

Senate Nat. Resources 1/14/26 - Impacts of Federal Government Funding

FEMA has not canceled or denied grant funding, but it is using delay tactics. Because of these delays, VEM has had to postpone or cancel business travel, curtail or cancel training and exercises, and put needed purchases on hold. The delay tactics include "defend the spend" which requires all grants over \$100k to be approved by Secretary Noem, adding additional requirements that were not in the original application, and sometimes just letting approvals sit on various desks for extended periods of time. VEM's current budget consists of 37% EMPG funding, 11% HSU funding, 16% mitigation funding, and 13% PA funding, GF makes up 23% of our budget, so these delays are having a significant impact on how we do business.

EMPG – was supposed to be delivered on Oct 1st. but several lawsuits have delayed the Application due date until Jan 31st. Even after the application is submitted, we anticipate there will be additional holds. Due to this delay, VEM has put on hold contracts with RPC to provide direct emergency management support to towns, for example, supporting the REMC. Due to cost-saving measures put in place, we are currently able to use the remains of previous grants to pay expenses while we wait for 2025 empg funding, this previous grant is projected to hold us over until mid February.

HSGP- was supposed to be delivered on Oct 1st. but several lawsuits have delayed the Application due date until Jan 31st. Even after the application is submitted, we anticipate there will be additional holds. Due to cost-saving measures put in place, we are currently able to use the remains of previous grants to pay expenses while we wait for 2025 HSGP funding, this previous grant is projected to hold us over until October.

PA – We are not seeing a fundamental slowdown in the funds being paid to towns for reimbursement for the cost to repair damage from disasters. We are seeing a delay in the management cost paid to VEM by FEMA for coordinating these efforts. Due to the \$100k bottleneck, we have not seen management costs paid since September. Soon, we may need to use the excess receipt process to pay expenses while we wait for this funding.

BRIC –After FEMA announced the cancellation of the Building Resilient Infrastructure and Communities (BRIC) program in April 2025, a court order declared the termination of the program void. The order requires FEMA to continue awards under the BRIC 2023 funding round, which were selected for funding but not yet awarded, and the re-release of the Notice of Funding for BRIC 2024. We have yet to hear anything from FEMA on the implementation of this order. VEM applied for scoping and planning funding in BRIC 2023, and was prepared to apply for planning, scoping, and several large infrastructure projects in 2024

Flood Mitigation Assistance (FMA) Swift Current –

We submitted an application in early 2025 for \$10 million, mostly for buyouts. The program is “under review” and we cannot confirm whether these buyouts will be able to move forward (16 properties).

HMGP –

Already awarded buyouts are moving quickly. We have 61 that have closed and are in demo or complete. There are an additional 92 properties that were re-submitted in July 2025 due to policy changes in how cost-effectiveness is determined. We have yet to hear from FEMA on awards for these properties.

So, in closing, nothing has been cancelled, but money is not being received in a timely manner and this delay is adversely affecting how VEM can support the State and municipalities before, during, and after disasters.