

## LEADERSHIP TALKING POINTS

# Cost Share Adjustments for COVID-19 Declarations

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Effective immediately, FEMA will begin processing Public Assistance projects with a 100% federal cost share. FEMA will coordinate with Recipients to obligate additional funding for previously awarded projects with a lower federal cost share. This increase in funding implements the President's February 2, 2021 *Memorandum on Maximizing Assistance from the Federal Emergency Management Agency* and further reduces the financial burden placed on states, tribes and territories as they undertake actions to save lives in response to COVID-19.

## Key Points

- President Biden adjusted the federal cost share for the Public Assistance program for all COVID-19 declarations to 100%. This applies to all eligible work under the Public Assistance program that is performed through September 30, 2021.
- Effective immediately, FEMA will process new Public Assistance projects with a 100% federal cost share.
- FEMA will work with Recipients of previously awarded Public Assistance projects to provide additional funding to increase the cost share to 100%. Recipients will be retroactively reimbursed for FEMA-eligible activities – including emergency medical care, emergency feeding, and sheltering at risk populations – back dated to the beginning of the pandemic in January 2020.

## If Asked

- **Does the 100% cost share apply to all FEMA grants?**  
*No, the cost share adjustment applies only to Public Assistance grants for COVID-19 declarations.*
- **Does the 100% cost share apply to pandemic-related non-congregate sheltering funded on non-COVID-19 disaster declarations?**  
*No, the cost share adjustment applies only to COVID-19 declarations.*

**FEMA**

- **The memo says FEMA is prioritizing funding related to vaccination distribution and administration and other active pandemic response operations. What does “other active pandemic response operations” mean?**

*In order to ensure funding does not become an obstacle to life-saving activity, FEMA is prioritizing funding to enable ongoing or planned actions to address COVID-19 over requests for actions that have already been completed and reimbursed at the 75% cost share. FEMA will continue this prioritization with vaccine projects receiving the highest priority. All other funding will remain eligible and funded. However, FEMA will process these active pandemic response operation projects as a higher priority.*

- **What should a Region, Recipient, or Applicant do to ensure that new projects will receive 100% federal funding?**

*Nothing. Projects that have not yet been obligated will be adjusted automatically in FEMA’s Grants Manager and Grants Portal.*

- **What should a Region, Recipient or Applicant do to ensure that previously awarded projects receive additional funding to increase the federal share to 100%?**

*No action is needed on the part of Applicants. Regions and Recipients should coordinate so they are ready for this action to happen for all applicants and projects covered in the disaster declaration. As soon as Regions are ready to take action they should coordinate with Consolidated Resource Centers. These actions will be processed as bulk cost share adjustment and automated in accordance with technical guidance provided by Headquarters Public Assistance.*

- **When will Applicants receive additional funding for previously awarded projects?**

*There is no deadline for Recipients and FEMA Regions to proceed with a bulk cost share adjustment. As requested, FEMA will proceed with these additional obligations, subject to FEMA’s prioritization of vaccination distribution and administration and other active pandemic response operations.*

- **Why do I have to de-obligate donated resources projects?**

*As stated in the Public Assistance Program and Policy Guide: “FEMA does not provide funding for donated resources. However, the Applicant may use the value of donated resources to offset the non-Federal share of its eligible Emergency Work projects.” FEMA awards donated resource projects to account for this offset. Since there is no non-Federal share of eligible Emergency Work projects there is no offset. These projects may be re-obligated at a future date to offset a future cost share but must be de-obligated at this time to prevent FEMA from providing duplicate funding on separate projects.*

- **What if we already used Treasury CARES Act funding to meet the non-federal share?**

*You either need to request FEMA to amend the project and reduce FEMA funding to eliminate any duplication; or expend that CARES Act funding to address other expenditures incurred due to COVID-19 pursuant to Treasury’s guidance. It is important to note that, as part of the Consolidated Appropriations Act, 2021, Congress extended the deadline to use Treasury CARES Act funding to cover costs incurred due to COVID-19 to December 31, 2021.*