



# Budgeting for the Unknown: Navigating Shifts in Federal Disaster Assistance

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# Panelist Introductions

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**COLORADO**

**Division of Homeland Security  
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# Discussion Topics

## Part 1

1. Introductions
2. Scenario – thought exercise: what keeps you up at night?
3. Why it matters!
4. Disaster Funding Mechanisms
5. Colorado Recovery – successes and challenges



# Discussion Topics

## Part 2

6. Potential Shifts in Disaster Funding Assistance

7. Strategies for Success

8. Resources

9. Q&A and Discussion





# What keeps you up at night?



# How will your jurisdiction fund recovery? ...What are community expectations?



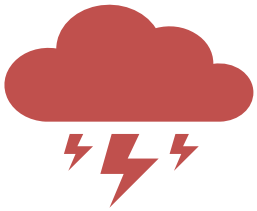
# Matching Pain Points to Funding Tools

## Quick Decision Tree: Matching Pain Points to Funding Tools

If Your Pain Point Is...	Consider...
Cash-Flow Gaps (waiting for FEMA/State reimbursements)	-
Lack of Local Match for Federal Grants	-
Need for Rapid, Predictable Payouts	-
Long-Term Resilience Financing	-
Community Buy-In & Visibility	-
Technical Capacity & Planning Support	-



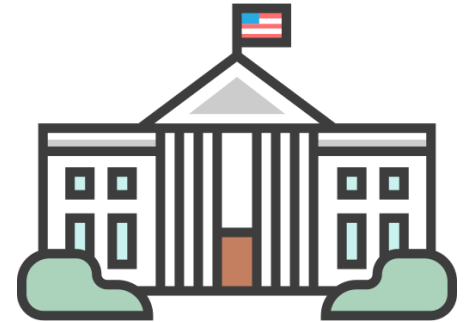
# Why This Matters to Counties



Rising  
frequency  
and costs of  
disasters



Money fuels recovery!  
Growing fiscal pressure  
on state/local  
governments



Federal/state  
assistance is  
critical to county  
budgeting





# How State and Local Govt's Fund Disasters

## Local Government

- General fund reserves
- Contingency or rainy-day funds
- Special revenue funds
- Reallocation of department budgets
- Insurance proceeds
- Voter approved ballot measures
- Non-voter approved financing (COPs)
- Others?



# How State and Local Govt's Fund Disasters

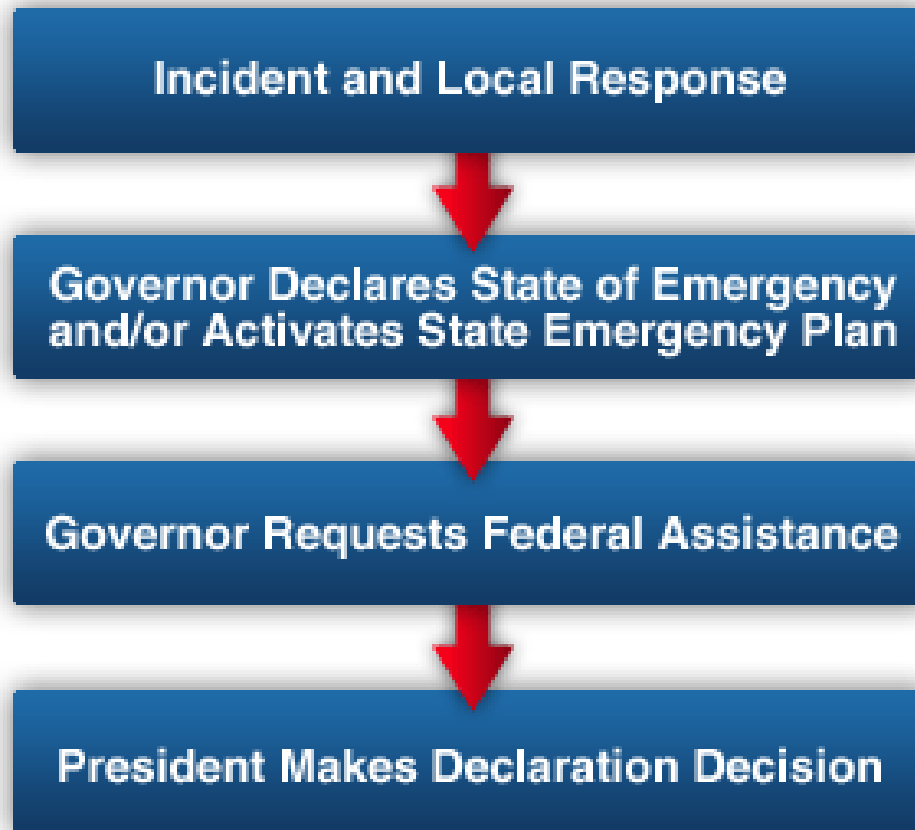
## State Government

- State Disaster or Emergency Relief Funds
- Governor's Emergency Authority
- Legislative Appropriations
- Special Taxes or Fees
- State Infrastructure or Contingency Funds
- Others?



# Federal Disaster Declaration Process

When Local and State resources are exhausted:



# Overview of Federal Disaster Assistance

EMPG

FEMA Public  
Assistance (PA)

HSGP

Individual  
Assistance (IA)

Hazard Mitigation (HMGP,  
BRIC, FMA)



HUD CDBG-DR,  
SBA, USDA, etc.

federal → state → local



# How State and Local Govt's Fund Disasters

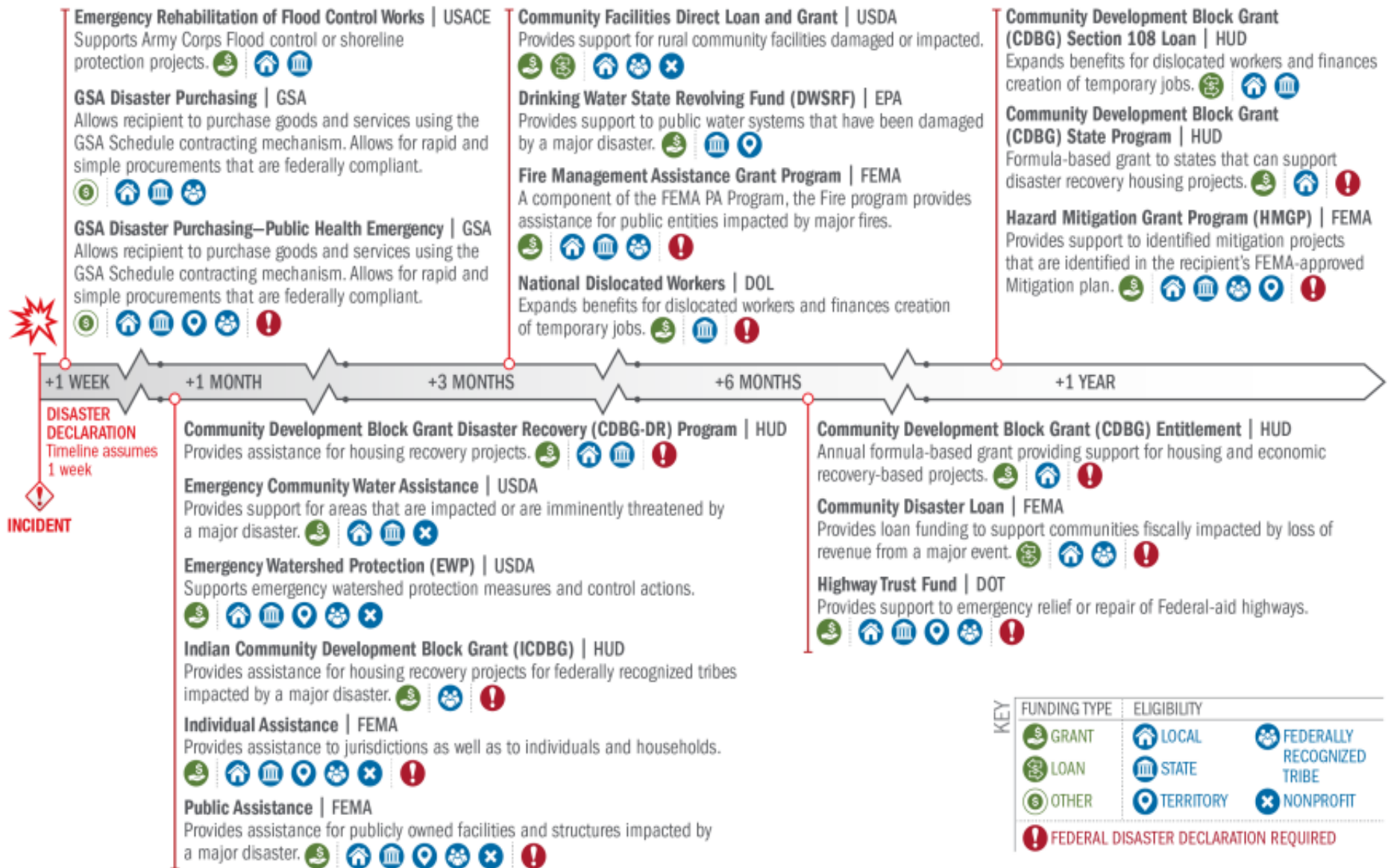
## Federal Cost Share Programs

- FEMA Public Assistance
- FEMA Individual Assistance
- Hazard Mitigation Grant Program
- Other Federal Sources (HUD CDBG-DR, SBA, USDA, FHWA)





# Timeline of Federal Funding Programs



# Matching Pain Points to Funding Tools (filled)

## Quick Decision Tree: Matching Pain Points to Funding Tools

If Your Pain Point Is...	Consider...
Cash-Flow Gaps (waiting for FEMA/State reimbursements)	Zero/low interest state loans, local emergency appropriations, insurance policies
Lack of Local Match for Federal Grants	State grants (i.e., NDME), local ballot measures, sales taxes
Long-Term Resilience Financing	Green/resilience bonds, CIP integration
Community Buy-In & Visibility	Online dashboards to track progress related to voter approved taxes or initiatives
Technical Capacity & Planning Support	Regional collaboration, state grants for technical assistance, DHSEM, CRO
Others?	Let's Discuss!



# Disaster Finance: The Colorado Experience

## Group Discussion

Challenges

Successes



# The Colorado Experience

- Strong disaster response sets the foundation for recovery.
- Community expectations and preparedness: pre-disaster planning saves money and lives.
- Investing in mitigation saves dollars in recovery.
- State and Federal reimbursement can take years (or even decades) --have a disaster financial plan!
- State and federal programs will not make you whole.



## Part 2: Potential Shifts in Disaster Assistance

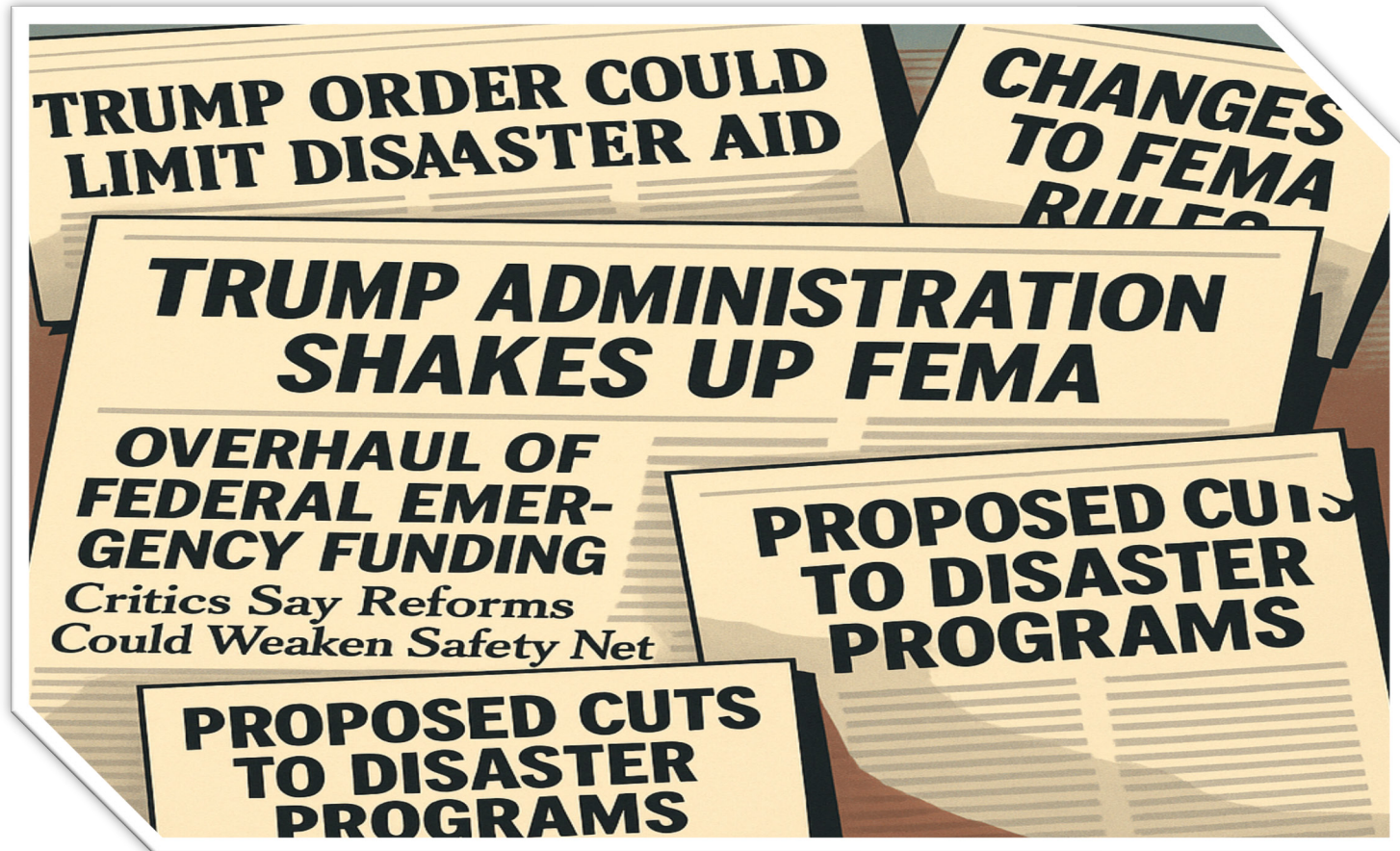
# LOOKING AHEAD

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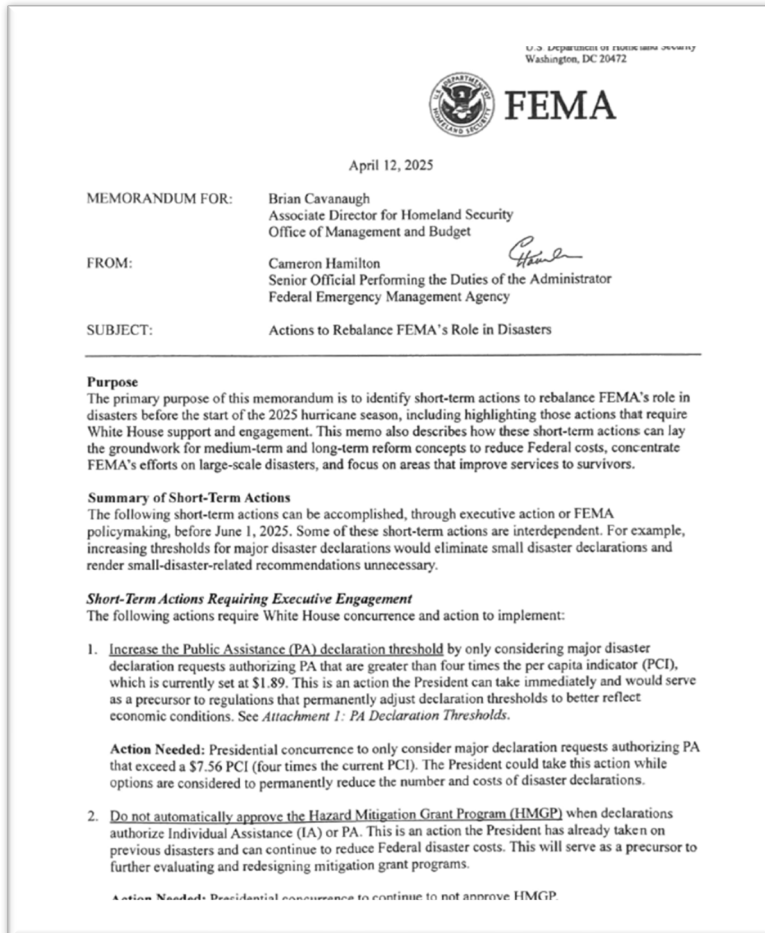




# Potential Shifts in Disaster Assistance



# Potential Shifts in Disaster Assistance



## Cost-Sharing Increases and Threshold Reforms

The memo recommends immediately raising the per-capita indicator (PCI) threshold for federal disaster declarations by 4x.

It also recommends not approving federal cost shares above 75% even if current regulations call for an increase for programs like Public Assistance and Hazard Mitigation

Higher thresholds could limit federal aid to catastrophic events only, shifting costs to county budget.

Higher cost-share demands require advance planning and further attention to the potential need for disaster reserve funds.



# Disaster Declaration Damage Thresholds

Current PA Statewide Indicator	\$1.89
Indicator Under Discussion	\$7.56

State	2020 Census Population	Current PA Indicator	Indicator Under Discussion
Colorado	5,773,714	\$10,912,319.46	\$43,649,277.84

Current PA County Indicator	\$4.72
Indicator Under Discussion	\$18.88

County	2020 Census Population	Current PA Indicator	Indicator Under Discussion
Adams County	519,572	\$2,452,379.84	\$9,809,519.36
Arapahoe County	655,070	\$3,091,930.40	\$12,367,721.60
Boulder County	330,758	\$1,561,177.76	\$6,244,711.04
Douglas County	357,978	\$1,689,656.16	\$6,758,624.64
El Paso County	730,395	\$3,447,464.40	\$13,789,857.60
Jefferson County	582,910	\$2,751,335.20	\$11,005,340.80
Larimer County	359,066	\$1,694,791.52	\$6,779,166.08
Mesa County	155,703	\$734,918.16	\$2,939,672.64
Pueblo County	168,162	\$793,724.64	\$3,174,898.56
Weld County	328,981	\$1,552,790.32	\$6,211,161.28





# Potential Shifts in Disaster Assistance



## FEMA ACT OF 2025

### WHAT IT PROPOSES

- ✓ Elevate FEMA to cabinet-level status
- ✓ Simplify application process for disaster assistance
- ✓ Give states flexibility in housing solutions

### MITIGATION & PREPAREDNESS

- ✓ Accelerate and approve mitigation projects
- ✓ Clarify building code requirements

### ACCOUNTABILITY, TRANSPARENCY & RED TAPE REDUCTIONS

- ✓ Establish a Recovery Task Force
- ✓ Reform procurement and permit processes
- ✓ Remove discintetives for charitable donations

### WHAT IT MEANS FOR COUNTIES / LOCAL GOVERNMENTS

- ✓ Faster, more predictable assistance timelines
- ✓ Less paperwork burden for residents



# State Response to Fed Changes

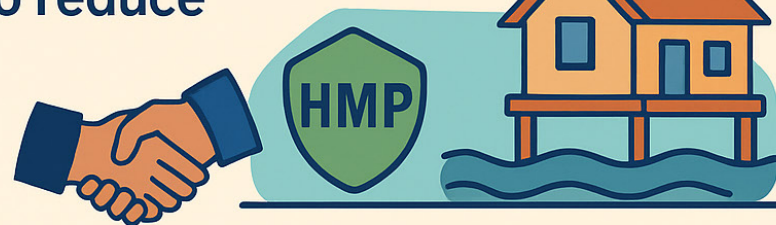
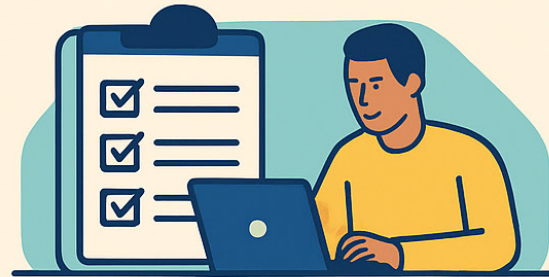
- Court cases
  - Illinois vs FEMA (Terms and Conditions)
  - California vs Department of Transportation (Terms and Conditions)
  - New Jersey vs OMB (Agency Priorities)
  - Washington vs FEMA (BRIC)
- Invested in permanent Recovery FTE and Hosting Recovery Symposiums throughout the State
- Verify as You Go (VaYGo) Certification
- Governor's Office and DHSEM working on a budget proposal for response and preparedness personnel if federal funding is no longer available





# Strategies for Counties

- Build capacity for grant & compliance management
- Integrate disaster planning into county budget forecasts
- Leverage regional partnerships
- Invest in mitigation to reduce future disaster costs



# Key takeaways...

- ✓ Federal disaster assistance is essential but shifting
- ✓ State and local governments face greater financial risk
- ✓ Proactive planning and mitigation can reduce long-term costs
- ✓ Collaboration across counties strengthens resiliency



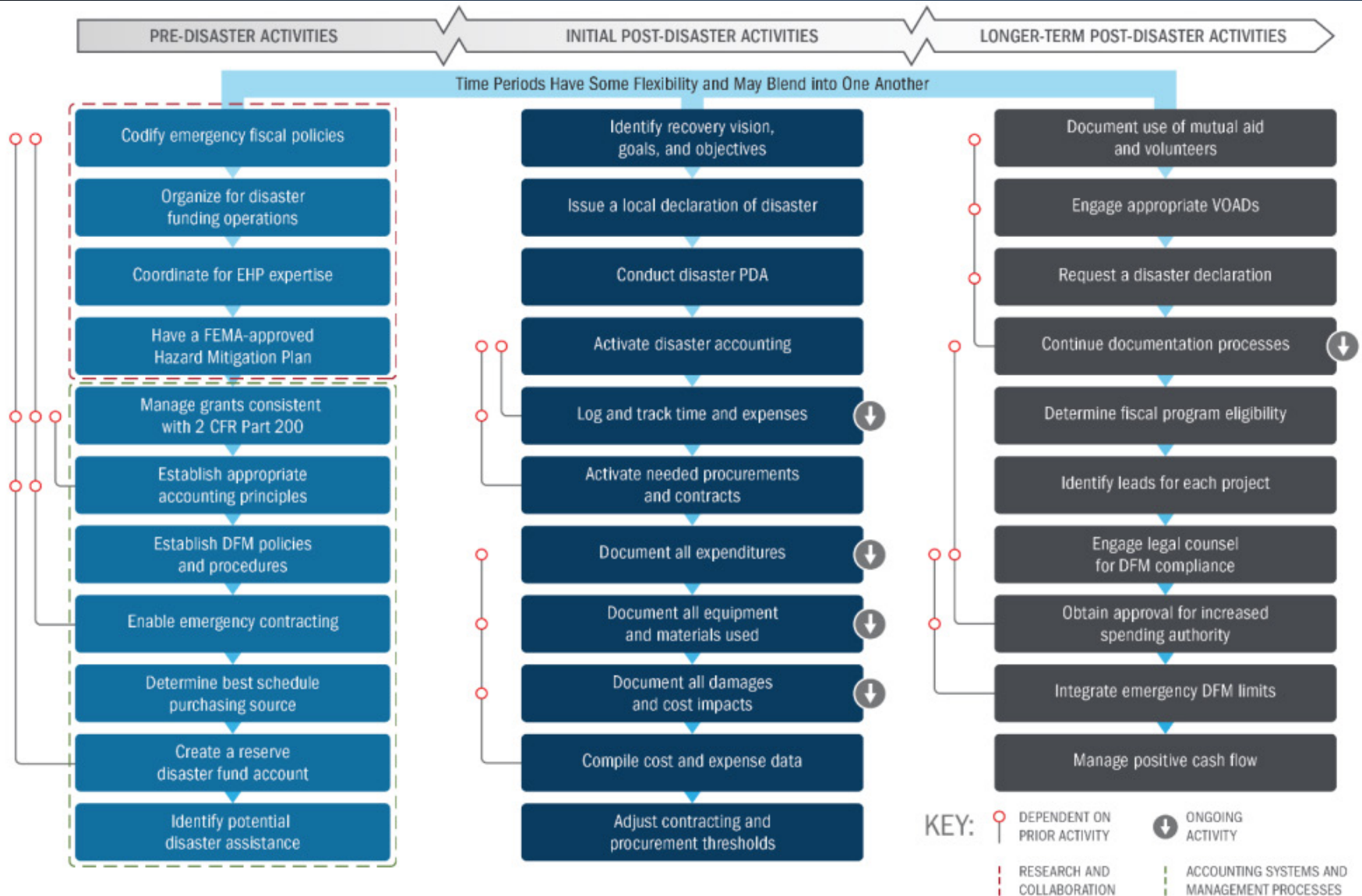
# Key takeaways...

- ✓ Know the various kinds of funding available for post-disaster recovery and how to get them.
- ✓ Understand the overall damage as well as fiscal and economic impacts of the disaster on the entire community.
- ✓ Develop a comprehensive disaster recovery funding strategy.
- ✓ Ensure transparent and accountable approaches to recovery financing.





# Project Management for Financial Recovery



# Resources

- [Disaster Financial Management Guide](#) (FEMA, 2020)
- [Planning for Post-Disaster Financial Recovery](#) (APA, 2014)
- [Procurement under Grant Regulations 2 CFR 200.317-.326](#)
- [Top 10 Procurement Mistakes Leading to Audits and Potential Loss of Funding](#) (FEMA)
- [Community Recovery Management Toolkit](#) (FEMA)
- [Damage Assessment Overview](#) (DHSEM)
- [Pre-Disaster Recovery Planning Guidance](#) (DOLA/CRO)



# Discussion and Q&A





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