

FMEA Annual Conference

FEMA After Irma, Perspectives from Municipal Electric Utilities

Michelle F. Zaltsberg

Orlando, Florida

(407) 367-5433

mzaltsberg@bakerdonelson.com

FEMA's New Delivery Model

- Used for Hurricane Irma and all disasters after September 12, 2017
- Utilizes “Grants Manager” and “Grants Portal” web-based tracking
- Utilizes “Consolidated Resource Centers” (CRCs) – “centralized locations where subject matter experts are staffed to process grant applications across multiple disasters.”

FEMA's New Delivery Model

- Step 1: Applicant Briefing by State Government
- Step 2: FEMA Assigns “PDMG” – Program Delivery Manager
 - Single point of contact.
 - Focused on customer service/continuity of service.
 - Resolves disaster-related needs.
 - Ensures projects are processed efficiently/expeditiously.
 - Has responsibility for more than one applicant.

FEMA's New Delivery Model

- Step 3: Exploratory Call – Meet Your PDMG

Within 21 days....

- Step 4: PDMG Conducts “Recovery Scoping Meeting”
 - Applicant and PDMG to have weekly, 1-on-1 meetings

Within 60 days...

- Step 5: Intake Damage & Eligibility Analysis
 - Capture and document damage.
 - If applicable, site inspections are performed.

FEMA's New Delivery Model

- Step 6: Scoping & Costing
 - Define eligible scope of work and eligible costs.
- Step 7: Final Review & Sign-Off
 - Applicant accepts project.
 - Quality assurance review by CRC.

Grants Portal

- Both the State and applicant can monitor project development process
- Allows applicants to:
 - Submit Request for Public Assistance
 - Upload project documentation
 - Oversee daily project status
 - Approve workflow items
 - Update “Essential Elements of Information” for projects
 - Communicate with PDMG

Grants Portal

Grants Portal

My Projects

Filters > My Projects Active for PA

Search... SHOW/HIDE COLUMNS

Project #	Category	Title	Type	Process Step	# Damages
12345	E - Buildings and Equipment	Building No. 1	Standard	Pending Recipient Final Review	1
98765	Z - Direct Administrative Costs	DAC	Management Costs	Pending EEI Completion	1
44459	F - Utilities	Reconductoring	Work Completed / Fully Documented	Pending EHP Review	2
84454	E - Buildings and Equipment	Building No. 2	Work Completed / Fully Documented	Pending FEMA Insurance / 406 HMP Mitigation Completion	1

FEMA's New Delivery Model

- In both Irma and Harvey – FEMA dollars came slowly
- FEMA hired/trained 100s of PDMGs to operate model JFO in Florida and Texas; many without prior PA experience
- Implementation of the new model had glitches; although timely resolved, project formulation has been delayed
- Applicants must identify a set of EEI for every project—applicants struggle with this requirement; caused much delay as projects without EEI were returned by the CRC
- PDMG formulates the project; site inspector performs site inspection; CRC approves costing—all 3 jobs used to rest with project specialist; Results in longer process
- Lack of PA experience among CRC specialists generated many eligibility questions

Updates on Disaster Recovery Reform Act (DRRA)

- Bipartisan legislation that would:
 - Increase federal investment in pre-disaster mitigation
 - Increase caps for state and local governments on a range of disaster costs
- Passed by House in December 2017 as part of disaster relief supplemental spending measure; was not considered by Senate
- Passed in part by House in April 2018 as part of the Federal Aviation Administration (FAA) Reauthorization Bill (H.R. 4)
- H.R. 4 has yet to be considered by Senate; likely to be considered before FAA authorization expires September 30, 2018

Key Components of House-Passed DRRRA

- Establish fixed reimbursement rates for DAC and Management Costs—up to 15% for hazard mitigation and 12% for essential assistance; repair, restoration, and replacement; debris removal; and transportation assistance
- Require the FEMA Administrator to streamline information collection processes for grant applications and make the process less burdensome/time consuming
- Trigger the 3 year statute of limitation under § 705(a) to begin at the State's submission of the final expenditure report for the project, rather than for the disaster
 - Applies to deobligations pending at the time of enactment
- Establish an arbitration process for disputes regarding eligibility for federal assistance, or requirements to repay assistance, for disasters that were declared after Jan. 1, 2016

FEMA's DAC Policy, Version 1.1

- Alternative Procedures for Direct Administrative Costs – States and locals have to opt in—Florida opted in for Hurricane Irma
- DAC is calculated as 5% of the total eligible project costs of PWs that have been signed and submitted to FEMA within 2 years of the disaster declaration date
- State holds back 1% as closeout incentive—earned when PW is submitted for closeout within 90 days of the end of the PW period of performance
- DAC need not be tracked by specific project, but the applicant must substantiate that the costs are related to eligible work (e.g., payroll data, contracts, invoices, explanation of activities performed)
- DAC is rolled up into one “DAC PW” that can be obligated on a quarterly basis. Final DAC obligation must be requested within 2 years of the disaster declaration

Permissible Use of Excess DAC Funds

- Can use DAC award on any DAC costs for projects, even those that were not included in the DAC PW
- DAC funds may not be used to fund administrative costs for ineligible projects, to cover indirect costs, or to cover the non-Federal cost share of the DAC PW
- Excess DAC funds may be used for:
 - Cost-effective hazard mitigation activities, as long as the mitigation is applied to facilities that would be eligible for PA funding in future disasters.
 - Activities to improve future PA operations or planning
 - e.g., developing debris management plans, participating in training for response and recovery, and participating in federal grant management and procurement courses