. However, due to the limited sample size, FEMA was unable to estimate the transfer payments.

8.10.3 Benefits- Center-Based Childcare Facilities

FEMA's expansion of PNP eligibility to include center-based childcare facilities provides additional assistance to PNPs to recover more quickly from disaster-damage, more consistently provides PA assistance to PNPs, and codifying this change will align FEMA regulations with statutory changes.

8.11 Pre-statutory Baseline Codes and Standards

Section 1235(b) of DRRRA amended section 406 of the Stafford Act to require FEMA fund repair, restoration, reconstruction, or replacement in conformity with "the latest published editions of relevant consensus-based codes, specifications, and standards that incorporate the latest hazard-resistant design and establish minimum acceptable criteria for the design, construction, and maintenance of residential structures and facilities that may be eligible for

¹²⁴ Office of Personnel Management. Salary Table 2019- DCB. Available at: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/DCB.pdf>. Last accessed on January 3, 2023

¹²⁵ Between 2017 and 2019, there were zero childcare facilities that received PA.

assistance under the Stafford Act for the purposes of protecting the health, safety, and general welfare of a facility’s users against disasters.” FEMA issued interim guidance on DRRA section 1235(b), which defines the framework for consistent and appropriate implementation of consensus-based codes, specifications, and standards requirement for disaster-related repair, restoration, reconstruction, or replacement of buildings, roads and bridges, electric power, potable water, and wastewater projects. FEMA implemented this interim policy for these PA projects on November 6, 2019. Appendix A of the interim policy guidance lists industry design and construction code books which qualify as consensus-based codes, specifications, and standards.¹²⁶ FEMA proposes to codify the statutory requirement into the regulations; the framework and details provided there would continue to apply.

Prior to the interim policy guidance, PA funds would restore including required upgrades disaster-damaged facilities with codes and standards required by Federal, State, Territorial, Tribe, or local jurisdictions. As codes and standards vary across State and local jurisdictions, the impact of the consensus-based codes and standards requirement also varies. For example, if a local jurisdiction’s code or standard is more stringent than the FEMA consensus-based codes and standards, then PA would continue to fund projects at the more stringent local level and the consensus-based codes and standards would not have an additional impact. However, if a local jurisdiction’s code or standard is less stringent than the FEMA consensus-based codes and standards, then FEMA requires the use of the more stringent consensus-based codes and standards. The requirement to use the more stringent consensus-based cost and standards results in PA projects (buildings, roads and bridges, electric power, potable water, and wastewater) with increased project costs.

Additionally, prior to the interim policy guidance, FEMA generally required that the applicant incorporate the natural hazard-resistant codes and standards and related provisions referenced in the most recent published edition of the International Code Council’s (ICC) International Building Code (IBC), International Existing Building Code (IEBC), or International Residential Code (IRC) into the building design and construction. However, more stringent codes and standards only applied to PA projects for substantially damaged buildings. Substantially damaged means that the value of the building damage is equal to or greater than half of its pre-disaster value. Most PA projects do not have this threshold of damage and the prior requirement would not apply to most PA projects. FEMA did not control for substantially damaged PA projects in this analysis due to the small number of substantially damaged projects.¹²⁷

FEMA estimated impacts from changing codes and standards against a pre-statutory baseline to show the effects of the change prior to implementation (i.e., as if FEMA had not already implemented the change). FEMA used data from the EDW database for PA buildings, roads and bridges, electric power, potable water, and wastewater projects (PA categories: C – roads/bridges, E – buildings/equipment, F – utilities) from 2010 to 2018 to determine the impact of the change. During this time period, FEMA provided assistance for an average of 2,386 PA

¹²⁶ Appendix A: Consensus-Based Codes, Specifications and Standards, page 9-16. Accessed August 08, 2022. https://www.fema.gov/sites/default/files/2020-05/DRRA1235b_Consensus_BasedCodes_Specifications_and_Standards_for_Public_Assistance122019.pdf

¹²⁷ FEMA’s data system does not have an identification field for these types of projects.

Category C, E, and F projects and PA obligations for these projects averaged \$3,018,509,611 per year.

8.11.1 Costs- Codes and Standards

8.11.1.1 Costs for Recipients

FEMA estimated the interim policy guidance increased recipient costs due to requiring more stringent consensus-based codes and standards for some projects. PA projects have a cost-share structure and increases in total project costs for recipients would be partially offset by FEMA in the form of increased transfer payments due to the Federal cost share increasing due to higher PA project costs. Additionally, FEMA does not expect the change to impact the number of PA projects.

FEMA used data from the EDW database for PA buildings, roads and bridges, electric power, potable water, and wastewater projects (PA categories: C – roads/bridges, E – buildings/equipment, F – utilities) from 2010 to 2018 to determine the impact of the consensus-based codes and standards requirement for disaster-related repair, restoration, reconstruction, or replacement on PA funding. During this time period, FEMA provided assistance for an average of 2,386 projects (categories: C, E, and F) per year.

Codes and standards vary across State and local jurisdictions and this presents challenges for producing a nationwide estimate as information about the degree of these differences is limited. For the purposes of this analysis, FEMA used the Building Codes Adoption Tracking (BCAT) Report for each FEMA region to identify States and Territories with hazard-resistant building codes using consensus-based codes and standards requirements and therefore would not be imposed in a more stringent building standards or have impacts related to this change. The BCAT report classifies a State or Territory as higher resistance when 75 percent or more of jurisdictions have adopted hazard-resistant building codes. FEMA used the BCAT 2023 report to incorporate current hazard-resistant building code adoption into the forward-looking impact estimates of the change.¹²⁸ After analyzing the reports, FEMA identified 12 States and Territories where hazard-resistant building codes (IBC or IRC) adoption rate is 90 percent or greater for their jurisdictions.¹²⁹ FEMA does not expect this change would impact these States and Territories due to the use of high hazard-resistant building codes. These 12 States and Territories accounted for approximately 45 percent of all PA projects (categories: C, E, and F) from 2010 through 2018 and 79 percent of obligations. FEMA estimated an average of 1,073 projects per year in the top 12 States and Territories over the 2010 to 2018 time period.

For all outside the top 12, FEMA assumes the consensus-based codes and standards requirement would impact these projects with more stringent requirements than the local codes and standards. FEMA estimated an average of 1,313 projects per year (2,386 – 1,073) took place in areas outside of the top 12 States and Territories; the total project amount for these projects averaged

¹²⁸ FEMA Building Code Adoption Tracking: Regions 1-10 Reports, 2023. Available at <https://www.fema.gov/emergency-managers/risk-management/building-science/bcat/fact-sheets>. Accessed May 2, 2023

¹²⁹ The top 12 States/Territories include all BCAT classified as Higher Resistance. These 12 includes Florida, New York, California, New Jersey, Maryland, Georgia, New Hampshire, Montana, Nebraska, Puerto Rico, U.S. Virgin Islands, and Northern Mariana Islands. The 13th State, South Carolina, was classified as Moderate Resistance.

\$819,485,316 (\$179,372,869 non-Federal share + \$640,112,447 Federal share) per year. FEMA estimated the average Federal cost share for PA project was 78 percent (\$640,112,447 Federal share ÷ \$819,485,316 total project amount).

FEMA estimated that the consensus-based codes and standards increases project costs by a range of 1 percent of total project amounts to 10 percent. FEMA developed this range based on input from subject matter experts and is in line with additional cost estimates of hazard-resistant building codes referenced in the 2020 Building Codes Saves: A Nationwide Study and 2019 Natural Hazard Mitigation Saves Report.¹³⁰ The range of 1 percent to 10 percent of additional costs reflects the unknown variations between local codes and standards and the consensus-based codes and standard, and FEMA expects this change would have limited impacts on projects costs to FEMA's policy referencing multiple industry consensus-based codes and standards that may be selected from to meet the requirement.¹³¹ Accordingly, for the impacted 1,313 projects, FEMA estimated between an additional \$8,194,853 (\$819,485,316 × 1 percent) and \$81,948,532 (\$819,485,316 × 10 percent) per year in PA total project costs for the consensus-based codes and standards requirement. Due to the interim policy implementation in November 2019, little post-implementation data were available. For the primary estimate of this change under a pre-statutory baseline, FEMA selected the lower estimate of \$8,194,853 per year, due to the change aligning with commonly used industry building standards. Not all of these additional costs are borne by recipients as PA projects have a cost share structure; the increased total project costs for more stringent codes and standards are partially offset by FEMA in form of increased grants (transfer payments) resulting in a higher the Federal cost share amount provided to recipients.

8.11.1.2 Costs for Government

FEMA estimated no impact for FEMA costs as FEMA does not expect the change to impact the number of PA projects.

8.11.1.3 Total Costs

FEMA estimated additional annual recipient costs of \$8,194,853 and no impact for FEMA costs due to the consensus-based codes and standards requirement.

8.11.2 Transfer Payments - Codes and Standards

FEMA used data from the EDW database for PA buildings, roads and bridges, electric power, potable water, and wastewater projects (PA categories: C – roads/bridges, E – buildings/equipment, F – utilities) from 2010 to 2018 to determine the impact of the consensus-based codes and standards requirement for disaster-related repair, restoration, reconstruction, or replacement on PA funding. During this time period, FEMA provided assistance for an average of 2,386 projects (categories: C, E, and F) per year.

¹³⁰ Building Codes Saves: A National Study, page 1-6, https://www.fema.gov/sites/default/files/2020-11/fema_building-codes-save_study.pdf. Accessed August 9, 2023. Additional reference, Natural Hazard Mitigation Saves: 2019 Report, page 70, 126, 143, Additional construction cost estimates for flooding 1.7 percent, hurricane 1 percent, and safe room wind 5 to 7 percent, respectively.

https://www.nibs.org/files/pdfs/NIBS_MMC_MitigationSaves_2019.pdf. Accessed August 9, 2023.

¹³¹ Appendix A: Consensus-Based Codes, Specifications and Standards, page 9-16. Accessed August 08, 2022.

https://www.fema.gov/sites/default/files/2020-05/DRRA1235b_Consensus_BasedCodes_Specifications_and_Standards_for_Public_Assistance122019.pdf

As discussed previously, codes and standards vary across State and local jurisdictions, and this presents challenges for producing a nationwide estimate as information about the degree of these differences is limited. For the purposes of this analysis, FEMA used the Building Codes Adoption Tracking Report for each FEMA region to identify States and Territories with hazard-resistant building codes using consensus-based codes and standards requirement and therefore would not have impacts related to this change.¹³² The BCAT report classifies a State or Territory as higher resistance when 75 percent or more jurisdictions have adopted hazard-resistant building codes. FEMA used the BCAT 2023 report to incorporate current hazard-resistant building code adoption into the forward-looking impact estimates of the change. After analyzing the reports, FEMA identified 12 States/Territories where hazard-resistant building codes (IBC or IRC) adoption was 90 percent or greater for States/Territories jurisdictions.¹³³ FEMA does not expect this change would impact these States/Territories due to the current use of high hazard-resistant building codes. These 12 States/Territories from 2010 through 2018 accounted for approximately 45 percent of all PA projects (categories: C, E, and F) and 79 percent of obligations. For all outside these top 12, FEMA assumes the consensus-based codes and standards requirement would impact these projects with more stringent requirements than the local codes and standards.

FEMA estimated an average of 1,073 projects per year in the top 12 States/Territories over the 2010 to 2018 time period. For all outside the top 12, FEMA estimated consensus-based codes and standards would impact an average of 1,313 projects per year (2,386 – 1,073); the average project amount for these projects averaged \$819,485,316 (\$179,372,869 non-Federal share + \$640,112,447 Federal share) per year. FEMA estimated the average Federal cost share for PA project was 78 percent (\$640,112,447 Federal share ÷ \$819,485,316 total project amount).

FEMA estimated that the consensus-based codes and standards increases project costs by a range of 1 percent to 10 percent. FEMA developed this range based on input from subject matter experts and is in line with additional costs estimates of hazard-resistant building codes referenced in the 2020 Building Codes Saves: A Nationwide Study and 2019 Natural Hazard Mitigation Saves Report.¹³⁴ The range of 1 percent to 10 percent of additional costs reflects the unknown variations between local codes and standards and the consensus-based codes and standard, and FEMA expects this change would have limited impacts on projects costs due FEMA's policy referencing multiple industry consensus-based codes and standards that may be

¹³² FEMA Building Code Adoption Tracking: Regions 1-10 Reports, 2023. Available at <https://www.fema.gov/emergency-managers/risk-management/building-science/bcat/fact-sheets>. Accessed May 2, 2023

¹³³ The top 12 States/Territories include all BCAT classified as Higher Resistance. These 12 include Florida, New York, California, New Jersey, Maryland, Georgia, New Hampshire, Montana, Nebraska, Puerto Rico, U.S. Virgin Islands, and Northern Mariana Islands. The 13th State, South Carolina, was classified as Moderate Resistance.

¹³⁴ Building Codes Saves: A National Study, page 1-6, https://www.fema.gov/sites/default/files/2020-11/fema_building-codes-save_study.pdf. Accessed August 9, 2023. Additional reference, Natural Hazard Mitigation Saves: 2019 Report, page 70, 126, 143. Additional construction cost estimates for flooding 1.7 percent, hurricane 1 percent, and safe room wind 5 to 7 percent, respectively. https://www.nibs.org/files/pdfs/NIBS_MMC_MitigationSaves_2019.pdf. Accessed August 9, 2023.

selected from to meet the requirement.¹³⁵ Accordingly, for the impacted 1,313 projects with an average project Federal cost share of 78 percent, FEMA estimated transfer payment impacts of between an additional \$6,391,985 ($\$819,485,316 \times 1 \text{ percent} \times 78 \text{ percent Federal share}$) and \$63,919,855 ($\$819,485,316 \times 10 \text{ percent} \times 78 \text{ percent Federal share}$) per year in PA project costs for the consensus-based codes and standards requirement. These additional transfer payments would cover most of the additional recipient costs (Federal cost share of 78 percent) for the codes and standards requirement (estimated in the prior section 8.11.1). Due to the interim policy implementation in November 2019, few post-implementation data were available. FEMA selected the lower estimate of \$6,391,985 per year, to the change aligning with commonly used industry building standards, as its primary estimate of the impact this change had on transfer payments from FEMA to recipients under a pre-statutory baseline line.

8.11.3 Benefits- Codes and Standards

FEMA's implementation of consensus-based codes and standards promotes resiliency and reduces future risk in the repair and replacement of disaster damaged facilities funded by PA. Facilities restored to a code that includes hazard-resistant designs and criteria would experience fewer interruptions and less damage in the future enabling those facilities to continue to function during and after a disaster. Codifying this change would align FEMA regulations with statutory changes.

8.12 Pre-statutory Baseline Alternate Projects Legal Consideration

Currently, when a recipient wishes to pursue a project, they must provide the necessary documents for compliance with certain requirements, including, but not limited to floodplain management, environmental assessment, hazard mitigation, protection of wetlands, and insurance.¹³⁶ FEMA proposes to add a requirement for alternate projects requiring the recipient to identify any other legal considerations, such as liens on property, ownership issues, or zoning concerns, beyond those currently required. FEMA has not yet implemented this change and proposes to do so through this rule.

FEMA estimated the effects of the change for alternate project legal considerations against a pre-statutory baseline to show the effects of the proposed changes compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA's current practice, but not the current regulations). As FEMA has not implemented these newly proposed changes, the pre-statutory and no-action baselines are equivalent (i.e., FEMA's current practice matches the current regulations). FEMA used data from the EDW database for alternate projects from 2010 to 2019 to determine the impact of the change. In an average year, FEMA funds 53 alternate projects.¹³⁷

¹³⁵ Appendix A: Consensus-Based Codes, Specifications and Standards, page 9-16. Accessed August 08, 2022. https://www.fema.gov/sites/default/files/2020-05/DRRA1235b_Consensus_BasedCodes_Specifications_and_Standards_for_Public_Assistance122019.pdf

¹³⁶ 44 206.203(d)(2)(v)

¹³⁷ FEMA's EDW Public Assistance database; 2010-2019. Note: two unrepresentative alternate projects were excluded from the calculation due to extreme size. If included in the calculation, the average alternate project amount would be \$3,671,628 and the total annual amount would be ($\$3,671,628 \times 53$) = \$194,596,284.

8.12.1 Costs- Alternate Projects Legal Consideration

8.12.1.1 Costs for Recipients

Based on data from 2010-2019, on average, FEMA funded 53 alternate projects per year. FEMA estimated the burden to identify other legal considerations would be comparable to identifying floodplain management and insurance considerations, which is required under the current regulations, as they are similar in nature. FEMA estimates the burden associated with identifying floodplain management and insurance considerations to be 0.5 hours¹³⁸ and the State government fully-loaded mean wage rate for Emergency Management Directors of \$54.10,¹³⁹ FEMA estimated that the annual average cost to recipients to complete the new legal considerations form would be \$1,434 (53 projects × 0.5 hours × \$54.10 fully-loaded hourly wage rate for Emergency Management Directors).

FEMA estimated the pre-statutory baseline of this newly proposed change for recipients at no costs. FEMA estimated additional recipient costs would be \$1,434 per year to identify these additional legal considerations.

8.12.1.2 Costs for Government

FEMA estimated a pre-statutory baseline for FEMA costs at no costs as these changes are newly proposed and not currently implemented by PA. FEMA does not expect additional FEMA costs related to this change as the number of alternate projects each year is unaffected by this change.

8.12.1.3 Total Costs

For the alternate project legal considerations change, FEMA estimated a pre-statutory baseline for costs at no costs (to recipients and FEMA). FEMA estimated this change would result in additional total costs of \$1,434 per year to recipients.

8.12.2 Transfer Payments - Alternate Projects Legal Consideration

FEMA does not expect this change to impact transfer payments.

¹³⁸ See Information Collection Request 202208-1660-001, Special Considerations Questions Form 009-0-120, https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202208-1660-001. Until recently, information about floodplain management and insurance considerations was captured on Special Considerations Questions Form 009-0-120, with an estimated hour burden of 0.5 hours per response. This collection has been revised and now captures floodplain management and insurance considerations information on different forms that also ask for other information. See Information Collection Request 202212-1660-015, https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202212-1660-015.

¹³⁹ Bureau of Labor Statistics, Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Accessed July 29, 2020.

Fully loaded wage rates include other benefits, we are using a factor of 1.6 to calculate fully loaded wage rates. The unloaded wage rate does not account for costs to the employer for benefits, such as paid leave, health insurance, retirement, and other benefits. Bureau of Labor Statistics. Employer Costs for Employee Compensation, Table 2. "Employer costs For Employee Compensation by ownership," March 2019. Retrieved from http://www.bls.gov/news.release/archives/ecec_06182019.pdf. Accessed on July 17, 2020.

The wage multiplier is calculated by dividing total compensation for State and local government workers of \$50.89 by Wages and salaries for State and local government workers of \$31.75 per hour yielding a benefits multiplier of approximately 1.6 ($\$50.89 \div \31.75).

Fully loaded Emergency Management Directors salary paid is $\$33.81 \times 1.6 = \54.10 .

8.12.3 Benefits- Alternate Projects Legal Consideration

FEMA proposes to add a requirement for alternate projects requiring the recipient to identify any other legal considerations, such as liens on property, ownership issues, or zoning concerns, beyond those currently required. Each year, several PA projects end up either delayed or have their funds de-obligated because of legal concerns.¹⁴⁰ These delays can be costly to the recipient. By requiring the identification of other legal considerations for alternate projects, FEMA aims to reduce delays that stem from not addressing these types of issues prior to the start of construction. The benefit of identifying these legal considerations early in the applications process would allow for more complete project application review and save applicants from starting an approved project and later having PA funds de-obligated due to legal considerations.

8.13 Pre-statutory Baseline State and Tribal Administrative Plans

Current regulations state that recipients shall develop a plan for the administration of the PA program that includes the designation of the State agency or agencies, that will have the responsibility for program administration.¹⁴¹ The administrative plan also includes a staffing plan that identifies all PA staffing functions, the sources of staff to fill these functions, and the management and oversight responsibilities of each. This administrative plan requirement includes Indian Tribal governments when they choose to act as a recipient. Indian Tribal governments that choose to act as a subrecipient, like all subrecipients, are not required to submit administrative plans.

The first change would add Tribal administrative plans to paragraph (b) of section 206.207, which is currently identified as “State administrative plans.” FEMA already requires Indian Tribal governments to submit administrative plans when they act as recipients and this change is a clarification noted for context. The proposed new changes would add requirements that administrative plans include procedures for addressing timely closeout procedures and updating staffing plans, a goal supported by the National Advisory Council (NAC)¹⁴² in its recommendation.

FEMA proposes to add requirements to improve State/Tribal administrative plans. The first new requirement would add that administrative plans include an outline for timely closeout of projects. Currently, 44 CFR 206.207 does not explicitly require that Administrative Plans include procedures for timely close out. However, recipients are subject to the close out requirements outlined in 2 CFR 200.344 and should already have procedures for ensuring timely close out.¹⁴³ Although timely closeout is an existing expectation, this revision would reinforce this requirement and highlight FEMA’s goal of expediting project and program closure. FEMA has not yet implemented this change and proposes to do so through this rule.

The second new proposed requirement would add that State/Tribal governments update administrative plans following a disaster, including the disaster specific staffing plan. Currently,

¹⁴⁰ The specific reason for project delays is not information that FEMA collects under currently approved collection notices.

¹⁴¹ 44 CFR 206.207(b)(3)

¹⁴² The NAC is a chartered Federal Advisory Committee with the responsibility for advising FEMA on all aspects of emergency management.

¹⁴³ 2 CFR 206.344 Closeout

FEMA requires recipients to prepare a staffing plan for administering the PA program as part of the administrative plan in 44 CFR 206.207(b)(3). A staffing plan identifies all PA staffing functions, sources of staff to fill these functions, and the management and oversight responsibilities of each position. The staffing plan identifies the number of positions needed by each function for various size disasters. Each State/Tribal administrative plan would, therefore, have an overarching plan in place before disasters hit and would be able to refine any such plan to address the specific needs of a disaster once it occurs. Including an updated disaster specific staffing plan when amending the administrative plan post-disaster would provide the opportunity for management to discuss and resolve any potential issues. FEMA has not yet implemented this change and proposes to do so through this rule.

FEMA estimated the impacts of the newly proposed State and Tribal administrative plan updates against a pre-statutory baseline to show the effects of the proposed change prior to implementation. As FEMA has not implemented these newly proposed changes, the pre-statutory and no-action baselines are equivalent.

8.13.1 Costs- State and Tribal Administrative Plans

8.13.1.1 Costs for Recipients

FEMA subject-matter experts estimate that 93 respondents (56 States territories + 37 Tribes acting as recipient¹⁴⁴) would provide one administrative plan per year and that the additional outline for timely closeout and post-disaster update to administrative plans, including staffing plans, would add an average of 8 hours of effort to the current burden estimate in the first year, and then 4 hours in each following year to account for any updates needed. Using the State government manager loaded average wage rate of \$54.10,¹⁴⁵ this yields a total burden of \$40,250 (93 respondents × 1 annual plan × 8 hours × \$54.10 wage rate) in year one and \$20,125 (93 respondents × 1 annual plan × 4 hours × \$54.10 wage rate) for each following year.

FEMA estimated a pre-statutory baseline for recipient costs at no costs as these changes are newly proposed and not currently implemented by PA. FEMA estimated recipient costs of the proposed changes for State and Tribal administrative plans would be \$40,250 in year one and \$20,125 in each following year.

8.13.1.2 Costs for Government

FEMA estimated a pre-statutory baseline for FEMA costs at no costs as these changes are newly proposed and not currently implemented by PA. FEMA does not expect additional costs related to State and Tribal administrative plan changes because the number of administrative plans submitted for review each year would be unaffected.

¹⁴⁴ 56 States includes 50 states and 6 territories: the District of Columbia, and territories including American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and U.S. Virgin Islands. FEMA's annual estimate of 37 Tribes was based on the number of Tribes acting as recipients.

¹⁴⁵ Bureau of Labor Statistics, Occupational Employment Survey May 2019, SOC 11-9161 Emergency Management Directors: mean hourly wage \$33.81. https://www.bls.gov/oes/2019/may/naics4_999200.htm#11-0000. Fully loaded wage rates include other benefits, we are using a factor of 1.6 to calculate fully loaded wage rates. The unloaded wage rate does not account for cost of benefits, such as health insurance, to the employer. Accessed July 29, 2020.

Fully loaded Emergency Management Directors salary paid is $\$33.81 \times 1.6 = \54.10

8.13.1.3 Total Costs

For State and Tribal administrative plan changes, FEMA estimated a pre-statutory baseline for costs at no costs (recipients and FEMA) and estimated additional costs for recipients at \$40,250 in year one and \$20,125 in each following year.

8.13.2 Transfer Payments - State and Tribal Administrative Plans

The proposed State and Tribal administrative plan changes would not impact transfer payments.

8.13.3 Benefits- State and Tribal Administrative Plans

FEMA proposes to add requirements for administrative plans to include an outline for timely project closeout and updating administrative plans, including disaster specific staffing plans, following a disaster. The anticipated benefit from these changes would keep administrative plans up-to-date and provide additional staffing information about prior disasters helping recipients to be in a better position to respond to and recover from emergencies and disasters.

8.14 Pre-statutory Baseline Work Documentation

Currently, an applicant's authorized local representative is responsible for identifying and reporting all impacts the applicant proposes be included on Project Applications. The applicant will have 60 days following the Recovery Scoping Meeting with FEMA to identify and to report damage. For work not completed prior to or during the development period, the applicant must conduct any site inspections necessary to validate incident impacts, complete a damage detailed description of the impacts and provide the recipient and FEMA all other documentation necessary to determine eligible work and costs. FEMA does not currently have a deadline for this documentation step in the PA process however PA funds are not obligated until the documentation is submitted to FEMA. Additionally, FEMA has work completion deadlines for emergency projects of 6 months and for permanent projects of 18 months from the declaration date.¹⁴⁶ Applicants with extenuating circumstances that cannot meet the work completion deadline may request an extension.

FEMA proposes changing the 60-day time-period to within 90 calendar days following FEMA's approval of the Request for PA for the applicant to identify and report all impacts included on the project applications. This would be a change from the existing deadline, which is 60 days following the Recovery Scoping Meeting with FEMA. FEMA proposes increasing the time-period from 60 days to 90 days, to ensure applicants have adequate time to identify and report the impacts.

FEMA also proposes applicant submission date requirements for all eligible work and costs documentation of work not completed prior to or during the development period. FEMA proposes to require applicants to submit these documents within 30 calendar days following a site inspection or 120 calendar days following FEMA's approval of the Request for PA,

¹⁴⁶ Federal Emergency Management Agency (2020). Public Assistance Program and Policy Guide, version 4, Effective June 1, 2020 (Report No. 104-009-2), Work Completion Deadlines page 196. Retrieved from https://www.fema.gov/sites/default/files/documents/fema_pappg-v4-updated-links_policy_6-1-2020.pdf. Accessed on December 12, 2022.

whichever is later. There is currently no submission deadline for eligible work and costs documentation. The proposed change is based on FEMA's past experience with the eligible work and costs documentation process; FEMA expects the new requirement dates are an appropriate length of time to avoid undue delay in the process while still giving applicants sufficient time to submit the required information.

FEMA estimated the impacts of the changes to work documentation against a pre-statutory baseline to show the effects of the proposed change prior to implementation. FEMA used PA project data from 2016 through 2019 to estimate the percentage of projects that met the proposed submission dates due to PA grants process and system changes prior to 2016. This period from 2016 through 2019 reflects the new grants delivery model¹⁴⁷ and new software applications, "PA Grants Manager" and "Grants Portal"¹⁴⁸, used for all stakeholders involved in the PA grant process since 2016.

8.14.1 Costs- Work Documentation

8.14.1.1 Costs for Recipients

FEMA proposes changing the prior 60 day following its first substantive meeting with FEMA to within 90 calendar days following FEMA's approval of the Request for PA for the applicant to identify and report all impacts included on the project applications. FEMA estimated that more than 85 percent of project application documentation are complete within 90 days of FEMA's approval of the Request for PA. FEMA expects this additional time for documentation would not impose additional cost burden on applicants.

FEMA also proposes to add applicant submission date requirements for all eligible work and costs documentation of work not completed prior to or during the development period. FEMA proposes to require applicants to submit these documents within 30 calendar days following a site inspection or 120 calendar days following FEMA's approval of the Request for PA, whichever is later. FEMA estimated that more than 45 percent of completed work documentation are complete within 120 days of FEMA's approval of the Request for PA. FEMA expects the new requirement for documentation would not impose additional cost burden on applicants because FEMA currently requires the documentation prior to obligating PA funds and close to half of applicants are meeting the requirement voluntarily. FEMA expects all applicants to meet the new documentation requirement as FEMA believes the lack of a formal deadline is the reason for delays in submitting these documents. Additionally, applicants may request time extensions for extenuating circumstances as needed consistent the current practice for requesting an extension for a work completion deadline (as noted above). If the applicant misses the proposed date requirement, then the project would become ineligible for PA and need to be submit an appeal or resubmitted for approval.

¹⁴⁷ PA Delivery Model Fact Sheet, accessed: November 17, 2022, available at:

https://www.fema.gov/sites/default/files/2020-07/fema_pa_delivery-model_factsheet.pdf

¹⁴⁸ PA Grant Manager and Grants Portal Fact Sheet, accessed: November 17, 2022, available at:

https://www.fema.gov/sites/default/files/2020-07/fema_pa_grants-manager-grants-portal-tool_factsheet.pdf

FEMA estimated a pre-statutory baseline for recipient costs at no costs for these changes as these are new changes that FEMA has not yet implemented. FEMA estimated that providing additional time for impact documentation and the new requirement to submit all eligible work and costs documentation of work not completed prior to or during the development period would not impose additional cost burden on applicants.

8.14.1.2 Costs for Government

FEMA does not expect these changes to increase FEMA costs for PA project applications.

8.14.1.3 Total Costs

FEMA estimated that the additional time for impact documentation and the submission requirement for all eligible work and costs documentation would not impose additional future cost burdens for applicants or FEMA.

8.14.2 Transfer Payments - Work Documentation

FEMA does not expect these changes to impact transfer payments. These changes move when FEMA requires documents from applicants but does not change whether an applicant is eligible to receive assistance. Additionally, FEMA expects all applicants to meet these new documentation submission requirements.

8.14.3 Benefits- Work Documentation

These changes would provide benefits by increasing clarity and adding more time early in the application process to help ensure accurate identification and reporting of disaster impacts. The PA application process requires recipients to document the project impacts, and applicants often find the submission deadlines confusing and difficult to meet due to the narrow timeframe. FEMA proposes adjusting the documentation submission dates to FEMA's approval date of the Request for PA to avoid potential confusion about which of the multiple meetings early in the PA process was a substantive meeting. Additionally, FEMA expects the new eligible work and costs documentation submission deadlines would set expectations early in the process and help timely funding and closeout of projects benefiting FEMA, recipients, and disaster-impacted communities. Increasing the impact documentation date by 30 days early in the process would provide benefits by helping to ensure applicants have adequate time to identify and report the impacts prior to the start of the project benefitting both the applicant's recovery and FEMA's ability to assist with their recovery.

9. SUMMARY OF COSTS

9.1 Familiarization Costs

Applicants would require time to understand the changes proposed in this rule. FEMA assumed a State Government Chief Executive, a senior level government official, or equivalent occupation, would read the existing and proposed regulations to understand the changes.¹⁴⁹

¹⁴⁹ Estimates for time and wage rates were taken from the *Factors Considered When Evaluating a Governor's Request for Individual Assistance for a Major Disaster* Final Rule, published March 21, 2019 (page 10649), found at <https://www.govinfo.gov/content/pkg/FR-2019-03-21/pdf/2019-05388.pdf>.

FEMA obtained the wage rate of \$52.83 for a State Government Chief Executive from BLS OES data.¹⁵⁰ Accounting for employee benefits, the fully-loaded hourly mean wage rate for Chief Executives is \$84.53 (\$52.83 hourly mean wage for Chief Executives × 1.6 wage rate multiplier).¹⁵¹ FEMA used 93 respondents (56 States & territories + 37 Tribes acting as recipient¹⁵²) in the estimate as this is the level from which a PA disaster declaration request is made. FEMA assumed there would be 186 (93 States, territories, and Tribes × 2) Chief Executives that review the proposed changes, two from each recipient. FEMA assumed the recipients regularly update their emergency response networks and local emergency management divisions on changes in the field and the recipients would disseminate the regulatory changes through each recipient's respective regularly-occurring process. As of the time of this analysis, there are approximately 47,000 words in NPRM document for this rule. Although we could not identify formal studies on the subject, some reports suggest that, on average, a person reads about 250 words per minute, though there can be variation according to individual attributes and type of material being read.¹⁵³ Based on the word count at the time of this analysis, it would thus take about 3.1333 (47,000 words ÷ 250 words per minute ÷ 60 minutes per hour) hours to read the rule. At the burdened wage for Chief Executives, this would be about \$264.86 (\$84.53 × 3.1333 hours) per review. The total familiarization cost would be about \$49,264 (186 respondents × \$264.86, which would potentially be incurred during the first year the rule is effective.

9.2 No-action Baseline Costs

A no-action baseline is used to show the effects of the proposed changes compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA's current practice, but not the current regulations). FEMA estimated that the annual cost under a no-action baseline associated with revising its PA program regulations to reflect proposed changes of this rule would be \$29,457 using a 3 percent discount rate and \$30,792 using a 7 percent discount rate. These additional costs are due to proposed change for State and Tribal administration plan updates, alternate project legal considerations documentation, and familiarization.

¹⁵⁰ BLS OES, May 2019, NAICS code 999200, State Government, Standard Occupational Code 11-1011 for Chief Executives, mean wage. https://www.bls.gov/oes/2019/may/naics4_999200.htm

¹⁵¹ Fully loaded wage rates include other benefits, we are using a factor of 1.6 to calculate fully loaded wage rates. The unloaded wage rate does not account for costs to the employer for benefits, such as paid leave, health insurance, retirement, and other benefits. Bureau of Labor Statistics. Employer Costs for Employee Compensation, Table 2. "Employer costs For Employee Compensation by ownership," March 2019. Retrieved from http://www.bls.gov/news.release/archives/ecec_06182019.pdf. Accessed on July 17, 2020.

The wage multiplier is calculated by dividing total compensation for State and local government workers of \$50.89 by Wages and salaries for State and local government workers of \$31.75 per hour yielding a benefits multiplier of approximately 1.6 (\$50.89 ÷ \$31.75).

¹⁵² 56 States includes 50 states and 6 territories: the District of Columbia, and territories including American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and U.S. Virgin Islands. FEMA's annual estimate of 37 Tribes was based on the number of Tribes acting as recipients historically.

¹⁵³ The benchmark of 250 words per minute applies to most adults, according to several reports. See, e.g., HealthGuidance.org, What Is the Average Reading Speed and the Best Rate of Reading? (Jan. 3, 2020), <https://www.healthguidance.org/entry/13263/1/what-is-the-average-reading-speed-and-the-best-rate-of-reading.html>, Accessed Feb. 15, 2023; ExecuRead, Speed Reading Facts, <https://secure.execuread.com/facts/>, Accessed Feb. 15, 2023. It is noted that the reading of technical material can be slower than other types of documents. Because this document is technical in some ways, the actual review time might be higher, thus resulting in higher familiarization costs than reported herein.

The below table presents estimates of costs for ten years in the future. FEMA estimated the total annual cost undiscounted would be \$90,948 for only the first year. The first year includes the costs for familiarization discussed in the previous section. FEMA estimated the total annual cost undiscounted would be \$21,559 for each year after that. The discounted total 10-year cost at 3 percent and 7 percent, respectively, is \$251,270 and \$216,272. The annualized cost is \$29,457 and \$30,792 at the 3 and 7 percent discount rates (see Table 9-2).

Table 9-1. Summary of No-action Baseline Costs, Future 10-Year Period (2019\$)

Year	FEMA Costs	Recipient Costs	Total Costs Undiscounted	Annual Costs Discounted at 3%	Annual Costs Discounted at 7%
2020	\$0	\$90,948	\$90,948	\$88,299	\$84,998
2021	\$0	\$21,559	\$21,559	\$20,321	\$18,830
2022	\$0	\$21,559	\$21,559	\$19,730	\$17,599
2023	\$0	\$21,559	\$21,559	\$19,155	\$16,447
2024	\$0	\$21,559	\$21,559	\$18,597	\$15,371
2025	\$0	\$21,559	\$21,559	\$18,055	\$14,366
2026	\$0	\$21,559	\$21,559	\$17,529	\$13,426
2027	\$0	\$21,559	\$21,559	\$17,019	\$12,548
2028	\$0	\$21,559	\$21,559	\$16,523	\$11,727
2029	\$0	\$21,559	\$21,559	\$16,042	\$10,960
Total	\$0	\$284,979	\$284,979	\$251,270	\$216,272
Annualized				\$29,457	\$30,792

9.3 Pre-Statutory Baseline Costs

FEMA estimated annual costs under a pre-statutory baseline associated with revising its PA and Community Disaster Loan programs regulations to reflect current statutory authorities, agency practice, and implement program improvements, would be \$8,318,390 using a 3 percent discount rate and \$8,319,726 using a 7 percent discount rate. Table 9-2 provides the implementation year and undiscounted average annual cost estimate over ten years for each provision to provide additional impact details.

Table 9-2. Annual Average Costs, Pre-Statutory Baseline, 2020-2029 (2019\$)

	Year Implemented	Average Annual Cost
Rehabilitational Facilities	1988	\$10,890
Pets and Service Animals	2006	\$3,496
Community and Performing Arts	2007	\$1,485
CDL Program	2012	\$0
Debris Removal Pilot	2013	\$0
Broadcasting Facilities	2015	\$1,485
Food Banks	2017	\$0
Houses of Worship	2017	\$76,725
Alternate Project Funding	2017	\$0
Center-Based Childcare Facilities	2018	\$0
Codes and Standards	2019	\$8,194,853
Alt Project Legal Considerations	New	\$1,434
State and Tribal Admin Plans	New	\$22,138
Work Documentation	New	\$0
Familiarization		\$4,926
Annual Increase		\$8,317,432
Annual Decrease		\$0
Total		\$8,317,432

The following table shows estimates of costs for ten years in the future. FEMA estimated an undiscounted total annual cost of \$8,379,882 for only the first year. The first year includes calculations for familiarization costs discussed in the previous section. FEMA estimated an undiscounted total annual cost of \$8,310,493 for each year after that. The discounted total 10-year cost at 3 percent and 7 percent, respectively, is \$70,957,558 and \$58,434,274. The annualized cost is \$8,318,390 and \$8,319,726 at the 3 and 7 percent discount rates (see Table 9-3).

Table 9-3. Summary of Pre-Statutory Baseline Costs, Future 10-Year Period (2019\$)

Year	FEMA Costs	Recipient Costs	Total Costs Undiscounted	Annual Costs Discounted at 3%	Annual Costs Discounted at 7%
2020	\$3,215	\$8,376,667	\$8,379,882	\$8,135,808	\$7,831,665
2021	\$3,215	\$8,307,278	\$8,310,493	\$7,833,437	\$7,258,706
2022	\$3,215	\$8,307,278	\$8,310,493	\$7,605,278	\$6,783,838
2023	\$3,215	\$8,307,278	\$8,310,493	\$7,383,765	\$6,340,035
2024	\$3,215	\$8,307,278	\$8,310,493	\$7,168,704	\$5,925,267
2025	\$3,215	\$8,307,278	\$8,310,493	\$6,959,907	\$5,537,632
2026	\$3,215	\$8,307,278	\$8,310,493	\$6,757,191	\$5,175,357
2027	\$3,215	\$8,307,278	\$8,310,493	\$6,560,380	\$4,836,783
2028	\$3,215	\$8,307,278	\$8,310,493	\$6,369,301	\$4,520,358
2029	\$3,215	\$8,307,278	\$8,310,493	\$6,183,787	\$4,224,633
Total	\$32,150	\$83,142,169	\$83,174,319	\$70,957,558	\$58,434,274
Annualized				\$8,318,390	\$8,319,726

9.4 Analysis of Pre-Regulatory Costs

FEMA has already implemented many of the proposed changes in this rule. In this rule, FEMA analyzed the effects of the proposed changes against a no-action baseline (FEMA’s current practices) and a pre-statutory baseline (as if the statutory changes had not already been implemented). In section 8 above, the Pre-Statutory Analysis, FEMA presented the estimated costs of these changes for a future 10-year period (*i.e.*, post-regulatory impacts). In the section below, FEMA provides the actual costs of changes that have already been implemented for the past 20-year period (*i.e.*, pre-regulatory impacts). FEMA also presents both the pre-regulatory and post-regulatory costs for the combined total 30-year period of analysis.

FEMA implemented availability of PA assistance for the rescue, care, shelter and essential needs of household pets and service animals in 2006. In table 9-4, FEMA provides the estimated recipient burden costs using the average cost per award of \$424 for household pets and service animal related essential assistance.¹⁵⁴ Table 9-4 provides an implementation year, recipient cost amounts, and annual number of awards since 2000. FEMA provides the estimated FEMA burden costs in table 9-5 using the average cost per award of \$13 for household pets and service animal related essential assistance. Table 9-5 provides FEMA cost amounts and annual number of awards since 2000 to provide a more informed picture on the overall impacts.

¹⁵⁴ See RIA 7.2.1. and Table 7-2 for additional burden cost estimation information.

This rule proposes to codify additional types of PNP facilities made eligible for PA through several amendments to the Stafford Act in recent years. PA eligibility was expanded for specific types of PNP facilities: rehabilitational facilities, community and performing arts, food banks, broadcasting, houses of worship, center-based childcare. In the following table 9-4, FEMA provides the estimated recipient burden costs using the average cost per PNP project of \$478 for implemented changes related to PNPs.¹⁵⁵ Table 9-4 provides an implementation year for each change, recipient cost amounts, and annual number of awards created by expanding eligibility since 2000 to provide a more informed picture on the overall impacts of these changes since implementation.¹⁵⁶ FEMA omitted from this table food banks, implemented in 2017, and childcare facilities, implemented in 2018, as no PA projects occurred for these types of PNPs since implementation.

In table 9-5, FEMA provides the estimated FEMA burden costs using the average cost per PNP project of \$17 for implemented changes related to PNPs.¹⁵⁷ Table 9-5 provides an implementation year for each change, FEMA cost amounts, and annual number of awards created by expanding eligibility since 2000 to provide a more informed picture on the overall impacts. FEMA omitted from this table food banks implemented in 2017, and childcare facilities implemented in 2018, as no PA projects occurred for these types of PNPs since implementation.

FEMA implemented guidance in 2012 increasing the amount that communities may receive in a CDL; allowing communities to receive over 25 percent of their annual operating budgets if they suffered a loss of tax or other revenue equal to or greater than 75 percent of their annual operating budget in the fiscal year in which the disaster occurred, up to \$5,000,000.¹⁵⁸ Since implementation there have not been any CDLs issued over 25 percent of their annual budgets and there are no post implementation costs to report.

FEMA implemented allowable costs, to incorporate the PA Alternate Procedures Pilot for Debris Removal (Stafford Act, sec. 428), which made straight-time labor costs eligible for budgeted employees conducting debris removal activities in 2013. FEMA estimated the Debris Pilot change did not create additional costs as the eligibility increase for budgeted employees conducting debris removal activities did not change reporting requirements for debris removal projects. There are no post implementation costs to report for the Debris Pilot change.

FEMA implemented the alternate project funding change in August 2017 to provide more consistent assistance between standard projects and alternate projects. FEMA estimated no impact for total costs as the alternate project funding change increases funding per project and FEMA does not expect the change to impact the number of alternate projects.

¹⁵⁵ See RIA 7.1.1. and Table 7-1 for additional burden cost estimation information.

¹⁵⁶ PNP data for Rehabilitation facilities was available back to 2000 and FEMA used this 20-year period from 2000 to 2019 to analyze the change.

¹⁵⁷ See RIA 7.1.1 and Table 7-1 for additional burden cost estimation information.

¹⁵⁸ Federal Emergency Management Agency. Public Assistance: The Community Disaster Loan (CDL) Implementation Process. Retrieved from https://www.fema.gov/sites/default/files/2020-03/community-disaster-loan-implementation-process_2-4-2019.pdf. Accessed on August 17, 2021.

FEMA implemented the consensus-based codes and standards change in 2019 to promote resiliency and reduce future risk in the repair and replacement of disaster damaged facilities funded by PA. FEMA estimated no impact for total costs as FEMA does not expect the change to impact burden or the number of projects.

The remaining three changes (alternate legal consideration, administrative plans, and work documentation) of this rule are newly proposed changes and would not have actual data until this rule is completed.

Table 9-4. Newly Eligible Recipient Burden Costs Post Implementation 2000-2019 (2019\$)

Year Implemented		1988*	2006	2007	2015	2017
		Rehabilitational Facilities	Pets and Service Animals	Community and Performing Arts	Broadcasting	Houses of Worship
2000	Recipient Costs	\$478				
	# Awards	1				
2001	Recipient Costs	\$956				
	# Awards	2				
2002	Recipient Costs	\$2,390				
	# Awards	5				
2003	Recipient Costs	\$9,082				
	# Awards	19				
2004	Recipient Costs	\$9,560				
	# Awards	20				
2005	Recipient Costs	\$38,240				
	# Awards	80				
2006	Recipient Costs	\$956	\$3,816			
	# Awards	2	9			
2007	Recipient Costs	\$4,780	\$1,272	\$0		
	# Awards	10	3	0		
2008	Recipient Costs	\$21,988	\$3,816	\$478		
	# Awards	46	9	1		
2009	Recipient Costs	\$9,082	\$13,144	\$0		
	# Awards	19	31	0		
2010	Recipient Costs	\$9,082	\$2,120	\$3,346		
	# Awards	19	5	7		
2011	Recipient Costs	\$15,296	\$4,664	\$5,258		
	# Awards	32	11	11		
2012	Recipient Costs	\$16,252	\$5,936	\$3,346		
	# Awards	34	14	7		
2013	Recipient Costs	\$4,780	\$3,392	\$0		
	# Awards	10	8	0		
2014	Recipient Costs	\$3,346	\$1,696	\$0		
	# Awards	7	4	0		
2015	Recipient Costs	\$3,346	\$2,544	\$1,434	\$0	
	# Awards	7	6	3	0	
2016	Recipient Costs	\$2,390	\$1,272	\$956	\$0	
	# Awards	5	3	2	0	
2017	Recipient Costs	\$50,190	\$1,272	\$3,824	\$6,214	\$127,626
	# Awards	105	3	8	13	267
2018	Recipient Costs	\$1,912	\$1,272	\$1,434	\$0	\$81,738
	# Awards	4	3	3	0	171
2019	Recipient Costs	\$2,868	\$2,968	\$0	\$0	\$12,428
	# Awards	6	7	0	0	26
Years Implemented		20	14	13	5	3
Total Burden Cost \$		\$206,974	\$49,184	\$20,076	\$6,214	\$221,792
Total # Awards		433	116	42	13	464
Avg Award \$ Per Project		\$478	\$424	\$478	\$478	\$478
Avg Annual # Awards		22	8	3	3	155
Avg Annual Burden Cost \$		\$10,516	\$3,392	\$1,434	\$1,434	\$74,090
Estimated Recipient Cost Burden Per Pets and Service Animal Assistance Per Award \$424						
Estimated Recipient Cost Burden Per PNP Project \$478						

Table 9-5. Newly Eligible FEMA Burden Costs Post Implementation 2000-2019 (2019\$)

Year Implemented		1988*	2006	2007	2015	2017
		Rehabilitational Facilities	Pets and Service Animals	Community and Performing Arts	Broadcasting	Houses of Worship
2000	FEMA costs # Awards	\$17 1				
2001	FEMA costs # Awards	\$34 2				
2002	FEMA costs # Awards	\$85 5				
2003	FEMA costs # Awards	\$323 19				
2004	FEMA costs # Awards	\$340 20				
2005	FEMA costs # Awards	\$1,360 80				
2006	FEMA costs # Awards	\$34 2	\$117 9			
2007	FEMA costs # Awards	\$170 10	\$39 3	\$0 0		
2008	FEMA costs # Awards	\$782 46	\$117 9	\$17 1		
2009	FEMA costs # Awards	\$323 19	\$403 31	\$0 0		
2010	FEMA costs # Awards	\$323 19	\$65 5	\$119 7		
2011	FEMA costs # Awards	\$544 32	\$143 11	\$187 11		
2012	FEMA costs # Awards	\$578 34	\$182 14	\$119 7		
2013	FEMA costs # Awards	\$170 10	\$104 8	\$0 0		
2014	FEMA costs # Awards	\$119 7	\$52 4	\$0 0		
2015	FEMA costs # Awards	\$119 7	\$78 6	\$51 3	\$0 0	
2016	FEMA costs # Awards	\$85 5	\$39 3	\$34 2	\$0 0	
2017	FEMA costs # Awards	\$1,785 105	\$39 3	\$136 8	\$221 13	\$4,539 267
2018	FEMA costs # Awards	\$68 4	\$39 3	\$51 3	\$0 0	\$2,907 171
2019	FEMA costs # Awards	\$102 6	\$91 7	\$0 0	\$0 0	\$442 26
Years Implemented		20	14	13	5	3
Total Burden Cost \$		\$7,361	\$1,508	\$714	\$221	\$7,888
Total # Awards		433	116	42	13	464
Avg Award \$ Per Project		\$17	\$13	\$17	\$17	\$17
Avg Annual # Awards		22	8	3	3	155
Avg Annual Burden Cost \$		\$374	\$104	\$51	\$51	\$2,635
Estimated FEMA Cost Burden Pets and Service Animal Assistance Per Award \$13						
Estimated FEMA Cost Burden Per PNP Project \$17						

The following calculations are estimates of costs for twenty years of pre-regulatory and 10 years in the future (post-regulatory) for a total 30-year period. The present value of costs for the 30-year period, using 2019 as the base year for discounting and 3 percent and 7 percent discount rates, respectively, is \$71,573,094 and \$59,222,269. The annualized value of these costs is \$2,021,806 and \$1,233,207 at the 3 and 7 percent discount rates (see Table 9-6).

Table 9-6. Summary of Pre-Statutory Baseline Costs, Past 20-Year Period and Future 10-Year Period (2019\$)

Year	Period	FEMA Costs	Recipient Costs	Total Costs Undiscounted	Annual Costs Discounted at 3%	Annual Costs Discounted at 7%
2000	19	\$17	\$478	\$495	\$868	\$1,790
2001	18	\$34	\$956	\$990	\$1,685	\$3,346
2002	17	\$85	\$2,390	\$2,475	\$4,091	\$7,818
2003	16	\$323	\$9,082	\$9,405	\$15,092	\$27,765
2004	15	\$340	\$9,560	\$9,900	\$15,424	\$27,314
2005	14	\$1,360	\$38,240	\$39,600	\$59,899	\$102,110
2006	13	\$151	\$4,772	\$4,923	\$7,230	\$11,864
2007	12	\$209	\$6,052	\$6,261	\$8,927	\$14,101
2008	11	\$916	\$26,282	\$27,198	\$37,648	\$57,248
2009	10	\$726	\$22,226	\$22,952	\$30,846	\$45,150
2010	9	\$507	\$14,548	\$15,055	\$19,643	\$27,678
2011	8	\$874	\$25,218	\$26,092	\$33,053	\$44,831
2012	7	\$879	\$25,534	\$26,413	\$32,485	\$42,414
2013	6	\$274	\$8,172	\$8,446	\$10,085	\$12,675
2014	5	\$171	\$5,042	\$5,213	\$6,043	\$7,312
2015	4	\$248	\$7,324	\$7,572	\$8,522	\$9,925
2016	3	\$158	\$4,618	\$4,776	\$5,219	\$5,851
2017	2	\$6,720	\$189,126	\$195,846	\$207,773	\$224,224
2018	1	\$3,065	\$86,356	\$89,421	\$92,104	\$95,680
2019	0	\$635	\$18,264	\$18,899	\$18,899	\$18,899
2020	1	\$3,215	\$8,376,667	\$8,379,882	\$8,135,808	\$7,831,665
2021	2	\$3,215	\$8,307,278	\$8,310,493	\$7,833,437	\$7,258,706
2022	3	\$3,215	\$8,307,278	\$8,310,493	\$7,605,278	\$6,783,838
2023	4	\$3,215	\$8,307,278	\$8,310,493	\$7,383,765	\$6,340,035
2024	5	\$3,215	\$8,307,278	\$8,310,493	\$7,168,704	\$5,925,267
2025	6	\$3,215	\$8,307,278	\$8,310,493	\$6,959,907	\$5,537,632
2026	7	\$3,215	\$8,307,278	\$8,310,493	\$6,757,191	\$5,175,357
2027	8	\$3,215	\$8,307,278	\$8,310,493	\$6,560,380	\$4,836,783
2028	9	\$3,215	\$8,307,278	\$8,310,493	\$6,369,301	\$4,520,358
2029	10	\$3,215	\$8,307,278	\$8,310,493	\$6,183,787	\$4,224,633
Total		\$49,842	\$83,646,409	\$83,696,251	\$71,573,094	\$59,222,269
Annualized					\$2,021,806	\$1,233,307

10. SUMMARY OF BENEFITS

10.1 No-action Baseline Benefits Summary

The following is a qualitative discussion of the benefits associated with the proposed rule as measured against a no-action baseline (*i.e.*, the world absent this rule). FEMA anticipates this proposed rule would improve the understanding of the PA program for State, Tribal, and local governments along with all other entities eligible for PA, making them better prepared to seek Federal assistance after an emergency or major disaster. Clearer FEMA regulations would allow agencies to understand and correctly apply them in a more timely and effective manner, which in turn can speed disaster assistance to communities and help them support survivors. This would be especially helpful when agencies bring on new staff and to States or localities that experience disasters infrequently. Such understanding and proper application of the program would reduce subsequent corrections and modifications (e.g., during project reconciliation). Further, clarifying the standards and procedures of the program would help ensure consistent application across FEMA's recovery activities.

This rule proposes to codify changes to PA through several amendments to the Stafford Act in recent years. Because these changes have already been implemented through prior guidance, under the no-action baseline, the benefits associated with this change largely involve improving clarity and aligning FEMA regulations with statutory changes and current practices. The following benefits are related to FEMA's newly proposed changes for alternate projects legal considerations, State and Tribal administrative plans, and work documentation.

FEMA proposes alternate project recipients identify legal considerations, such as liens on property, ownership issues, or zoning concerns, beyond those currently required. FEMA aims to reduce delays that stem from not addressing these types of issues prior to the start of construction. The benefit of identifying these legal considerations early in the applications process would allow for more complete project application review and save applicants from starting an approved project and later having PA funds de-obligated due to legal considerations.

FEMA proposes changes to State and Tribal administrative plans to include an outline for timely project closeout and updating administrative plans, including disaster specific staffing plans, following a disaster. The anticipated benefit from these changes is that they would keep administrative plans up-to-date and provide additional staffing information about prior disasters, helping recipients be in a better position to respond to and recover from emergencies and disasters.

The proposed work documentation changes would provide benefits by increasing clarity and adding more time early in the application process for impact documentation. FEMA proposes adjusting the documentation submission dates to FEMA's approval of Request for PA to avoid potential confusion about the date of the first substantive meeting or the Recovery Scope Meeting. Additionally, FEMA believes that codifying eligible work and costs documentation submission dates would set expectations early in the process and help timely closeout of projects benefiting FEMA, recipients, and disaster-impacted communities.

10.2 Pre-Statutory Baseline Benefits Summary

The following is a qualitative discussion of the benefits associated with the proposed rule as measured against a pre-statutory baseline (*i.e.*, as if the relevant statutory changes had not been made or adopted through guidance).

FEMA's expansion of PA eligibility to the rescue, care, shelter, and essential needs of household pets and service animal related essential assistance provides additional assistance to recipients to recover more quickly from disaster-damage and codifying this change will align FEMA regulations with statutory changes.

As discussed previously, this rule proposes to codify additional types of PNP facilities made eligible for PA through several amendments to the Stafford Act in recent years. PA eligibility was expanded for the following types of PNP facilities: community and performing arts, food banks, broadcasting, houses of worship, childcare, rehabilitation facilities. Benefits associated with expanding eligibility for these PNPs involve providing additional assistance which allows these facilities to recover more quickly from disaster-damage, more consistently providing PA assistance to PNPs, and codifying this change will align FEMA regulations with statutory changes.

FEMA's CDL program change allows local governments to receive higher loans amounts if they suffered extreme losses due to a disaster. A benefit of these higher loan amounts could assist local governments recover more quickly from extreme disaster losses. This change also improves clarity and align FEMA regulations with statutory changes.

Benefits of the debris removal project change allowing straight-time labor costs to be eligible for budgeted employees conducting debris removal activities, are that the program increases the eligible supply of debris removal staff for PA projects, increases recipient flexibility for debris removal, and codifying this change will align FEMA regulations with statutory changes.

Benefits of the alternate project funding change are that it provides assistance consistent with standard projects allowing communities greater flexibility when deciding which project type benefits the communities more and codifying this change will align FEMA regulations with statutory changes.

FEMA's consensus-based codes and standards change promotes resiliency and reduces future risk in the repair and replacement of disaster damaged facilities funded by PA. Facilities restored to a code that includes hazard-resistant designs and criteria would experience fewer interruptions and less damage in the future enabling those facilities to continue to function during and after a disaster. Codifying this change would align FEMA regulations with statutory changes.

FEMA proposes alternate project recipients identify legal considerations, such as liens on property, ownership issues, or zoning concerns, beyond those currently required. FEMA aims to reduce delays that stem from not addressing these types of issues prior to the start of construction. The benefit of identifying these legal considerations early in the applications process is that they would allow for more complete project application review and save

applicants from starting an approved project and later having PA funds de-obligated due to legal considerations.

FEMA proposes changes to State and Tribal administrative plans to include an outline for timely project closeout and updating administrative plans, including disaster specific staffing plans, following a disaster. The anticipated benefit from these changes is that they would keep administrative plans up-to-date and provide additional staffing information about prior disasters helping recipients be in a better position to respond to and recover from emergencies and disasters.

Benefits of the proposed work documentation changes are that they would increase clarity and add more time early in the application process for impact documentation. FEMA proposes to adjust the documentation submission dates to FEMA's approval of Request for PA, which would avoid potential confusion about the date of the first substantive meeting or the Recovery Scope Meeting. Additionally, FEMA expects the new requirement for eligible work and costs documentation submission dates would set expectations early in the process and help timely funding and closeout of projects benefiting FEMA, recipients, and disaster-impacted communities.

10.3 Clarifications and Other Minor Changes

Throughout the rule, FEMA proposes a number of non-substantive clarifying edits. Although FEMA does not anticipate costs, beyond familiarization costs, from these clarifications and other minor changes, FEMA does feel that there is a benefit to be derived from them. In the cases where FEMA is clarifying current requirements, the intended benefit is improving users understanding of the program, as well as increasing consistency and efficiency for both FEMA and applicants. Increased clarity reduces the number of inquiries between the applicant and FEMA. The applicant would have fewer questions to put to the program and FEMA would have fewer requests to make of the applicant. This reduction will save FEMA and the applicant time that can be spent towards a faster response and/or recovery from the emergency or disaster.¹⁵⁹

The clearer FEMA regulations are, the faster and better agencies can understand and correctly apply them, which in turn can speed disaster assistance to communities and help them support survivors. This would be especially helpful when agencies bring on new staff to States or localities that experience disasters infrequently who need to re-familiarize themselves with the program and its requirements. This increased efficiency would allow both applicants and FEMA to direct their energy and resources towards responding to and recovering from the disaster or emergency. This impact is not quantifiable but is still an important intended result of this proposed rule.

¹⁵⁹ FEMA does not currently track the total number of interactions between applicants and FEMA employees but seeks comments from the public regarding the number of interactions between applicant and FEMA and how clearer regulations might reduce such interactions.

11. SUMMARY OF TRANSFER PAYMENTS

Transfer payments are monetary payments from one group to another that do not affect total resources available to society.¹⁶⁰ Transfer payments such as Federal grants, insurance payments, direct subsidies, and indirect subsidies (e.g., cross-subsidies) can have significant efficiency effects in addition to distributional effects. FEMA does not include transfer payments in the estimates of the benefits and costs of a regulation.

11.1 No-action Baseline Transfer Payments

A no-action baseline shows the effects of the proposed changes compared to current FEMA practice (i.e., compared to PA Guidance, which reflects FEMA's current practice, but not the current regulations). FEMA estimated that this rule, as measured against a no-action baseline, would not result in a change in transfer payments between FEMA and applicants.

11.2 Pre-Statutory Baseline Transfer Payments

The changes that FEMA proposes to codify have increased the aid provided to State, Tribal, and local governments and eligible PNPs. For context between 2010 and 2019, the PA program as a whole obligated an average amount of \$5.6 billion across 28,721 projects per year. For PNP entities specifically, PA obligated an average amount of \$454.7 million per year across 2,070 projects from 2010 to 2019.

Transfer payment impacts under a pre-statutory baseline of the proposed rule created an increase in net transfer payments of \$5,950,873 (undiscounted) per year in PA. Annual transfer payments from implemented changes increased by \$13,323,921 (undiscounted) per year and the saving from the debris removal pilot change was \$7,373,048 per year. Table 11-1 provides the implementation year and average annual transfer payments for each change to provide additional impact details.

¹⁶⁰ Office of Management and Budget, Circular A-4, Regulatory Analysis, September 17, 2003. Available at: <https://www.reginfo.gov/public/jsp/Utilities/a-4.pdf>

Table 11-1. Annual Average Transfer Payment, Pre-Statutory Baseline (2019\$)

	Year Implemented	Increase or Decrease in Transfer Payments from FEMA to Recipients
Rehabilitational Facilities	1988	\$1,126,114
Pets and Service Animals	2006	\$590,464
Community and Performing Arts	2007	\$224,514
CDL Program	2012	\$0
Debris Removal Pilot	2013	-\$7,373,048
Broadcasting Facilities	2015	\$344,235
Food Banks	2017	\$0
Houses of Worship	2017	\$2,121,795
Alternate Project Funding	2017	\$2,524,814
Center-Based Childcare Facilities	2018	\$0
Codes and Standards	2019	\$6,391,985
Alt Projects Legal Considerations	New	\$0
State and Tribal Admin Plans	New	\$0
Work Documentation	New	\$0
Familiarization		\$0
Annual Increase		\$13,323,921
Annual Decrease		-\$7,373,048
Total (Net)		\$5,950,873

The following table presents estimates of transfer payments from FEMA to recipients for ten years in the future as measured against a pre-statutory baseline. FEMA estimated the total net 10-year transfer payment amount discounted at 3 percent and 7 percent, respectively, is \$50,762,154 and \$41,796,443. The annualized transfer is \$5,950,873 at the 3 and 7 percent discount rates (See Table 11-2).

Table 11-2. Summary of Pre-Statutory Baseline Transfers, Future 10-Year Period (2019\$)

Year	FEMA to Recipient Transfers	Total Transfers Undiscounted	Annual Transfers Discounted at 3%	Annual Transfers Discounted at 7%
2020	\$5,950,873	\$5,950,873	\$5,777,547	\$5,561,564
2021	\$5,950,873	\$5,950,873	\$5,609,269	\$5,197,723
2022	\$5,950,873	\$5,950,873	\$5,445,892	\$4,857,685
2023	\$5,950,873	\$5,950,873	\$5,287,274	\$4,539,893
2024	\$5,950,873	\$5,950,873	\$5,133,275	\$4,242,890
2025	\$5,950,873	\$5,950,873	\$4,983,762	\$3,965,318
2026	\$5,950,873	\$5,950,873	\$4,838,604	\$3,705,905
2027	\$5,950,873	\$5,950,873	\$4,697,674	\$3,463,462
2028	\$5,950,873	\$5,950,873	\$4,560,849	\$3,236,881
2029	\$5,950,873	\$5,950,873	\$4,428,008	\$3,025,122
Total	\$59,508,730	\$59,508,730	\$50,762,154	\$41,796,443
Annualized			\$5,950,873	\$5,950,873

11.3 Analysis of Pre-Regulatory Transfer Payments

FEMA has already implemented many of the proposed changes in this rule. In this rule, FEMA analyzed the effects of the proposed changes against a no-action baseline (FEMA's current practices) and a pre-statutory baseline (as if the statutory changes had not already been implemented). In section 8 above, the Pre-Statutory Analysis, FEMA presented the estimated impacts of these changes on transfer payments for a future 10-year period (*i.e.*, post-regulatory impacts). In the section below, FEMA provides the actual impacts on transfer payments of changes already implemented for the past 20-year period (*i.e.*, pre-regulatory impacts). FEMA also presents both the pre-regulatory and post-regulatory impacts on transfer payments for the combined total 30-year period of analysis.

FEMA implemented availability of PA assistance for the rescue, care, shelter and essential needs of household pets and service animals in 2006. In table 11-3, FEMA provides the total annual award amounts, and annual number of awards created by expanding PA eligibility since implementation in 2000 to provide a more informed picture on the overall impacts.

This rule proposes to codify additional types of PNP facilities made eligible for PA through several amendments to the Stafford Act in recent years. PA eligibility was expanded for specific types of PNP facilities: rehabilitational facilities, community and performing arts, food banks, broadcasting, houses of worship, and center-based childcare. The following table 11-3 provides an implementation year for each change, annual award amounts, and annual number of awards created by expanding eligibility since 2000 to provide a more informed picture on the overall impacts of these changes since implementation.¹⁶¹ FEMA omitted from this table food banks, implemented in 2017, and center-based childcare facilities, implemented in 2018, as no PA projects occurred for these types of PNPs since implementation.

¹⁶¹ PNP data for Rehabilitation facilities was available back to 2000 and FEMA used this 20-year period from 2000 to 2019 to analyze the change.

Table 11-3. Newly Eligible Transfer Payments Post Implementation 2000-2019 (2019\$)

Year Implemented	1988*	2006	2007	2015	2017	
	Rehabilitational Facilities	Pets and Service Animals	Community and Performing Arts	Broadcasting	Houses of Worship	
2000	Award \$ # Awards	\$10,932 1				
2001	Award \$ # Awards	\$72,445 2				
2002	Award \$ # Awards	\$79,005 5				
2003	Award \$ # Awards	\$194,262 19				
2004	Award \$ # Awards	\$815,863 20				
2005	Award \$ # Awards	\$7,030,392 80				
2006	Award \$ # Awards	\$7,805 2	\$1,087,403 9			
2007	Award \$ # Awards	\$77,936 10	\$114,247 3	\$0 0		
2008	Award \$ # Awards	\$1,066,978 46	\$552,639 9	\$2,191,127 1		
2009	Award \$ # Awards	\$186,036 19	\$3,597,062 31	\$0 0		
2010	Award \$ # Awards	\$170,101 19	\$283,686 5	\$143,956 7		
2011	Award \$ # Awards	\$178,561 32	\$435,959 11	\$345,688 11		
2012	Award \$ # Awards	\$1,151,004 34	\$434,254 14	\$142,250 7		
2013	Award \$ # Awards	\$94,438 10	\$164,438 8	\$0 0		
2014	Award \$ # Awards	\$1,112,869 7	\$101,154 4	\$0 0		
2015	Award \$ # Awards	\$126,181 7	\$323,028 6	\$8,690 3	\$0 0	
2016	Award \$ # Awards	\$85,120 5	\$165,927 3	\$25,354 2	\$0 0	
2017	Award \$ # Awards	\$8,337,833 105	\$252,619 3	\$164,010 8	\$1,491,691 13	\$3,830,634 267
2018	Award \$ # Awards	\$119,374 4	\$133,551 3	\$122,130 3	\$0 0	\$2,225,908 171
2019	Award \$ # Awards	\$1,246,978 6	\$915,714 7	\$0 0	\$0 0	\$295,314 26
Years Implemented	20*	14	13	5	3	
Total Award \$	\$22,164,113	\$8,561,681	\$3,143,205	\$1,491,691	\$6,351,856	
Total # Awards	433	116	42	13	464	
Avg Award \$ Per Project	\$51,187	\$73,808	\$74,838	\$114,745	\$13,689	
Avg Annual # Awards	22	8	3	3	155	
Avg Annual Award \$	\$1,126,114	\$590,464	\$224,514	\$344,235	\$2,121,795	

FEMA is proposing to amend allowable costs, to incorporate the PA Alternate Procedures Pilot for Debris Removal (Stafford Act, sec. 428), which made straight-time labor costs eligible for

budgeted employees conducting debris removal activities. FEMA implemented this change in 2013 and is proposing to codify it. The following table provides debris removal straight-time labor projects information for each year post implementation, annual project obligations amount, and annual number of projects since 2013. These straight-time projects for debris removal were not previously eligible, so this work would have been completed as standard debris removal projects (non-Pilot). To provide a more informed picture FEMA included the estimated pre-statutory baseline discussed previously reflecting the standard (non-Pilot) projects amounts of these straight-time labor projects and the estimated net annual transfer payment savings since implementation. Additionally, FEMA used the annual baseline standard (non-Pilot) project amount of \$127,342,745 for straight-time labor projects to calculate a per project baseline of \$278,128 ($\$127,342,745 \times 7 \div 3,205$) used for estimating each post-implementation year's transfer payment impact.

Table 11-4. Debris Removal Straight-Time Labor Pilot Projects Post Implementation 2013-2019 (2019\$)

Year	Number of Straight-Time Labor Projects	Project Obligations	Estimated Baseline Obligations	Estimated Net Transfer Payment Impact
2013	199	\$4,738,698	\$55,347,408	-\$50,608,710
2014	548	\$35,532,252	\$152,413,969	-\$116,881,717
2015	146	\$25,288,746	\$40,606,641	-\$15,317,895
2016	108	\$10,053,358	\$30,037,789	-\$19,984,431
2017	195	\$84,586,295	\$54,234,898	\$30,351,397
2018	844	\$346,904,521	\$234,739,762	\$112,164,759
2019	1,165	\$332,684,010	\$324,018,747	\$8,665,263
Total	3,205	\$839,787,880	\$891,399,214	-\$51,611,334
Avg Annual Amount	458	\$119,969,697	\$127,342,745	-\$7,373,048
Estimated Baseline Avg. Annual Amount		\$127,342,745		
Estimated Baseline Avg. Amount Per Project ($\$127,342,745 \times 7 \div 3,205$)		\$278,128		
Estimated Annual Impact (Savings)		-\$7,373,048		

FEMA implemented the alternate project funding change, removing funding caps, in 2017 to provide more consistent assistance between standard projects and alternate projects. The pre-statutory baseline analysis period included 10 years of data from 2010 to 2019 and the average number of alternate projects was 53 per year and the average obligation was \$18,507,388 per year. Due to the variability of projects (and project amounts) and limited years (under three years), the post implementation data may only provide value as a short-term snapshot given the lower number of average projects per year of 19 compared to the baseline of 53 projects per year. FEMA has included in the following table of post implementation alternate project data. FEMA estimated each post-implementation year's impact by re-applying the alternate project funding limits and comparing the project amounts. Data listed for 2017* represents August to December and for average annual calculations represents a half of year.

Table 11-5. Alternate Projects Post Implementation August 2017 – 2019 (2019\$)

Year	Number of Alternate Projects	Project Obligations After Implementation	Project Obligations Re-applying Funding Limit	Estimated Transfer Payment Impacts
2017*	15	\$1,062,382	\$937,462	\$124,920
2018	2	\$44,135	\$39,722	\$4,413
2019	31	\$24,146,764	\$21,721,308	\$2,425,456
Total	48	\$25,253,281	\$22,698,492	\$2,554,789
Avg. Annual	19	\$10,101,312	\$9,079,397	\$1,021,916
Estimated Baseline Avg. Annual Amount	\$18,507,388			

FEMA implemented guidance in 2012 increasing the amount that communities may receive in a CDL; allowing communities to receive 50 percent of their annual operating budgets if they suffered a loss of tax or other revenue equal to or greater than 75 percent of their annual operating budget in the fiscal year in which the disaster occurred, up to \$5,000,000.¹⁶² Since implementation there have not been any CDLs issues at 50 percent of their annual budgets.

FEMA implemented the consensus-based codes and standards change in November 2019 to promote resiliency and reduce future risk in the repair and replacement of disaster damaged facilities funded by PA. Due to the recent implementation in 2019, FEMA did not include post implementation transfer payments for consensus-based codes and standards in this analysis.

The remaining three changes (alternate legal consideration, administrative plans, and work documentation) of this rule are newly proposed changes and no data for them would exist until after this rule is implemented.

The following calculations are estimates of transfer payments from FEMA to recipients for twenty years in the past and ten years in the future. The net present value of the change in transfer payments from FEMA to recipients over 30-years, using 2019 as the base year for discounting and discounted at 3 percent and 7 percent, respectively, is \$26,171,449 and -\$6,710,611. The annualized value of these transfer payments is \$739,294 at the 3 percent discount rate and -\$139,749 at the 7 percent discount rate (See Table 11-6).

¹⁶² Federal Emergency Management Agency. Public Assistance: The Community Disaster Loan (CDL) Implementation Process. Retrieved from https://www.fema.gov/sites/default/files/2020-03/community-disaster-loan-implementation-process_2-4-2019.pdf. Accessed on August 17, 2021.

Table 11-6. Summary of Pre-Statutory Baseline Transfers, Past 20-Year and Future 10-Year Period (2019\$)

Year	Period	Change in Transfer Payments from FEMA to Recipient	Total Transfers Undiscounted	Annual Transfers Discounted at 3%	Annual Transfers Discounted at 7%
2000	19	\$10,932	\$10,932	\$19,169	\$39,536
2001	18	\$72,445	\$72,445	\$123,333	\$244,859
2002	17	\$79,005	\$79,005	\$130,583	\$249,562
2003	16	\$194,262	\$194,262	\$311,733	\$573,493
2004	15	\$815,863	\$815,863	\$1,271,088	\$2,250,992
2005	14	\$7,030,392	\$7,030,392	\$10,634,099	\$18,128,106
2006	13	\$1,095,208	\$1,095,208	\$1,608,350	\$2,639,282
2007	12	\$192,183	\$192,183	\$274,007	\$432,833
2008	11	\$3,810,744	\$3,810,744	\$5,274,961	\$8,021,052
2009	10	\$3,783,098	\$3,783,098	\$5,084,167	\$7,441,926
2010	9	\$597,743	\$597,743	\$779,919	\$1,098,926
2011	8	\$960,208	\$960,208	\$1,216,363	\$1,649,816
2012	7	\$1,727,508	\$1,727,508	\$2,124,617	\$2,774,000
2013	6	-\$50,349,834	-\$50,349,834	-\$60,120,335	-\$75,561,524
2014	5	-\$115,667,694	-\$115,667,694	-\$134,090,559	-\$162,229,924
2015	4	-\$14,859,996	-\$14,859,996	-\$16,725,056	-\$19,478,423
2016	3	-\$19,708,030	-\$19,708,030	-\$21,535,496	-\$24,143,184
2017	2	\$44,553,104	\$44,553,104	\$47,266,388	\$51,008,849
2018	1	\$114,770,135	\$114,770,135	\$118,213,239	\$122,804,044
2019	0	\$13,548,725	\$13,548,725	\$13,548,725	\$13,548,725
2020	1	\$5,950,873	\$5,950,873	\$5,777,547	\$5,561,564
2021	2	\$5,950,873	\$5,950,873	\$5,609,269	\$5,197,723
2022	3	\$5,950,873	\$5,950,873	\$5,445,892	\$4,857,685
2023	4	\$5,950,873	\$5,950,873	\$5,287,274	\$4,539,893
2024	5	\$5,950,873	\$5,950,873	\$5,133,275	\$4,242,890
2025	6	\$5,950,873	\$5,950,873	\$4,983,762	\$3,965,318
2026	7	\$5,950,873	\$5,950,873	\$4,838,604	\$3,705,905
2027	8	\$5,950,873	\$5,950,873	\$4,697,674	\$3,463,462
2028	9	\$5,950,873	\$5,950,873	\$4,560,849	\$3,236,881
2029	10	\$5,950,873	\$5,950,873	\$4,428,008	\$3,025,122
Total		\$52,164,731	\$52,164,731	\$26,171,449	-\$6,710,611
Annualized				\$739,294	-\$139,749

12. UNCERTAINTY ANALYSIS

The estimates and conclusions of this analysis could change if the assumptions used in the primary analysis were to change. In other words, the estimates of this analysis are sensitive to future disaster declarations.

Due to the nature of disasters, FEMA cannot predict or accurately forecast disasters over the next 10-year period. Because of this, FEMA conducted its primary analysis as a 10-year retrospective analysis of PA project data to determine the impacts of the proposed rule. FEMA used the PA data from 2010 - 2019 to estimate how the proposed rule would impact costs, benefits, and transfers.

FEMA recognizes a future 10-year period could deviate from the 2010-2019 period estimates. The two changes (HOW and Alternate Project Funding) with the largest pre-statutory impacts are the most sensitive to future disaster declarations and therefore included in the uncertainty analysis. To account for this, FEMA recalculated impact estimates to reflect a period of more severe disasters by removing the year with the lowest Federal obligation amount from the analysis. Additionally, to represent a more stable period, FEMA recalculated impact estimates by removing the year with the greatest Federal obligation amount.

12.1 Houses of Worship

The change for HOWs expanded PA eligibility by adding HOWs to the definition of essential social service facilities. The primary estimate compares the baseline period of 2010 through 2016 to the post implementation period of 2017 through 2019 in order to estimate the impacts of this change for a future 10-year period. FEMA estimated the impact of the increase in eligibility by adding the additional 155 annual projects at the average obligation amount of \$13,689 from the 2017-2019 period to the average annual total obligations for HOWs in the 2010-2016 baseline period before the change. Accordingly, FEMA estimates that expanding PA eligibility to all HOWs resulting in an average additional obligation amount of \$2,121,795 (155 projects × \$13,689) per year.

To test the degree of uncertainty for this estimate, FEMA recalculated the marginal impact of transfer payments from the pre-statutory baseline for a more severe case and a more stable case. For the more severe case, FEMA excluded data from 2019 (lowest annual obligations) from the annual estimate calculations. The average number of projects annually increased by 243 projects totaling 296 (53 + 243) projects per year. The average obligation of \$13,689 per project was applied to the additional 243 projects resulting in additional obligations of \$3,326,427 (243 projects × \$13,689) per year in the more severe case. For the more stable case, FEMA excluded data from 2017 (highest annual obligations) from the annual estimate calculations. The average number of projects increased by 77 projects per year totaling 130 (53 + 77) projects and the average obligation per project of \$13,689 was applied resulting in additional obligations of \$1,054,053 (77 projects × \$13,689) per year for the more stable case.

Annual impact estimates from the pre-statutory baseline for HOWs range from an additional \$3,326,427 in obligations per year for a more severe disaster future 10-year period to \$1,054,053 per year for a more stable future 10-year period. The current proposed HOW estimate of an

additional \$2,121,795 in obligations per year is toward the midpoint of the uncertainty estimate range and reflects a disaster period similar to the prior 2010-2019 10-year period.

12.2 Alternate Project Funding

In 2017, FEMA implemented Section 1207 of the DRRA, which removed the 90 percent (75 percent for PNPs) funding cap on the Federal share to restore the original facility. FEMA used alternate projects data from 2010 to 2019 to estimate the effects of this change over a future 10-year period. FEMA estimated the primary impact for alternate projects by removing the funding caps and recalculating obligations at the total amount. FEMA estimated the average obligation increased from the pre-statutory baseline of \$18,507,388 (53 projects \times \$349,196) to \$21,032,202 (53 projects \times \$396,834) per year, or an average increase of \$47,638 (\$396,834 - \$349,196) per project. The primary estimate increases transfer payments from FEMA to PA recipients by \$2,524,814 (\$21,032,202 - \$18,507,388) per year for the removal of the alternate project funding cap.

To test the degree of uncertainty associated with the removal of the funding cap, FEMA recalculated the marginal change in transfer payments from the pre-statutory baseline using two additional scenarios. The first scenario is a more severe case than the primary estimate and the second scenario is a more stable case.

For the more severe case, FEMA excluded data from 2019 from the annual estimate calculations because 2019 had the lowest annual obligations. The low level of obligations in 2019 was due to there being fewer alternate projects and less costly alternate projects that year. FEMA estimated 58 projects, an average project obligation of \$402,832, and a total of \$23,364,256 (58 projects \times \$402,832) per year in obligations for alternate projects. With the more severe case, the average number of alternate projects increased from the baseline of 53 per year to 58 projects and the average obligation per project increased from the baseline of \$349,196 to \$402,832, or by \$53,636 (\$402,832 - \$349,196) per project. This resulted in higher annual obligations of \$3,110,888 (58 projects \times \$53,636) in the more severe case.

For the more stable case, FEMA excluded data from 2012 from the annual estimate calculations because 2012 had the highest annual obligations. The high level of obligations in 2012 was due to there being more alternate projects and more costly alternate projects that year. FEMA estimated 52 projects, an average project obligation of \$324,915 and a total of \$16,895,580 (52 projects \times \$324,915) per year in obligations for alternate projects. With the more stable case, the average number of alternate projects decreased from the baseline of 53 per year to 52 projects and the average obligation per project decreased from the baseline of \$349,196 to \$324,915, or by \$24,281 (\$324,915 - \$349,196) per project. This resulted in lower annual obligations of \$1,262,612 (52 projects \times (-\$24,281)) per year for the more stable case.

Annual impact estimates from the pre-statutory baseline of \$2,524,814 per year for the alternate project funding cap removal range from an additional \$3,110,1869 obligation per year for the more severe future 10-year period to a reduction of \$1,262,612 obligation per year for a more stable future 10-year period. The primary estimate of an additional \$2,524,814 obligation per year is toward the midpoint of the uncertainty estimate range and reflects a disaster period similar to the prior 10 years.

13. ALTERNATIVES CONSIDERED

FEMA evaluated several alternative regulatory approaches within FEMA’s statutory discretion for implementing the proposed rule in accordance with Section 6(a)(3)(c) of Executive Order 12866, “Regulatory Planning and Review,” and the principles of OMB’s Circular A-4. Alternative approaches include different implementation methods for the proposed regulation.

Most of the changes in this rule would align FEMA regulations with current statutes or clarify current interpretations and expectations consistent with existing policies and procedures. The alternative in the case of these changes would be to leave the regulations as they are. The result of this would be regulations that are out of sync with statutes and potential confusion and questions concerning application of the PA program. This no action alternative is inferior to the changes. It is important that possible regulations reflect current statute and are as clear as possible. This benefits the applicants to the program and FEMA. It reduces the possibility of inconsistencies between statute and regulation and minimizes questions and confusion on the part of the applicant and the need for further explanation by FEMA.

There were additional changes FEMA considered including, at its discretion, in this proposed rule. These include:

- Requiring FEMA to schedule the kickoff meeting¹⁶³ within 21 days of approving a Request for Public Assistance (RPA);
- Making grass and sod ineligible for permanent work funds unless they are required to mitigate impacts to the environment;
- Require that the recipient notify the subrecipient of a FEMA funding action within 30 days of the FEMA funding action;
- Utilizing the accelerated debris removal with the sliding scale which was intended to incentivize faster debris removal for large disasters; and

FEMA chose not to include the requirement that they schedule the kickoff meeting within 21 days of the RPA approval. FEMA found that in general, applicants and FEMA are already meeting this deadline; however, in the cases where this deadline is not met, the costs associated with doing so would far outweigh the benefits. As an alternative, FEMA included the following text in the PAPPG: “Unless there are extenuating circumstances, FEMA and the recipient should conduct the Kickoff Meeting within 21 days of approval of the RPA.”¹⁶⁴

FEMA considered adding the requirement that grass and sod only be eligible for permanent work to mitigate impacts to the environment. FEMA did not ultimately include this in the proposed rule, although this would have been a cost-saving measure for FEMA. There are several types of permanent work that are eligible for FEMA PA funding, including Category G: Parks, Recreational Facilities, and Other Facilities. This type of work includes restoration of parks and

¹⁶³ Kickoff Meeting - is a meeting conducted by FEMA with the recipient and the subrecipient, if any, for a particular project and is designed to focus on the documentation and requirements pertinent to eligibility for Public Assistance funding.

¹⁶⁴ Federal Emergency Management Agency (2020). Public Assistance Program and Policy Guide, version 4, Effective June 1, 2020 (Report No. 104-009-2). Retrieved from https://www.fema.gov/sites/default/files/documents/fema_pappg-v4-updated-links_policy_6-1-2020.pdf. Accessed on August 17, 2021.

playgrounds. In the PAPPG, it states that FEMA evaluates the ‘reasonableness’ of a cost based in part on whether the cost is “of a type generally recognized as ordinary and necessary for the type of facility or work.”¹⁶⁵ FEMA decided that in the case of parks and playgrounds, grass and sod could reasonably be deemed an ‘ordinary and necessary’ cost. Therefore, this proposed rule should not include the requirement that this type of work only be eligible if necessary for mitigation to the environment.

FEMA also considered requiring recipients to notify subrecipients of FEMA’s funding action within 30 days of that action. Upon closer examination, FEMA found that this was not always a reasonable timeline to impose on recipients and, therefore, decided not to propose specific time limits on the required notification.¹⁶⁶

FEMA also considered incentivizing faster debris removal for large disasters by implementing a sliding scale to the accelerated debris removal. The sliding scale allowed FEMA to increase the Federal cost share in high-impact disasters. However, there is already a policy in place that allows the President to increase the Federal cost share during high-impact disasters. Additionally, the sliding scale process was too complex for FEMA and applicants. Therefore, FEMA decided not to implement the sliding scale since the complications of the process did not incentivize a quicker debris removal as it originally intended.

14. CONCLUSION

This rule proposes to revise FEMA’s PA and CDL program regulations to reflect current statutory authorities and implement program improvements to the PA program. FEMA previously implemented many of these changes through guidance documents and FEMA now proposes to codify these changes to improve efficiency and consistency of information for the Programs.

Benefits associated with the proposed rule involve improving clarity and aligning FEMA regulations with statutory changes and current practices. Such increased clarity and understanding would improve the efficiency and consistency of FEMA’s PA programs. This increased efficiency would allow both applicants and FEMA to direct their energy and resources towards responding to and recovering from the disaster or emergency. FEMA believes these benefits justify the cost of this proposed rule.

Additionally, benefits from the proposed changes would reduce project delays related to legal consideration, keep administrative plans up-to-date and provide additional staffing information, and increase clarity and add more time early in the application process for impact documentation. FEMA believes these program changes set expectations early in the process and

¹⁶⁵ 2 CFR § 200.404(a)

¹⁶⁶ See 44 CFR § 206.200(2)(i) (“We [FEMA] expect the recipient to: inform subrecipient about the status of their applications, including notifications of our approvals of project worksheets and our estimates of when we will make payments.”). FEMA proposes to move this requirement to the section on Application Procedures and to specify that the recipient’s responsibilities include “informing the subrecipients of the status of applications for Public Assistance funding, including FEMA’s approval of a Project Worksheet and FEMA’s projected payment schedule.” See proposed 44 CFR § 206.202(b)(4).

help timely funding and closeout of projects benefiting FEMA, recipients, and disaster-impacted communities.

While FEMA cannot forecast future disasters or state that the changes would have the same impact on a future 10-year period of analysis, FEMA uses the average impact from 2010 through 2019 as an estimate of the annual impact of the changes on a future 10-year period of analysis. Table 14-1 presents the summary of the quantitative impacts of the proposed rule under a no-action baseline and Table 14-2 presents the quantitative impacts under a pre-statutory baseline.

Table 14-1. Summary of Annual Transfers and Costs of the Proposed Rule, No-action Baseline, 2020-2029 (2019\$)

Change Item	Costs	Transfer Payments
Rehabilitational Facilities	\$0	\$0
Pet and Service Animals	\$0	\$0
Community and Performing Arts	\$0	\$0
CDL Program	\$0	\$0
Debris Removal Pilot	\$0	\$0
Broadcasting Facilities	\$0	\$0
Food Banks	\$0	\$0
Houses of Worship	\$0	\$0
Alternate Project Funding	\$0	\$0
Center-Based Childcare Facilities	\$0	\$0
Codes and Standards	\$0	\$0
Alt Projects Legal Considerations	\$1,434	\$0
State and Tribal Admin Plans	22,138	\$0
Work Documentation	\$0	\$0
Familiarization ¹	\$4,926	\$0
<hr/>		
Annual Increase	\$28,498	\$0
Total	\$28,498	\$0

¹ Familiarization costs incurred in Year 1 only

Table 14-2. Summary of Annual Transfers and Costs of the Proposed Rule, Pre-statutory Baseline, 2020 - 2029 (2019\$)

Change Item	Costs	Transfer Payments
Rehabilitational Facilities	\$10,890	\$1,126,114
Pet and Service Animals	\$3,496	\$590,464
Community and Performing Arts	\$1,485	\$224,514
CDL Program	\$0	\$0
Debris Removal Pilot	\$0	-\$7,373,048
Broadcasting Facilities	\$1,485	\$344,235
Food Banks	\$0	\$0
Houses of Worship	\$76,725	\$2,121,795
Alternate Project Funding	\$0	\$2,524,814
Center-Based Childcare Facilities	\$0	\$0
Codes and Standards	\$8,194,853	\$6,391,985
Alt Projects Legal Considerations	\$1,434	\$0
State and Tribal Admin Plans	\$22,138	\$0
Work Documentation	\$0	\$0
Familiarization ¹	\$4,926	\$0
Annual Increase		
	\$8,317,432	\$13,323,921
Annual Decrease		
		-\$7,373,048
Total (Net)	\$8,317,432	\$5,950,873

¹ Familiarization costs incurred in Year 1 only

APPENDIX A. Revisions to FEMA’s Public Assistance Program, Marginal Analysis Table

Proposed CFR 44	Change	Change Authority	Implementation	Costs / Cost Savings	Benefits	Transfers
<p>206.221 <i>Private nonprofit facility</i> introductory text and paragraphs (1) and (9)</p> <p><i>Private nonprofit organization</i> paragraph (3) PNP Facility, Houses of Worship</p>	<p>Expand PA eligibility to houses of worship (HOWs) open to the general public as a PNP. Amend the definition of “private nonprofit organization” to clarify requirements for HOWs. Amend definition of “private nonprofit facility” to include HOWs. Change the term “essential governmental service facilities to “essential social service.”</p> <p>Amend to clarify the inclusion of related “buildings”.</p> <p>Delete exclusion for buildings primarily used for the religious purposes or instruction for educational facilities.</p> <p>Add 501(c)(3) organization documentation clarification.</p>	<p>Section 20604(a) of the Bipartisan Budget Act, Fact Sheet PA PNP HOW.¹⁶⁷</p>	<p>Implemented in 2017 through guidance. Revised in 2018 to comply with the Bipartisan Budget Act.</p>	<p>Pre-statutory baseline: Additional costs of \$76,725 (\$74,090 for recipients and \$2,635 for FEMA) per year.</p> <p>No-action baseline: None.</p>	<p>Pre-statutory baseline: Providing additional assistance to recover more quickly from disaster-damage, more consistently providing PA assistance to PNPs, and align FEMA regulations with statutory changes.</p> <p>No-action baseline: Improve clarity of statutory changes.</p>	<p>Pre-statutory baseline: Distributional. The total amount of grants to HOW recipients would increase by \$2,121,795 per year because of the increase in eligibility.</p> <p>No-action baseline: None.</p>

¹⁶⁷ Fact Sheet PA PNP HOW: https://www.fema.gov/sites/default/files/2020-03/public-assistance-private-nonprofit-houses-of-worship_faq_1-26-2018.pdf

Proposed CFR 44	Change	Change Authority	Implementation	Costs / Cost Savings	Benefits	Transfers
206.221 <i>Private nonprofit facility</i> introductory text and paragraph (2) PNP Facility, Center-Based Childcare	Expand PA eligibility to center-based childcare as an essential social service PNP facility. Add definition for “center-based childcare”	Disaster Recovery Reform Act of 2018 PA Program Amendments Fact Sheet. ¹⁶⁸	Implemented in 2018 through guidance to comply with DRRA.	None.	Pre-statutory baseline: Providing additional assistance to PNPs to recover more quickly from disaster-damage, more consistently providing PA assistance to PNPs, and codifying this change will align FEMA regulations with statutory changes. No-action baseline: Improve clarity of statutory changes.	None.

¹⁶⁸ FEMA. Disaster Recovery Reform Act Public Assistance Program Amendments. Retrieved from https://www.fema.gov/sites/default/files/2020-07/fema_pa_disaster-recovery-reform-act_factsheet.pdf. Accessed on June 24, 2021.

Proposed CFR 44	Change	Change Authority	Implementation	Costs / Cost Savings	Benefits	Transfers
206.221 <i>Private nonprofit facility</i> introductory text and paragraph (7) PNP Facility, Rehabilitational Facility	Add rehabilitational facility to the definition of essential social services PNP facility. Add definition of “rehabilitational facility.”	Section 102 of the Stafford Act	Implemented in 1988	Pre-statutory baseline: Additional costs of \$10,890 (\$10,516 for recipients and \$374 for FEMA) per year. No-action baseline: None.	Pre-statutory baseline: Providing additional assistance to recover more quickly from disaster-damage, more consistently providing PA assistance to PNPs, and align FEMA regulations with statutory changes. No-action baseline: Improve clarity of statutory changes.	Pre-statutory baseline: Distributional. The total amount of grants to rehabilitational recipients would increase by \$1,126,114 per year because of the increase in eligibility. No-action baseline: None.

Proposed CFR 44	Change	Change Authority	Implementation	Costs / Cost Savings	Benefits	Transfers
<p>206.221 <i>Private nonprofit facility</i> introductory text and paragraph (9) PNP Facility, Essential Social Services, Performing Arts Facilities and Community Arts Facilities, Food Banks, Broadcasting Facilities</p>	<p>Amend PNP facility definition to include performing arts facilities, community art facilities, food banks, and broadcasting facilities.</p> <p>Expand Food Bank definition, DRRA Section 1214 amended Stafford Act Section 102(11)(B) to include facilities that collect, store, and distribute food to food banks as eligible applicants.</p>	<p>Community arts centers and performing arts facilities: Section 688 of PKEMRA.¹⁶⁹</p> <p>Food banks: PA program policy fact sheet.¹⁷⁰</p> <p>Broadcasting facilities: Emergency Information Improvement Act of 2015 through policy guidance and Bipartisan Budget Act of 2018.^{[171][172]}</p>	<p>Performing arts facility and Community arts facility added to the definition of essential social service facilities through 2007 guidance to comply with PKEMRA.</p> <p>Food bank definition expanded and added to the definition of essential social service facilities through 2017 guidance to comply with DRRA.</p> <p>Broadcasting facility added to the definition of essential social service facilities through 2015 guidance to comply with the Emergency Information Improvement Act.</p>	<p>Pre-statutory baseline: Additional costs: Performing arts facilities \$1,485 (\$1,434 for recipients and \$51 for FEMA) per year; Food banks no change; Broadcasting \$1,485 (\$1,434 for recipients and \$51 for FEMA) per year.</p> <p>No-action baseline: None.</p>	<p>Pre-statutory baseline: Providing additional assistance to recover more quickly from disaster-damage, more consistently providing PA assistance to PNPs, and align FEMA regulations with statutory changes.</p> <p>No-action baseline: Improve clarity of statutory changes.</p>	<p>Pre-statutory baseline: Distributional. The total amount of grants: Performing arts facilities and Community arts facilities recipients would increase by \$224,514 per year; Food bank recipients would not change; and Broadcasting facilities recipients would increase by \$344,235 per year because of the increases in eligibility.</p> <p>No-action baseline: None.</p>

Proposed CFR 44	Change	Change Authority	Implementation	Costs / Cost Savings	Benefits	Transfers
206.225(e) Rescue, Care, Shelter, and Essential Needs of Household Pets, and Service Animals Including Assistance Animals	Add new paragraph to address the rescue, care, shelter, and essential needs of household pets as eligible emergency work.	Section 689(b) of PKEMRA and section 4 of the PETS Act. ^{[173][174]}	Implemented through 2006 guidance to comply with PKEMRA and the amendments of the PETS Act.	Pre-statutory baseline: Additional costs of \$3,496 (\$3,392 for recipients and \$104 for FEMA) per year. No-action baseline: None.	Pre-statutory baseline: Providing additional assistance to recover more quickly from disaster-damage and align FEMA regulations with statutory changes. No-action baseline: Improve clarity of statutory changes.	Pre-statutory baseline: Distributional. The total amount of grants to animal care related eligible recipients would increase by \$590,464 per year because of the increase in eligibility. No-action baseline: None.

¹⁶⁹ Federal Emergency Management Association. “Public Assistance Policy Digest FEMA 321/ January 2008.”

<https://www.fema.gov/pdf/government/grant/pa/pdigest08.pdf>. Accessed on December 17, 2020.

¹⁷⁰ FEMA Fact Sheet https://www.fema.gov/sites/default/files/2020-07/fema_pa_disaster-recovery-reform-act_factsheet.pdf. Accessed on August 17, 2021.

¹⁷¹ Congress (2015). S. 1090 - Emergency Information Improvement Act of 2015. Retrieved from <https://www.congress.gov/bill/114th-congress/senate-bill/1090>. Accessed on June 25, 2021.

¹⁷² Congress (2018). H.R.1892 - Bipartisan Budget Act of 2018. Retrieved from <https://www.congress.gov/bill/115th-congress/house-bill/1892/text>. Accessed on September 8, 2020.

¹⁷³ Congress (2006). Public Law 109–295. Retrieved from <https://www.congress.gov/109/plaws/publ295/PLAW-109publ295.pdf>. Accessed on June 25, 2021.

¹⁷⁴ Congress (2006). H.R.3858 - Pets Evacuation and Transportation Standards Act of 2006. Retrieved from [H.R.3858 - 109th Congress \(2005-2006\): Pets Evacuation and Transportation Standards Act of 2006 | Congress.gov | Library of Congress](https://www.congress.gov/109/legislation/house-bills/3858). Accessed on June 25, 2021.

Proposed CFR 44	Change	Change Authority	Implementation	Costs / Cost Savings	Benefits	Transfers
206.225(f), 206.205(c)(2)(ii) Temporary Relocation	<p>Add new paragraph allowing for the reimbursement for reasonable costs for the temporary relocation of public and nonprofit facilities that provide an eligible essential community service and whose facilities were disrupted. Also define “essential community services.”</p> <p>Clarify that all extensions of deadlines for temporary relocation require prior FEMA approval.</p>	FEMA Discretion.	Clarification.	None.	Clarification.	None.

Proposed CFR 44	Change	Change Authority	Implementation	Costs / Cost Savings	Benefits	Transfers
206.204(b)(4) Alternate Project Funding	Amend paragraphs to remove 90% limit of the Federal share cost share limit for alternate projects from approved estimate for public facilities and remove the 75% limit of the Federal share cost share limit for PNPs.	DRRA section 1207(a). ¹⁷⁵	Implemented in 2017 through guidance to comply with DRRA.	None.	Pre-statutory baseline: Provide additional assistance to recover from disaster-damage and more consistently providing PA assistance for standard projects and alternate projects allowing communities greater flexibility when deciding which project type benefits the communities more. Codifying this change will and align FEMA regulations with statutory changes. No-action baseline: None.	Pre-statutory baseline: Distributional. The total amount of grants to Alternative projects recipients would increase by \$2,524,814 per year because of the increase funding level. No-action baseline: None.

¹⁷⁵ Federal Emergency Management Agency (2020). Public Assistance Program and Policy Guide, version 4, Effective June 1, 2020 (Report No. 104-009-2). Retrieved from https://www.fema.gov/sites/default/files/documents/fema_papppg-v4-updated-links_policy_6-1-2020.pdf. Page 164, accessed on August 17, 2021.

Proposed CFR 44	Change	Change Authority	Implementation	Costs / Cost Savings	Benefits	Transfers
206.228(b)(2) Debris Removal Pilot Allowable Costs, Personnel Straight-Time Eligible Debris Removal	Amend to incorporate straight-time labor costs for budgeted employees conducting eligible debris removal activities.	SRIA amended the Stafford Act to add section 428. ¹⁷⁶	Implemented in 2013 through pilot program guidance to comply with SIRA.	None.	Pre-statutory baseline: Allow for greater flexibility and timeliness when recipients conduct debris removal and aligns regulations with statutory changes. No-action baseline: Improve clarity of statutory changes.	Pre-statutory baseline: Distributional. The total amount of grants for debris removal recipients would decrease by \$7,373,048 per year because of the lower straight-time labor costs of recipient personal used for debris removal. No-action baseline: None.
206.361(b) Community Disaster Loans	Amend that if a local government has a loss of tax and other revenues, due to a major disaster, of at least 75% of their annual operating budget, they may receive a loan of up to 50% of their annual operating budget, not to exceed \$5 million.	Section 608 of the SAFE Port Act. ¹⁷⁷	Implemented in 2012 through guidance to comply with the Safe Port Act.	None.	Pre-statutory baseline: Adds flexibility to the Community Disaster Loan program to assist local governments facing extreme budget declines and aligns regulations with statutory changes. No-action baseline: Improve clarity of statutory changes.	None.

¹⁷⁶ Congress (2013). Sandy Recovery Improvement Act of 2013. Retrieved from: <https://www.congress.gov/113/plaws/publ2/PLAW-113publ2.pdf>. Last accessed on June 25, 2021.

¹⁷⁷ Congress (2006). H.R.4954 - SAFE Port Act. Retrieved from: <https://www.congress.gov/bill/109th-congress/house-bill/4954>. Last accessed: June 25, 2021.

Proposed CFR 44	Change	Change Authority	Implementation	Costs / Cost Savings	Benefits	Transfers
206.204(b)(2) Alternate Projects Legal Consideration	Add that the recipient must submit supporting documentation identifying any environmental or historic preservation issues and any other legal considerations that may impact the project.	FEMA Discretion.	New.	Pre-statutory and No-action baselines: Costs would increase to recipients by \$1,434 per year because of additional burden hours to submit the information.	Pre-statutory and No-action baselines: Helps identify issues early in the process and would allow for more complete project application review.	None.
206.208(b)(1)(iii) (K) and (b)(3) Administrative Plans, Timely Closeout, Staffing Plan	Amend paragraph to ensure timely closing out of subawards, subrecipients, and awards. Amends paragraph for submission and administrative plans to address the recipient staffing plan for administering the PA program.	FEMA Discretion.	New.	Pre-statutory and No-action baselines: Additional costs to recipients of \$40,250 in year one and then decrease to \$20,125 per year.	Pre-statutory and No-action baselines: Improves preparedness by keeping administrative plans up-to-date and provide additional staffing information about prior disasters helping recipients be in a better position to respond to and recover from emergencies and disasters.	None.

Proposed CFR 44	Change	Change Authority	Implementation	Costs / Cost Savings	Benefits	Transfers
206.202(d)(3) Project Application, Work Documentation	Amend applicant procedures to add submission dates for certain work and cost documentation to FEMA.	FEMA Discretion.	New.	None.	Pre-statutory and No-action baselines: Improve clarity of submission schedule and add more time early in the application process for impact documentation.	None.
206.202(d)(2) Minimum Project Threshold	Amend to clarify minimum project threshold applies to one work site.	FEMA Discretion.	New.	None.	Clarification should reduce ineligible de minimis project applications saving program resources.	None.
206.11(b) Nondiscrimination	Amend paragraph to include “disability and “English proficiency” to the list of the grounds upon which discrimination in the provision of assistance is prohibited.	PKEMRA of 2006. ¹⁷⁸	Implemented through 2006 guidance to comply with PKEMRA.	None.	Clarification.	None.

¹⁷⁸ Congress (2006). S.3721 - Post-Katrina Emergency Management Reform Act of 2006. Retrieved from [S.3721 - 109th Congress \(2005-2006\): Post-Katrina Emergency Management Reform Act of 2006 | Congress.gov | Library of Congress](https://www.congress.gov/109/bills/3721/1/20060701/1/20060701). Last accessed on June 28, 2021.

Proposed CFR 44	Change	Change Authority	Implementation	Costs / Cost Savings	Benefits	Transfers
206.226(c)(1) Standards and Codes	Amend paragraph to clarify that compliance with the latest published codes and standards are eligible for FEMA funding.	Section 1235(b) of DRRRA	Current practice, implemented to comply with DRRRA 2019.	Pre-statutory baseline: Additional costs to recipients of \$8,194,853 per year because of the uses of consensus-based codes and standards. No-Action: None.	Pre-statutory baseline: Promotes resiliency and reduces future damage risk of repaired facilities. No-action baseline: Improve clarity of statutory changes	Pre-statutory baseline: Distributional. The total amount of grants to impacted PA projects recipients would increase by \$6,391,985 per year because of the uses of consensus-based codes and standards. No-action baseline: None.
206.221 <i>Immediate threat</i> paragraphs (1) and (2) Immediate Threat	Add paragraph (1) for Immediate danger requiring an urgent response to address serious risks to lives or public health and safety, or to avoid damage from an incident. Amend “immediate threat” determination to additional damage or destruction that can reasonably be expected to occur within five years or has a 20 percent or higher chance of occurring in any given year.	FEMA Discretion.	Current practice, consistent with guidance.	None.	Clarification.	None.

Proposed CFR 44	Change	Change Authority	Implementation	Costs / Cost Savings	Benefits	Transfers
206.221 <i>Assistance animal, Household pet</i>	Add paragraph (a) for assistance animal definition. Add paragraph (d) for household pet definition.	Section 4 of the PETS Act.	Current practice, consistent with guidance.	None. See 206.225(e)	Clarification.	None. See 206.225(e)
206.223(e) Duplication of Benefits	Add paragraph clarifying the subrecipient must notify the recipient of any benefits from any source for the same purpose as FEMA funding.	Section 312(c) of the Stafford Act.	Current practice, consistent with guidance.	None.	Clarification.	None.
206.202 (e) (deleted current (2)) FEMA Funds Deadline	Removing the 45-day deadline for FEMA to obligate Federal funds, from the time the applicant submits the Project Worksheets.	FEMA Discretion.	New.	None.	Ensures program administration flexibility.	None.
206.204(a)(2) Improved Project Approval Notification	Add recipient's approval must be in writing and obtained prior to the start of construction. Add requirement that recipient must notify FEMA in writing of an improved project approval.	FEMA Discretion.	Notification is current practice. FEMA will require that the recipient notify FEMA in writing of the improved project approval, which is consistent with current FEMA guidance on improved projects.	None.	Improves accountability through more consistent documentation.	None.

Proposed CFR 44	Change	Change Authority	Implementation	Costs / Cost Savings	Benefits	Transfers
206.204(a)(3) Alternate Project and Improved Project Completion	Add paragraph to clarify project completion deadlines apply to the completion of improved projects and alternate projects.	FEMA Discretion	Current practice.	None.	Clarification.	None.
206.204(a)(4) Improved Project Funding	Add paragraph to clarify funding for improved projects will be limited to the Federal share of the approved estimate of eligible costs that would be associated with repairing or replacing the damaged facility to its pre-disaster design, or to the actual costs of completing the improved project, whichever is less.	FEMA Discretion	Current practice.	None.	Clarification.	None.
206.204(b)(2) Alternate Project Approval	Add paragraph to clarify an applicant must receive approval from the Regional Administrator prior to the start of construction on an alternate project. Add clarification that the schedule of work must include a start and targeted completed date.	FEMA Discretion.	Current practice. New.	None.	Clarification. Knowing the starting date and targeted completion date will would enable FEMA to keep track of the project more effectively and aid FEMA in planning for closeout.	None.

Proposed CFR 44	Change	Change Authority	Implementation	Costs / Cost Savings	Benefits	Transfers
206.204(b)(ii) Alternate Project Use of Funds	Add paragraphs to clarify use of funds for public facilities and PNP facilities.	FEMA Discretion.	Current practice.	None.	Clarification.	None.
206.205(e)(2) Large Project Additional Funding	Amends paragraph to clarify large project requests for additional funding should be made as soon as practicable.	FEMA Discretion.	Current practice.	None.	Clarification.	None.
206.205(e)(3) Small Project Additional Funding	Amend paragraph to clarify small project additional funding requests must be submitted within 90 calendar days following the completion of the last small project.	FEMA Discretion.	New.	None.	Improves request process for small project cost overruns and may reduce the need for small project cost overrun appeal requests.	None.
206.208(b)(1)(iii)(K) Administrative Plans Pass-Through Funds	Removes pass-through management funds requirement as it is no longer relevant to administrative plan	DRRA	Current practice.	None.	Clarification.	None.

Proposed CFR 44	Change	Change Authority	Implementation	Costs / Cost Savings	Benefits	Transfers
206.221 <i>Private nonprofit organization</i> paragraph (3) Private Nonprofit Status	Add paragraph for organizations that are exempt from the requirement to apply for 501(c)(3) status and are exempt from requirements to apply for tax exempt status under applicable State or Tribal law, the organization must provide articles of association, bylaws, or other organizing documents indicating that it is an PNP entity and a certification that it is compliant with section 501(c)(3) of the Internal Revenue Code and State or Tribal law requirements.	Bipartisan Budget Act of 2018	Current practice.	None.	Increases flexibility of status requirement for PNPs.	None.
Monetary values listed in the Cost and Transfer columns are the undiscounted annual average dollar values over the next 10-year period.						