

# PUBLICATION

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## FEMA is Making Post-Disaster Mitigation Less Expensive for Applicants

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October 09, 2024

**With disasters increasing in frequency, severity, and cost, the Federal Emergency Management Agency (FEMA) has a new financial incentive for applicants to rebuild in ways that will make them more resilient in the face of a future event. FEMA will increase its Public Assistance federal cost share for projects that incorporate post-disaster recovery measures increasing readiness for, and resilience from, a future major disaster. FEMA's new policy applies to applicants recovering from any disaster declared by the President on or after September 26, 2024. This cost-share incentive applies to Hurricane Helene's permanent work projects.**

Section 406 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) authorizes FEMA to provide Public Assistance (PA) grants for the repair or replacement of facilities damaged by a major disaster. The Stafford Act requires FEMA to share the cost of eligible PA projects with applicants. The minimum federal cost share is 75 percent, and now, with the release of its [\*Interim Public Assistance Mitigation Cost Share Incentives Policy \(FP-104-24-002\)\*](#), FEMA may increase its share up to 85 percent for projects that include measures to increase disaster readiness and resilience. By increasing the federal government's share in the cost, FEMA seeks to incentivize hazard mitigation measures to reduce community vulnerability and build a climate-resilient nation through enhanced disaster preparedness.

FEMA will apply the cost share increases as follows:

1. If the total cost of a project's completed 406 Hazard Mitigation measures is equal to or greater than 20 percent of the total repair/restoration cost of the project at the time of the obligation, FEMA will increase the federal share by five percent; and
2. If the applicant has also adopted the current 2024 edition or the previous 2021 edition of the International Building Code, and the International Energy Conservation Code for commercial buildings or an equivalent code or standard, such as American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standard 90.1, FEMA will increase the federal cost share by another five percent.

FEMA will only increase the federal cost share by a total maximum of ten percent if the applicant complies with both requirements 1 and 2. FEMA will not use this policy to increase the federal cost share above 85 percent.

The cost share increase will be applied after the hazard mitigation measures are complete and will apply to the entire eligible project – not just the mitigation measures. To calculate total repair/restoration costs, FEMA includes all costs associated with the eligible repair/restoration scope of work before insurance reductions apply but excludes the hazard mitigation component. For fixed cost sub-awards, the repair costs are based on the fixed cost estimate of the damage.

Although immediately in effect, FEMA is accepting public comments on the interim policy through January 24, 2025.

Baker Donelson's Disaster Recovery and Government Services professionals work proactively with state and local governments, governmental agencies and authorities, non-profits, and infrastructure providers to provide regulatory compliance, grant management, and legal representation that maximizes access to federal funding and its effective use. If you have questions about FEMA's interim policy, would like assistance preparing and filing a comment, or have any questions regarding disaster recovery and/or federal grant compliance, please contact [Yann Kaufman](#), [Erin Greten](#), or any member of [Baker Donelson's Disaster Recovery and Government Services team](#).