



Source: NH Journal



Public Assistance Management Costs

DR-4329, DR 4355, DR 4370, DR 4371

Disaster Recovery Reform Act of 2018 (DRRA)



- Signed into law on October 5, 2018
- Goal: Simplify and streamline the process of pursuing administrative costs associated with disaster recovery while allowing for additional administrative activities to become eligible

Which Disasters?



- New policy is retroactive for all incidents declared on or after August 1, 2017
 - **DR 4329** – July 1-2, 2017: Severe Storms and Flooding (Declared August 9, 2017)
 - **DR 4355** – October 29-November 1, 2017: Severe Storm and Flooding
 - **DR 4370** – March 2-8, 2018: Severe Storm and Flooding
 - **DR 4371** – March 13-14, 2018: Severe Winter Storm and Snowstorm

Disaster Recovery Reform Act of 2018 (DRRA) - Changes



- Amended portions of the Stafford Act
 - Including Section 324 – Public Assistance Management Costs
- Eliminates Direct Administrative Costs (DAC) and the Public Assistance Alternative Procedures (PAAP) DAC pilot program for declarations after October 5, 2018
- Replaces DAC with an updated version of Management Costs

Management Cost Changes



- Increased reimbursement rate
 - 100% Federal share of 5% of the total project amount under a disaster
 - No applicant cost share
- Based on **actual costs incurred**
- Awarded as a separate Category Z project
- Excess funds may not be retained
- Category B Donated Resources projects are not included in the Category Z award calculation

Management Cost



Management Costs are any of the following when associated with the Public Assistance portion of a major disaster or emergency:

- Indirect costs
- Direct administrative costs
- Other administrative expenses associated with a specific project

Activities eligible as Management Costs:



- **Preliminary Damage Assessments**
- **Meetings regarding the PA Program or overall PA damage claim**
- **Organizing PA damage sites into logical groups**
- Preparing correspondence
- Site inspections
- Travel expenses
- Developing the detailed site-specific damage description
- Evaluating Section 406 hazard mitigation measures
- Preparing Small and Large Projects
- Reviewing PWs
- Collecting copying, filing, or submitting documents to support a claim
- Requesting disbursement of PA funds
- **Training**
- *This is not an all inclusive list*

What Are My Options?



Administrative Cost Options

Status of the Applicant/Subrecipient	Management Costs	PAAP DAC	DAC	No Management Costs or DAC Desired/Requested
No Projects Obligated	✓		✓	✓
DAC Requested (Regardless of Obligation)	✓		✓	✓
Opted Into PAAP DAC (Regardless of Obligation)	✓	✓		✓
No DAC Requested & RTM Not Completed	✓		✓	✓
No DAC Requested & RTM Completed	✓			✓

- There are program options within the new policy.
- The program you choose will apply to all projects within that disaster.
 - You may choose a different program for each disaster
- You may choose not to request admin/management costs for your projects.
- Your HSEM Field Representative has specific information about the financial gain/loss for your community/agency/entity.

What Are My Options?



Administrative Cost Options				
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DAC Requested (Regardless of Obligation)	✓		✓	✓
Opted Into PAAP DAC (Regardless of Obligation)	✓	✓		✓
No DAC Requested & RTM Not Completed	✓		✓	✓
No DAC Requested & RTM Completed	✓			✓

- No Projects Obligated:
 - Status: You have had no projects obligated yet (still under development, at CRC, etc) and have not selected a DAC option.
 - Options: You may opt into management costs, DAC, or request no admin/management costs.

What Are My Options?



Administrative Cost Options

Status of the Applicant/Subrecipient	Management Costs	PAAP DAC	DAC	No Management Costs or DAC Desired/ Requested
No Projects Obligated	✓		✓	✓
DAC Requested (Regardless of Obligation)	✓		✓	✓
Opted Into PAAP DAC (Regardless of Obligation)	✓	✓		✓
No DAC Requested & RTM Not Completed	✓		✓	✓
No DAC Requested & RTM Completed	✓			✓

- DAC Requested (Regardless of Obligation):
 - Status: You have requested DAC and your projects may or may not have been obligated.
 - Options: You may opt into management costs, DAC, or request no administrative costs.

What Are My Options?



Administrative Cost Options

Status of the Applicant/Subrecipient	Management Costs	PAAP DAC	DAC	No Management Costs or DAC Desired/ Requested
No Projects Obligated	✓		✓	✓
DAC Requested (Regardless of Obligation)	✓		✓	✓
Opted Into PAAP DAC (Regardless of Obligation)	✓	✓		✓
No DAC Requested & RTM Not Completed	✓		✓	✓
No DAC Requested & RTM Completed	✓			✓

- Opted Into PAAP DAC (Regardless of Obligation):
 - Status: You have opted into PAAP DAC (paperwork submitted by due date) and you may or may not have had your Cat Z project obligated.
 - Options: You may opt into management costs, continue with PAAP DAC, or request no admin/management costs.

What Are My Options?



Administrative Cost Options

Status of the Applicant/Subrecipient	Management Costs	PAAP DAC	DAC	No Management Costs or DAC Desired/ Requested
No Projects Obligated	✓		✓	✓
DAC Requested (Regardless of Obligation)	✓		✓	✓
Opted Into PAAP DAC (Regardless of Obligation)	✓	✓		✓
No DAC Requested & RTM Not Completed	✓		✓	✓
No DAC Requested & RTM Completed	✓			✓

- No DAC Requested & RTM Not Completed:
 - Status: You did not request DAC and your project(s) have not been closed out (aka Recovery Transition Meeting – RTM not completed).
 - Options: You may opt into management costs, DAC, or request no admin/management costs.

What Are My Options?



Administrative Cost Options

Status of the Applicant/Subrecipient	Management Costs	PAAP DAC	DAC	No Management Costs or DAC Desired/ Requested
No Projects Obligated	✓		✓	✓
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Opted Into PAAP DAC (Regardless of Obligation)	✓	✓		✓
No DAC Requested & RTM Not Completed	✓		✓	✓
No DAC Requested & RTM Completed	✓			✓

- No DAC Requested & RTM Completed:
 - Status: You did not request DAC and your project(s) have been closed out (aka Recovery Transition Meeting – RTM was completed).
 - Options: You may opt into management costs or request no admin/management costs.

Things to Consider



- Financial gain/loss
 - HSEM will provide estimates of financial impact for DAC v. MC for each project.
 - Will show max award **potential**
 - based on **actual costs incurred.**
 - PAAP DAC & MC up to 5%
 - Traditional DAC
- Workload & Paperwork Burden
 - Actual cost documentation (payroll, contracts, invoices, etc)
 - Project Completion & Certification Report
 - Breakdown by project vs. overall disaster
 - Project re-awarded
- Eligible costs/activities
 - PAAP DAC excess funds
 - MC – expanded list

Next Steps



- Field Rep will be reaching out to each applicant to discuss options.
- Confirm your choice of program with the State by **Tuesday, February 5th 2019**
 - Form requiring signature**
- Those who do not submit a choice by the deadline will automatically remain in their current program

Questions??



- Impacts to each applicant will be discussed one-on-one with Field Rep.
- All applicants under the 4 disasters are eligible to change their admin/management cost options

Contact Info



Submit questions to your HSEM Field
Representative

or

Contact HSEM Public Assistance Staff at
hsemplanning@dos.nh.gov