




**FEMA**

**Grant Programs Directorate Information Bulletin  
No. 427  
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**MEMORANDUM FOR:** FY 2017 AFG, FP&S, and SAFER Applicants and Grant Recipients  
Volunteer, Combination, and Career Fire Departments  
Municipalities and Fire Districts  
National, State, Local, or Tribal Fire Service Organizations

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**SUBJECT: Economic Hardship Waivers AFG Grant Program, FP&S Grant Program, and SAFER Grant Program**

**I. Purpose**

This Information Bulletin (IB) provides Assistance to Firefighters (AFG), Fire Prevention and Safety (FP&S), and Staffing for Adequate Fire and Emergency Response (SAFER) applicants and recipients guidance for requesting waivers of specific provisions under the AFG, SAFER and FP&S grant programs.

These include waivers or reductions of the non-Federal funds cost share requirement, waiver of the maintenance of effort requirement, waiver of the minimum budget requirement, waiver of the non-supplanting requirement, or any combination thereof, based on demonstrated economic hardship. Collectively these are known as an Economic Hardship Waiver. This guidance provides the minimum requirements for eligibility for an Economic Hardship Waiver, conditions which constitute economic hardship and the process and mechanism for requesting an Economic Hardship Waiver.

**II. Applicability**

A. This IB is applicable to AFG, FP&S, and SAFER applicants and recipients commencing with the Fiscal Year (FY) 2017 grant cycle.

1. All AFG applicants or recipients may request an Economic Hardship Waiver as permitted by the terms of Section III (Guidance). In order to be eligible to receive an

Economic Hardship Waiver, AFG recipients must demonstrate economic hardship by meeting the minimum requirements detailed in Section III (Guidance).

2. Under FP&S, only applicants or recipients that are fire departments are eligible to request an Economic Hardship Waiver, per 15 U.S.C. § 2229(k)(4)(C), and in order to receive an Economic Hardship Waiver, these FP&S recipients must demonstrate economic hardship by meeting the minimum requirements in Section III(Guidance). Certain FP&S applicants or recipients are *not* eligible to request or receive an Economic Hardship Waiver, in accordance with 15 U.S.C. § 2229(k)(4)(C). Those organizations ineligible to request or receive an Economic Hardship Waiver are 1) nonprofit organizations that are not fire departments or emergency medical services organizations; and 2) nonprofit organizations that are recognized for their experience and expertise with respect to fire prevention or fire safety programs and activities and firefighter research and development programs.
  3. All SAFER applicants may request an Economic Hardship Waiver. In order to be eligible to receive an Economic Hardship Waiver, SAFER applicants must demonstrate economic hardship by meeting the minimum requirements detailed in Sec. III (Guidance).
  4. Not all AFG, FP&S, and SAFER applicants and recipients will meet the minimum requirements to request an Economic Hardship Waiver.
  5. This IB is not retroactive. This IB does not apply to FY 2016 or previous grant years.
- B. This IB *does* supersede other guidance on this subject starting with the FY 2017 grant cycle. Specifically, *FP 207-088-01: Economic Hardship Waivers of Cost Share and Maintenance of Effort Requirements for the Assistance to Firefighters (AFG) and Fire Prevention & Safety (FP&S) Grant Programs*, last updated September 13, 2016 and *Information Bulletin 413: Economic Hardship Waivers of Cost Share, Minimum Budget, and Supplanting Requirements for the Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program*, last updated December 28, 2016, will not apply to any FY 2017 applicants or recipients under the AFG, FP&S, or SAFER Programs.

### III. Guidance

#### A. Authority

In cases of demonstrated economic hardship, and upon the request of the recipient, the Administrator may waive or reduce requirements of an AFG, FP&S, or SAFER recipient's awards, as outlined below, by program.

1. AFG: All AFG recipients may request a waiver for the cost share and/or maintenance of effort requirements (15 U.S.C. § 2229(k)(4)(A)).
2. FP&S: Eligible FP&S recipients, as outlined above, may request a waiver for the cost share and/or maintenance of effort requirements (15 U.S.C. § 2229(k)(4)(A)).
3. SAFER: SAFER Hiring of Firefighters Activity recipients may request a waiver for the cost share, minimum budget requirement, and/or non-supplanting requirements. Beginning in FY 2018, applicants may also request a waiver for the position cost limit. The cost share, position cost limit (applicable in FY 2018 and beyond), and non-supplanting requirements do not apply to SAFER

Recruitment and Retention Activity recipients, so these recipients may only request a waiver for the minimum budget requirement (15 U.S.C. § 2229a(d)).

## B. Definitions

1. **Administrator** refers to the Administrator of the Federal Emergency Management Agency (FEMA).
2. **Cost Share Requirement** is the requirement applicable to AFG, FP&S, and SAFER Hiring of Firefighters Activity recipients that the Federal portion of the costs of hiring firefighters may not exceed certain percentages as described in the AFG, FP&S, and SAFER Notices of Funding Opportunity (NOFO), 15 U.S.C. § 2229(k)(1)-(2), and 15 U.S.C. § 2229a(a)(1)(E).
3. **Economic Hardship Waiver** a collective term to refer to a waiver or reduction available for requirements/rules applicable to AFG, FP&S, and SAFER: 1) cost share requirement; 2) maintenance of effort requirement; 3) minimum budget requirement; and 3) prohibition on supplanting. A waiver or reduction is only granted for cases that demonstrate economic hardship per the terms of this IB.
4. **First Due Response Geographic Area** means the geographical area that a fire or rescue facility normally serves in the event of a fire or other emergency.
5. **Maintenance of Effort Requirement** means the requirement of AFG or FP&S recipients to maintain aggregate expenditures of allowable grant activities at a certain level during the term of the grant. Specifically, under 15 U.S.C. § 2229(k)(3), AFG and FP&S recipients must calculate the average of their annual expenditures on allowable grant activities for the prior two fiscal years in which they received a grant, and for the current grant year, expend at least 80 percent of that average on allowable activities.
6. **Minimum Budget Requirement** is the requirement that a SAFER recipient's budget for fire-related programs and emergency response must not be below 80 percent of the recipient's average funding level during the time period specified in the applicable SAFER NOFO.
7. **Peer Review Panel** refers to the panel that reviews AFG, FP&S, and SAFER applications as enumerated in each program's respective NOFO.
8. **Position Cost Limit** is the requirement that the amount of federal funding provided to a recipient under the SAFER Hiring of Firefighters Activity for hiring a firefighter in any fiscal year may not exceed certain percentages of the usual annual cost of a first-year firefighter in that department at the time the grant application was submitted.
9. **Recipient**, for purposes of this IB, references an AFG, FP&S, or SAFER recipient, as well as an AFG, FP&S, or SAFER grant applicant.
10. **State** refers to any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any possession of the United States.
11. **Non-Supplanting Requirement** is the requirement in which funds received under a SAFER Hiring of Firefighters Activity grant may not be used to replace funds that would be available from State or local sources or from the Bureau of Indian Affairs. Instead, SAFER funds shall be used in addition to the funding from State, local, or

Bureau of Indian Affairs sources that would be available even in the absence of Federal funds.

### C. Abbreviations

1. **AFGP**: Assistance to Firefighters Grant Program Branch.
2. **AFG**: Assistance to Firefighters Grant Program
3. **DHS**: Department of Homeland Security
4. **FEMA**: Federal Emergency Management Agency
5. **FP&S**: Fire Prevention and Safety Grant Program
6. **NOFO**: Notice of Funding Opportunity
7. **SAFER**: Staffing for Adequate Fire and Emergency Response Grant Program
8. **SNAP**: U.S. Dept. of Agriculture's Supplemental Nutrition Assistance Program (formerly known as the Food Stamp Program)

### D. Eligibility – Demonstrating Economic Hardship

For a recipient to be eligible for an Economic Hardship Waiver, the recipient must affirm that its governing agency or municipality does not have the available financial resources to cover all or part of the cost share, maintenance of effort requirement/minimum budget requirements, or the restriction on supplanting. Recipients must affirm that they do not have access to financial resources from any source that could be used to cover these costs, including from: reserve funds, savings accounts, rainy day fund, or other financial instruments.

In addition to this affirmation, to be eligible for an Economic Hardship Waiver, a recipient must demonstrate economic hardship in the following two ways:

1. Demonstrating that the following conditions exist within the community consisting of the recipient's first-due response geographical area:
  - a. The rate of unemployment in the recipient's community has had a net increase of no less than ten percent over the last three (3) years preceding the application for the waiver. Each recipient submitting an Economic Hardship Waiver shall supply statistics indicating their local unemployment rates for the previous three complete years; See, for example, national unemployment rate data at: <http://data.bls.gov/timeseries/LNS14000000>;
  - b. The rate of unemployment in the recipient's community has exceeded the annual national average rate of unemployment for three (3) of the last five (5) years.
  - c. The median household income over the last three (3) years for the recipient's community has been 80 percent or less than that of the median household income in the State in which the recipient is located in each of the past three (3) years. See, for example, county-level data at: <http://www.ers.usda.gov/data-products/county-level-data-sets.aspx>;

- d. The Social Vulnerability Index in the recipient's community is greater than or equal to the 75<sup>th</sup> percentile for the nation. See, for example, data on community level social vulnerability at: <https://svi.cdc.gov/>, or
  - e. The recipient, or the recipient's governing agency or municipality, has filed for bankruptcy, or has been placed under third party financial oversight or receivership with the previous three (3) years.
2. Provide a narrative response to the following three categories to demonstrate the economic hardship:
- a. **History:** Describe the background/history of the economic hardship in the recipient's organization or jurisdiction, including, but not limited to:
    - i. Why is your organization or jurisdiction in an economic downturn (e.g., a particular industry has been impacted)?
    - ii. How many jobs have been lost over the past three years?
    - iii. What was the annual budget for the past three years?
    - iv. How has your tax revenue declined over the past five years?
    - v. What is the foreclosure rate in the community or jurisdiction?
    - vi. Is your jurisdiction a Labor Surplus Area (see <https://www.doleta.gov/programs/lsa.cfm>)?
    - vii. Are there any independent reports about the financial outlook for the community or jurisdiction?
    - viii. Have you ever requested and/or received an Economic Hardship Waiver from FMEA under these grant programs before?
  - b. **Austerity Measures:** Describe any measures the organization or jurisdiction has taken to address this economic hardship including, but not limited to:
    - i. Has the organization or jurisdiction attempted to borrow money?
    - ii. Has the organization or jurisdiction attempted to get assistance from the state?
    - iii. Has the organization or jurisdiction limited expenses (e.g., not hiring, not providing promotions, reducing services, restricting contracting, limiting overtime, reducing personnel)?
    - iv. Are there regular meetings to assess the financial status of the organization or jurisdiction?
    - v. Are there other means to fund this project or salary?
    - vi. Has the organization or jurisdiction considered other revenue streams for funding (Homeland Security/Urban Area Security Initiative Grants, fundraising, etc.)?
    - vii. Has the organization or jurisdiction considered or implemented options such as mutual/automatic aid agreements or partnerships with neighboring jurisdictions in order to achieve the goals of the project or staffing levels?
    - viii. Are there any documents or reports prepared by the organization or jurisdiction showing attempts to address the economic hardship?

- c. **Operational Impact:** Describe how the lack of a waiver will impact the jurisdiction's or organization's ability to accomplish the mission including, but not limited to:
- i. Has the department conducted a needs assessment? If yes, please summarize the findings and source of assessment.
  - ii. How have changes in national codes and standards impacted the organization's or jurisdiction's ability to fund this project? Have the changes in standards impacted the cost of the equipment?
  - iii. How has this economic hardship impacted or delayed response times to fires and other emergencies?
  - iv. How has firefighter and/or community health and safety been impacted?
  - v. How has the economic hardship impacted the staffing levels of the department or fire prevention division?
  - vi. How has the economic hardship impacted the public education, community risk reduction efforts, and other prevention activities within the departments, and what impact has that had on the community's risk of fire and fire-related injuries and deaths?
  - vii. How else has this economic hardship impacted the organization's or jurisdiction's ability to achieve its mission of saving lives and property and responding to fires and other emergencies?

*Note:* Recipients or applicants may also supply optional additional information supporting their waiver request. Such information may include data which shows an increase in the percentage of individuals in the recipient's community who are eligible to receive assistance under the U.S. Dept. of Agriculture's Supplemental Nutrition Assistance Program (SNAP) over the three (3) year period preceding the waiver application. See, for example, SNAP data at: <http://www.fns.usda.gov/pd/SNAPmain.htm>. Submitting this information does not replace the requirement to provide the information required in Section III.D.1. or III.D.2, above, in order to be eligible for an Economic Hardship Waiver.

All waiver requests must identify the data source(s) and provide attribution in support of their claim(s) of economic hardship. All data sources must be verifiable. Failure to supply the source(s) of the data supplied will result in the waiver request being denied.

Narrative responses must conform to the following requirements:

1. **Font:** Times New Roman or Arial.
2. **Font Size:** 11 points (11 pt) or larger.
3. **Page Dimensions:** Page dimensions must be 8.5" x 11" (21.6 cm x 27.9 cm) or smaller.
4. **Margins:** All margins (top, bottom, left, and right) must be at least 1" (2.54cm).

## E. Economic Hardship Waiver Request Process

### 1. AFG and FP&S:

- a. **FY 2017 AFG and FP&S Recipients:** Only FY 2017 AFG and FP&S applicants or recipients whose applications have undergone further evaluation through the Peer Review Panel evaluation and have been recommended for award will be permitted to submit a request for an Economic Hardship Waiver. Final submission of an Economic Hardship Waiver will require the recipient to formally accept the award through the AFG eGrants or successor system in order to access and submit the amendment request. Upon receipt of the waiver request, the applicant will be contacted by the AFG/FP&S program office with detailed instructions as to how to submit all required supporting documentation. The AFG/FP&S program office will confirm receipt of the submitted information and subsequently attach the submitted information to the applicants file through the AFGP eGrant or successor system.
  - b. **FY 2018 applicants, and going forward for all subsequent years:** AFG and FP&S applicants will indicate at the time of application via the *eGrants* or successor system, which of the two waiver they will be requesting. The AFG and FP&S Program Office will only contact applicants that selected a waiver option in their submitted application. Applicants will be asked, during the respective application period for AFG and FP&S, about their intent to request an Economic Hardship Waiver and which provisions of the statute they are requesting to waive. The AFG and FP&S program office will ask applicants to provide information to support their request after the application period has ended. Only submitted applications that select a waiver option will be contacted by the AFG and FP&S program offices. Upon receipt of the waiver request, the applicant will be contacted by the AFG/FP&S program office with detailed instructions as to how to submit all required supporting documentation. The AFG/FP&S program office will confirm receipt of the submitted information and subsequently attach the submitted information to the applicants file through the AFGP eGrant or successor system.
2. **SAFER applicants:** For all years FY 2017 and going forward, SAFER applicants who intend to request an Economic Hardship Waiver must indicate which of the three waivers they will be applying for online via the eGrants or successor system at the time of application. In FY 2018, the waiver options will include Position Cost Limit as a waiver option. Applicants will be asked, during the SAFER application period, about their intent to request an Economic Hardship Waiver and which requirements they are requesting to waive. The SAFER program office will ask applicants to provide information to support their waiver request after the application period has ended. The SAFER Program Office will only contact applicants that selected a waiver option in their submitted application. Upon receipt of the waiver request, the applicant will be contacted by the SAFER program office with detailed instructions as to how to submit all required supporting documentation. The SAFER program office will confirm receipt of the submitted information and subsequently attach the submitted information to the applicants file through the AFGP eGrant or successor system.

The Assistant Administrator for Grant Programs, on behalf of the FEMA Administrator, with input from the FEMA Grant Programs Directorate, has the discretion and the final authority to make determinations as to whether a request for an Economic Hardship Waiver will be granted. Meeting the eligibility requirements described in section III does not entitle a recipient to an Economic Hardship Waiver. All decisions regarding Economic Hardship Waivers by the Administrator are final. Recipients will not be permitted to appeal any Economic Hardship Waiver decision made by the Administrator. Additionally, FEMA reserves the right to request additional or clarifying information from the recipient after any Economic Hardship Waiver request has been submitted before making a final decision.

F. Impacts on Cost Share, Maintenance of Effort, Position Cost Limit (applicable in FY 2018 and beyond), and Minimum Budget Requirements

Where a full waiver has been requested, FEMA reserves the right to reduce, but not eliminate, the recipient's cost share, maintenance of effort, position cost limit (applicable in FY 2018 and beyond), or minimum budget requirement.

In FY 2017, should FEMA grant an Economic Hardship Waiver of the cost share requirement for AFG or FP&S recipients, this shall only have an effect on the recipient's required cost share. FEMA will not increase the amount of the Federal share awarded for FY 2017. Beginning in FY 2018 and in subsequent years, FEMA may consider increasing the amount of the Federal share awarded for AFG or FP&S recipients. Should FEMA grant an Economic Hardship Waiver of the cost share or position cost limit (applicable in FY 2018 and beyond) requirement for SAFER recipients, the amount of the Federal share awarded may be increased in order to allow for the hiring of firefighters as requested in the application.

G. Roles & Responsibilities

1. The FEMA Grant Programs Directorate, Assistance to Firefighters Grant Program Branch is responsible for the content of this IB.
2. FEMA AFGP Program Staff are responsible for implementing this IB, including confirming that recipients have properly applied for an Economic Hardship Waiver per the terms of this IB and reviewing every Economic Hardship Waiver request.
3. AFG/FP&S/SAFER Recipients are responsible for requesting an Economic Hardship Waiver per the terms of this IB.
4. The Assistant Administrator of Grant Programs, on behalf of the FEMA Administrator, will have the final authority to make determinations as to whether a request for an Economic Hardship Waiver will be granted.
5. The AFGP Help Desk is responsible for addressing recipient's questions and requests for additional information.

**IV. Questions**

Questions regarding this IB may be directed to the AFGP Help Desk at [firegrants@fema.dhs.gov](mailto:firegrants@fema.dhs.gov) or by calling (866) 274-0960.



## **V. Review Date**

This IB will be reviewed within five years (5) from date of issuance.