



HMGP Fact Sheet: New Federal Cost-Share Provision

The Consolidated Appropriations Act of 2022, passed by Congress and signed into law by President Biden on March 15, 2022, includes an administrative provision that directly impacts the required federal cost-share percentage for selected FEMA grant rounds, including six of Washington State’s Hazard Mitigation Grant Program (HMGP) rounds. This Fact Sheet provides key information and guidance for those participating in the affected grant rounds, including local governments, state agencies, and tribes.

The new federal cost-share provision is codified in Division F, Title III, Section 311 of the 2022 *Consolidated Appropriations Act* (Pg. 703) and reads as follows (boldface added):

SEC. 311. (a) Notwithstanding sections 403(b), 403(c)(4), 404(a), 406(b), 407(d), 408(g)(2), 428(e)(2)(B), and 503(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), for any emergency or major disaster declared by the President under such Act with a declaration occurring or an incident period beginning between January 1, 2020, and December 31, 2021, the Federal share of assistance, including direct Federal assistance, provided under such sections shall be not less than 90 percent of the eligible cost of such assistance.

Therefore, grant applications and grant awards covered under the following Washington State HMGP grant rounds must incorporate federal cost-shares totaling no less than 90 percent of the proposed (or approved) grant budget:

DR-4481-WA HMGP	DR-4593-WA HMGP
DR-4539-WA HMGP	DR-4635-WA HMGP
DR-4584-WA HMGP	DR-4650-WA HMGP

For the above-listed grant rounds, the state will contribute half of the remaining non-federal match requirement, up to five percent of the approved grant budget, and the local (sub-applicant or sub-recipient) will cover the remaining five percent:

Federal share: 90% (<i>required</i>)	State share: 5% (<i>maximum</i>)	Local share: 5% (<i>minimum</i>)
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ROUND-SPECIFIC IMPACTS OF THE NEW FEDERAL PROVISION

This new cost-share requirement impacts each of the above-listed grant rounds differently, primarily depending on whether its application period remains open or has already closed.

DR-4481 HMGP Impacts: Sub-applications under this round were recently submitted to WA EMD for review and consideration. WA EMD staff will address the required cost-share requirements with each sub-applicant through the standard Request for Information (RFI) process. In some cases, a sub-application may be declined because of this new provision due to a lack of sufficient funding to cover the increased federal share requirement.

DR-4539-WA HMGP Impacts: For grants already awarded under this round, WA EMD staff will work with FEMA and the sub-recipients to amend the federal award, revising the approved federal cost-share to 90 percent. Approved costs already paid and reimbursed under existing DR-4539 HMGP grant awards will be reconciled to reflect the required 90 percent federal share.

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DR-4584 and DR-4593 HMGP Impacts: WA EMD's selected sub-applications were submitted to FEMA for review prior to enactment of the new federal provision. The new provision will change the overall federal funding amount available in these grant rounds. Once FEMA completes recalculations, WA EMD staff will work directly with sub-applicants to assess the changes and revise their cost-share proposals through a standard Request for Information (RFI) process.

DR-4635 and DR-4650 Impacts: These are the newest rounds impacted by the federal provision, with pre-applications due to WA EMD on June 03 (DR-4635) and July 08 (DR-4650). WA EMD will review all proposals submitted by the deadlines and provide cost-share guidance to all those invited to apply. Full applications developed and submitted under these grant rounds must incorporate a 90 percent federal cost-share.

Frequently Asked Questions Regarding the Federal Cost-Share Provision

Q: Are any other Hazard Mitigation Assistance grant rounds affected? What about HMGP Post Fire rounds that occurred in CY2020 and/or CY2021? What about future HMGP grant rounds?

A: For Washington, only the six above-listed HMGP rounds are subject to this provision. It does not apply to HMGP Post Fire, BRIC, or FMA (from any year). No Washington State HMGP grant rounds prior to DR-4481-WA or after DR-4650-WA are impacted.

Q: Will 100 percent federal cost-share proposals be considered?

A: No. While the provision does not technically restrict 100 percent federal share proposals, doing so creates competitive and administrative challenges for Washington. For the impacted grant rounds, WA EMD will only consider proposals that incorporate the exact 90 percent federal cost-share.

Q: What happens to grants that have already been awarded 75 percent federal shares?

A: Previously awarded grants under the impacted HMGP rounds will still receive the 90 percent federal cost-share for all approved, eligible costs in accordance with the new provision. WA EMD staff will work directly with sub-recipients to amend their existing FEMA grant awards and address any concerns.

Q: What happens to recently submitted HMGP sub-applications with 75 federal percent (or less) federal cost-shares?

A: For sub-applications submitted under the above-listed HMGP rounds and still under review or pending approval, WA EMD mitigation staff will contact and work directly with impacted HMGP sub-applicants through a Request for Information (RFI) process to revise the Cost-share portion of their proposals. In some cases, a sub-application under review may be declined as a result of this new provision due to a lack of sufficient funding to cover the increased federal share requirement.

Q: Does the federal cost-share provision impact Subrecipient Management Costs (SubMC)?

A: No. SubMC funding is not impacted by the new federal cost-share requirement, as it is already covered with 100 percent federal funds (no cost-share requirements apply). SubMC is still available to all HMGP sub-applicants and/or sub-recipients, including those in the above-listed grant rounds, at the previously established rate of up to 5 percent of the overall approved grant budget.

Please email questions to WA EMD's Mitigation team at HMA@mil.wa.gov