

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

10-County Budget Conference September 19, 2025

## **Panelist Introductions**

## Ryan Airey, Sr. Program Manager

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### COLORADO

Division of Homeland Security & Emergency Management

Department of Public Safety



## **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	- COUNTY &

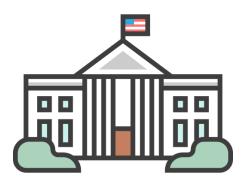
## Why This Matters to Counties



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)

HUD CDBG-DR, SBA, USDA, etc.

Hazard Mitigation (HMGP, BRIC, FMA)

federal ------- state ------- local



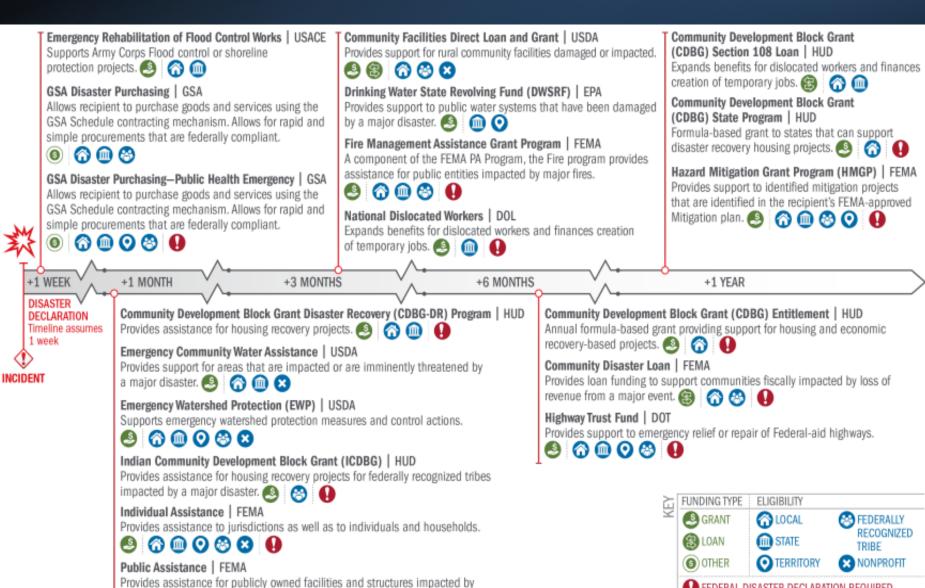
### How State and Local Govt's Fund Disasters

## **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**



a major disaster. 🙆 🥋 🧰 🚫 😣

FEDERAL DISASTER DECLARATION REQUIRED

# 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	Zero/low interest state loans, local		
reimbursements)	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



## **Potential Shifts in Disaster Assistance**





## **Potential Shifts in Disaster Assistance**





April 12, 2025

MEMORANDUM FOR: Brian Cavanaugh

Associate Director for Homeland Security

Office of Management and Budget

FROM: Ca

Cameron Hamilton
Senior Official Performing the Duties of the Administrator

Federal Emergency Management Agency

SUBJECT: Actions to Rebalance FEMA's Role in Disasters

#### Purpose

The primary purpose of this memorandum is to identify short-term actions to rebalance FEMA's role in disasters before the start of the 2025 hurricane season, including highlighting those actions that require White House support and engagement. This memo also describes how these short-term actions can lay the groundwork for medium-term and long-term reform concepts to reduce Federal costs, concentrate FEMA's efforts on large-scale disasters, and focus on areas that improve services to survivors.

#### Summary of Short-Term Actions

The following short-term actions can be accomplished, through executive action or FEMA policymaking, before June 1, 2025. Some of these short-term actions are interdependent. For example, increasing thresholds for major disaster declarations would eliminate small disaster declarations and render small-disaster-related recommendations unnecessary.

#### Short-Term Actions Requiring Executive Engagement

The following actions require White House concurrence and action to implement:

Increase the Public Assistance (PA) declaration threshold by only considering major disaster
declaration requests authorizing PA that are greater than four times the per capita indicator (PCI),
which is currently set at \$1.89. This is an action the President can take immediately and would serve
as a precursor to regulations that permanently adjust declaration thresholds to better reflect
economic conditions. See Attachment 1: PA Declaration Thresholds.

Action Needed: Presidential concurrence to only consider major declaration requests authorizing PA that exceed a \$7.56 PCI (four times the current PCI). The President could take this action while options are considered to permanently reduce the number and costs of disaster declarations.

Do not automatically approve the Hazard Mitigation Grant Program (HMGP) when declarations
authorize Individual Assistance (IA) or PA. This is an action the President has already taken on
previous disasters and can continue to reduce Federal disaster costs. This will serve as a precursor to
further evaluating and redesigning mitigation grant programs.

Action Needed: Precidential concurrence to continue to not approve HMGP.

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 <u>recommends not approving federal cost</u> <u>shares above 75%</u> 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

2020 Census Population	Current PA Indicator	Indicator Under Discussion
5,773,714	\$10,912,319.46	\$43,649,277.84
\$4.72		
\$18.88		
	Population 5,773,714 \$4.72	Population         Indicator           5,773,714         \$10,912,319.46           \$4.72

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 discincetives for charitable donations

### WHAT IT MEANS FOR COUNTIES / LOCAL GOVERNMENTS

- Faster, more predictable assistance timelines
- Lace nanarwork hurdan for racidante



## **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...



- 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.

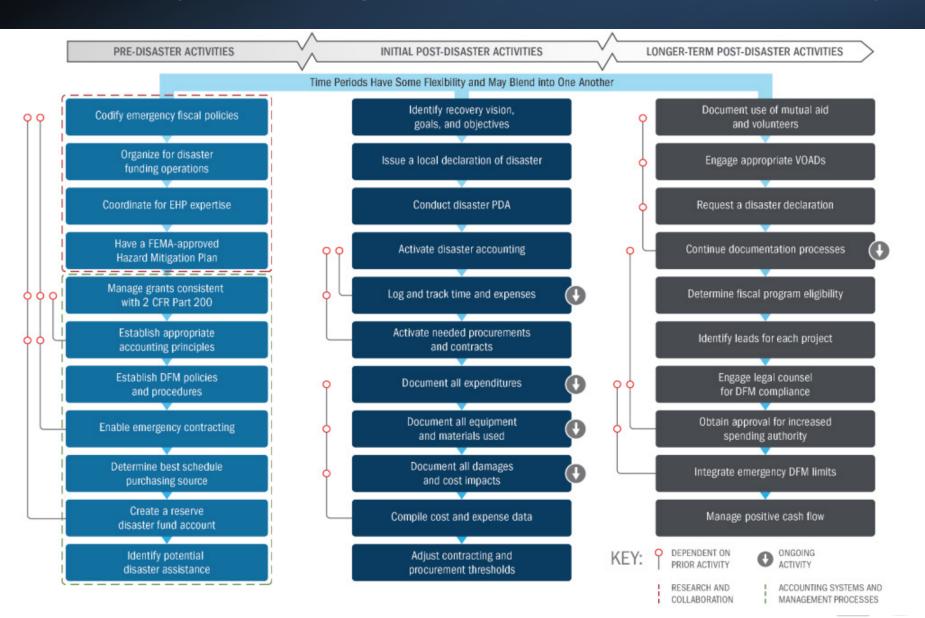








## **Project Management for Financial Recovery**

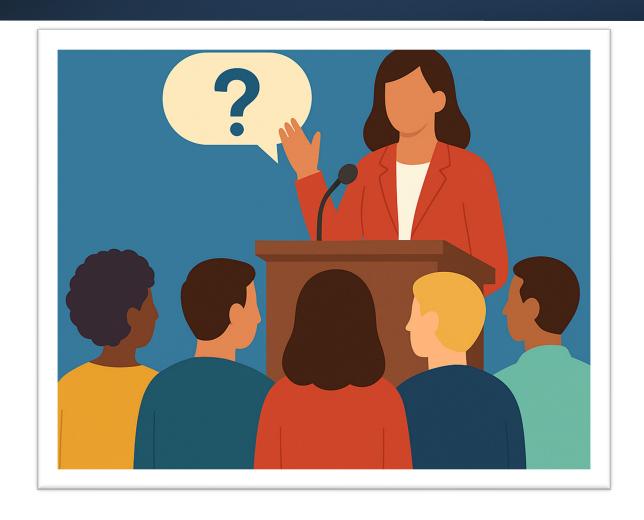


### Resources

- 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)
- <u>Damage Assessment Overview</u> (DHSEM)
- Pre-Disaster Recovery Planning Guidance (DOLA/CRO)



## Discussion and Q&A





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