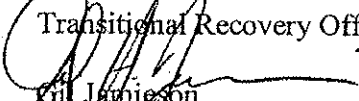




FEMA

MEMORANDUM FOR: Transitional Recovery Office Directors
FROM: 
Gil Jamieson
Associate Deputy Administrator
Gulf Coast Recovery
DATE: November 6, 2007
SUBJECT: Public Assistance Innovations

As the Gulf Coast communities continue to recover from the devastation wrought by Hurricanes Katrina and Rita, it is important that we seize every opportunity to provide progressive solutions that will assist these communities in their rebuilding effort. To that end, I am very pleased to announce an innovative approach to resolve funding issues experienced by Public Assistance Applicants in replacing damaged building contents.

Central to the damaged contents funding approach is the ability to consolidate multiple Project Worksheets (PWs) into one PW through the use of a standardized content categorization system. A limited number of broad contents categories will provide the basis for the categorization system and will be tied to the Applicant's current procurement coding methodology. This methodology provides greater latitude than traditional line item accounting by allowing replacement of similar function without dictating the types of items or number of units.

Specifically, this new approach:

- Is progressive and forward leaning
- Maximizes grant dollars to Applicants
- Modernizes contents
- Provides flexibility necessary to meet changing needs as an Applicant recovers and rebuilds

Furthermore, the new process exponentially aids in simplifying project formulation, grantee disbursement, closeout and auditing functions.

In order to fully implement this approach, and in accordance with the statutes, regulations and policies that govern FEMA's Public Assistance Program, all parties will have to work cooperatively to ensure that a request for an improved project is submitted to FEMA for the required review. Once approved, this request will allow for the drawdown of funds within broad categories in lieu of an itemized drawdown of funds for specific items. The Applicant remains responsible for the full accounting of the expenditures under each category. Although the value of each category will be capped, the Applicant will only be required to tie purchased items to a functional category.

The following examples illustrate the advantages of this new approach:

- A Project Worksheet (PW) is approved for \$1 million to replace damaged furnishings (desks, chairs, etc.). The PW was prepared using an itemized inventory list showing all the pre-disaster furnishings and their replacement value. Under the traditional Public Assistance Program, the Applicant would be required to replace each item of furnishing as shown on the PW inventory. Under the new approach, the Applicant can select an improved project whereby the total funds of \$1 million would be capped and the Applicant can purchase a different configuration of furnishings which better meets their post-disaster needs.
- A Project Worksheet (PW) is approved for \$500,000 in damages to contents of a road maintenance facility. The PW was prepared using an itemized inventory list showing all the pre-disaster tools, supplies and their replacement value. Under the traditional Public Assistance Program, the Applicant would be required to replace each individual tool and the identical supplies as shown on the PW inventory list. Under the new approach, the Applicant can select an improved project, identify categories of contents that match their procurement system, and use the capped PW amount of \$500,000 to purchase a variety of tools and supplies that, although are not item by item replacements, fall into the same functional grouping and better meet their post-disaster needs.

This methodology illustrates FEMA's commitment to innovative solutions that will help impacted communities along the Gulf Coast meet their post-disaster needs. Please share this with your state partners and continue to explore similar opportunities with potential to accelerate the recovery effort. If you have any questions, please contact me.

cc: Public Assistance Section Chiefs, Transitional Recovery Offices
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