

CRS Report for Congress

Received through the CRS Web

First Responder Grant Formulas: The 9/11 Commission Recommendation and Other Options for Congressional Action

Updated August 5, 2004

Shawn Reese
Analyst in American National Government
Government and Finance Division

First Responder Grant Formulas: The 9/11 Commission Recommendation and Other Options for Congressional Action

Summary

The Office for Domestic Preparedness (ODP), now consolidated with the Office for State and Local Government Coordination and Preparedness (SLGCP) within the Department of Homeland Security (DHS), is responsible for administering grant programs that assist first responders (including firefighters, law enforcement personnel, emergency managers, and emergency medical service personnel) in homeland security activities. These assistance programs, such as the State Homeland Security Grant Program (SHSGP), Urban Area Security Initiative (UASI), Assistance to Firefighters (FIRE), and Emergency Management Performance Grant Program (EMPG), provide federal funding to assist in the purchase of equipment, training, exercises, and planning.

In FY2003 and FY2004, Congress appropriated a combined total of \$7.8 billion for first responder grant programs. The Administration's FY2005 budget request proposes \$3.4 billion for these programs. H.R. 4567 (approved by the House of Representatives on June 18, 2004) proposes \$3.7 billion, and S. 2537 proposes \$3.5 billion. Even though a significant amount of money has been appropriated to assist state and local first responders, however, some observers argue that issues associated with program funding have decreased these programs' effectiveness.

On July 22, 2004, the National Commission on Terrorist Attacks Upon the United States (the 9/11 Commission) issued *The 9/11 Commission Report*. On page 396 of the report, the 9/11 Commission recommends that federal homeland security assistance be distributed to state and local governments based on risk and vulnerability. According to the report, the risk and vulnerability assessments should consider population, population density, vulnerability, and the presence of critical infrastructure within each state.

The issues examined in this report include proposed alternative funding formulas for first responder grant programs and reported administrative problems that may be responsible for significant delays in grant funds being used by state and local governments. The report discusses options Congress may consider in evaluating these issues.

This report summarizes how DHS currently administers these programs, the formulas used in allocating funds to states and localities, and actions DHS has taken to reduce delays in funding. It also summarizes the 9/11 Commission's recommendation for state and local homeland security funding.

This report will be updated if congressional or executive actions warrant.

Contents

First Responder Grants	1
Administration of Grant Programs	1
Consolidation of Grant Programs	2
First Responder Grant Distribution	3
Issues	5
First Responder Grant Formulas	5
The 9/11 Commission Recommendation	6
Other Options	8
Streamlining First Responder Grants	10
Other Options	11

First Responder Grant Formulas: The 9/11 Commission Recommendation and Other Options for Congressional Action

Since the September 11, 2001 terrorist attacks, the importance of first responders and their ability to prepare for and respond to such incidents has become evident. To assist first responders (who include firefighters, emergency medical service personnel, emergency managers, and law enforcement personnel), the 108th Congress appropriated a combined total of \$7.8 billion in FY2003 and FY2004. More specifically, Congress appropriated \$3.8 billion for these programs in FY2003, and \$3.9 billion in FY2004.¹ For FY2005, the Administration's Department of Homeland Security (DHS) appropriations request is \$3.4 billion for these programs. H.R. 4567 (approved by the House of Representatives on June 18, 2004) proposes \$3.7 billion, and S. 2537 proposes \$3.5 billion, for these programs.²

Two principal criticisms have been raised by some concerning first responder grant programs. One is that the formulas used for these programs are unfair and inequitable, and the other is that these grant programs need to be streamlined to decrease the delay in states and localities receiving funding.

This report summarizes how DHS administers the programs, the formulas used in allocating funds to states and localities, and actions DHS has taken to reduce delays in funding to states and localities. It also analyzes the issues of streamlining and formulas of first responder grants, and options Congress might consider in evaluating these issues.

First Responder Grants

Administration of Grant Programs. In general, the DHS Secretary is responsible for administering grant programs for state and local first responders, including firefighters, emergency medical personnel, law enforcement personnel, and

¹FY2003 and FY2004 first responder grant program appropriations (P.L. 108-7, P.L. 108-11, and P.L. 108-90) included in this figure are the State Homeland Security Grant Program, Urban Area Security Initiative, Critical Infrastructure Protection, Law Enforcement Terrorism Prevention Grants, Assistance to Firefighters, Citizen Corps Grant Programs, Emergency Management Performance Grants, and Urban Search and Rescue Task Force Program.

²For further information on FY2005 first responder grant program appropriations, see CRS Report RS21736, *FY2005 Appropriations for First Responder Preparedness: Issues and Analysis*, by Shawn Reese.

emergency managers.³ In addition to these grant programs, DHS administers technical and training assistance programs, and provides guidance and education to state and local governments for domestic preparedness activities.

Within DHS, the Office for State and Local Government Coordination and Preparedness (SLGCP) is responsible for coordinating state and local domestic preparedness programs. These programs include:

- State Homeland Security Grant Program (SHSGP);
- Urban Area Security Initiative Program (UASI);
- Law Enforcement Terrorism Prevention Program (LETPP);
- Assistance to Firefighters Program (FIRE);
- Citizen Corps Programs (CCP); and
- Emergency Management Performance Grant Program (EMPG).⁴

Additionally, the Federal Emergency Management Agency (FEMA) — within DHS's Emergency Preparedness and Response directorate (EPR) — administers the Urban Search and Rescue Task Force program (US&RTF).⁵

Consolidation of Grant Programs. On January 26, 2004, DHS Secretary Tom Ridge informed Congress of his intention to consolidate ODP — which at the time was within the Border and Transportation Security Directorate (BTS) — with the Office of State and Local Government Coordination (SLGC). SLGC is within the Office of the DHS Secretary, and Congress gave the Secretary consolidation authority in the Homeland Security Act of 2002.⁶ On March 26, 2004, ODP was consolidated with SLGC. This new consolidated office is named the Office of State and Local Government Coordination and Preparedness (SLGCP), and reports directly to the DHS Secretary.

The basis for this consolidation is the stated need for the establishment of a “one-stop-shop” within DHS for state and local governments. In theory, this one-stop-shop would integrate numerous federal preparedness initiatives into a single, streamlined comprehensive program.⁷

In addition to consolidating ODP and SLGC, DHS transferred numerous grant programs from other agencies within DHS to ODP in an effort to streamline the grant process. The following table provides information on the major grant programs transferred to ODP.

³P.L. 107-296, sec. 102(c).

⁴For detailed information on these grant programs, see CRS Report RL32348, *Selected Federal Homeland Security Assistance Programs: A Summary*, by Shawn Reese.

⁵For information on the Urban Search and Rescue Task Force Program, see CRS Report RL32348, *Selected Federal Homeland Security Assistance Programs: A Summary*, by Shawn Reese.

⁶P.L. 107-296, sec. 872.

⁷Tom Ridge, U.S. Department of Homeland Security, letter to Senator Susan Collins, Chairman of the Senate Committee on Governmental Affairs, Jan. 26, 2004.

Table 1. Selected Consolidated Terrorism Preparedness Programs Within the Office for Domestic Preparedness

Program	Present Administering Agency
Metropolitan Medical Response System	Emergency Preparedness and Response Directorate (EPR)
Assistance to Firefighters	Office for Domestic Preparedness (ODP)
Emergency Management Performance Grants	Federal Emergency Management Agency (FEMA)
Citizen Corps	ODP
Interoperable Communications	FEMA
Port Security Grants	Transportation Security Administration (TSA)
Intercity Bus Security Grants	TSA
Operation Safe Commerce	TSA
Trucking Industry Security Grant Program	TSA
State Homeland Security Grant Program	ODP
Law Enforcement Terrorism Prevention Grants	ODP
National Exercise Program	ODP
Urban Area Security Initiative	ODP

Source: DHS Secretary Tom Ridge, letter to Senator Susan Collins, Chairman of the Senate Committee on Governmental Affairs, Jan. 26, 2004. See this letter for a complete list of programs transferred to ODP.

First Responder Grant Distribution. State and local first responders receive grant funding from DHS in a variety of ways. Four of the grant programs are allocated to states on a guaranteed minimum and population calculation. Funding for one program (FIRE) is distributed based on individual fire department applications, and funding for the two remaining programs is distributed at the discretion of the DHS Secretary.

Formula Grants. ODP allocates funding to states for the SHSGP, LETPP, CCP, and EMPG programs based on a guaranteed minimum of 0.75% of total appropriations, with the remainder of the appropriations allocated based on a state's population.⁸

⁸P.L. 107-256, sec. 1014.

The only portion of this formula that Congress required through statutory language is the 0.75% state minimum. DHS decided to exercise its administrative authority by distributing the remaining portion of funding using population as a formula factor. As an example, in FY2004 Congress appropriated \$1.7 billion for SHSGP. Each state was allocated a minimum of \$12.75 million, which is 0.75% of \$1.7 billion. This results in \$637.5 million (37.5% of total appropriations for this grant program) being allocated as the minimum guaranteed by law. DHS chose to allocate the remaining \$1.06 billion (62.5% of total appropriations) to states based on their population computed as a proportion of the national population.

Application Grants. FIRE grants, administered by ODP, do not have a funding formula; instead, the distribution is based on the grant recipients' applications. Fire departments apply for funding from the program, and within the application the fire department demonstrates a need for the proposed grant. A review board examines each application and determines the amount of the grant award.⁹

Discretionary Grants. The two remaining grants, UASI (administered by ODP) and US&RTF (administered by FEMA), are discretionary programs. UASI allocations are based on DHS risk and vulnerability assessments, location of critical infrastructure, and population density of major urban areas.¹⁰ In FY2004, DHS determined that there were 50 major urban areas and 25 mass transit systems at a high risk for a terrorist attack and distributed money from this program for these areas and systems.¹¹ FEMA determines the amount of funding for US&RTF based on a yearly review of needs.¹²

Matching Requirements. The only two first responder grants with a matching requirement are the EMPG and FIRE programs. EMPG requires states to match 50% of the total award.¹³ The FIRE program requires applicants who protect a population of 50,000 or less to provide a non-federal cost-share of not less than 10% of the total award. Applicants who protect a population in excess of 50,000 are required to provide a non-federal cost-share of not less than 30% of the total award.¹⁴

⁹The Catalog of Federal Domestic Assistance, *97-044 Assistance to Firefighters Program*, available at [http://12.46.245.173/pls/portal30/SYSTEM.PROGRAM_TEXT_RPT.SHOW?p_arg_names=prog_nbr&p_arg_values=97.044], visited May 27, 2004.

¹⁰U.S. Department of Homeland Security, Office for Domestic Preparedness, *FY2004 Urban Area Security Program Guidance* (Washington: Nov. 2003), p. 4.

¹¹For a listing of cities and transit systems that received UASI funding, see *FY2004 Urban Area Security Program Guidance*.

¹²The Catalog of Federal Domestic Assistance, *97-025 National Urban Search and Rescue Response System*, available at [http://12.46.245.173/pls/portal30/SYSTEM.PROGRAM_TEXT_RPT.SHOW?p_arg_names=prog_nbr&p_arg_values=97.025], visited May 27, 2004.

¹³The Catalog of Federal Domestic Assistance, *97-042 Emergency Management Performance Grants*, available at [http://12.46.245.173/pls/portal30/SYSTEM.PROGRAM_TEXT_RPT.SHOW?p_arg_names=prog_nbr&p_arg_values=97.042], visited May 27, 2004.

¹⁴The Catalog of Federal Domestic Assistance, *97-044 Assistance to Firefighters Program*, available at [http://12.46.245.173/pls/portal30/SYSTEM.PROGRAM_TEXT_RPT.SHOW

Authorization for Appropriations. FIRE and US&RTF are the only two DHS first responder grant programs for which authorizing legislation has been enacted.¹⁵ All other DHS first responder grant programs have received appropriations in the absence of authorizing statutory language.

Issues

First Responder Grant Formulas

Some critics, including the 9/11 Commission and some Members of Congress, have stated that the funding formulas used to distribute first responder grant funding to states and localities are inadequate and unfair. Specifically, it is argued that the guaranteed state minimum features of the four ODP administered programs¹⁶ provide states with smaller populations vastly greater funding than is equitable. Additionally, critics assert that the present formula does not consider the threat of terrorist attack or vulnerability.¹⁷ Other observers have also noted this allegedly unfair distribution of funds.¹⁸

¹⁴(...continued)

?p_arg_names=prog_nbr&p_arg_values=97.044], visited May 27, 2004.

¹⁵The Assistance to Firefighters program's authorization for appropriations is Section 33 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2229). The Urban Search and Rescue Task Force's authorizations of appropriations are the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.); Flood Disaster Protection Act of 1973 (42 U.S.C. 4001 et seq.); Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.); Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2201 et seq.); Defense Production Act of 1950 (50 U.S.C. App. 2061 et seq.); Sections 107 and 303 of the National Security Act of 1947 (50 U.S.C. 404, 405); Reorganization Plan No. 3 of 1978 (5 U.S.C. App.); Section 503 of P.L. 107-296; and Homeland Security Act of 2002 (6 U.S.C. 101 et seq.).

¹⁶SHSGP, LETPP, CCP, and EMPG.

¹⁷U.S. Congress, House of Representatives, Democratic Members of the House Select Committee on Homeland Security, *America at Risk: The State of Homeland Security, Initial Findings*, Jan. 13, 2004, p. 14, available at [http://www.house.gov/hsc/democrats/issues_am_at_risk.shtml], visited June 9, 2004. See also U.S. Congress, House of Representatives, Select Committee on Homeland Security, *An Analysis of First Responder Grant Funding*, May 5, 2004, p. 3, available at [<http://homelandsecurity.house.gov/release.cfm?id=181>], visited June 9, 2004.

¹⁸John Doyle, "DHS Making \$2.2B in Grants Available to States, Territories," *Aviation Week's Homeland Security & Defense*, Nov. 5, 2003, p. 6. Thomas Frank, "Minding the Gaps: A Push for Rethinking Anti-Terror Funds," *Newsday*, Oct. 30, 2003, p. A3. "Tennessee Ranks Low on Per Capita Homeland Security Funding," *The Associated Press State & Local Wire*, Apr. 12, 2004.

One could argue that an example of this reported inequitable distribution is Wyoming's FY2004 State Homeland Security Grant allocation of \$14.36 million.¹⁹ Based on Wyoming's 2002 estimated census population, the state is allocated \$28.72 per capita, where as New York (arguably a more likely target for terrorist attacks) received a SHSGP allocation \$78.83 million in FY2004.²⁰ Based on the 2002 estimated census population, New York is allocated \$4.11 per capita.²¹

Thus far in the 108th Congress, three bills have been reported by committee that include proposals to change current funding formulas:

- H.R. 3266, "Faster and Smarter Funding for First Responders Act of 2004";
- S. 930, "Emergency Preparedness and Response Act of 2003"; and
- S. 1245, "Homeland Security Grant Enhancement Act of 2003."

The House Select Committee on Homeland Security reported H.R. 3266 on March 17, 2004. The bill proposes to eliminate the guaranteed state minimum of 0.75% and establish a First Responder Grant Board that would rank and prioritize state and regional applications, with amounts determined by the board based on these applications.²² The House Committee on Transportation and Infrastructure reported H.R. 3266 on June 3, 2004; it proposes that the state guaranteed minimum be reduced to 0.55%.²³

S. 930 was ordered to be reported from the Senate Environment and Public Works Committee on February 25, 2004. This bill proposes to allocate to each state the greater of a guaranteed minimum of 0.75% or \$15 million.²⁴ The Senate Governmental Affairs Committee reported S. 1245 on September 5, 2003; it proposes to maintain the present state guaranteed minimum of 0.75%, but also proposes to allocate the remaining appropriations based on threats to individual states.²⁵

The 9/11 Commission Recommendation. The 9/11 Commission reports that prior to the September 11, 2001 terrorist attacks, no federal department had as its first priority defending the United States from domestic terrorist attack. This

¹⁹U.S. Department of Homeland Security, Office for Domestic Preparedness, *FY2004 State Homeland Security Program Guidance*, (Washington: Nov. 2003), p. 6. Available at [<http://www.dhs.gov/dhspublic/display?theme=10&content=2979>], visited July 8, 2004.

²⁰*FY2004 State Homeland Security Program Guidance* (Washington: Nov. 2003), p. 6.

²¹For further information on FY2004 ODP state allocations, see CRS Report RS21677, *Office for Domestic Preparedness Grants for FY2004: State Allocations Fact Sheet*, by Shawn Reese.

²²H.R. 3266, sec. 3, proposed sec. 1804(f) of the Homeland Security Act (P.L. 107-296).

²³H.R. 3266, sec. 4, proposed sec. 732(e)(1)(A) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

²⁴S. 930, sec. 4, proposed sec. 630(e)(2)(A) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

²⁵S. 1245, sec. 4(g)(2).

changed with the creation of DHS in 2002.²⁶ According to the report, no challenge is more difficult for federal government decision makers “than to set priorities, making hard choices in allocating limited resources.”²⁷

Two questions are important in discussing this issue, according to the 9/11 Commission. First, how much money should be set aside using criteria not directly related to risk? Currently each state is guaranteed a minimum amount for homeland security assistance.²⁸ Second, can useful criteria to measure risk and vulnerability be developed to assess all the variables?²⁹

The 9/11 Commission recommends that state and local homeland security assistance should be allocated strictly on risk and vulnerability assessments. In 2004, New York City and Washington, DC, would likely be at or near the top of any assessment list. The 9/11 Commission indicates that it understands the argument for state and local baseline security. It states unequivocally, however, that federal homeland security assistance should not remain a program “for general revenue sharing.” It suggests that federal assistance should supplement state and local resources based on risks and vulnerabilities that merit additional support.³⁰

Addressing the politically sensitive issue of how funding is allocated in a representative democracy, the 9/11 Commission states it as follows:

In a free-for-all over money, it is understandable that representatives will work to protect the interests of their home states or districts. But this issue is too important for politics as usual to prevail. Resources must be allocated according to vulnerabilities. We recommend that a panel of security experts be convened to develop written benchmarks for evaluating community needs. We further recommend that federal homeland security funds be allocated in accordance with those benchmarks, and that states be required to abide by those benchmarks in disbursing the federal funds. The benchmarks will be imperfect and subjective; they will continually evolve. But hard choices must be made. Those who allocate money on a different basis should then defend their view of the national interest.³¹

The 9/11 Commission recommends that a panel of security experts be convened to develop written benchmarks for evaluating community needs. Further, federal homeland security funding should be allocated in accordance with these benchmarks,

²⁶DHS was created with the Homeland Security Act of 2002 (P.L. 107-296), and Sec. 102(c) states that the DHS Secretary is responsible for administering grant programs for state and local first responders, including firefighters, emergency medical personnel, law enforcement personnel, and emergency managers.

²⁷ National Commission on Terrorist Attacks on the United States, *The 9/11 Commission Report* (Washington: GPO, Jul. 22, 2004), p. 395.

²⁸The USA PATRIOT Act (P.L. 107-56), Sec. 1014, guarantees each state a minimum of 0.75% of total appropriations for state and local domestic security.

²⁹ *The 9/11 Commission Report*, p. 396.

³⁰*Ibid.*

³¹*Ibid.*

which states should be required to abide by. These benchmarks are subjective, and will evolve; however, hard choices have to be made to allocate the limited homeland security resources.³²

Some would argue that the 9/11 Commission recommendation to distribute federal homeland security assistance funding based on threat and vulnerability is not viable at this time. Critics point to the lack of DHS's ability to accurately determine the nation's threats, risks, and vulnerabilities. An example of this would be the latest decision by DHS to raise the Homeland Security Advisory System alert level from "yellow" to "orange" on August 1, 2004. This action, based, in part, on terrorist threat intelligence that is reportedly pre-September 11, 2001, led to this comment by a senior law enforcement official: "There is nothing right now that we're hearing that is new. Why did we go to this level? I still don't know that."³³ Another example would be Attorney General John Ashcroft's June 14, 2004 announcement that a secret cell of Al Qaeda had plotted to attack an undisclosed Columbus, Ohio, shopping mall.³⁴

Some arguing against the proposed risk and vulnerability criteria point out that when security increases in one location, there is a possibility that terrorists search for other, softer, targets.³⁵ Additionally, in a letter to DHS Secretary Tom Ridge, the Democrats on the House Select Committee on Homeland Security expressed concern that inconsistent methodology for extracting data about key critical infrastructure assets around the nation have resulted in incomplete and inadequate vulnerability assessments.³⁶

Those responding to such critics note that risk and vulnerability assessments based on credible and corroborated intelligence are arguably the logical method of allocating limited homeland security assistance funding. The recommendation, however, is based on the 9/11 Commission's recognition of the reality of limited funding for protecting the nation, and that risk and vulnerability assessments, based on available intelligence, are two main criteria in determining the appropriate level of homeland security.

Other Options. In addition to the options proposed in legislation noted above and the 9/11 Commission's recommendation, there are other possible options to change the distribution formulas for first responder grant programs.

³²Ibid.

³³Dan Eggen and Dana Priest, "Pre-9/11 Acts Led to Alerts," *The Washington Post*, Aug. 3, 2004, p. A1.

³⁴John Futtu, "Heartland Logical Target," *The Columbus Dispatch*, Jun. 16, 2004, p. A1.

³⁵Ibid.

³⁶"Democrats Criticize Homeland Security Vulnerability Assessments," GOVEXEC.Com, Aug. 4, 2004. Available at [<http://www.govexec.com/dailyfed/0804/080404tdpm2.htm>], visited Aug. 4, 2004.

Reduce Minimum Percentage. Should Congress determine that the 0.75% state minimum guaranteed by the USA PATRIOT Act³⁷ provides greater funding to the less populous states than it deems equitable, but still want to provide a base amount to each state, it could consider legislation directing ODP to lower the guaranteed minimum.³⁸ This option addresses the issue of the reported unfair distribution of grant funds to less populous states, while maintaining a provision for a homeland security baseline in every state.

H.R. 3266, reported by the House Committee on Transportation and Infrastructure, proposes a reduced state guaranteed minimum (0.55%); this bill, however, also combines the SHSGP and UASI into a single grant program, which could increase the total amount of appropriations to be allocated with a per-state minimum. This increased amount to be allocated with a minimum could possibly maintain the status quo in actual dollar amounts being provided to states. As an example, in FY2004 the SHSGP was appropriated \$1.7 billion, and UASI was appropriated \$725 million. In FY2004, states were guaranteed \$12.75 million (0.75% of \$1.7 billion). If SHSGP and UASI were combined into a single grant program — with a guaranteed minimum of 0.55% (using FY2004 appropriated amounts) — each state would receive \$13.34 million. Therefore, by combining the two programs into a single program with a lower minimum, it would make little difference in the guaranteed minimum amount allocated to each state.

Determination of High-Threat, High-Risk Urban Areas. If Congress were to determine that ODP has not provided sufficient funding through the UASI program, and states have not obligated sufficient SHSGP funding to high-threat, high-risk urban areas, it could consider legislation directing ODP (through statutory or conference language) to provide a specific amount to identified urban areas. Additionally, if Congress determines that some at-risk urban areas were excluded following ODP allocation of UASI funds, it could consider legislation directing ODP to provide a specific amount to the excluded urban areas. If Congress were to choose this option, it could direct ODP, in statutory or conference language, to conduct risk and vulnerability assessments of urban areas. Such an approach may not be feasible, however, due to the statutory time requirement ODP is obligated to follow in allocating UASI funds to at-risk urban areas.³⁹ If the total appropriation was not increased, this could result in less funding being made available for distribution to low-threat, low-risk rural areas.

No State Minimum. Should Congress determine there is no need for guaranteed minimums for states, there are numerous approaches from which to choose in directing ODP to distribute grant funds. These approaches could include having a portion of the funds distributed based on population (which would ensure every state receiving some funding), and the remainder based on threat and risk

³⁷P.L. 107-56, sec. 1014.

³⁸For more information on hypothetical distribution patterns, see CRS Report RL32101, *State Homeland Security Grant Program: Hypothetical Distribution Patterns of a Risk-Based Formula*, by Ben Canada.

³⁹Congress required ODP to allocate funds to high-threat, high-risk urban areas within 60 days after receiving appropriations in the FY2004 DHS appropriations (P.L. 108-90).

factors determined by Congress, ODP, or a combination of both. The 9/11 Commission recommends that Congress direct DHS to distribute homeland security assistance to states and localities based strictly on threat and vulnerability.

These options do not, however, address the arguable need for having a minimum level of homeland security assured to every state through a percentage of total appropriations, as some observers maintain is necessary. H.R. 3266, as reported by the House Select Committee on Homeland Security, proposes a similar option; the committee, however, proposes to have a board make the decision on state allocations.

Streamlining First Responder Grants

Another issue with first responder grant programs that Congress may wish to consider is the reported fragmented and complex grant system administered by DHS. Critics say these problems cause delays in distribution of grant funding to states and localities. The Government Accountability Office (GAO) has reported that the federal grant system for first responders is highly fragmented, which can complicate coordination and integration of homeland security services and planning at the local level.⁴⁰ The United States Conference of Mayors reinforced this concern with their 168-city/50-state tracking survey on homeland security funding.⁴¹

Additionally, another possible reason for delays in funding to states and localities may be due to the reimbursement transfer of funds option ODP uses in funding state and local homeland security assistance programs. In June 2004, the DHS Task Force on State and Local Homeland Security Funding reported that the reimbursement requirement is problematic for many states, particularly for cash-strapped municipalities, and many state and local governments lack the purchasing power to obtain the goods and services in a timely manner.⁴²

Reimbursable funding involves a federal program agency transferring federal funds to states after they have already paid out the funds for federal assistance program purposes.⁴³ It could be argued that some states and localities do not have up-front funding necessary for their planned homeland security spending, and thus are unable to request reimbursement.

In the 108th Congress, three bills have been reported that include proposals to streamline and decrease the reported delays in first responder grant funding to states and localities. These bills include:

⁴⁰U.S. General Accounting Office, *Reforming Federal Grants to Better Meet Outstanding Needs*, GAO report GAO-03-1146T, (Washington: Sept. 3, 2003), p. 1.

⁴¹U.S. Conference of Mayors, *Tracking Federal Homeland Security Funds Sent to the 50 State Governments*, (Washington: Sept. 2003), p. 3.

⁴²U.S. Department of Homeland Security, Homeland Security Advisory Council, Task Force on State and Local Homeland Security Funding, *A Report from the Task Force on State and Local Homeland Security Funding*, (Washington: June 2004), p. 2.

⁴³31 C.F.R. 205.12.

- H.R. 3266;
- S. 930; and
- S. 1245.

The House Select Committee on Homeland Security's reported version of H.R. 3266 proposes, among other items, to consolidate the SHSGP and UASI into a single program, and requires states to obligate 80% of grant funds within 45 days after receiving federal funding allocations.⁴⁴ S. 930 and S. 1245 propose to transfer ODP from the Border and Transportation Security Directorate to SLGC.⁴⁵ Additionally, S. 1245 proposes to establish an Interagency Committee that would coordinate and streamline homeland security grant programs.⁴⁶

Other Options. In addition to the options that have been proposed in legislation, there are other possible options to streamline first responder grants.

Consolidation of All Grant Programs. Congress could consider legislation that directs DHS to consolidate *all* first responder grant programs into a single block grant administered by a single agency, such as SLGCP. This single consolidated grant program could then be allocated to states, with the requirement that certain minimum percentage be allocated with each state for homeland security activities such as urban area security and firefighter assistance. This consolidated grant program, administered by a single DHS agency, could decrease the state application, planning and distribution processes and time. It could also provide the states with a single point of contact on all issues pertaining to first responder assistance programs. Conversely, this option may result in some localities receiving less funding, because it would allow the state greater input in deciding what funding each locality receives.

Provide Training to State Officials. Congress might consider legislation instructing ODP to provide state officials with training on grant administration rules, techniques, and procedures, either through statutory or conference report language. Such training could give state officials a better understanding of program rules and facilitate improved communication between ODP grant officials and state and local officials. This option, however, does not reduce the number of applications states are required to complete when applying for multiple first responder grant programs.

Encourage States to Share Best Practices. States could be encouraged to share with other states their "best practices" in administering ODP grants. Such information could help some states to minimize administrative obstacles and distribute grant funds more quickly. This option does not, however, assist in reducing in what some say are the redundant application procedures.

⁴⁴H.R. 3266, sec. 3, proposed sec. 1801(a), and proposed sec. 1805(e)(1) of the Homeland Security Act.

⁴⁵S. 930, sec. 8, proposed sec. 802(b) of the Homeland Security Act, and S. 1245, sec. 3, amending sec. 803(a)(2)(A) of the Homeland Security Act.

⁴⁶S. 1245, sec. 2, proposed sec. 802(a) of the Homeland Security Act.

Cash Advance for State Homeland Security Spending. If Congress were to determine that delays in grant funding to states and localities is caused by the reimbursement option ODP uses for its homeland security assistance programs, it could direct ODP to use cash advance. Cash advance (pre-issuance or post-issuance) funding means that a federal program agency transfers the actual amount of federal funds to a state that will be paid out by the state, in a lump sum, not more than three business days prior to the day the state issues checks.⁴⁷ This option is advocated by the DHS Task Force on State and Local Homeland Security Funding.⁴⁸ This option may, however, remove a level of oversight ODP exercises when approving state and local homeland security expenditures.

⁴⁷31 C.F.R. 205.12.

⁴⁸*A Report from the Task Force on State and Local Homeland Security Funding*, (Washington: June 2004), p. 14.