



# FEMA

# Fact Sheet

## Sandy Recovery Improvement Act of 2013 and FEMA's Recovery Directorate

On January 29, 2013, President Obama signed into law the Sandy Recovery Improvement Act of 2013 (P.L. 113-2). The law authorizes several significant changes to the way FEMA may deliver disaster assistance to both individuals and public assistance applicants. Specific implementation procedures are currently being developed and further guidance may be provided through a combination of rulemaking, and the development of policy or other guidance documents.

### **Public Assistance Program:**

Alternative procedures. FEMA is authorized to develop alternative procedures that an applicant may elect to use for Public Assistance permanent work and debris removal projects.

- FEMA may expeditiously implement this authority as a pilot program until such time that the Agency promulgates implementing regulations.
- FEMA may apply these alternative procedures to future major disasters, but may also do so in current disasters for projects where construction has not yet begun.
- These alternative procedures will, at minimum, include the following specified procedures:
- Permanent Work Alternative Procedures:
  - Permits permanent work grants to be based on capped estimates, with applicants accepting responsibility for any actual costs above the estimate.
  - Allows applicants to use excess funds for activities that reduce risk in future disasters and other activities to improve future PA operations.
  - Permits applicants to consolidate multiple permanent work projects.
  - Eliminates the penalty for alternate projects based on estimates.
  - Permits FEMA to accept the mutually agreed upon certified cost estimates prepared by applicants' licensed engineers.
  - Applicants may request to utilize a FEMA-funded, independent validation of project estimates for permanent repair projects with an estimated federal share of at least \$5 million.
- Debris Removal Work Alternative Procedures:
  - Permits debris removal grants to be based on capped estimates, with applicants accepting responsibility for any actual costs above the estimate.
  - Permits applicants to retain income from debris recycling without an offset from their grant.
  - Allows the use of a sliding scale for applicants' debris removal cost share to incentivize speedier and more cost-efficient debris removal.
  - Permits the establishment of financial incentives for a FEMA-approved pre-disaster debris management plan and at least one pre-qualified debris contractor.
  - Allows applicants to use excess funds for activities to improve future debris removal operations.
  - Permits the reimbursement of straight time force account labor costs for applicants' employees performing debris removal work.

Force account labor. FEMA may reimburse straight time force account labor costs for State, tribal and local government employees performing emergency protective measures, if such work is not typically performed by those employees.

Dispute resolution pilot program. Directs FEMA to establish a nationwide dispute resolution pilot program, including arbitration by an independent review panel, for Public Assistance projects.

- This nationwide dispute resolution pilot program will only be available for:
  - Disputes in an amount of at least \$1 million; and
  - Projects with a non-federal cost share requirement; and
  - Applicants that have completed a first appeal pursuant to 44 C.F.R. § 206.206.
- FEMA will establish an independent arbitration review panel and decisions made by the independent review panel will be binding.
- Requests for review under this nationwide dispute resolution pilot program must be submitted by December 31, 2015.
- Arbitration available under this nationwide dispute resolution pilot program is separate and distinct from the arbitration process established for Public Assistance projects for major disasters declared in response to Hurricanes Katrina and Rita.

Small project threshold review. FEMA will evaluate and report to Congress whether an increase in the Public Assistance small project threshold is appropriate and will take appropriate action based on the outcome of the report. The Agency will review the small project threshold every three years thereafter.

#### **Individual Assistance Program:**

- Affirms that child care expenses are an eligible expense for reimbursement as part of Other Needs Assistance.
- Provides the Agency explicit authority to lease and repair rental units for use as direct temporary housing.
- Requires FEMA, to review and revise through rulemaking the factors considered when evaluating the need for the Individual Assistance Program in a major disaster or emergency.

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*"FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards."*

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