

1 **Proposal from the States on Reform of Federal**
2 **Homeland Security & Emergency Management Grants**

3
4 **October 2011**

5
6 **Background**

7
8 In the ten years since September 11, 2001, this nation has made great strides in improving our safety and
9 security. We have more comprehensive interoperable communications systems, regional response assets,
10 a national system of intelligence fusion centers, and an unprecedented level of collaboration and
11 teamwork among state and local responders.

12
13 However, we work within a flawed system, forced to piece together disparate federal grant programs with
14 singular missions. This patchwork of well-intended programs challenges our efforts to reduce the
15 nation’s vulnerabilities, to enhance preparedness, and—for states, tribes, territories, and local
16 governments—to effectively manage programs. Rather, it encourages a transfer of risk to other assets and
17 communities. The current grants system encourages buying “*things*” rather than investing to build core
18 capabilities. This is a by-product of plans created to justify grant allocations rather than to address
19 requirements. Jurisdictions spend the current allocation on current needs without full consideration of
20 long-term and complex undertakings. This impedes multi-year planning and, more importantly, the
21 ability to complete complex projects, achieve ambitious objectives, track core capabilities, and measure
22 performance over time.

23
24 We have attempted to address the highly complex problem of homeland security by reducing it to
25 constituent components. We compartmentalize hazards and separate the remedies to mitigate
26 consequences. This creates a disconnected system that acts on the components rather than the system.
27 We must return to the old wisdom in which the whole is greater than the sum of the parts and
28 strengthening one part at the expense of another weakens the whole.

29
30 We use cost rather than value to make decisions and allocate resources. If an infrastructure or asset faces
31 several hazards—flood, seismic, terrorist—we cannot now combine these into a single remedy to protect
32 it and prevent its loss. If a bridge is vital to the economic viability of a community and the consequences
33 of loss are insurmountable, we must have the means to protect it using all assets, all programs, and all
34 deliberate speed. The objective must be to preserve the community and not the cobbling together of
35 unlike programs. For example, investment in a secure port is a very worthwhile endeavor. The return on
36 investment is lessened, however, if the rail and road systems leading to and from the port remain
37 vulnerable or unimproved.

38
39 This construct places states and other jurisdictions in competition with one another rather than in
40 collaboration. Terrorists often plan and organize in one place for an attack in another, and nature does not
41 honor geopolitical boundaries. There remain disincentives to addressing vulnerabilities outside one’s
42 own jurisdiction, yet interdependencies across the nation demand such attention.

Principles & Values

This nation—its people and their vital interests—deserves and expects a new, effective, and efficient national preparedness system providing safety and security. This system must support and enable the five mission areas of Presidential Policy Directive 8 (PPD-8): prevention, protection, response, recovery, and mitigation.

This system must **build a culture of collaboration enabling a posture of preparedness** for all hazards—from nature, criminals and terrorists, and technology—capable of disrupting the social and economic equilibrium of our nation.

This system must **be agile and adaptive to confront changing hazards**, emerging threats, and increasing risks.

This system must **be unified on goals, objectives, and strategy** among federal, state, tribal, local, and territorial partners and with the private sector, non-governmental organizations, and the public at large.

This system must **build and sustain a skilled cadre across the nation** that is well organized, rigorously trained, vigorously exercised, properly equipped, prepared for all hazards, focused on core capabilities, and resourced for the highest risks. This cadre must be an asset to the nation through mutual aid, assistance between states, and for national teams.

This system must **build, enhance, and sustain capabilities**, self-reliance of the public, and resilience of our industry.

This system must **reflect the fiscal responsibilities and limitations** of the present and the future. This nation deserves security, but it also deserves solvency. A state and local grant system must enable investments in capabilities that are of value to the community, regions, states, and the nation.

This system must **continually encourage innovation** and ceaselessly weed out waste.

This system must **encourage states and communities to self-organize** with their neighbors to protect vital supply lines and assets and infrastructure of mutual value and to enable swift, coordinated response.

This system must **recognize that states, tribes, territories, and local communities know their jurisdictions best**. They must have flexibility to set priorities, design solutions, and adapt to rapidly changing conditions. This must be done within full accountability and against clear performance measurements.

This system must **reinforce the value of leveraging federal investments with matching funds** from states, tribes, territories, and local governments and demonstrate the day-to-day value to jurisdictions.

This system must **encourage and enable wider participation in review of projects and investments**. Participants include fire, police, health, public works, emergency management, homeland security, communications, other professions as needed, and jurisdictions including large and small cities, counties, and regions.

This system must **recognize the complex interdependencies of our national systems**, particularly the movement of goods, services, and people. The vulnerabilities of a jurisdiction often lie outside its borders and outside its ability to address.

Purpose

We call upon Congress and the president to consider this proposal to reform state and local grants for the safety and security of our nation. To this end, we seek to

- Encourage states, tribes, territories, and local governments to prepare and adopt comprehensive plans based upon *their* evaluation of threats, hazards, risks, and vulnerabilities facing them;
- Outline a program of grants to states, tribes, territories, and local governments or combinations of governments improving and strengthening the nation’s homeland security and emergency management capabilities; and
- Encourage research, development, and innovation enhancing the effectiveness and efficiency of emergency management and homeland security and the development of new methods for the prevention, preparedness, and mitigation of natural disasters and acts of terrorism.

Inherent specialties continue within the emergency management and homeland security missions. Each discipline offers different approaches and assets but share the same desired outcome of a safe and secure nation. This nation must manage disasters, mitigate their impact, prevent terrorist attacks, respond swiftly and recover comprehensively, and do all these things within a unified system.

This proposal presents a system enabling greater effectiveness in the mission with greater efficiency of resources. Our nation has changed much in a decade. Our states, tribes, territories, and local governments have created new organizational structures, gained invaluable experience, and increased our capacity to manage multiple threats and hazards. The fundamental and indisputable lesson is that every terrorist or criminal act has consequences and every natural disaster introduces vulnerabilities.

We cannot continue the existing stove-piped grants system, which dilutes our efforts and reduces our effectiveness. This centralized approach minimizes the proper role of the states, tribes, territories, and local governments in the safety and security of our citizens and our vital interests. These issues will continue as long as mandated planning focuses on spending federal grant dollars and not building capabilities.

The high incidence of natural disasters and terrorist threats in the United States challenges the peace, security, and general welfare of the nation and its citizens. To prevent the impact of these events and ensure the greater safety of the people, homeland security and emergency management efforts must work together with shared responsibilities, supporting capabilities, and measurable progress towards a national goal. This unity of effort will enhance the concepts of “Whole of Government” and “Whole of Community” and ensure the full range of preparedness efforts throughout the country.

This proposal outlines a system in which preparedness is a deterrent, in which prevention is achieved through collaboration, and in which mitigation is a national value. But the system works only where the principles guide the plans and where ideas lead to action. This reformed grant system shares control with those on the front line, enables flexibility while strengthening accountability, and ensures fiscal sustainability. State and local governments cannot do this alone.

The current grant structure of multiple federal grant programs separately managed reduces the nation’s ability to swiftly change course to confront a new opponent with unconventional tactics or unexpected acts of nature outside the predicted. The purposes of these grants, however, remain critical to enhancing national preparedness and should remain available to states through a unified grant system.

The Proposal

We propose a new construct for grants to states, tribes, territories, and local governments that includes

- The consolidation and realignment of several existing grant programs
- Broader and more rigorous scrutiny through peer review by the Preparedness Review Committee
- A better planning method that focuses on requirements through the Comprehensive Preparedness Strategy (CPS)
- Creation of the National Preparedness Performance Grant (NPPG) expanding upon the continuing successes of the Emergency Management Performance Grant (EMPG) program
- Creation of the National Preparedness Investment, Resilience, and Mitigation (NPIRM) grant, consolidating programs and objectives found in the current suite of homeland security grant programs

Grant Consolidation and Realignment

To properly align these new grant programs, we recommend the combination or realignment of the following existing programs into the new system:

- Homeland Security Grant Program
 - Metropolitan Medical Response System
 - Citizen Corps Program
- Tribal Homeland Security Grant Program
- Urban Area Security Initiative (except Tier 1 jurisdictions)
 - UASI Nonprofit Security Grant Program
- Emergency Operations Center Grant Program
- Regional Catastrophic Preparedness Grant Program
- Buffer Zone Protection Plan
- Interoperable Emergency Communications Grant Program
- Emergency Management Performance Grant
- Transit Security Grant Program
 - Freight Rail Security Grant Program
 - Intercity Passenger Rail
 - Intercity Bus Security Grant Program
- Port Security Grant Program
- Hazard Mitigation Assistance Grants (non-disaster)
 - Predisaster Mitigation Grant Program
 - Flood Mitigation Assistance
 - Repetitive Flood Claims
 - Severe Repetitive Loss
- National Earthquake Hazard Reduction Program

Although these grant programs may be realigned and consolidated, we recommend that all their functions and prior availability remain intact. Also, we recommend that ***all current grant recipients remain eligible to receive funds*** and are encouraged to work with neighboring applicants to pool resources and enhance project viability with more flexibility within available funding.

1 Preparedness Review Committee and the Comprehensive Preparedness Strategy

2
3 We propose a system for review of applications for projects and investments under the NPIRM grant by a
4 Preparedness Review Committee (PRC) in accordance with an approved Comprehensive Preparedness
5 Strategy (CPS). We believe wider and more rigorous participation in the review of plans, projects, and
6 purchases is an essential element of accountability. Thorough accountability is critical as a proper
7 safeguard to balancing increased flexibility. In cases in which a state currently has a multi-disciplinary
8 review process similar to the PRC, that system will continue. Furthermore, any effort to create a PRC
9 will comply with state laws and protocols.

10
11 Upon allocation of the grants from the Department of Homeland Security (DHS) to the states, applicants
12 will submit applications for projects and investments based upon a completed and approved CPS.
13 Eligible applicants include states, tribes, territories, and local governments or combinations of those
14 governments, along with other currently eligible grant applicants, such as port or transit authorities.
15

16 Applications must further the creation, enhancement, or sustainment of core capabilities outlined within
17 the National Preparedness System and included in the CPS. The CPS is a six-year strategy to assess
18 current capabilities, determine future requirements, and evaluate recent progress and initiatives. The state
19 CPS will consider issues and priorities addressed by local governments as well as national priorities. The
20 state CPS will follow a comprehensive Threat Hazard Identification Risk Assessment (THIRA) conducted
21 in concert between DHS and state officials. Likewise, the local CPS will address state priorities.
22

23 Applications developed under the CPS will be reviewed by a diverse, multi-disciplinary, and multi-
24 jurisdictional Preparedness Review Committee (PRC) created at the state level. Membership will include
25 representation from fire, law enforcement, health, emergency management, homeland security, public
26 works, communications, other associated professions as appropriate, and jurisdictions including large and
27 small cities, counties, and regions. The State Administrative Agency (SAA) chairs the PRC. The state
28 homeland security advisor or emergency management director will serve as PRC co-chair where the SAA
29 is not the same designee.
30

31 The PRC will be responsible for

- 32
- 33 • Review of local CPS's for compliance with the state CPS and recommendations to the SAA
- 34 • Review of the state CPS for the SAA prior to submission to DHS
- 35 • Review of all investment grant applications and recommendations to the SAA
- 36 • Conducting other tasks as requested by the SAA
- 37
- 38

39 National Preparedness Performance Grant

- 40
- 41 ✓ *Single allocation from DHS based in large part on population*
- 42 ✓ *50 percent match by grantees*
- 43 ✓ *Builds and supports readiness for all hazards through planning, training, and exercise programs*
- 44

45 The National Preparedness Performance Grant (NPPG) will

- 46
- 47 • Build, enhance, and sustain a skilled cadre of state, tribal, territorial, and local professionals
48 supported by better evaluation of current efforts and focused on innovation and agility. This
49 cadre includes emergency managers, analysts, systems integration specialists, planners, project
50 analysts, support staff, management and administration;

- Build and support statewide emergency management and homeland security all-hazards planning;
- Provide comprehensive and appropriate levels of training and conduct exercises for state and local personnel across the full spectrum of emergency management and homeland security responsibilities;
- Support the national priorities outlined in PPD-8 and the National Preparedness Goal; and
- Conduct public education and outreach furthering citizen preparedness, including education programs in schools and programs to improve public understanding and cooperation with emergency management and homeland security agencies.

The NPPG program will be structured similarly to the current EMPG program. It will focus on building and sustaining capabilities needed by all jurisdictions for all hazards preparedness. The current EMPG program has a long history of success in preparing communities as evidenced in recent natural disasters across the country. With a realignment of funds from purchasing “things” to developing a skilled cadre, the NPPG enables continuity of all current EMPG activities with added support for the full range of hazards.

Allocations will be determined on a base-plus-population formula, with awards made to the SAA’s. All federal funds will be matched at 50 percent. The SAA will follow the priorities of the governor and consider the requirements of the state in determining the exact allocation to local governments. The pass-through to local jurisdictions reinforces the importance of their participation and development of local capabilities. The SAA will consider any activities conducted by the state on behalf of local jurisdictions.

Current homeland security strategies are primarily driven by the available assets in the State Homeland Security Grant Program. The NPPG will focus on building and sustaining core capabilities of the National Preparedness System and achieving the priorities of the CPS. This system can swiftly adapt to changing threats, hazards, and risks. The CPS will focus on total requirements and continuously calculate any gap between available funding and actual requirements. Over time, this measurable gap between requirements and funding and how states adapt to this gap will provide a valuable measure of preparedness efforts and a supportable basis for resource requests and allocation.

The governor of each state is responsible for setting the priorities within that state for homeland security and emergency management.

National Preparedness Investment, Resilience, and Mitigation Grant

- ✓ *Single allocation from DHS; 50 percent based on population; 25 percent based on hazards; and 25 percent based on risk. Hazards and Risks derived from THIRA collaboratively conducted by states and DHS*
- ✓ *Five percent reserved by DHS for funding innovative projects furthering national priorities*
- ✓ *20 percent match by grantees on all projects and investments*
- ✓ *Grant management and administrative costs*
- ✓ *Project applications demonstrate progress to achievements under CPS*
- ✓ *Based on requirements within available funding*

The National Preparedness Investment, Resilience, and Mitigation (NPIRM) grant supports projects to improve and strengthen emergency management and homeland security functions as outlined in the CPS. The NPIRM grant is based on achieving strategic objectives and building capabilities through projects and investments. There is no longer a need for myriad individual grant programs with disparate guidance, funding sources, and constituencies.

1
2 The existing DHS and FEMA organizations remain vital to development of individual projects and
3 strategic integration among all projects. FEMA and other DHS directorates, such as Science and
4 Technology and Intelligence and Analysis, will work with states to identify best practices and with
5 applicants as projects are developed through the NPIRM. Program offices currently devoted to
6 administration of specialized grant programs will become Program Support Offices (PSO) providing
7 technical assistance to applicants in the development of the CPS as well as project development and
8 review.

9
10 The PRC will review all applications for NPIRM grant funding to ensure compliance with state and local
11 CPS. The PRC will also conduct analysis of projects and investments and recommend approval to the
12 SAA as appropriate. States with urban areas currently classified as “Tier 1” by DHS will continue to
13 receive funding specifically to those areas, upon completion of an approved CPS.

14
15 Eligible expenditures for NPIRM grants will include

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- 17 • Acquisition of new equipment supplemented by a national system enabling the transfer of assets
- 18 purchased through earlier grants but not currently or likely to become in full productive use
- 19 • Construction of emergency operations centers or similar functions that fulfill emergency
- 20 management and homeland security priorities
- 21 • Pre-disaster mitigation projects to reduce consequences or impact of future disasters or enhance
- 22 resilience of public infrastructure
- 23 • Public education and outreach furthering citizen preparedness, including education programs in
- 24 schools and programs to improve public understanding and cooperation with emergency
- 25 management and homeland security agencies
- 26 • The organization, education, and training of special response units to reduce the impact of a
- 27 natural disaster or respond to a terrorist attack, including bomb units, USAR teams, and CBRNE
- 28 response teams
- 29 • Projects to improve the safety and security of critical infrastructure, key resources, and assets
- 30 impacting multiple jurisdictions or interdependent supply chains, such as intermodal
- 31 transportation, power grids, and logistics centers
- 32 • Medical surge, mass care, and prophylaxis distribution capabilities
- 33 • Projects supporting protection and resilience of private critical infrastructure and key resources
- 34 • Information sharing and intelligence products assisting in situational and domain awareness and
- 35 contributing to courses of action to convert information into action
- 36 • Grant management and administrative costs
- 37

38 NPIRM grants have a three-year performance period with a match requirement of 20 percent. Some of
39 the grants included in this consolidation currently maintain higher match levels than our proposed 20
40 percent, whereas others require no match at all. We propose a single match requirement across all the
41 available activities. Further, some grants are currently allowed extensions of up to two years. To ensure
42 that grant funds are obligated and expended with deliberate speed, we propose that the performance
43 period not be extended.

44
45 As with the NPPG, the governor of each state is responsible for setting the priorities within that state for
46 homeland security and emergency management investments. Therefore, in states where emergency
47 management and homeland responsibilities remain separate, the governor will decide on the necessity of
48 allocating NPIRM grant funds between these two functions and the amount deemed appropriate.

1 Not more than five percent of the total NPIRM grant award will be distributed by DHS to unique and
2 innovative programs across the nation to encourage best practices. Applications originate with eligible
3 applicants, are reviewed by the PRC and SAA, and are submitted to DHS. These innovative projects will
4 be a key element of the national search for best practices with national significance. Grantees under the
5 innovation program will report on progress and analyze results with the SAA, DHS, and FEMA on
6 applicability to future objectives.
7

8 **Funding**

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10 In fiscal year 2010, the combined grant programs addressed in this proposal totaled nearly \$3.5 billion.
11 Fiscal year 2011 saw a reduction in funding to \$2.5 billion. This proposal will enable unprecedented
12 economies of scale through incentives for innovation, strategic problem solving, new partnerships, and an
13 emphasis on interdependencies and outcome-based projects. Therefore, we recommend funding the
14 NPPG at \$500 million and the NPIRM grant at \$1.8 billion.
15

16 The consolidation of these programs into two grants enables greater flexibility and achieves greater
17 effectiveness at a more sustainable level. The funding recommendations for NPPG and the NPIRM grant
18 will realize a *savings of \$2 billion over 10 years* to the federal government. This proposal will
19 complement the federal investment over the same period, with \$9.5 billion in additional spending for
20 preparedness through matching funds from states, tribes, territories, and local governments. For
21 continued effectiveness of the skilled cadre and effective investment for resilience and mitigation, the
22 nation's homeland security and emergency management partners need continuity and predictability.
23 Therefore, we recommend a commitment to sustain the \$500 million and \$1.8 billion funding levels for at
24 least five years.
25
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Solutions Created

- All current eligible applicants may continue to apply for federal assistance, and the functions of all current grant programs continue under the new consolidated grants for states, tribes, territories, and local governments or combinations of applicants.
- Each grant applicant must develop a CPS uniting forward planning for capabilities and investments with a reflective analysis of recent initiatives and activities.
- Strategies, plans, projects, and initiatives are based on real requirements and needs. Funding is now a measure of how much progress can be made against these requirements.
- Investments in equipment become more effective through an improved redistribution of surplus and excess equipment now warehoused around the nation. This will help renew, increase, and sustain the return on past investments under the current system.
- Congress can concentrate on national objectives and priorities rather than the patchwork of 20 disparate programs with varying constituencies and priorities. State, tribal, territorial, and local governments, or combinations of applicants, now maintain the responsibility for leveraging federal assistance within a system of comprehensive accountability.
- We anticipate \$2 billion in savings over the next 10 years. By slightly reducing the overall funding level and instituting a match requirement under all grant programs, the nation benefits from reduced costs with improved effectiveness.
- The nation can rapidly adapt to changing threats, evolving hazards, and increasing risks. This agility serves equally well against terrorists and nature and is equally effective in cities, counties, tribes, states, territories, and regions.
- All partners work within a rational, flexible system addressing national priorities based on achieving core capabilities with realistic performance measures.
- The CPS and PRC constructs enable improved insight into the effectiveness of investments and initiatives by all partners.
- Our nation is based on interdependencies, supply chains, and management risk. This system enables the nation to adopt the best of the private sector in setting long-term strategy, creating incentives for innovations, and swiftly adapting to changing conditions.
- The identification and analysis of threats and hazards and the assessment of risk will be based on the invaluable knowledge of states, tribes, territories, and local governments. This collaboration will add in setting priorities, allocating resources, evaluating performance, and measuring progress.
- There is a logical and rational system to assess risk, set priorities, and create innovative and effective solutions within a system of comprehensive preparedness strategy and stakeholder review and analysis.
- Governors set the priorities for their states and retain control and responsibility of the processes to achieve those priorities.

Conclusion

Our nation faces enduring hazards, pervasive threats, and ever-changing risks. Our current system lacks the vital agility to adapt swiftly or convert ideas consistently into action. We need the national will to unite in a common vision of national preparedness, resilience, and self-reliance. This proposal enables states, tribes, territories, and local governments to leverage their own resources with the federal investment to build this vision and be accountable for achieving it. We need all levels of government, supported by all professions and disciplines, to unite in this proposed innovative system.