



NEMA 2025 Annual Forum | Cheyenne, WY

The Future of Disaster Funding? Understanding Block Grants



ERIN J. GRETEN
OF COUNSEL
WASHINGTON, DC
egreten@bakerdonelson.com
202-326-5071



AMANDA SPAIN
SHAREHOLDER
BATON ROUGE, LA
ASPAIN@bakerdonelson.com
225-381-7035



Path of Funding



The Agency Award must comply with the Purpose, Time, and Amount of the Congressional Authorization and Appropriation (and applicable law).



Types of Financial Assistance Agreements

Federal Contract → funds are for a good or service that the Federal Government procures for its own use / benefit

Cooperative Agreement → transfers money or anything of value to carry out a public purpose and the federal government is substantially involved in the activity

Grant → transfers money or anything of value to accomplish a public purpose, but without substantial involvement by the federal government in the activity.



Block v. Project Grants

Block Grants (CDBG-DR)

- Government fixes time and funding amount with broad eligible purpose within which the recipient can determine how to apply the funds.

Project Grants (Public Assistance)

- Government fixes time, amount, and purpose on a project-by-project basis.



Common Complaints About Public Assistance

- It takes too long to get the money
- It is too complicated - *the PAPPG is 325 pages long.*
- The eligibility requirements are too hard – pre-disaster condition too hard to prove after-the-fact
- EHP takes forever
- The documentation requirements are too onerous – many public and PNPs don't keep detailed timesheets and call logs
- The procurement processes are too restrictive
- FEMA takes back funds after they've already been spent on the project



Block Grants to the Rescue (?): CDBG-DR

- No guarantee Congress will appropriate funds
- Must fit within established eligibility categories
- Must comply with environmental and historic preservation laws for all projects
- Subject to Davis Bacon
- Must submit an Action Plan with supporting justification, program descriptions, budgets, capacity assessment and staffing analysis before award
- HUD's Universal Notice is 180 pages long with 13 process steps
- Must comply with 2 CFR Part 200
- The Grantee still must have financial management, procurement, and fraud/waste/abuse detection and prevention policies
- Instead of Grants Portal, CDBG-DR recipients must post plans, policies, contracts, and procurement actions on a publicly accessible website
- CDBG-DR funds may not be used for activities reimbursable by, or for which funds are made available by FEMA or the USACE (Duplication of Benefits applies)
- More affected by politics as priorities for community development differ

So, why do applicants prefer it over PA?



Our Experience:

It is easier to explain how you plan to spend money you are told you will receive, than it is to prove you need every penny before you do the work.

CDBG-DR offers local control over the programming and implementation throughout the process, with limited interference by HUD.



Legislative Flexibilities that Contribute to Improved User Experience

- Recipients may assume all the responsibilities for environmental review, decision-making, and action
- Grantee submits a “Performance and Evaluation Report” concerning the use of funds. HUD may adjust the amount of grant funding up or down, but funds already expended on eligible activities shall not be recaptured or deducted from future assistance.
- HUD is typically given authority to waive or create alternative requirements for any provision of any statute or regulation except those regarding fair housing, nondiscrimination, labor standards, and the environment.



Policy Flexibilities that Contribute to Improved User Experience

- Action Plans are deemed approved 45 calendar days after HUD receives the plan, if HUD does not return or disapprove it before then.
- Only required to seek HUD approval of non-substantial Action Plan amendments.
- HUD accepts prior Secretary certifications within 5 years, and prior year's Single Audits and annual Comprehensive Financial Reports to meet administrative requirements.
- By reviewing financial oversight, procurement, and grant management policies before award, HUD gives applicants an opportunity to fix any problems.
- Whereas FEMA requires all documentation up front before reimbursement, HUD audits a percentage of grants after the fact.



Thanks for Joining Us Today



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