



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D. C. 20503

THE DIRECTOR

July 9, 2013

The Honorable Hal Rogers
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

This letter provides notification of the waivers granted to agency programs funded under the Disaster Relief Appropriations Act of 2013 (DRA), which appropriated \$50.5 billion in aid for Hurricane Sandy (Sandy) disaster victims and their communities. Under section 904(c)¹ of the DRA, grantees that have received appropriated funds under the DRA must expend all funds within 24 months of the point of obligation, absent a waiver from the Office of Management and Budget. When granting the waivers, OMB is to provide written justification for such waiver to the Committees on Appropriations of the House of Representatives and the Senate.

OMB issued Memorandum 13-07 to provide guidance on the implementation of Sandy Funds, which includes the following guidance on the 24-month expenditure requirement:

“To meet this statutory requirement, agencies shall ensure each proposed grant activity has clear timelines for execution and completion within the statutory period available for grantee expenditure. While OMB may waive or extend this period for certain expenditures, each agency must ensure that any such requests are limited to only those activities that are long-term by design, where it is impracticable to expend funds within the 24-month period and achieve program missions. OMB shall grant waivers only on a limited, case-by-case basis, where such requests are justified by compelling legal, policy, or operational challenges.”

¹ Section 904 (c) provides: “Funds for grants provided by this division shall be expended by the grantees within the 24-month period following the agency’s obligation of funds for the grant, unless, in accordance with guidance to be issued by the Director of OMB, the Director waives this requirement for a particular grant program and submits a written justification for such waiver to the Committees on Appropriations of the House of Representatives and the Senate. In the case of such grants, the agency shall include a term in the grant that requires the grantee to return to the agency any funds not expended within the 24-month period.”

OMB received, reviewed, and approved the following waiver requests from the National Institute of Health (Department of Health and Human Services), the Environmental Protection Agency, the Federal Emergency Management Agency (Department of Homeland Security), and the Department of Transportation:

WAIVER	WAIVER AMOUNT REQUESTED	TOTAL PROGRAM FUNDING
National Institute of Health	\$64,000,000	\$147,000,000
EPA – Leaking Underground Storage Tanks (LUST)	\$4,750,000	\$4,750,000
EPA – Clean Water and Drinking Water	\$569,050,000	\$569,050,000
FEMA - Hazard Mitigation Grant Program	\$1,500,000,000	Included in PA number below
FEMA - Public Assistance (PA) Grant Program	\$5,000,000,000	\$11,000,000,000
DOT- Federal Highway Administration (FHWA)	\$1,920,900,000	\$1,920,900,000
DOT- Federal Transit Authority (FTA)	\$10,349,300,000	\$10,349,300,000
DOT – Federal Railroad Administration (FRA)	\$112,100,000	\$112,100,000
Total Requested Waiver Amount	\$19,520,100,000	\$24,103,100,000

The eight programs discussed in this letter satisfy the OMB criteria for “activities that are long-term by design, where it is impracticable to expend funds within the 24-month period and achieve program missions.” These programs constitute construction and infrastructure projects that require an extensive planning and execution process that may include designing, engineering, and construction permitting phases prior to the commencement of tangible infrastructure work. Without such waiver, the agencies would be required to impose a 24-month expenditure timeframe on grantees.

All agencies are implementing plans to enhance their current monitoring controls for the spending of the grantees. In addition to current oversight for both financial and program activities, agencies are requiring more frequent reporting from the grantees for both financial and performance progress. (For example, the Federal Transit Authority of the Department of Transportation is requiring its grantees to submit their Federal Financial Reports and Milestone Progress Reports on a monthly instead of quarterly basis). Some agencies are committing additional staff to increase the oversight of all Sandy funded projects, with special attention to those projects for which waivers have been granted.

OMB will continue to work with the agencies, the Inspectors General, the rebuilding task force under Executive Order 13632 of December 14, 2012, and the Recovery Accountability and Transparency Board to provide overall oversight of the Sandy funds and any necessary additional oversight for the projects for which waivers have been granted.

We appreciate your continued support for these initiatives. If you have any questions regarding this information, please contact the Office of Legislative Affairs at (202) 395-4790.

Sincerely,

A handwritten signature in black ink, appearing to read 'SMB', with a long horizontal flourish extending to the right.

Sylvia M. Burwell
Director

Identical Letter Sent to:

The Honorable Hal Rogers

The Honorable Nita Lowey

The Honorable Barbara A. Mikulski

The Honorable Richard C. Shelby