#### Grant Programs Directorate Information Bulletin No. 523 November 29, 2024

MEMORANDUM FOR:	All Eligible Regional Transit Agencies
	All Private Sector Transportation Security Partners
	All Public and Private Sector Port Security Partners
	All State Administrative Agency Heads
	All State Administrative Agency Points of Contact
	All State Emergency Management Agency Directors
	All State Homeland Security Directors
	All Tribal Nation Leaders
	All Tribal Nation Points of Contact
	All Urban Area Security Initiative Points of Contact
FROM:	Pamela S. Williams PLS. Will
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	Grant Programs Directorate
SUBJECT:	Guidance on Fiscal Years 2022–2024 State and Local Cybersecurity
	Grant Program (SLCGP) Minor Modifications to Existing Facilities or Other Physical Facilities

### I. Purpose

The following Information Bulletin (IB) expands on information provided in the fiscal year (FY) 2024 SLCGP Notice of Funding Opportunity (NOFO) and supersedes the Federal Emergency Management Agency's (FEMA) Dec. 22, 2023, email "SLCGP Reminder Re: construction, renovation, and building alterations" to SLCGP recipients.

## **II.** Applicability

This IB is applicable to all recipients and subrecipients of the SLCGP for all fiscal years.

# III. Guidance

Section 2220A(n)(6) of the Homeland Security Act of 2002 (codified as amended at 6 U.S.C. § 665g(n)(6)) prohibits recipients and subrecipients under the SLCGP and Tribal Cybersecurity Grant Program (TCGP) from using a "grant awarded...to construct, remodel, or perform alterations of buildings and other physical facilities." However, this section does not prohibit a recipient or subrecipient from making a minor modification to an existing building or other physical facility necessary to install and connect equipment purchased under a grant award or subaward, such as drilling a hole in a building's wall to mount that equipment. In addition, the prohibition under Section 2220A(n)(6) does not apply in circumstances where a recipient or subrecipient constructs, remodels or performs alterations of buildings or other physical facilities with its own funding when installing and connecting equipment for an information system purchased under a grant award or subaward. The

prohibition under Section 2220A(n)(6) only applies to work and associated costs sourced with federal funding and/or the nonfederal share of a grant award and does not apply to work completed at a recipient's or subrecipient's own expense.

Recipients and subrecipients may use SLCGP funding to perform minor modifications that **do not** substantially affect a building's, or other physical facility's, structure, layout or systems; affect critical aspects of a building's safety; or otherwise materially increase the value or useful life of the building or other physical facility. The prohibition would also apply to the nonfederal cost-sharing requirement detailed in Section 2220A(m). As a reminder, all projects and associated budgets must support the approved Cybersecurity Plan and be approved in advance by the Cybersecurity and Infrastructure Security Agency and FEMA.

Examples of the types of minor modifications that could be **allowable** with SLCGP funding and the non-federal cost share are listed below:

- Fastening equipment to building or other physical facility walls <u>where it does not</u> <u>become a permanent fixture</u> (such as hanging a server rack with servers on a building wall).
- Replacing an outdated existing electrical or internet outlet into which the equipment will connect.
- Installing new cabling.
- Replacing existing cabling.
- Moving cabling.
- Installing and connecting information system equipment to the building's network and power supply and internet.
- Making a hole in the wall to attach the equipment to the building's network, power or internet.

Unallowable remodeling and alterations include <u>permanent modifications</u> that substantially affect the building's, or other physical facility's, structure, layout or systems; affect critical aspects of a building's or other physical facility's safety (such as structural integrity and fire safety systems); or other modifications that materially increase the value or useful life of the building or other physical facility.

Examples of the types of construction, remodeling and alterations that are **unallowable** with SLCGP funding, or the non-federal cost share, are listed below:

- Constructing a new building or other physical facility.
- Updating an electrical system to a building or other physical facility that involves work to enhance or modernize the electrical infrastructure, such as replacing electrical panels, upgrading old or unsafe wiring, and replacing circuit breakers.
- Installing new walls or reconfiguring existing walls.
- Affixing equipment in such a way that it becomes a permanent part of a building or <u>other physical facility</u> (as this would result in the equipment no longer being personal property).

Because Section 2220A(n)6) does not apply to minor modifications that do not: substantially affect a building or other physical facility's structure, layout or systems; affect critical aspects of a building or other physical facility's safety; or otherwise materially increase the value or useful life of a building or other physical facility, minor modifications **may be permitted under the SLCGP subject to additional reviews.** As a reminder, recipients (and subrecipients through the State Administrative Agency (SAA)) are required to submit projects for minor building modifications approval to the Grant Programs Directorate Environmental Planning and Historic Preservation Branch.

### **IV.** Questions

Questions regarding this IB may be directed to <u>FEMA-SLCGP@fema.dhs.gov.</u>

### V. Review Date

This IB will be reviewed, updated, or rescinded as needed.