

Appendix VI

Disaster Waivers and Special Provisions Affecting Single Audits

Changes to Compliance Requirements

Recipients affected by Hurricanes Katrina and Rita, either directly or indirectly, may be covered by waivers and/or special provisions that modify the terms and conditions of their awards, including the types of compliance requirements described in this Compliance Supplement. In some cases, the waiver or special provision may apply to Hurricane Wilma as well. This Appendix provides currently available information on the waivers and special provisions granted by Federal agencies. A “waiver,” for purposes of this Appendix, is elimination of or change in a substantive compliance requirement. A “special provision,” for purposes of this Appendix, is extension of a due date or deadline for an action that is otherwise unchanged.

This Appendix includes information to assist the auditor in determining what, if any, changes they need to be aware of when performing an audit that covers the period during which requirements may have been lifted or modified. Auditors engaged to perform single audits should consult the resources described here to determine if a particular recipient or program is covered by a waiver. While most of the Hurricane Katrina and Rita waivers affect entities in Louisiana, Mississippi, Alabama, and Florida, they also affect numerous other States and entities that provided services to displaced individuals. However, because this Appendix is a resource that provides generally applicable information only, auditors also should inquire of auditee officials whether they are aware of any special provisions or waivers affecting their awards. Because some State or local governments may have issued waivers (i.e., a waiver of out-of-state tuition for hurricane victims that might impact student financial needs calculations), the auditor also should inquire of auditee officials whether they are aware of any state or local waiver that might impact Federal requirements. In most cases, copies of waivers and special provisions issued by the Federal Government also are available on Federal agency websites. Unless modified by waivers or special provisions, compliance requirements of law and regulation are applicable to grantees affected by disasters.

Availability of Other Information

Auditors also should refer to the Office of Management and Budget waiver at http://www.whitehouse.gov/omb/financial/fin/katrina_admin_relief_093005.pdf and to <http://www.gao.gov/govaud/hurricanedocument.pdf> for temporary exemptions and guidance issued by the Government Accountability Office related to the governmental auditing standards.

Suggested Audit Procedures

For grantees affected by disasters, including Hurricanes Katrina and Rita, auditors should perform the following procedures to determine if modifying provisions or waivers apply:

1. Inquire of the auditee whether it is aware of any disaster-related special provisions, including any specific waivers available as a result of Hurricane Katrina or Rita or, where applicable, Wilma. Obtain and examine these provisions/waivers.

2. Consult Parts 4 and 5 of this Compliance Supplement for information about any additional special disaster-related provisions affecting individual programs.
3. Also, for each major Federal program, consult the home page for the department/agency and/or program for information about waivers and special provisions.
4. In performing the audit, the auditor will use Parts 4, 5, or 7 as appropriate. For any modifying provision or waiver, whether explained or referenced in this Appendix or made known to the auditor by the auditee, the auditor should review and evaluate the content, validity, scope and applicability of the provision or waiver, with particular attention to when it was in effect, and determine whether it excuses the grantee from complying with the compliance requirement(s) at issue.
5. If there are no valid disaster-related special provisions or waivers that modify a compliance requirement, and the requirement has not been adhered to, the auditor must report a finding of non-compliance in accordance with the requirements of OMB Circular A-133, Paragraph __.510. However, if the auditee and/or auditor are of the opinion that circumstances resulting from the cited natural disasters caused or contributed to the non-compliance, such circumstances should be explained in the description of the audit finding and/or the views of responsible officials included with the audit findings. Audit resolution officials will consider such causes in their resolution action, in accordance with the applicable statute and regulations.

PART 3 – COMPLIANCE REQUIREMENTS

D. GOVERNMENTWIDE WAIVER OF DAVIS-BACON ACT PROVISIONS

WAIVER - On September 8, 2005, the President issued a proclamation suspending the Davis-Bacon Act-related provisions of other statutes and directives providing for the payment of Davis-Bacon wage rates, in areas affected by Hurricane Katrina. This waiver was rescinded as of November 8, 2005.

Compliance Requirement Affected – See Part 2, Matrix of Compliance Requirements, for a list of programs in the Supplement that were affected by this action and the related information in Sections III.D, Davis-Bacon Act, in Part 4, Agency Program Requirements, for those programs for specific information on their Davis-Bacon Act coverage. Note that programs not included in the Supplement also may be affected by this waiver.

Additional Information – A copy of the Presidential Proclamation may be found at <http://www.whitehouse.gov/news/releases/2005/09/20050908-5.html>. Addition information is available at <http://www.hud.gov/offices/olr/dbsuspension05.cfm> and <http://www.dol.gov/esa/whd>.

PART 4 – AGENCY PROGRAM REQUIREMENTS

Following is a table that indicates which programs are affected by waivers and special provisions and whether they are ones included in Parts 4 or 5 of this Compliance Supplement.

CFDA Number	Waiver/Special Provision	Part 4 or 5
10.551/10.561	Waivers	Part 4
10.553/10.555/10.556/10.559	Waivers and Special Provisions	Part 4
10.557	Special Provision	Part 4
10.558	Waivers and Special Provisions	Part 4
11.300/11.307	Waiver	Part 4
12.401	Waivers	Part 4
14.218/14.219	Waiver	Part 4
14.228	Waivers	Part 4
14.231	Waivers	Part 4
14.239	Waivers	Part 4
20.600	Waiver	Part 4
14.182		
14.195		
14.850		
14.854		
14.856	Waiver and Special Provision	Part 4
14.862		
14.866		
14.867		
14.871		
14.872		
84.000		
84.002		
84.010		
84.011		
84.027		
84.173		
84.041	Waivers and Special Provisions	Part 4
84.042		
84.044		
84.047		
84.066		
84.217		
84.048		
84.181		

CFDA Number	Waiver/Special Provision	Part 4 or 5
84.186		
84.282		
84.287		
84.288		
84.290		
84.291		
84.298		
84.318		
84.357		
84.365		
84.366		
84.367		
84.032	Waivers and Special Provisions	Part 4
84.126	Waiver	Part 4
93.558	Special Provisions	Part 4
93.566	Waiver	Part 4
93.569	Waiver	Part 4
93.575/93.596	Special Provisions	Part 4
93.583	Waiver	Not Applicable
93.584	Waiver	Not Applicable
93.600	Waiver	Part 4
93.667	Waiver	Part 4
93.776	Waivers and Special Provisions	Part 4
93.778		
R&D Cluster	Waivers	Part 5
SFA Cluster	Waivers	Part 5

U. S. DEPARTMENT OF AGRICULTURE

CFDA 10.551 **FOOD STAMPS (FSP)**

CFDA 10.561 **STATE ADMINISTRATIVE MATCHING GRANTS FOR FOOD STAMP PROGRAM**

WAIVER – Under 7 CFR part 280 (Emergency Food Assistance for Victims of Disasters), the Food and Nutrition Service (FNS) may prescribe special FSP eligibility criteria and benefit levels for households affected by disasters. These special rules are specific to individual States or parts of States. FNS has prescribed such special rules for Alabama, Arkansas, Florida, Louisiana, Mississippi, and Texas, and for various counties within these States. Certifications of eligibility and benefit issuances carried out under these special disaster rules are excluded from the Food Stamp Quality Control review process. However, State agencies are required to review a sample of such cases in order to determine that their respective disaster eligibility criteria have been correctly applied. Therefore, auditors should examine State agencies' conduct of these required reviews.

Compliance Requirements Affected – III.E.1, “Eligibility – Eligibility for Individuals,” and III.N.1, “Special Tests and Provisions – ADP System for Food Stamps”

Additional Information – A State agency's responsibility to review its disaster case records is stated in the waiver notice received from FNS. Information on the special disaster eligibility criteria and benefit levels established for each State or portion of a State affected by Hurricanes Katrina or Rita is also found in its waiver notice.

WAIVER – In addition to the State-specific disaster rules outlined above, FNS established two nationwide procedures to expedite the provision of FSP benefits to hurricane evacuees.

Compliance Requirements Affected – III.E.1, “Eligibility – Eligibility for Individuals,” and III.N.1, “Special Tests and Provisions – ADP System for Food Stamps”

Additional Information – Disaster guidance issued to States under FNS programs is available on the Internet at www.fns.usda.gov/disasters/disaster/htm. Under “Food Stamp Program,” see the notices entitled “National Evacuee Policy” (September 7, 2005) and “Expanded Disaster Evacuee Policy” (September 14, 2005). One may also access this guidance at www.fns.usda.gov/fsp/whats_new.htm, which provides all recent FSP guidance issued by FNS. The disaster guidance is listed at Item 34 under “Fiscal Year 2005.”

- CFDA 10.553** **SCHOOL BREAKFAST PROGRAM (SBP)**
- CFDA 10.555** **NATIONAL SCHOOL LUNCH PROGRAM (NSLP)**
- CFDA 10.556** **SPECIAL MILK PROGRAM FOR CHILDREN (SMP)**
- CFDA 10.559** **SUMMER FOOD SERVICE PROGRAM FOR CHILDREN (SFSPC)**

WAIVER - Schools in jurisdictions that are federally declared disaster areas that are able to operate the NSLP/SBP/SMP, but unable to maintain normal accountability systems, are allowed to serve all meals free to attending children. This waiver involves requirements in 7 CFR sections 210.8(c); 215.10(d); 220.9(b); 220.9(d), and expired on February 28, 2006.

Compliance Requirements Affected - III.E.1, "Eligibility - Eligibility for Individuals," and III.L.3, "Reporting - Special Reporting - Subrecipients"

WAIVER - Schools serving areas affected by Katrina/Rita may serve school meals free to members of households certified to receive emergency Food Stamp Program benefits. They may claim Federal reimbursement for these meals at the free rate. This waiver involves requirements in 7 CFR sections 210.8(c), 215.10(d), 220.9(b), 220.9(d), 245.6(b) and expired on February 28, 2006.

Compliance Requirements Affected - III.E.1, "Eligibility - Eligibility for Individuals," and III.L.3.b, "Reporting - Special Reporting - Subrecipients"

WAIVER - If a household displaced from a federally declared disaster area moves in with another household, the displaced individuals are considered homeless and, therefore, eligible for free school meals. However, the host family must complete a revised application in order to maintain its own eligibility. This waiver involves requirements in 7 CFR section 245.6 and expired November 30, 2005.

Compliance Requirement Affected - III.E.1, "Eligibility - Eligibility for Individuals"

WAIVER - Schools serving large numbers of displaced children in federally declared disaster areas may document children's eligibility for free school meals by maintaining lists in lieu of collecting individual applications, which is the current policy for homeless children. This waiver involves requirements in 7 CFR 210.8(c), 215.10(d), 220.9(b), 220.9(d), 245.6 and expired on February 28, 2006.

Compliance Requirements Affected - III.E.1, "Eligibility - Eligibility for Individuals," and III.L.3.b, "Reporting - Special Reporting - Subrecipients"

WAIVER - If unable to obtain applications for free or reduced price school meals from the households of children displaced by Katrina/Rita, school officials may complete such applications on the children's behalf using the best available knowledge of the households' economic circumstances. This waiver involves requirements in 7 CFR 245.6 and expired on November 30, 2005.

Compliance Requirement Affected - III.E.1, “Eligibility - Eligibility for Individuals”

SPECIAL PROVISION - Schools serving areas affected by Katrina/Rita must ensure that crisis determinations of individuals’ eligibility for free or reduced price meals are reviewed within 45 days. This special provision involves requirements in 7 CFR section 245.6 and has no expiration date.

Compliance Requirement Affected - III.E.1, “Eligibility - Eligibility for Individuals”

WAIVER - In areas affected by Katrina/Rita, or where significant numbers of persons displaced by those disasters are being housed, State agencies may waive SFSPC sponsor and site eligibility requirements, including area eligibility requirements, for any individual facility serving displaced children. This waiver involves requirements in 7 CFR section 225.2 (Definitions of “Sponsor,” “Site,” “Open site,” “Restricted open site,” “Closed enrolled site,” and “Areas in which poor economic conditions exist”) and expired on September 30, 2005 (November 30, 2005 for programs operating in areas where the schools operate on a year-round calendar).

Compliance Requirements Affected - III.E.3, “Eligibility - Eligibility for Subrecipients”

WAIVER - Local educational agencies and families in jurisdictions that are federally declared disaster areas are exempt from the requirements for verification of children’s eligibility for free or reduced price school meals. This waiver involves requirements in 7 CFR section 245.6a and expires on June 30, 2006.

Compliance Requirement Affected - III.N.1, “Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)”

SPECIAL PROVISION - If a local educational agency has experienced an influx of students displaced by Katrina/Rita, its State agency may grant it an extension of the deadline for meeting the verification requirement. The State agency may also waive the verification requirement for such a local educational agency. This special provision involves requirements in 7 CFR section 245.6a and expires on June 30, 2006.

Compliance Requirement Affected - III.N.1, “Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)”

WAIVER - The eligibility of children belonging to families displaced by Katrina/Rita is not subject to verification because such families are considered homeless. This waiver involves requirements in 7 CFR section 245.6a and expires on June 30, 2006.

Compliance Requirement Affected - III.N.1, “Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)”

SPECIAL PROVISION - State agencies may extend the initial 30-day carry-over of a child's previous year's free or reduced priced eligibility for a total of 60 operating days for local educational agencies that are in jurisdictions which are federally declared disaster areas. This special provision involves requirements in 7 CFR section 245.6(c) and expired on November 30, 2005.

Compliance Requirement Affected - III.E.1, "Eligibility - Eligibility for Individuals"

SPECIAL PROVISION - Local educational agencies may submit late NSLP/SBP/SMP claims to the State agency for the months of August, September, October, and November 2005 without requesting a waiver of the 60-day deadline. State agencies may accept August and September claims until December 31, 2005, October claims until January 31, 2006, and November claims until February 28, 2006. This special provision involves requirements in 7 sections CFR 210.8(b), 215.10(b), and 220.11(b).

Compliance Requirement Affected - III.L.3, "Reporting - Special Reporting - Subrecipients"

SPECIAL PROVISION - Sponsors operating SFSP sites during August 2005 in areas that were designated federally declared disaster areas had until December 31, 2005 to submit their August claims without requesting a waiver of the 60-day deadline due to good cause. This special provision involves requirements in 7 section CFR 225.15(c)(2).

Compliance Requirement Affected - III.L.3, "Reporting - Special Reporting - Subrecipients"

Additional Information - Information is available on the Internet at:

www.fns.usda.gov/disasters/disaster.htm. After accessing this site, scroll down to the bullet point entitled "Child Nutrition Program Information."

**CFDA 10.557 SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR
WOMEN, INFANTS AND CHILDREN (WIC)**

SPECIAL PROVISION - The Louisiana and Alabama State agencies have determined that September food instruments issued by them may be accepted by any WIC-authorized vendor in any State. Louisiana or Alabama food instruments accepted by vendors in other States must be returned to the issuing State for redemption. Therefore, these two States will have processed food instruments transacted outside their borders, but they must process them in accordance with applicable program regulations. This provision expired on September 30, 2005.

Compliance Requirements Affected - III.N.1, "Special Tests and Provisions - Food Instrument Disposition," and III.N.2, "Review of Food Instruments to Enforce Price Limitations and Detect Errors"

Additional Information - Information is available on the Internet at:

www.fns.usda.gov/wic/hurricanekatrina.htm. The foregoing special provision is unique to the Katrina/Rita disasters. This site also lists regulatory provisions that program regulations authorize FNS to waive when coping with any disaster situation.

CFDA 10.558 CHILD AND ADULT CARE FOOD PROGRAM (CACFP)

WAIVER - The State agency may designate “any appropriate facility” serving an area affected by Hurricane Katrina and/or Rita as an emergency shelter. No application from the subrecipient (institution) is necessary. The institution may claim reimbursement for up to three meals per day served to any person eligible for CACFP benefits. This waiver involves requirements in 7 CFR section 226.2 (Definition of “Emergency shelter”) and expired on November 30, 2005.

Compliance Requirements Affected - III.E.1, “Eligibility - Eligibility for Individuals,” III.E.3, “Eligibility for Subrecipients,” and III.L.3, “Reporting - Special Reporting – Subrecipients”

WAIVER - Child and adult-care centers and family day-care homes serving areas affected by Katrina/Rita, that **cannot** obtain enrollment data, may document individuals’ eligibility for free meals or tier I status (as applicable) with a list in lieu of enrollments or applications. This waiver involves requirements in 7 CFR sections 226.15(e)(2) and 226.15(e)(3) and expired on November 30, 2005.

Compliance Requirement Affected - III.E.1, “Eligibility - Eligibility for Individuals”

WAIVER - Child and adult care centers and family day care homes serving areas affected by Katrina/Rita, that **can** obtain enrollment data and/or applications for free or reduced price meals, may serve meals free or at the tier I level (as applicable) to members of households receiving emergency Food Stamp Program benefits. This waiver involves requirements in 7 CFR sections 226.15(e)(2) and 226.15(e)(3) and expired on November 30, 2005.

Compliance Requirement Affected - III.E.1, “Eligibility - Eligibility for Individuals”

SPECIAL PROVISION - Institutions serving areas affected by Hurricane Katrina must ensure that crisis determinations of individuals’ eligibility for free or reduced price meals are reviewed within 45 days. This waiver involves requirements in 7 CFR section 226.23 with no expiration date.

Compliance Requirement Affected - III.E.1, “Eligibility - Eligibility for Individuals”

WAIVER - All after-school at-risk programs serving federally declared disaster areas are area-eligible. This makes snacks served to enrolled children eligible for Federal reimbursement. This waiver involves requirements in 42 USC 1766(r) and expired on November 30, 2005.

Compliance Requirement Affected - III.E.1.b(3), “Eligibility - Eligibility for Individuals - Children Enrolled in After-School At-Risk Programs”

WAIVER - Snacks served to children enrolled in after-school at-risk programs serving areas affected by Katrina/Rita are eligible for Federal reimbursement, regardless of whether the facility provides “enrichment or educational activities.” This waiver involves requirements in 42 USC 1766(r).

Compliance Requirement Affected - III.E.1.b.(3), “Eligibility - Eligibility for Individuals - Children Enrolled in After-School At-Risk Programs”

WAIVER - Child and adult care centers and family day care homes serving federally declared disaster areas that are unable to maintain records can serve all meals free or at the tier I level (as applicable). This waiver involves requirements in 7 CFR sections 226.9(b), 226.11(b), 226.13, and 226.15(e).

Compliance Requirements Affected - III.E.1, “Eligibility - Eligibility for Individuals,” and III.L.3.b, “Reporting - Special Reporting - Subrecipient Special Reporting”

WAIVER - If a school in session housed persons displaced by Katrina/Rita, the State agency may enter into an agreement with the school designating it an emergency shelter. The school need not submit an application for CACFP participation. This waiver involves a statutory requirement in 42 USC 1766 and expired on November 30, 2005.

Compliance Requirement Affected - III.E.3, “Eligibility - Eligibility for Subrecipients”

WAIVER - The FNS regional office responsible for overseeing State agencies serving areas affected by Hurricane Katrina may extend the three-year cycle for State agency reviews of subrecipients. This waiver involves requirements in 7 CFR section 226.6(m)(4) and expired on November 30, 2005.

Compliance Requirement Affected - III.M, “Subrecipient Monitoring”

SPECIAL PROVISION - Institutions serving areas affected by Hurricane Katrina may submit late claims for reimbursement to the State agency without requesting a waiver of the 60-day deadline. They may submit August and September 2005 claims as late as December 31, 2005; October 2005 claims as late as January 31, 2006; and November 2005 claims as late as February 28, 2006. This waiver involves requirements in 7 CFR section 226.10(e).

Compliance Requirement Affected - III.L.3, “Reporting - Special Reporting - Subrecipient Special Reporting”

Additional Information - Information is available on the Internet at: www.fns.usda.gov/disasters/disaster.htm. After accessing this site, one should scroll down to the bullet point entitled “Child Nutrition Program Information” and click on the menu choice entitled “Extension of CACFP Related Provisions.”

DEPARTMENT OF COMMERCE (DoC)**CFDA 11.300 GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT****CFDA 11.307 ECONOMIC ADJUSTMENT ASSISTANCE**

WAIVER - The comprehensive economic development strategy (CEDDS) requirement has been waived with respect to ongoing Economic Adjustment Awards to the States of Alabama, Louisiana and Mississippi and their political subdivisions. Additional waivers may be granted by DoC Regional Directors responsible for awards for future projects in those States consistent with DoC procedures.

Compliance Requirement Affected - III.N.3, "Special Tests and Provisions - Addition of Lending Areas; Merger of RLFs"

DEPARTMENT OF DEFENSE**CFDA 12.401 NATIONAL GUARD MILITARY OPERATIONS AND MAINTENANCE (O&M) PROJECTS**

WAIVERS - The Grant and Cooperative Agreement Specialist responsible for the affected State, as listed in the secured website <http://gko.ngb.army.mil>, can provide the status of any waivers issued due to Hurricane Katrina or Rita. The following individuals also may be contacted for information about hurricane-related waivers: Cooperative Agreement Chief (703) 607-1001 or Assistant Chief (703) 607-1209; NGB Installation Division Deputy Chief (703) 607-7902; Executive Officer (703) 607-7903/7900; or State Internal Review Office.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**CFDA 14.218 COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS****CFDA 14.219 COMMUNITY DEVELOPMENT BLOCK GRANTS/SMALL CITIES PROGRAM (HUD-Administered Small Cities)**

WAIVER - On September 5, 2005, HUD issued a statutory suspension of the 15 percent public service expenditure cap applicable to CDBG funds for purposes related to Hurricane Katrina assistance efforts. This suspension was extended to Hurricane Rita recovery efforts on October 13, 2005. On September 5, 2005, HUD waived the 30-day public comment period applicable to action plan amendments and reduced the comment period to 3 days. This waiver was extended to Hurricane Rita recovery efforts on October 13, 2005. The waiver to the 30-day comment period expired on November 30, 2005.

Compliance Requirements Affected - III.A.5, "Activities Allowed or Unallowed," and III.G.3.c, "Matching, Level of Effort, Earmarking – Earmarking"

Additional Information - The waivers can be found on the Internet at <http://www.hud.gov/offices/cpd/library/katrina/revkatpswaive.pdf>,

<http://www.hud.gov/offices/cpd/library/katrina/modCPwaiver.pdf>, and
http://www.hud.gov/offices/cpd/library/katrina/CDBGwaiver_ext.pdf.

CFDA 14.228 COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM (State-Administered Small Cities Program)

WAIVER - On September 5, 2005, HUD issued a statutory suspension of the 15 percent public service expenditure cap applicable to CDBG funds for purposes related to Hurricane Katrina assistance efforts. This suspension was extended to Hurricane Rita recovery efforts on October 13, 2005.

HUD Waivers for the States of Louisiana and Mississippi.

On October 13, 2005 and November 9, 2005, HUD issued a series of statutory suspensions and regulatory waivers to the States of Louisiana and Mississippi, respectively, to help the States' recovery from the effects of Hurricane Katrina. The waivers are as follows:

WAIVER - HUD suspended 42 USC 5305(a) to permit new construction of housing (see III.A.1, "Activities Allowed or Unallowed")

WAIVER - HUD has granted a waiver modifying the provisions of 24 CFR sections 570.483(b)(4)(iv)(A)(1) and (b)(4)(v) regarding the criteria for locations in which a person may be presumed to be of low or moderate income. For job-retention activities, in addition to the presumptions currently allowed, the State may accept any census tract as meeting the criteria of paragraph (b)(4)(v), if at least 51 percent of the residents of the tract are of low and moderate income, according to either the latest Low/Moderate Income Survey Data or a more recent survey; and the tract is located in a parish eligible for both Individual and Public Assistance under disaster declaration FEMA-1603-DR or any comparable declaration issued pursuant to Hurricane Rita (see III.A.2, "Activities Allowed or Unallowed").

WAIVER - HUD waived the provisions of 24 CFR sections 570.483(b)(1)(v)(D) and (e)(5)(i) regarding job retention activities meeting the low- and moderate-income benefit criteria on an area benefit basis when undertaken pursuant to a community revitalization strategy. This waiver lifted the requirement that a unit of general local government have an approved community revitalization strategy for purposes of paragraph (e)(5)(i). For job-retention activities, this waiver lifted the requirement for units of general local government to obtain prior HUD case-by-case approval under paragraph (b)(1)(v)(D), if at least 51 percent of the residents of the unit of general local government are of low and moderate income, according to either the latest Low/Moderate Income Survey Data or a more recent survey; and the unit of general local government is located in a parish eligible for both Individual and Public Assistance under disaster declaration FEMA-1603-DR or any comparable declaration issued pursuant to Hurricane Rita (see III.A.2, "Activities Allowed or Unallowed").

WAIVER - HUD suspended 42 USC 5306(d)(3)(A), (d)(5), and (d)(6) (as revised and renumbered by Pub. L. 108-199, Section 423 and formerly codified as 42 USC 5306(d)(3)(A) and (d)(5)), and waived 24 CFR sections 570.489(a)(1)(i) and (iii), which cap State administration expenditures and require a dollar-for-dollar match of State funds for

administrative costs exceeding \$100,000 (see III.G.3.b, “Matching, Level of Effort, Earmarking – Earmarking”). The suspension and waiver regarding State administrative costs and cost matching applies to any State administrative expenses incurred between the date of disaster declaration FEMA-1603-DR (August 29, 2005) and the end of Louisiana’s 2006 program year (March 31, 2007). The suspension regarding the limit on Technical Assistance activities applies to Federal fiscal year 2005 and 2006 funding, as well as to any prior fiscal years for which the State has funds remaining that are not under contract to units of general local government.

WAIVER - HUD suspended the provision of 42 USC 5304(j) that prohibits the State from requiring certain program income to be returned to the State, and waived the same provision in 24 CFR section 570.489(e)(3) (see III.G.3.b, “Matching, Level of Effort, Earmarking - Earmarking”). For any activities funded with Federal fiscal year 2006 or prior year funding that is not under contract to units of general local government as of the date of this letter, the State may require all program income to be returned to the State.

WAIVER - HUD suspended 42 USC 5304(d)(2) and (d)(3) to remove the one-for-one replacement requirements for occupied and vacant occupiable lower-income dwelling units that may be demolished or converted to a use other than for housing; and to remove the relocation benefits requirements contained in Section 104(d) of the Housing and Community Development Act (42 USC 5304(d)) to the extent they differ from those of the Uniform Relocation Act. HUD waived 24 CFR section 42.375 to remove the requirements implementing the aforementioned statutory requirements regarding replacement of housing and 24 CFR section 42.350 to remove the requirements implementing the aforementioned Housing and Community Development Act relocation benefits requirements, to the extent these regulations differ from the Uniform Relocation Assistance Act regulations contained in 49 CFR part 24 (see III.K, “Real Property Acquisition and Relocation Assistance”).

WAIVER - For the State of Louisiana, HUD suspended 42 USC 5305(a)(24)(D) to remove the 50 percent downpayment assistance cap for direct homeownership assistance to low-and moderate-income homebuyers (see III.A.1, “Activities Allowed or Unallowed”).

WAIVER - For the State of Louisiana, HUD waived the provisions of 24 CFR sections 91.325(b)(4)(ii) and 570.484 to allow the State of Louisiana to change its certification of compliance with the 70 percent overall low-and moderate-income benefit requirement (42 USC 5304(b)(3)(A)) retroactively, if the State so chooses, to a 2- or 3-year period (see III.G.3.a, “Matching, Level of Effort, Earmarking - Earmarking”). Thus, if the State of Louisiana wishes to change its existing certifications to cover Federal fiscal years 2003-2005, 2004-2006 or 2005-2007 funding, it may do so, as long as it informs HUD of the new certification period. (The period must cover consecutive years.)

WAIVER - For the State of Mississippi, HUD suspended 42 USC 5305(a) to permit use of funds to purchase generators (see III.A.1, “Activities Allowed or Unallowed”).

Compliance Requirements Affected - The following compliance requirements have been affected by the waivers listed above:

III.A.1 and 2, “Activities Allowed or Unallowed;” III.G.3.a, b, and d, “Matching, Level of Effort, Earmarking - Earmarking;” III.K, “Real Property Acquisition and Relocation Assistance”

Additional Information – Information on these and other waivers issued by HUD can be found on the Internet at: <http://www.hud.gov/offices/cpd/library/katrina/>, <http://www.hud.gov/offices/cpd/library/katrina/revkatpswaive.pdf>, <http://www.hud.gov/offices/cpd/library/katrina/modCPwaiver.pdf>, and http://www.hud.gov/offices/cpd/library/katrina/CDBGwaiver_ext.pdf.

CFDA 14.231 EMERGENCY SHELTER GRANTS (ESG) PROGRAM

WAIVER - The definition of “emergency shelter” has been waived so that it is not limited to “facilities.” The current definition prevents the use of conventional housing owned by private-sector landlords from being used as short-term emergency and transitional shelter resources. Because of the scope of this disaster, HUD provided maximum flexibility to grantees to meet their emergency housing needs (24 CFR section 576.3).

WAIVER - The obligation and expenditure requirements listed in 24 CFR sections 576.35(a) and (b) are waived for a period of up to one year (subject to any applicable statutory limitations). Within 24 CFR section 576.35, (a) refers to States and (b) refers to Formula cities and counties, territories, and Indian tribes. States must currently make the funds available for use within 65 days, obligate them within 180 days, and spend them within 24 months. Entitlement communities must spend funds within 24 months. This waiver will enable grantees to retain their funds while homeless providers and their communities seek to rebuild service-delivery systems in the wake of the Katrina and Rita disasters (24 CFR section 575.35).

Compliance Requirements Affected - III.A, “Activities Allowed or Unallowed,” III.H, “Period of Availability of Federal Funds,” and III.N.2, “Special Tests and Provisions – Funding”

Additional Information – The waivers cited in this section are listed at the following website: <http://www.hud.gov/offices/cpd/library/katrina/ESGWaiver.pdf>.

CFDA 14.239 HOME INVESTMENT PARTNERSHIPS PROGRAM

WAIVER - The requirements in 24 CFR sections 92.203(a)(1) and (2) and 24 CFR section 92.610(c) that require that initial income determinations be made using source documentation are waived. This waiver will permit the Participating Jurisdiction (PJ) to use self-certification of income, as provided in 24 CFR section 92.203(a)(1)(ii), in lieu of source documentation to determine eligibility of beneficiaries for HOME and American Dream Downpayment Initiative (ADDI) assistance who are unable to provide such documentation because their homes were severely damaged or they were displaced by Hurricane Katrina or Rita. The PJ must retain the income self-certification. This waiver also applies to any “receiving community” for persons displaced by Hurricane Katrina or Rita who are registered with the Federal Emergency Management Agency (FEMA) (see III.E.1.a and b, “Eligibility - Eligibility for Individuals”).

WAIVER - The requirements in 24 CFR section 92.207 that limit the amount of HOME funds that a PJ may use for administrative and planning costs to 10 percent of allocation plus program income received are waived. This waiver is intended to enable the PJ to expend up to 20 percent of its Federal fiscal year 2004, 2005, and 2006 allocations and program income received for administrative and planning costs (See III.G.3.d, “Matching, Level of Effort, Earmarking – Earmarking”).

WAIVER - The requirements in 24 CFR sections 92.209(b), (c), (h), (i), (j) and (k) that govern the operation of a HOME Tenant-Based Rental Assistance (TBRA) program have been waived in the provisions of: (b) General requirement (certification); (c) Tenant selection; (h) Maximum subsidy; (i) Housing quality standards; (j) Definition of Security deposit; and (k) Program operation. (HUD cannot suspend requirements with respect to low-income status of beneficiaries.) (See III.A.1, “Activities Allowed or Unallowed;” III.E.1.b and c, “Eligibility - Eligibility for Individuals;” and III.N.1 and 2, “Special Tests and Provisions - Maximum Per Unit Subsidy and Drawdown of HOME Funds.”)

WAIVER - The requirements in 24 CFR section 92.209(h)(3) of the HOME final rule provide two options for PJs in establishing rent standards for their TBRA programs. The TBRA payment may not exceed the difference between the rent standard and 30 percent of the families’ adjusted income. In many housing markets there is a limited stock of vacant units that charge rents within the rent standards and evacuees receiving TBRA would be required to pay more than 30 percent of their income toward rent. This waives the HOME rent standard requirement and permits PJs to establish rent standards, by unit size, that are reasonable based upon rents being charged for comparable unassisted units in the area, taking into account the location, size, type, quality, amenities, facilities, management, and maintenance of each unit. This rent standard is to be used in calculating the TBRA subsidy for persons displaced by Hurricane Katrina or Rita. PJs are required to determine rent reasonableness in accordance with 24 CFR section 92.209(f). This waiver expires on October 4, 2007. This waiver also applies to any “receiving community” for persons displaced by Hurricane Katrina or Rita (see III.E.1.a and b, “Eligibility - Eligibility for Individuals”).

WAIVER - The matching requirements in 24 CFR section 92.222(b) are reduced for the PJ by 100 percent with respect to any HOME funds expended during Federal fiscal years 2006 and 2007. The requirement that the PJ must submit a copy of the disaster declaration is waived (see III.G.1, “Matching, Level of Effort, Earmarking – Matching”).

WAIVER - The requirements in 24 CFR sections 92.250(a) and 92.612(a) regarding the maximum subsidy amount of HOME and ADDI funds that the PJ may invest per unit have been waived. For the State of Texas, this waiver is limited to counties declared disaster areas under the Stafford Act. (See III.G.3.a, “Matching, Level of Effort, Earmarking - Earmarking.”)

WAIVER - The requirements in 24 CFR sections 92.251 and 92.612(b) that require that housing assisted with HOME or ADDI funds meet property standards based on the activity undertaken, i.e., HUD housing quality standards (HQS) in 24 CFR section 982.109 for tenant-based rental assistance and homebuyer assistance and state and local standards and codes or model codes for rehabilitation and new construction, are waived. Property standard requirements are waived for repair of properties damaged by Hurricane Katrina or Rita and for units occupied by tenant-based rental assistance recipients that were displaced by Katrina or Rita. Units must meet State and local health and safety codes. The lead housing safety regulations established in 24 CFR part 35 are not waived. For the State of Texas, this waiver is limited to counties declared disaster areas under the Stafford Act. (See III.N.3, “Special Tests and Provisions - Housing Quality Standards.”)

WAIVER - The requirements in 24 CFR sections 92.209(i) and 92.251(d) provide that units occupied by recipients of HOME TBRA meet the Housing Quality Standards (HQS) established at 24 CFR section 982.401. This property standard requirement is waived for units occupied by TBRA recipients who were displaced by Hurricane Katrina or Rita and are registered with FEMA. PJs must ensure that these units, at a minimum, meet state and local health and safety codes within 30 days of occupancy. The lead hazard safety regulations at 24 CFR part 35, subpart M, which require the PJ to perform a visual assessment for deteriorated paint surfaces when a child under age 6 will occupy a unit using a TBRA subsidy, remain in effect. This waiver also applies to any “receiving community” for persons displaced by Hurricane Katrina or Rita. (See III.N.3, “Special Tests and Provisions - Housing Quality Standards.”)

WAIVER - The requirements in 24 CFR section 92.253(d) requiring an owner of rental housing assisted with HOME funds to adopt written tenant selection policies and procedures are waived. For the State of Texas, this waiver is limited to counties declared disaster areas under the Stafford Act. (See III.E.1, “Eligibility - Eligibility for Individuals.”)

WAIVER - The requirements in 24 CFR section 92.300(a)(1) establish a set-aside for Community Housing Development Organizations (CHDOs). The requirement that the PJ use 15 percent of its allocation for housing owned, developed, or sponsored by CHDOs is suspended for the PJ’s Federal fiscal year 2005 and 2006 allocations (see III.G.3.c, “Matching, Level of Effort, Earmarking – Earmarking”).

WAIVER - The requirements in 24 CFR sections 92.353(e) and 42.375 requiring a PJ to replace occupied and vacant occupiable lower-income dwelling units that are demolished or converted to a use other than as lower-income dwelling units in connection with a development project assisted with HOME are waived. For the State of Texas, this waiver is limited to counties declared disaster areas under the Stafford Act. (See III.A.1, “Activities Allowed or Unallowed.”)

WAIVER - The requirement in 24 CFR section 92.602(e) that limits the amount of ADDI assistance that may be provided to an assisted homebuyer to the greater of: (1) 6 percent of the sales price; or 2) \$10,000 have been waived. The waiver will relieve the PJ of the burden of finding other sources of financing for families affected by Hurricane Katrina or Rita. The

waiver is limited to households affected by the disaster. (See III.A.1, “Activities Allowed or Unallowed.”)

WAIVER - The requirement in 24 CFR section 92.254(a)(2) that the sales price or maximum after-rehabilitation value of HOME-assisted housing may not exceed 95 percent of the area median sales price has been waived. The waiver will provide PJs with flexibility to assist low-income homebuyers to purchase available, standard housing in the local market area. The waiver is limited to households affected by Hurricane Katrina or Rita. (See III.N.1, “Special Tests and Provisions – Maximum Per Unit Subsidy.”)

Compliance Requirements Affected - III.A.1, “Activities Allowed or Unallowed;” III.E.1.a, b, and c, “Eligibility;” III.G.1 and G.3.a, c, and d, “Matching, Level of Effort, Earmarking;” and III.N.1, 2, and 3, “Special Tests and Provisions”

Additional Information – The waivers cited in this section are HOME statutory requirements that were suspended and HOME regulatory requirements that were waived by HUD on September 9, September 14, and October 14, 2005, for Participating Jurisdictions (PJ) affected by Hurricane Katrina or Rita. A copy of the waivers can be found on the Internet at <http://www.hud.gov/offices/cpd/library/katrina/>.

The following waivers and special provisions apply to the Public and Indian Housing (PIH) programs listed below as well as to PIH funding under CFDA 14.182, which is a Community Planning and Development program.

- 14.182 SECTION 8 NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION**
- 14.195 SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM - SPECIAL ALLOCATIONS**
- 14.850 PUBLIC AND INDIAN HOUSING**
- 14.854 PUBLIC AND INDIAN HOUSING DRUG ELIMINATION PROGRAM**
- 14.856 LOWER INCOME HOUSING ASSISTANCE PROGRAM - SECTION 8 MODERATE REHABILITATION**
- 14.862 INDIAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**
- 14.866 DEMOLITION AND REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)**
- 14.867 INDIAN HOUSING BLOCK GRANTS**
- 14.871 SECTION 8 HOUSING CHOICE VOUCHERS**
- 14.872 PUBLIC HOUSING CAPITAL FUND (CFP)**

WAIVERS – The requirement for PHAs to obligate capital funds for modernization, substantial rehabilitation, or new construction has been extended to allow an additional 12 months beyond 24 months after the date on which the funds become available for obligation for modernization, or the date on which the PHA accumulates adequate funds to undertake modernization, substantial rehabilitation, or new construction. In addition, the requirement for capital funds to be expended not later than 4 years after the date on which the funds become available for obligation, plus the period of any extension approved under Section 9(j)(2), has been extended by 12 months in the affected areas. These extensions are for areas affected by Hurricane Katrina or Rita and are authorized by Section 9(j)(5) of the U.S. Housing Act of 1937 (42 USC 1437g(j)(2)). (See III.H, “Period of Availability of Federal Funds.”)

SPECIAL PROVISIONS – The filing deadline established in 24 CFR section 5.801 for a PHA to submit unaudited financial information is changed from 60 to 180 days after the end of the PHA’s fiscal year. In addition, for PHAs with fiscal years ending December 31, 2004 and March 31, 2005, the deadline for submitting audited financial information is changed from 9 months to 13 months. (See II, “Program Procedures.”)

Additional Information – Waivers issued for Public and Indian Housing programs can be found on the Internet at: <http://www.hud.gov/offices/pih/publications/katrinapihadminwaiv.pdf>; and <http://www.hud.gov/offices/pih/publications/ritapihadminwaiv.pdf>.

DEPARTMENT OF TRANSPORTATION

CFDA 20.600 STATE AND COMMUNITY HIGHWAY SAFETY

WAIVER – A waiver was issued to the State of Louisiana on December 21, 2005 from the requirement in 23 CFR part 1250 for a State to provide at least 40 percent of funds to be expended by or for political subdivisions of the State. The waiver reduced the requirement to 25 percent and was for Federal fiscal year 2005 funding.

Compliance Requirement Affected - III.G.3.a, “Matching, Level of Effort, Earmarking - Earmarking”

DEPARTMENT OF EDUCATION (ED)

CFDA 84.000 ED CROSS-CUTTING SECTION

CFDA 84.002 ADULT EDUCATION -- STATE GRANT PROGRAM

CFDA 84.010 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES (LEAs) (Title I, Part A of ESEA)

CFDA 84.011 MIGRANT EDUCATION -- STATE GRANT PROGRAM (Title I, Part C of ESEA)

CFDA 84.027 SPECIAL EDUCATION -- GRANTS TO STATES (IDEA, Part B)

CFDA 84.173 SPECIAL EDUCATION -- PRESCHOOL GRANTS (IDEA Preschool)

CFDA 84.041	IMPACT AID
CFDA 84.042	TRIO -- STUDENT SUPPORT SERVICES
CFDA 84.044	TRIO -- TALENT SEARCH
CFDA 84.047	TRIO -- UPWARD BOUND
CFDA 84.066	TRIO -- EDUCATIONAL OPPORTUNITY CENTERS
CFDA 84.217	TRIO -- MCNAIR POST-BACCALAUREATE ACHIEVEMENT
CFDA 84.048	VOCATIONAL EDUCATION -- BASIC GRANTS TO STATES (Perkins III)
CFDA 84.181	SPECIAL EDUCATION -- GRANTS FOR INFANTS AND FAMILIES WITH DISABILITIES
CFDA 84.186	SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES -- STATE GRANTS
CFDA 84.282	CHARTER SCHOOLS
CFDA 84.287	TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS
CFDA 84.288	BILINGUAL EDUCATION – PROGRAM DEVELOPMENT AND IMPLEMENTATION GRANTS
CFDA 84.290	BILINGUAL EDUCATION – COMPREHENSIVE SCHOOL GRANTS
CFDA 84.291	BILINGUAL EDUCATION – SYSTEMWIDE IMPROVEMENT GRANTS
CFDA 84.298	STATE GRANTS FOR INNOVATIVE PROGRAMS
CFDA 84.318	EDUCATION TECHNOLOGY STATE GRANTS
CFDA 84.357	READING FIRST STATE GRANTS
CFDA 84.365	ENGLISH LANGUAGE ACQUISITION GRANTS
CFDA 84.366	MATHEMATICS AND SCIENCE PARTNERSHIPS
CFDA 84.367	IMPROVING TEACHER QUALITY STATE GRANTS

WAIVERS/SPECIAL PROVISIONS - The above programs may be affected by waivers or special provisions issued by ED for ED Elementary and Secondary Education Programs. ED has issued guidance to States with LEAs and schools accepting students from the Gulf States impacted by Hurricanes Katrina and Rita (see web sites below).

Compliance Requirements Affected - Auditors should review the ED websites for any waivers or special provisions that affect the compliance requirements for programs being audited.

Additional Information – Guidance and information on waivers and special provisions related to Hurricanes Katrina and Rita for ED Elementary and Secondary Education Programs is available at: <http://hurricanehelpforschools.gov/letters/index.html>. Auditors should review these websites for waivers or changes in compliance requirements.

WAIVERS/SPECIAL PROVISIONS - Under Pub. L. 109-148, Title IV, Subtitle B, Higher Education Hurricane Relief Act of 2005, the Secretary of Education is to provide additional authority to waive requirements. In providing any grant or other assistance, directly or indirectly, to an entity in an affected State in which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Relief and Emergency Assistance Act (42 USC 5170), related to Hurricane Katrina or Hurricane Rita, in order to ease fiscal burdens, the Secretary of Education may waive or modify for fiscal year 2006 any requirement related to:

- Maintenance of effort - If the Secretary grants a waiver or modification under this section waiving or modifying a requirement relating to maintenance of effort for fiscal year 2006, the level of effort required for fiscal year 2007 shall not be reduced because of the waiver or modification.
- The use of Federal funds to supplement, not supplant, non-Federal funds, or
- Any non-Federal share or capital contribution required to match Federal funds provided under Department of Education programs.

This provision does not waive or modify any provision of the Individuals with Disabilities Education Act (IDEA) (20 USC 1400 *et seq.*).

CFDA 84.032 FEDERAL FAMILY EDUCATION LOANS (FFEL) - (Guaranty Agencies)

WAIVERS/SPECIAL PROVISIONS - ED has issued guidance applicable for guaranty agencies that are insuring loans for students at schools in the geographic area directly affected by Hurricane Katrina or Rita, and applicable for schools accepting students from that geographic area.

Compliance Requirements Affected - Auditors should review the ED website for any waivers or special provisions that affect the compliance requirements for programs being audited.

Additional Information - Guidance is available on the Internet at: <http://ifap.ed.gov/eannouncements/katrina.html>, then link on the particular Hurricane, Katrina or Rita. This will take you to a separate page which on the left shows “Lenders, Servicers, and Guaranty Agencies.” (Some information is also provided relating to counties affected by Hurricane Wilma.) ED will post any additional guidance on the above website as required.

CFDA 84.126 REHABILITATION SERVICES--VOCATIONAL REHABILITATION GRANTS TO STATES

WAIVER – Pub. L. 109-082, Assistance for Individuals with Disabilities Affected by Hurricane Katrina or Rita Act of 2005, enacted on September 30, 2005, granted affected States in the Gulf region waivers of the State matching requirements for Federal fiscal year (FY) 2005 funds awarded during the FY 2005 reallocation process and for FY 2005 funds restored to Louisiana. Louisiana would have relinquished these funds due to a failure to provide matching funds. The States benefiting were Alabama, Louisiana, Mississippi, and Texas. Grant award notifications that accompanied the FY 2005 reallocation awards specified the amount of the waiver granted for each of the affected Vocational Rehabilitation agencies. The affected regulatory guidance is 34 CFR section 361.60.

Compliance Requirement Affected - III.G.1, “Matching, Level of Effort, Earmarking - Matching”

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CFDA 93.558 TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

See Part 4, 93.558, “Program Procedures - Source of Governing Requirements,” concerning funding authorized by the TANF Emergency Response and Recovery Act of 2005, Pub. L. 109-68, which was enacted on September 21, 2005.

SPECIAL PROVISIONS - The TANF regulations at 45 CFR part 264, Subpart B do not apply to States that request and receive Federal Contingency Funds pursuant to Section 3 of Pub. L. 109-68.

Section 5 of Pub.L. 109-68 authorizes a State or tribe to use any TANF grant for any fiscal year to support needy families affected by Hurricane Katrina. Thus, both prior-year, unspent funds and current year grants may be used for any TANF benefit or service (not just “assistance”) for these families. As a result, the prohibition in 45 CFR section 263.11(b) against use of prior-year funds for non-assistance benefits and services would not apply.

The Administration for Children and Families (ACF) published Program Instruction TANF-ACF-PI-2005-06, dated October 11, 2005, to explain policy and provide guidance with respect to the current TANF program on the use of TANF funds to enable States to serve families affected by Hurricane Katrina.

For families affected by Hurricane Katrina, States may deem the affected families “needy,” i.e., to have met the established financial eligibility criteria established to receive the particular benefit. Regarding the IEVS requirement, ACF will not hold States to the time frame specified in 45 CFR section 205.56(a)(1) for follow-up action on information received from a data match, i.e., generally within 45 days. The principles expressed in the PI apply to the directly affected Gulf Coast States of Alabama, Florida, Louisiana, and Mississippi, as well as to any State receiving families displaced by or evacuated as a result of this tragic disaster. This Program Instruction is available on the Internet at <http://www.acf.dhhs.gov/programs/ofa/pi-ofa/pi2005-6.htm> .

Section 3 of Pub. L. 109-68 expires on August 31, 2006; section 4 on September 30, 2006; and section 5 does not have an expiration date.

Compliance Requirements Affected - III.G.2.1.c, “Matching, Level of Effort, Earmarking - Level of Effort - Maintenance of Effort;” III.H.1.a and H.2, “Period of Availability of Federal Funds;” III.E.1.a, “Eligibility - Eligibility for Individuals;” and III.N.2, “Special Tests and Provisions - Income Eligibility and Verification System (IEVS).”

CFDA 93.566 REFUGEE AND ENTRANT ASSISTANCE_STATE-ADMINISTERED PROGRAMS

WAIVER - The 60-month limitation at 45 CFR section 400.152(b) on provision of social services to refugees who have been in the United States for more than 60 months has been waived. The decision to waive the time limitation on a national basis is for the purpose of providing critical social services to victims of Hurricane Katrina who are in desperate need of these services. This waiver applies to all States and to persons who are refugees, asylees, Amerasian immigrants from Viet Nam, entrants, or victims of a severe form of trafficking who have received certification or eligibility letters from the Office for Refugee Resettlement, and certain family members of trafficking victims eligible since December 2003. This waiver will be in effect from September 1, 2005 through September 30, 2006.

Compliance Requirement Affected - III.E.1, “Eligibility - Eligibility for Individuals”

CFDA 93.569 COMMUNITY SERVICES BLOCK GRANT (CSBG)

WAIVER - The prohibition on the use of funds to purchase or improve land or to purchase, construct, or permanently improve buildings or facilities, other than low-cost residential weatherization or other energy-related home repairs, can be waived by ACF (42 USC 9918(a)). For areas impacted by Hurricane Katrina or Rita, ACF has determined that the ravages of the hurricanes satisfy the “extraordinary circumstances” provision of the CSBG Act. States wishing to seek waiver of the statutory limitation on these uses of CSBG funds should forward these requests to OCS for expeditious review. States may assume the responsibility for assisting local entities in making the determination for such construction (Information Memo Transmittal No. 91—issued October 6, 2005). This waiver is in effect when granted by ACF and expires on October 1, 2006.

Compliance Requirement Affected - III.A.2.a, “Activities Allowed or Unallowed - Activities Unallowed”

CFDA 93.575 CHILD CARE AND DEVELOPMENT BLOCK GRANT (CCDBG)

CFDA 93.596 CHILD CARE MANDATORY AND MATCHING FUNDS OF THE CHILD CARE AND DEVELOPMENT FUND (CCDF)

SPECIAL PROVISIONS - In response to Hurricanes Katrina and Rita, the Child Care Bureau issued guidance on Flexibility in Spending CCDF Funds in Response to Federal or State Declared Emergency Situations (ACYF-IM-CC-05-03), which may be found on the Child Care

Bureau's website: <http://www.acf.hhs.gov/programs/ccb/policy1/current/im0503/im0503.htm>. The guidance details existing flexibility in the CCDF program that States could use in responding to child care needs in emergency situations.

The Child Care Bureau's guidance offered the options under existing statute and regulations to help States use CCDF funds assist victims of Hurricanes Katrina and Rita. Some of these options included (1) using CCDF quality dollars to provide immediate assistance to displaced families; (2) revising eligibility conditions or priority rules (e.g., defining "working" to include families seeking employment, participating in community service, or a similar activity and adding additional eligibility conditions or priority rules as a method of targeting programs); (3) broadening the definition of protective services to permit emergency eligibility; (4) examining the State's income eligibility threshold and what the State counts as income; and (5) using quality dollars to provide supply-building grants to providers.

The guidance noted that exercising some options would require the State to submit an amendment to their State Plan, but that such amendments could be submitted up to 60 days after the effective date of a change, and that States desiring to take advantage of options afforded by CCDF statute and regulations could act immediately.

There is no expiration date for these special provisions

Compliance Requirements Affected - III.A, "Activities Allowed or Unallowed," and III.E.1, "Eligibility - Eligibility for Individuals"

CFDA 93.583 REFUGEE AND ENTRANT ASSISTANCE_WILSON FISH PROGRAM

WAIVER - The 60-month limitation at 45 CFR section 400.152(b) on provision of social services to refugees who have been in the United States for more than 60 months. The Wilson Fish program diverts a portion of funds earmarked for the State-administered program for refugee cash assistance, medical assistance, and social services to conduct alternative projects that promote refugee early employment and self-sufficiency. This waiver is limited to that portion of the provision addressing social services only. The decision to waive the time limitation on a national basis is for the purpose of providing critical social services to victims of Hurricane Katrina who are in desperate need of these services. This waiver applies to all Wilson Fish grantees participating in the refugee resettlement program and to persons who are refugees, asylees, Amerasian immigrants from Viet Nam, entrants, or victims of a severe form of trafficking who have received certification or eligibility letters from the Office for Refugee Resettlement, and certain family members of trafficking victims eligible since December 2003. This waiver will be in effect from September 1, 2005 through September 30, 2006.

Compliance Requirement Affected - III.E.1, "Eligibility - Eligibility for Individuals"

CFDA 93.584 REFUGEE AND ENTRANT ASSISTANCE_TARGETED ASSISTANCE GRANTS

WAIVER - The 60-month limitation at 45 CFR section 400.315(b) on provision of formula targeted assistance services to refugees who have been in the United States for more than 60 months has been waived. The decision to waive the time limitation on a national basis is for the purpose of providing critical social services to victims of Hurricane Katrina who are in desperate need of these services. This waiver applies to all formula targeted assistance grantees participating in the refugee resettlement program and to persons who are refugees, asylees, Amerasian immigrants from Viet Nam, entrants, or victims of a severe form of trafficking who have received certification or eligibility letters from the Office for Refugee Resettlement, and certain family members of trafficking victims eligible since December 2003. This waiver will be in effect from September 1, 2005 through September 30, 2006

Compliance Requirement Affected - III.E.1, “Eligibility - Eligibility for Individuals”

CFDA 93.600 HEAD START

WAIVER- Any family that declares it has been forced to leave its home because of Hurricane Katrina should be considered an evacuee. Pre-school age children of these families are to be considered as income eligible for Head Start. If a family does not have a birth certificate, programs should accept the family’s information about the child’s birth date and a note should be included in the child’s file that age and/or income eligibility was determined by based on information provided by the child’s family. (Chapter 6, Pub. L. 109-148)

Compliance Requirement Affected – III.G.3.c, “Matching, Level, of Effort, Earmarking - Earmarking - Required percentage of income eligibles”

Additional Information - ACYF-IM-HS-05-04, Waivers and Funding Related to Hurricane Katrina (<http://www.headstartinfo.org/publications/im05/imcont05.htm>)

CFDA 93.667 SOCIAL SERVICES BLOCK GRANT

WAIVER - The prohibition on the use of funds for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any facility can be waived by the Administration for Children and Families (42 USC 1397(d)(a)(1)). For areas impacted by Hurricane Katrina or Rita, under the authority provided in Section 2005(b), the Secretary has waived this limitation as meeting the “extraordinary circumstances” provision. Therefore, for the States of Louisiana and Mississippi, this limitation is waived. Other impacted States may apply for waivers and will be considered on a case-by-case basis for the particular area served. This waiver expires on October 1, 2006.

Compliance Requirement Affected - III.A.4.a, “Activities Allowed or Unallowed”

CFDA 93.776 HURRICANE KATRINA RELIEF PROGRAM

CFDA 93.778 MEDICAL ASSISTANCE PROGRAM (Medicaid; Title XIX)

WAIVER - The requirement that physicians and other health care professionals hold licenses in the State in which they provide services (42 CFR sections 431.107 and 447.10 and Section

1902(a)(9) of the Social Security Act) is waived, if they have a license from another State (and are not affirmatively barred from practice in that State or any State in the emergency area).

Compliance Requirement Affected - III.N.4, “Special Tests and Provisions – Provider Eligibility”

WAIVER - The Centers for Medicare and Medicaid Services (CMS), under the authority of Section 1135 of the Social Security Act, approved waivers for States to assist them in the payment of the health-care costs of those individuals who evacuated to other “States” as a result of Hurricane Katrina from the following “home” or “impact” States (Louisiana, Mississippi and Alabama).

WAIVERS AND SPECIAL PROVISIONS - The Secretary of Health and Human Services has enacted a waiver pursuant to section 1135(b) of the Social Security Act (the Act) (42 USC 1320b-5), waiving certain requirements of Titles XVIII, XIX, or XXI of the Act or regulations thereunder, and certain requirements of Title XI of the Act, and regulations thereunder, insofar as they relate to Titles XVIII, XIX, or XXI of the Act. Specifically, the waiver provides modifications of the requirements dealing primarily with the provision of health care items and services and their availability to meet the needs of individuals enrolled in the programs under Titles XVIII, XIX, and XXI in an emergency area during an emergency period.

In addition, as of February 21, 2006, the following States have applied for and received approval for an 1115 Demonstration Project as the result of the effects of Hurricane Katrina: Texas, Alabama, Mississippi, Florida, Idaho, Arkansas, District of Columbia, Georgia, Tennessee, Puerto Rico, South Carolina, Indiana, Maryland, Louisiana, California, Ohio, Nevada, Rhode Island, North Carolina, and Wyoming. The following States have applied for an 1115 Demonstration and they are currently in a pending status: Alabama (an amendment to cover Hurricane Rita evacuees) and Texas (Hurricane Rita).

Under an 1115 Demonstration Project the Secretary may waive compliance with any of the requirements of section 1902 of the Act to the extent and for the period he finds necessary to enable such State to carry out such project and the costs of such project which would not otherwise be included as expenditures under section 1903 of the Act, shall to the extent and for the period prescribed by the Secretary, be regarded as expenditures under the State plan or plans approved under such title, or for administration of such State plan or plans. Information is available on the Internet at: <http://www.hhs.gov/Katrina/>.

Applicable Regulatory Citations - All regulations related to the waiving of certain requirements under Titles XI, XVIII, XIX and XXI of the Act as they pertain to the provision of health care items and services and their availability to meet the needs of individuals enrolled in the programs under Titles XVIII, XIX and XXI. In addition, as pertains to the 1115 Demonstrations, all regulations related to the waiving of the requirements under Section 1902 and 1903 of the Act will be waived.

Compliance Requirements Affected - The waiver under Section 1135(b) of the Act provides modifications dealing primarily with the provision of health care items and services and their

availability to meet the needs of individuals enrolled in the programs under Titles XVIII, XIX and XXI in an emergency area during an emergency period. Pertaining to the 1115 Demonstrations, (both approved and pending), **all** of the compliance requirements that are applicable to the Medicaid program will be affected.

Expiration Date - The date of expiration is 60 days from the date that the waiver or modification is first published per Section 1135(e) (1) or, if applicable, the date of extension of the waiver or modification as per Section 1135(e) (2). Regarding the 1115 Demonstrations, the period is from August 24, 2005 to June 30, 2006.

The above information is based on the HHS Declaration of the Public Health Emergency for Hurricane Katrina and the resultant Notice of Waiver under Section 1135(b) of the Social Security Act, dated September 4, 2005, which explains what requirements are being waived under Titles XI, XVIII, XIX, and XXI of the Act.

The waivers documents may be found at: http://new.cms.hhs.gov/Emergency/02_Hurricanes.asp. This site also may be reached by going to <http://www.cms.hhs.gov/Katrina> and then clicking on "Hurricane Information" on the left side. The approved demonstrations are listed under the first downloadable item – "Approved Katrina 1115 waiver documents." All of the approved 1115 waivers are on the site. Note that some are pending. If approved, they will be added to the website. Waivers under section 1135 also can be found on the above web site.

The HHS Single Audit Coordinator (see Appendix III) may be contacted for additional information.

DEPARTMENT OF HOMELAND SECURITY

97.036 PUBLIC ASSISTANCE PROGRAM

As a result of Hurricane Katrina, 42 states received Emergency Declarations. The policies in "Emergency Declarations for Sheltering," "Debris Removal on Private Property in Specific Counties," and "Warehousing of Donations" include Katrina-specific information on allowable activities. The full text of the policies is located at <http://www.fema.gov/rrr/pa/9500toc.shtm>

Compliance Requirements Affected: III.A, "Activities Allowed or Unallowed"

PART 5 – RESEARCH AND DEVELOPMENT (R&D) CLUSTER

WAIVERS – For information about R&D waivers, go to www.ostp.gov and click on "Information for Researchers and Institutions Affected by Hurricanes Katrina or Rita."

For the Department of Defense, contact the following individuals to determine the status of any specific waivers issued due to Hurricane Katrina or Rita.

Point of Contact for the Navy, Air Force, and all other DoD Agencies except Army:
Director, Atlanta Regional Office, Office of Naval Research
Phone: 404-562-1601

E-mail: ONR_ATLANTA@onr.navy.mil

Point of Contact for the Army:

Director, U.S. Army Medical Research Acquisition Activity

U.S. Army Medical Research and Materiel Command

Fort Detrick, MD

Phone: 301-619-6677

E-mail: disaster.issues@det.amedd.army.mil

USAMRAA hurricane relief web site:

<http://www.usamraa.army.mil>

PART 5 – STUDENT FINANCIAL ASSISTANCE CLUSTER

WAIVERS – The Department of Education has issued guidance to schools directly affected by Hurricane Katrina, Rita, or Wilma and schools accepting students from the Gulf States impacted by the hurricanes.

Additional Information -Guidance for schools is available at:

<http://ifap.ed.gov/eannouncements/katrina.html>. For specific information at this site, link to the individual hurricane.

General guidance for Title IV participants is located at: <http://ifap.ed.gov/>.