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Disaster Recovery Projects in Jeopardy as FEMA Rejects Request to Waive 10 Percent Funding Match

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During Monday’s Government House Press Briefing, Governor Albert Bryan Jr. disclosed that the administration has so far failed to get the Federal Emergency Management Agency to agree to waive a requirement that jurisdictions match 10 percent of all federal funding received for various projects.

“At the beginning of the storm, we thought it would be anywhere between five and 700 million,” said Governor Bryan. The territory therefore set aside \$500 million in Housing and Urban Development Community Development Block Grants (HUD CDBG) funds to cover the matching funds requirement. “Well, that recovery has now grown to 15 billion. So we need \$1.5 billion in order to participate,” the governor continued. “That means if we don’t find the 10 percent, then the projects can’t get done.” Even that figure is expected to rise as new recovery projects are

identified and approved by federal authorities, the governor said.

Noting that the territory's entire economic output is only \$4 billion a year, with annual budgets falling far short of the needed \$1.5 billion in cost sharing, Mr. Bryan said "it's a lot of money for us to raise." The insurmountable sum, Mr. Bryan explained, is why the administration continues to push for the waiver despite their [years of effort](#) having so far been unsuccessful.

"We have been writing to President [Biden] and to the director of FEMA," the governor revealed, indicating that the lobbying efforts began under the Trump administration and have continued since Mr. Biden took office. However, according to Mr. Bryan, "they really don't want to set any precedents in terms of waiving this ... as it has never been done."

Despite the lack of progress, Mr. Bryan says his team continues to press the territory's case. "Our latest approach is okay, just waive the 10 percent on our crucial projects, our hospitals, our schools, our public infrastructure like water and sewerage." Since the CDBG funds constituting a third of the required \$1.5 billion have already been set aside, the governor noted that the lack of sufficient matching funds was "not going to be a problem in this term of the Bryan-Roach administration." However, whoever will be occupying the Office of the Governor in 2026, "that \$500 million is going to be done," he said, indicating the funds set aside for the 10 percent match for the federal projects will have been depleted by then.

The governor noted that FEMA's own financial circumstances currently make a cost sharing waiver even more difficult for them to agree to, as "there's so many disasters all around the United States of America" which require funding to be obligated through the disaster recovery agency. "All of that money is being supplied by FEMA," Governor Bryan said. Partisan deadlock over funding the federal government, only [temporarily eased](#) by a recent 45-day continuing resolution, throws the stability of FEMA's stream of funding into further jeopardy. Last month, the agency switched to a strict "immediate needs funding" policy, which resulted in the stoppage of spending on non-urgent projects relating to disasters that occurred more than a year ago.

The policy, meant to preserve FEMA's rapidly-dwindling disaster fund until Congress can vote to replenish it, means that up to \$8 billion in federal emergency dollars [will be withheld](#) from states and territories. While jurisdictions are able to begin projects with their own money in anticipation of reimbursement from FEMA, this has thrown the disaster recovery plans of smaller local governments into disarray. According to Puerto Rico Resident Commissioner Jenniffer González-Colón, projects for which funds have not yet been fully disbursed to local recipients will have payments held back, which would then cause a "chain reaction effect of delaying the time for approval, start, or completion."

Mr. Bryan did not speak to the immediate impact of the recent halt in FEMA's non-urgent disaster recovery spending, but of the ultimate goal to achieve the 10 percent cost sharing waiver, he offered the only reassurance he could: "We have to keep working on that."