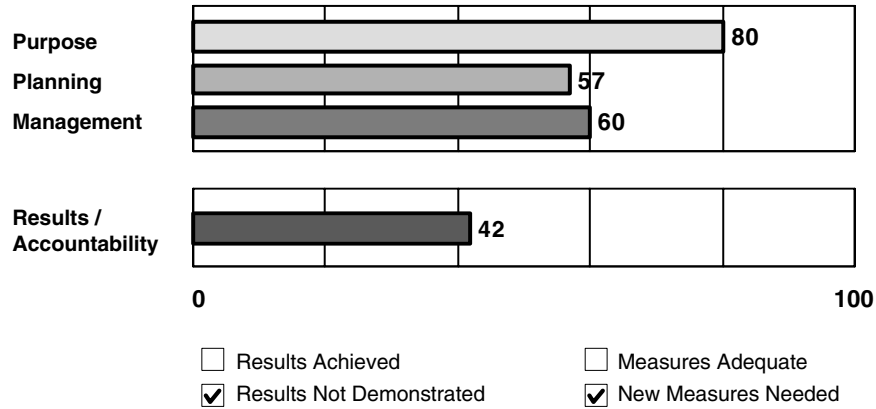


Program: Hazard Mitigation Grant

Agency: Department of Homeland Security

Bureau:



Key Performance Measures

Year Target Actual

	Year	Target	Actual
Long-term Measure: Value of avoided property damage (Interim targets under development)	2008	\$2.45 B	
Annual Measure: Community resistance to natural hazards- as measured by reduction in lives at risk (Targets under development)	2001	5,000	11,274

Rating: Results Not Demonstrated

Program Type: Block / Formula Grants

Program Summary:

The Hazard Mitigation Grant Program provides grants to States for projects designed to reduce losses to public and private property from future disasters.

Although the program has a relatively clear purpose, it suffers from planning and management weaknesses that limit results. Chief among these are that performance measurement and reporting are lacking, and grant oversight is inadequate. As the PART revealed, the program also suffers from a number of design flaws. Key findings of the assessment include:

1. The program allocates funds to States based on a formula rather than on need. Thus the program is reactive and lacking in targeting funding for areas of greatest risk.
2. The program sets a low hurdle for project eligibility determinations by requiring that mitigation projects require no more than \$1 in benefits for every \$1 spent.
3. The program reserves a significant portion of funds for projects for which FEMA requires no benefit-cost determination so that a project could result in less than \$1 in benefits for every \$1 spent.

The budget proposes a major restructuring of the program to increase its effectiveness.

1. The program will be replaced with a pre-disaster competitive grant program, funded at \$300 million, that will allocate limited Federal funding to high risk mitigation priorities.
2. The new program will operate independently of the Disaster Relief programs, assuring that funding remains stable and is not subject to spikes in disaster activity.
3. Awarding grants on a pre-disaster, competitive basis would ensure that the most worthwhile, cost-beneficial projects receive funding. No further funding is recommended for the existing program.

Note--Funding identified below is estimated percentage of spending from the Disaster Relief Fund for the Hazard Mitigation Grant program in each year.

(For more information on this program, please see the Department of Homeland Security chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
589	0	0