

# ARE WE PREPARED? MEASURING THE IMPACT OF PREPAREDNESS GRANTS SINCE 9/11

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## HEARING

BEFORE THE

SUBCOMMITTEE ON EMERGENCY  
MANAGEMENT, INTERGOVERNMENTAL RELATIONS,  
AND THE DISTRICT OF COLUMBIA

OF THE

COMMITTEE ON  
HOMELAND SECURITY AND  
GOVERNMENTAL AFFAIRS  
UNITED STATES SENATE

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GRANTS SINCE 9/11**

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**TUESDAY, JUNE 25, 2013**

U.S. SENATE,  
SUBCOMMITTEE ON EMERGENCY MANAGEMENT,  
INTERGOVERNMENTAL RELATIONS,  
AND THE DISTRICT OF COLUMBIA,  
OF THE COMMITTEE ON HOMELAND SECURITY  
AND GOVERNMENTAL AFFAIRS,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 10:06 a.m., in room 342, Dirksen Senate Office Building, Hon. Mark Begich, Chairman of the Subcommittee, presiding.

Present: Senators Begich, Paul and Chiesa.

**OPENING STATEMENT OF SENATOR BEGICH**

Senator BEGICH. Thank you very much for being here this morning. This meeting will come to order.

Good morning and welcome to the Subcommittee on Emergency Management, Intergovernmental Relations, and the District of Columbia (EMDC).

I want to begin by thanking all our witnesses here today for their willingness to participate as we examine the impacts of the Federal Emergency Management Agency (FEMA's) grants on enhancing preparedness capabilities at the State and local level and the role of metrics to measure our progress as a Nation.

Since September 11, 2001, almost \$40 billion has been spent on equipment, training, and exercising for our emergency management and homeland security professionals and our first responders in an effort to enhance preparedness, response and recover from natural and manmade events. These grants support investments being made by cities and communities across the country, and the funding is leveraged in a variety of ways to encourage a whole-of-community response.

While our response to disasters has evolved over the years, as lessons are learned and processes are streamlined, FEMA continues to struggle to quantify improvements and achievements that would inform future investments to address critical gaps in our capabilities.

Congress has attempted to encourage the measurement of preparedness numerous times in the past. The Post-Katrina Emergency Management Reform Act of 2006 directed FEMA to create

the National Preparedness System and a National Preparedness Goal, which could be used to define the target level of preparedness and require the development of a National Preparedness Report (NPR).

FEMA has made progress toward addressing these requirements, releasing the second National Preparedness Report earlier this month.

Unfortunately, after significant delays, the report falls short of truly measuring progress toward achieved stated goals. As we will hear from the Government Accountability Office (GAO), FEMA has encountered challenges comparing current levels of preparedness to clear, objective, scalable and measurable baseline and standards.

FEMA has tried to measure preparedness in a variety of ways, and reporting requirements have changed many times over the years. There have been many changes recently in the reporting and data requirements that the States and localities must provide.

While FEMA's approach will naturally evolve as new priorities emerge and methodology develops, stakeholders need some sense of consistency in order to really make progress in measuring capabilities.

In order to best leverage grant investments, States and locals must be able to prioritize funding they receive for their most pressing threats and hazards.

Local officials are best positioned to understand the critical infrastructure that exists within their jurisdictions and are fully invested in identifying the best ways to prepare for emergency, emerging threats and consequences of disasters of all types.

Our intention is not to increase the number of reports local, State and Federal officials submit or make preparedness assessments burdensome. We simply want to assure the reports that are required truly measure progress in achieving goals while leveraging metrics and standards that remain flexible and not overly prescriptive. A single one-size-fits-all reporting methodology may not be responsive to the unique threats, hazards and organizational structures and priorities evident across the Nation.

In my home State of Alaska, we understand the importance of scaling generalized requirements and priorities. Our unique position as an Arctic State shapes how we address threats and hazards. Standards and metrics that are applicable in New York City may not translate to Anchorage, Fairbanks or a small village in our State. Flexibility is needed to allow States to be responsive to their biggest hazards and react effectively when new threats emerge.

Alaska's remote location means we must assess not only the hazards we face internally, but we must also consider consequences of events happening in other time zones.

Cascading effects from a disaster of the Port of Seattle or the Port of Los Angeles would cutoff shipping lanes that facilitate the movement of food to all of Alaska.

Even though the highways that transport vital resources from the Midwest to the West Coast are thousands of miles away, a terror attack on a critical bridge could impact the supply chain and delay shipments of goods bound for Anchorage, Fairbanks and the rest of the State.

Along the Yukon River in Alaska, spring breakup has resulted in devastating flooding in a number of communities, including Galena.

These events test a resolve in affected citizens and can highlight investments made over years, utilizing Federal Homeland Security Grant dollars and State general funds.

Since 2003, Galena has received over \$190,000 to conduct exercises for local residents, purchase critical equipment and build interoperable communication capabilities. In addition, the State coordinated with the Tanana Chief Conference to facilitate a tabletop exercise in March of this year, to further develop their working relationship on disaster response and recovery.

They say you should not be meeting critical partners for the first time on the site of a disaster, and these exercises contribute to the swift response and smooth recovery. I believe these investments are worth making, and the Federal funds can support actions already taking place at the State and local level.

In pursuit of the national preparedness, we are greater than the sum of the parts. State and local stakeholders have worked diligently to remain accountable to taxpayers, in an effort to use decreasing grants funds efficiently and effectively in accomplishing major goals.

As the maxim goes, what gets measured gets done. We must assure that we work collaboratively to actively support investments that show clear progress. This is a national goal, and it must remain a national priority.

I truly look forward to the testimony today.

And, before that, I would like to introduce our new member, Senator Chiesa.

Did I say that right?

Senator CHIESA. Chiesa, yes. Thank you, Mr. Chairman.

Senator BEGICH. Well, you are welcome. And, if you have a few comments before we start, I would be happy to have you say an opening comment.

#### **OPENING STATEMENT OF SENATOR CHIESA**

Senator CHIESA. Thank you very much.

Living in a State that has been so devastated over the past year, I appreciate everything FEMA is doing to bring our State back where it needs to be, and I look forward to our conversation on these really important issues today.

So, thank you for being here. Thank you, Mr. Chairman.

Senator BEGICH. Thank you very much and welcome to the Committee in total.

We have the first panel here, and what I will do is introduce all three, and we will just start from this side.

Timothy Manning, Deputy Administrator, Protection and National Preparedness, Federal Emergency Management Agency—we welcome you here.

Anne Richards, Assistant Inspector General for Audits, Office of Inspector General (OIG), again, U.S. Department of Homeland (DHS).

And, David Maurer, Director of Homeland Security Department of Justice.

Again, thank all three of you for being here.

And we have a second panel which we will introduce after you all are done.

When the Ranking Member arrives, if he is able to be here, we will have him do some opening comments. So I may have him interject in between your testimony.

Let me first start with the Hon. Timothy Manning.

**TESTIMONY OF THE HON. TIMOTHY MANNING,<sup>1</sup> DEPUTY ADMINISTRATOR, PROTECTION AND NATIONAL PREPAREDNESS, FEDERAL EMERGENCY MANAGEMENT AGENCY, U.S. DEPARTMENT OF HOMELAND SECURITY**

Mr. MANNING. Good morning. Thank you, Chairman Begich, Members of the Committee.

Good morning. I am Tim Manning, Deputy Administrator of FEMA for Protection and National Preparedness. On behalf of Secretary Napolitano and Administrator Craig Fugate, thank you for the opportunity to be here this morning.

As you know, FEMA's preparedness grant programs have contributed significantly to the overall security and preparedness of the Nation. We are more secure and better prepared to prevent, protect against, mitigate, respond to and recover from the full range of hazards and threats the Nation faces than we have been at any other time in our history.

Much of this progress has come from the leadership at the State and local levels, fueled by FEMA's grant programs. Over the past 10 years, Congress, through the Department of Homeland Security, has provided State, territorial, local and tribal governments with more than \$36 billion. We have built and enhanced capabilities by acquiring needed equipment, funding training opportunities, developing preparedness and response plans, exercising and building relationships across city, county and State lines.

And, although Federal funds represent just a fraction of what has been spent on homeland security across the Nation overall, these funds have changed the face of preparedness in the United States. Response and recovery efforts from last year's Hurricane Sandy, the recent tragedy in Boston and the deadly tornadoes in Oklahoma bear witness to this.

In March 2011, President Obama signed Presidential Directive 8 on National Preparedness, directing the implementation and the establishment of a National Preparedness Goal and a National Preparedness System to build, sustain and deliver the core capabilities needed to achieve that goal. This system allows grantees to use components to identify the threats and hazards with which we are faced; build, sustain and plan for the use of capabilities needed to face them; and constantly review our effectiveness.

FEMA is tracking grantees' progress in implementing the components of the National Preparedness System and working toward closing the gaps. In 2012, FEMA released its Comprehensive Preparedness Guide 201: Threat and Hazard Identification and Risk Assessment (THIRA). The results highlight the gaps in capabilities

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<sup>1</sup> The prepared statement of Mr. Manning appears in the Appendix on page 39.



which gives FEMA a basis to measure grantees' progress in closing those gaps against specific core capabilities over time.

On December 31, 2012, States and territories submitted their first THIRAs and the State preparedness reports to FEMA. The summary of those results are published in the annual National Preparedness Report.

The first NPR, released last year, included specific accomplishments in the context of the core capabilities identified in the goal. While this inaugural 2012 NPR highlighted preparedness accomplishments in the decade following September 11, 2001, the 2013 National Preparedness Report recently transmitted to Congress focuses primarily on accomplishments either achieved or reported during 2012.

The strengths and areas for improvement in the NPR are used to inform planning efforts, focus priorities of Federal grants and enable informed collaboration amongst stakeholders, working together to improve the Nation's preparedness.

Our investments have paid off before and after recent disasters and terrorist attacks. New York City's and New Jersey's success in responding to Hurricane Sandy stems in part from grant-fueled investments in personnel and supplies as well as community outreach and warning systems.

New York City used the Urban Area Security Initiative (UASI) funds to develop and train the Fire Department New York's (FDNY's) Incident Management Team, which successfully managed operations in Queens, Brooklyn and Staten Island. It supported the City's Office of Management in evacuation and sheltering plans to move more than 3 million residents and sheltered up to 605,000 people.

New Jersey used Public Safety Interoperable Communications Grants to fund the construction of a statewide 700 MHZ trunked radio system, which is one of the biggest public safety communications success stories in Hurricane Sandy.

Federal grant programs also helped bolster State and local preparedness and response for the April 15 Boston Marathon bombing. The Massachusetts State Police used a Forward Looking Infrared (FLIR)—imaging unit purchased with DHS grants to search, locate and apprehend the surviving bomb suspect. Boston used funds to train the Special Weapons and Tactics (SWAT) teams to better integrate with bomb technicians into tactical operations—a crucial capability that was demonstrated to all in the aftermath of that bombing.

And the Nation's ability to conduct collapse search and rescue, as we have seen demonstrated too many times in recent tornadoes, is significantly more advanced than it was 10 years ago. Ninety-seven percent of the U.S. population now lives within a 4-hour drive of a structural collapse team, up from 60 percent a decade ago.

In conclusion, we have demonstrated the efficacy of our grant programs through thoughtful analysis. The National Preparedness Goal provides us with a clearly defined target to work toward. And we have greatly improved our ability to assess the needs and track spending toward meeting those goals.

Mr. Chairman, Members of the Committee, thank you for the opportunity to discuss these important issues today. I am happy to be here and very happy to respond to any questions you may have. Senator BEGICH. Thank you very much. Anne Richards.

**TESTIMONY OF ANNE L. RICHARDS,<sup>1</sup> ASSISTANT INSPECTOR GENERAL, OFFICE OF AUDITS, OFFICE OF INSPECTOR GENERAL, U.S. DEPARTMENT OF HOMELAND SECURITY**

Ms. RICHARDS. Good morning, Chairman Begich, Members of the Committee. My testimony today will summarize the results of our audits of the Homeland Security Grant Program. I will present my testimony in two sections by first discussing the deficiencies or challenges we have identified and then highlighting some of the best practices being used by various States and urban areas.

Homeland Security grants are awarded to States, territories and local and tribal governments to enhance their ability to prepare for, prevent, protect, respond to and recover from terrorist attacks, major disasters and other emergencies. The Homeland Security Grant Program includes the State Homeland Security Program and the Urban Area Security Initiative that fund a range of preparedness activities.

Since 2007, we have audited States and urban areas to determine whether they have implemented their Homeland Security grants efficiently and effectively, achieved program goals and spent funds according to grant requirements. As of May 2013, we have completed audits of 36 States and 1 territory, some of which included urban areas. We have 17 ongoing audits.

Through our audits, we determine that States generally complied with applicable laws and regulation in distributing and spending their grants. However, they face challenges in homeland security strategies, obligation of grant funds, reimbursement to subgrantees for expenditures, monitoring of subgrantees' performance and financial management, procurement and property management.

Of the 22 States we audited in fiscal year 2012 and fiscal year 2013 to date, 17 had recommendations related to strategic planning and measurement. Although State homeland security strategies are to include specific, measurable, achievable, results-oriented and time-limited goals and objectives, many strategies, goals and objectives were too general to effectively measure the States' performance and progress toward improving capabilities. In addition, some States had outdated strategies that did not reflect the most current priorities, risks, needs and capabilities.

States did not always obligate Homeland Security grants to subgrantees in a timely manner, which could have led to increased administrative costs and may have hindered the subgrantees' ability to complete projects and deliver needed equipment and training. For example, 6 of the States we have audited this fiscal year actually obligated the funds between 138 days and 842 days after the funds were available.

In our fiscal year 2013 audits, we have determined that 7 States had limited oversight of subgrantees, did not ensure that subgrantees consistently tracked their accomplishments or did not en-

<sup>1</sup> The prepared statement of Ms. Richards appears in the Appendix on page 48.

sure their compliance with Federal laws and regulations. Without adequate monitoring, States may have limited their ability to meet their goals, assess capabilities and gaps, take corrective actions and use funds to enhance capabilities.

Some subgrantees did not fully comply with Federal and State procurement regulations by not obtaining an adequate number of bids, not properly justifying sole-source procurements or not conducting required cost analysis for noncompetitive procurements. As a result, subgrantees may not have made fully informed decisions on contracted awards or selected the best vendors.

We also identified weaknesses in property management, including the subgrantees that did not regularly inventory grant-funded equipment, maintain adequate property records and inventory documentation, or properly mark grant-funded equipment. Without good property management, States and subgrantees may not be able to safeguard against equipment loss, damage and theft.

Through our audits, we also identified several States and urban areas using innovative and promising practices. For example, the State of Texas created a registry for people with disabilities, medical conditions or other problems who may need assistance in case of a mandatory evacuation.

The San Diego urban area created a technology clearinghouse to evaluate new technologies and independently assess equipment and systems being considered by first responders.

Kentucky hosts grant workshops at various locations throughout the State to assist agencies interested in receiving grant funding.

In closing, I would like to note FEMA's efforts to improve Homeland Security grants management and its plans to continue these efforts by updating program guidance and better monitoring grantees. FEMA has generally agreed to our recommended actions and is taking steps to implement those recommendations.

For our part, by August 2014, we plan to complete audits of all States and territories receiving grants. Our overall objective in these audits remains essentially unchanged—to continue recommending actions that will make grant management more efficient and effective while strengthening the Nation's ability to prepare for and respond to natural and manmade disasters.

Mr. Chairman, this concludes my prepared remarks. I welcome any questions that you or the Members of the Subcommittee may have.

Senator BEGICH. Thank you very much. David Maurer.

**TESTIMONY OF DAVID C. MAURER,<sup>1</sup> DIRECTOR, HOMELAND SECURITY AND JUSTICE TEAM, U.S. GOVERNMENT ACCOUNTABILITY OFFICE**

Mr. MAURER. Good morning, Chairman Begich, Ranking Member Paul and other Members and staff. I am pleased to be here today to discuss FEMA's ongoing efforts to assess our national preparedness for natural and manmade disasters.

Over the past decade, Congress has appropriated \$41 billion for a variety of grant programs designed to help the Nation be better prepared for terrorist attacks and disasters. During this time, GAO

<sup>1</sup> The prepared statement of Mr. Maurer appears in the Appendix on page 56.

has been there, providing objective, nonpartisan oversight, and what we have found has often not been encouraging.

DHS and, more specifically, FEMA have struggled to effectively manage and measure grant programs. It is difficult to say what we have really gotten for our investment because FEMA has been unable to measure how grant funding has enhanced our national ability to be prepared.

Specifically, our work has found that FEMA lacks measures to assess how well its individual grant programs are working and whether, collectively, these programs have helped enhance national preparedness. For example, we found that while FEMA has performance measures for its largest grant programs, they typically provide information on whether tasks or activities have been completed. They do not generally provide an assessment of the effectiveness of individual activities or the overall grant program.

To put it another way, FEMA has developed output measures for its individual programs but still generally lacks the ability to assess their outcomes. And when you cannot do that for individual programs, how do you assess the impact of all of FEMA's grant programs?

That leads to an important national-level question: How much better prepared do all these programs make us?

To answer that, it comes down to knowing how prepared we are and how prepared we should be.

Over the past several years, we have found that FEMA has been unable to assess these vital questions. FEMA, therefore, lacks a clear view of where we have preparedness gaps. That makes it very difficult to direct grant money to address those gaps.

Now I need to be clear. It is quite difficult to measure preparedness. FEMA has been working on this for years, and it is very important to give them credit for what they have been able to accomplish over the course of the last 2 years.

FEMA now has the basic elements in place for assessing national preparedness capabilities. It has articulated a national goal, developed a plan for achieving that goal, issued two national reports on progress and enhanced the consideration of risk and funding decisions.

For example, FEMA recently issued its second National Preparedness Report. The report summarizes, at a nationwide level, self-reported State and local progress in identifying and closing preparedness gaps. These steps are vital, and they make progress toward addressing GAO recommendations.

However, FEMA continues to face important challenges. Most significantly, FEMA still lacks clear, objective and quantifiable measures of how prepared the Nation is and how prepared we should be. That means FEMA is not yet in a position to target grant funding toward the most critical gaps.

FEMA's approach relies on States' individual, self-reported judgments on their capability requirements and levels of preparedness. In other words, funding decisions continue to be informed by what each State says it needs rather than applying a common, objective assessment across all of the States. Without such standards, it becomes very difficult to identify differences and compare capability levels between States.

In conclusion, billions of taxpayer dollars are being invested in making the Nation better prepared for terrorist attack and natural disaster. Measuring how much better prepared this makes us is a very difficult task, but FEMA needs to do it. The law requires it. The President requires it. And stacks of GAO reports have recommended it.

FEMA efforts on this front over the past couple of years are encouraging, but the bottom line remains—after years of effort, FEMA cannot clearly and objectively articulate what \$41 billion in grant funding has accomplished, what still needs to be done and the magnitude of the remaining gaps. This is vital for ensuring that in the future increasingly scarce grant funding is focused on areas of greatest need.

Chairman Begich, thank you for the opportunity to testify this morning. I look forward to your questions.

Senator BEGICH. Thank you very much.

We will start with a 5-minute round, and let me first ask.

David, I want to followup just on your last comments here.

I know FEMA has recommended some consolidation of some of their programs. Let me first ask you; from your perspective, do you think that will have a positive impact in trying to streamline their process and also to analyze their outcome better?

Or, give me a thought on their recommendation.

Mr. MAURER. Sure. Absolutely. From GAO's perspective, we have not seen enough detail yet in FEMA's proposal for consolidating the different grant programs to make an independent assessment of whether it will help or whether it will not help.

At the highest level, you could envision how it could make things easier for grant recipients to only have to provide information and respond to queries on one program. However, there is the potential for other downside risks as well.

So the devil is in the details, and the details are not yet available.

Senator BEGICH. Sure. As a former mayor, we operated an emergency management system and worked with FEMA and worked with a lot of different groups.

How do you envision, or how does GAO envision, to measure the success of preparedness?

In other words, we know investments. I will use Galena. We had an exercise with our State in March, and I am glad that happened. I mean, we had a lot of significant property damage but not life lost, so it helped me understand.

How do you see that?

Or, what is the tool to measure?

I mean, I agree with you. There has to be a better understanding of how we measure these grants and success.

Mr. MAURER. Absolutely. I think at the broadest level the conceptual framework that FEMA has laid out would enable us to get there eventually. I think the challenge that they are facing right now is fully implementing it.

And probably the biggest challenge is the one that you have mentioned—that at the State and at the local level there are very specific requirements; there are very specific threats. Trying to roll all of that up from local to State to the national level and use that as

a way to drive grant funding decisions is a difficult thing to do. But, in order to get there, you have to have clear, objective, quantifiable measures.

And, like I said, I think the framework that FEMA has is a reasonable approach toward doing that. It is just not fully implemented yet from our perspective.

Senator BEGICH. Thank you very much.

Mr. Manning, let me ask a couple questions.

I know FEMA has had, over the last several years, different measurement levels of how you would measure success, and I know that has changed quite a bit.

Help me create some assurance here that you are in the process now or have some ability to ensure; here is where you want to measure; here is how you want to measure; and 2 years from now, or a year from now, it will not change again—because I will tell you again as a person who managed an operation and that had to always fill out the papers, when the measurement changed every year or every 2 years, it was just more paper we churned in order to satisfy the needs of FEMA.

What assurances can we have?

And then also I would like for you to comment on the consolidation of FEMA programs—what does that mean, and when would that happen in your eyes, and what will it take to make it happen?

Mr. MANNING. Thank you, Mr. Chairman.

I guess I could start with saying that Administrator Fugate and I—and Secretary Napolitano—we were all, before we joined the Department of Homeland Security, State officials responsible for implementing these programs as well and were subject to the very frequent changing of requirements. So we are very cognizant of the detriments to the effectiveness of building a homeland security program in a State or local government by those constantly changing requirements.

The President's Directive No. 8 (PPD8)—on national preparedness consolidated a number of different and divergent directives from over the past decade and brought them all in line with the Post-Katrina Emergency Management Reform Act and directed the executive branch to build this system to be implemented.

One of the reasons, I believe, that we had a frequent swing in the requirements over the past was new directives and new requirements coming up and the recognition on the part of the department that a particular scheme was not maybe as effective as it needed to be. And, in order to address concerns raised by both the IG and the GAO and Congress and our stakeholders across the country, the department would come up with new ideas.

You heard many times mentioned—and you yourself mentioned in your opening comments—about the concerns with a one-size-fits-all approach—

Senator BEGICH. Right.

Mr. MANNING [continuing]. And the ability to assess the effectiveness of the programs from places as divergent as New York City to Alaska to Oklahoma City.

So what we have tried to achieve in this National Preparedness System, the THIRA and the goal that I mentioned is the idea that working jointly between cities and towns and counties around the

country, and their States and FEMA and through its regions in the department nationally, we assess and understand the threats and hazards unique to a particular community and the capabilities that community needs. So it is no longer entirely just self-directed and self-assessed but an actual objective analysis of those capability requirements.

And then prioritizing the grants and the national systems to achieve those goals gives us the ability at FEMA, but more importantly, nationally—to understand whether we have been effective in closing those gaps.

And, when I say capability, I do not simply mean material. I do not simply mean a truck or a bomb robot. I am talking about people with the training to use particular equipment in a timeframe to do a job, like we saw in Moore, Oklahoma, when the technical rescue teams that were built, using the National Incident Management System (NIMS) typing, using national doctrine in a way that can be shared nationally, were able to respond quickly to a disaster—those teams did not exist 10 years ago—and save many lives.

And, Mr. Chairman, our proposal on the National Preparedness Grant Program in the President's budget includes a consolidated proposal, or a proposal to consolidate all the various grant programs.

The idea is exactly as you heard described—that if we can more effectively synthesize the activities within an area, within a State, recognizing the very important needs of the high-risk urban areas, ports and transit systems that we have worked with independently and separately over the years, if we can pull those together and have coordinated efforts toward filling the gaps, then there is less likelihood for duplication and waste of resources.

Senator BEGICH. My time has expired. I am going to turn to Senator Paul here, but let me ask you a quick question on that.

And that is, is it in your budget? Do you need legislative action to make that happen?

Mr. MANNING. Mr. Chairman, yes, the the grant proposal, as envisioned, works as an evolution toward the grant systems that were established in the Post-Katrina Act. We have been, and we are nearly at completion on, working with our partners through the executive branch on the legislative proposal we anticipate delivering to the Committee soon that would outline what we propose as changes to the authorization.

Senator BEGICH. OK. Very good.

Let me turn to the Ranking Member, Senator Paul, and then, Senator Chiesa, I will turn to you right after that.

Senator Paul, I apologize. We started and I knew you were on your way, and I just wanted to keep the meeting going. I apologize that you were not here.

#### **OPENING STATEMENT OF SENATOR PAUL**

Senator PAUL. No, that is great. That is a first in Senate history to be on time.

I want to thank the panel members for coming today.

I was wondering, Mr. Manning; are FEMA preparedness grants being used to purchase drones?

Mr. MANNING. Senator, no drones. There have been some grantees that have purchased remote-controlled low-level aircraft—basically, RV, like what you would think of as hobby aircraft—that have cameras for monitoring.

Senator PAUL. Drones can be of different expenses. It sounds like a drone to me, just a cheaper one.

And do you have a policy then for surveillance? If you are giving out money that is being used to be purchasing surveillance, do you have a policy in place for how the money is spent and how the surveillance is done?

Mr. MANNING. The department does have policies in place with our grantees and with the various fusion centers on protection of civil rights and civil liberties through our Office of Civil Rights and Civil Liberties (CRCL) in the Intelligence Analysis Directorate.

Senator PAUL. So what is the policy then for using drone surveillance?

Mr. MANNING. Senator, I would have to defer to my colleagues across the department for specifics on those answers, but I know that they work to ensure that they are compliant with all the Department of Justice (DOJ) regulations.

Senator PAUL. Does anybody on the panel know anything about the drone surveillance program or any of the money being used for drones?

David, did you have a comment?

Mr. MAURER. We have not done any work specifically looking at use of FEMA grants for purchasing of drones. We have done broader work on drones, but not specific to FEMA grants.

Senator PAUL. Right. So the problem is that your fusion centers have not always been the best at defending civil liberties.

There have been instances where the fusion centers have targeted people for their political beliefs. We are in the midst of a huge crisis in the country with the Internal Revenue Service (IRS) apparently being used for political purposes, but a few years back the Missouri fusion center was targeting people for their political beliefs. Third-party candidates, pro-life people and people with different bumper stickers on their car were said to be targeted by the fusion centers.

There is a big concern that allowing your money—our money—to be used to purchase drones without any rules in place or without an awareness of what the rules are is disconcerting.

There are some who believe that once you get outside your house you have no privacy. I tend to disagree, and I think these are things we are going to have to revisit.

But we now have the Federal Bureau of Investigation (FBI) director saying that drones are being used. He was not aware or forthcoming with any specific policy on privacy.

So these are not something of passing concern.

I am also concerned about where these grants are going. Apparently, some grants are being used to pay office rent. Some grants are given to a fusion center that had zero percent progress toward its goals.

David Maurer, would you have any comment on exactly how we would go about trying to have better oversight?



Mr. MAURER. Absolutely. Last year, we issued a report looking at that aspect of FEMA grants programs. We looked at the four largest programs and identified the amount of visibility that FEMA had over the specific uses of the funds, and we found that for some of the largest programs FEMA may not know specifically how the funds are being used at the time they make decisions to provide the money. That creates a problem.

It also, in our mind, raises the potential risk of unnecessary duplication. In other words, grantees could potentially receive funds from more than one program for the same or similar activities without the internal workings of FEMA being aware that that was happening.

Now we looked into that. We looked at a thousand different grant awards. We did not find any examples of specific duplication, but there were a couple hundred cases where if you just looked at the data they had in their FEMA systems—it looked like on paper they were being funded for the same things from different programs.

Senator PAUL. Senator Begich, I think this is a good example of really where the bill that you and I have talked about—trying to pay people to save money, give people within the bureaucracy of government more pay to save money—would be a good example because, I mean, one, it is just so enormous and nobody has the proper incentives.

If it were my money, I would be watching it. But since it is not my money, I do not really care. That seems to be the attitude of most people in government.

We had the trailers that sat in Arkansas for years and years. We had the ice that was stored by the hundreds of thousands of pounds for Hurricane Katrina that never got there. We had the inmates in Baton Rouge who were receiving displaced money from FEMA. We had people staying in resorts.

We had all kinds of things, but it is not really because there is one particularly bad person or one particularly bad policy. It is really because there is no incentive for anybody to protect the money because it is just not theirs.

And I think the enormity of how much money will always lead to abuse.

I think the distance from the problem, being in Washington—really, most of this stuff ought to be locally collected and locally handled. It is really why when certain States want \$62 billion, they want it all at once. They cannot stand to get it a little bit at a time so there could be more surveillance or more oversight of whether the money is being spent properly. It is really why things ought to be done differently.

And instead of giving \$62 billion after Hurricane Sandy, in 1 lump sum, I feel certain that we will be back here in 5 years talking about how that money was abused as well. Thanks.

Senator BEGICH. Thank you very much.

Let me go to Senator Chiesa, but let me also—Mr. Manning, if I could ask that you could ask the department to submit to the Committee whatever written policies or documentations on utilization of drones, or whatever the right term is, for protection of civil liberties and how that is done. If you could have that—whoever the

right person is there to submit that—I think we would all be very interested in what written policies there are on that.

Let me turn to Senator, again, Chiesa. Thank you very much.

Welcome again, to the opportunity to be here at the Committee. Thank you.

Senator CHIESA. Thank you, Mr. Chairman.

And thank you for your testimony this morning.

I understand that we want to be as careful as we can in closing the preparedness gaps, and so we are creating national standards to be sure that there is some way to measure what we are doing.

And I also appreciate, as the former attorney general of my State, that it is not the easiest thing to measure because people want to feel safe all the time. And I think because of the tremendous work that gets done by law enforcement and our first responders, people do feel safe.

What I would like to ask you, Mr. Maurer, is understanding the need for some type of objective national criteria, is there a recognition that—and we have three States here. We have Alaska, Kentucky and New Jersey—very different States, very different sorts of vulnerabilities in each of those States. How does that get calculated into the ability to create a national standard?

How do you recognize each State's individuality as part of the balance in creating those national standards?

Mr. MAURER. Well, I think as a general proposition the approach that FEMA is taking makes some level of sense.

In other words, you start at the local level, you buildup to the State level, go to the regional level, and then build to the national level so that you are able to take advantage of the local-based knowledge and information.

I mean, obviously, in New Jersey, the local officials in New Jersey are much better informed about the risks and the capabilities in New Jersey than folks here in Washington, DC.

The difficult part is trying to roll it up in a way that allows comparisons and information, and fair comparisons, across States to help inform some of this decisionmaking.

And I think having the core set of capabilities that FEMA has established at least is a start toward a framework. In other words, having 31 core capabilities that at a national level we want to see progress in achieving helps develop a common framework that everyone can work within.

On the FEMA side, it is going to be increasingly important for the folks at FEMA regions to be watching this process very closely and provide effective oversight of the information that is coming up from the States and locals, to sort of take a look at it and make sure that it makes sense and it can be pulled together in a way that is consistent and comparable across States.

Senator CHIESA. And I guess that dialogue continues with the States on an ongoing basis to make sure, as you said, that the information is coming from and within any State, even a State that is geographically relatively small, like New Jersey. Every community there has a different vulnerability and a different core set of issues that they need to be managing to keep their people and their community safe.

Mr. Manning, could you tell me—we see that States—and I recall this in dealing with the grants that came into New Jersey, that some of these grants are not being obligated as quickly as they should be and there are timeframes. And your audits, that Ms. Richards talked about, see these things happening on a delayed basis.

What steps are we taking—because States want the money, right? They want to keep their citizens safe. They want to use the money as effectively as they can. No one is trying to lose the ability to use this money.

So what steps can we take to (a) better educate the States and (b) create a sensible protocol that allows the money to be obligated in a way that makes sense and is within the timeframes that are created by the source of the money?

Mr. MANNING. Senator, thank you.

You, of course, hit the issue right on the head. There is a number of different complexities into the program that have led to some of that.

There has been a requirement at the beginning of the grant program that it be obligated in a very short period of time, and that has always been defined. It could be defined as identified for a particular subgrantee against maybe not specific projects but allocations against the general areas, against the straight strategies.

Those all—that does happen.

The time lags tend to then build on a number of different factors. Some is compliance with NEPA; the environmental review process can take a deal of time, especially in port and transit programs where there is significant capital improvement happening. There is a coordination of the 80 percent pass-through of the grants to the local governments. There is a number of administrative procedures that all kind of compound.

So I think the combination of a refocusing into using the National Preparedness System and the idea of using the grants to achieve specific capabilities that can be shared nationally, to build both local and State capabilities but our national disaster and terrorism preparedness, will help facilitate that because the projects will be identified ahead of time.

An element to that program is that once you identify your threats and hazards you have to achieve them using specific, typed resources—what we call our National Incident Management System Typing—so that it is, as I mentioned before, people and equipment and training to do a task. Those are identified.

So it is no longer a nebulous idea of wanting to buildup your rescue capability. You want to build to a Type III search and rescue team, which is a more easy thing to achieve administratively.

And further, if I may mention, to another—there was an issue of draw-downs for many years, where the grant programs are multi-year appropriations. They have multiple years against that program, and this system has led to grantees having delays in the implementation of the expenditure of those funds.

And we have worked very hard—all the grantees working in partnership with us—in changing some of our rules, changing some of the implementation rules, and have achieved some great progress. We had roughly \$8 billion in unspent money as of last

February. As of this month, it is down to \$4 billion, and that burn rate is on track.

So I think we have made great progress in what you have heard this morning.

Senator CHIESA. Mr. Chairman, I know I am out of time.

I just ask that we continue to work with the States as carefully as we can because, as I said, they want to use this money. They are desperate to make sure that they are taking all the steps that they need to take. And we just need to create a conversation that makes sense so that people can do the things they need to do to get the resources where they should be.

Thank you, Mr. Chairman.

Senator BEGICH. Thank you very much.

We will do another quick round, and then we will move to the next panel.

I wanted to followup on some of the questions I know Senator Paul had. I guess, Mr. Manning, you could answer this, and then anyone else could add to it.

I feel, Ms. Richard, you have not said anything. I do not want you to not have anything to say, but you are probably thinking please get done with this testimony so I can sit down. [Laughter.]

But I understand your feeling there.

We have these minimum grant levels that happen. I forget what Alaska is. I think it is 3.5 or somewhere right in that range, and there are several that are in that kind of level.

But they are really spend plans. I mean you allocate the money, and then the States say here is what we are going to go spend it on versus here is what we need to do to fill our gaps; can we get this money? It is kind of a different twist.

Do you see an opportunity or some way to improve that?

And I guess because I look at this, and I am listening to all the testimony, and there is no—I do not want to offend anyone here, but I am listening carefully, and it sounds like a lot of mill-churning for what really people want is to have capability to respond to manmade or natural disasters.

But as we and maybe Congress has done this. We have created so many layers that are required now that it is not as easy for the agencies to operate. I do not want to say that we are not to blame for some of this.

But I am listening carefully, and I just am visualizing my days back as mayor and the mill that we had to create in order to satisfy the paper checks so all the boxes are checked.

I could tell you that from a mayor's perspective we want to make the cities safe and able to respond, but we are not going to wait for a box to be checked to do that. We are going to go do it.

So I am trying to understand. Is there a better way to approach this that maybe FEMA, where it is today, is evolving into something much different because we have such different local response?

I mean local communities are always and will always be—I say local, and I look at my friend, John, there.

Locals or States, depending on how the situation is laid out, always are going to be the first responders, period.

I do not care what FEMA does. I do not care how much they plan, how much money they have. They cannot respond as well as a local responder can and should because they understand how the nuances of that community work.

So are there any thoughts on that?

I do not know if there was a question there that I gave. [Laughter.]

Mr. MANNING. I heard a question.

Senator BEGICH. OK. Thank God because I am not sure I heard one, but go ahead.

Mr. MANNING. Well, you raise important points, Mr. Chairman.

Our approach—the grant programs have always been about building a national capability to respond to what may strike the Nation and doing that and supporting State and local governments because they are the first responders.

Frankly, often, the public is the real, true first responder. The official government agencies—come in, and the Federal Government is really one of backfill. We support the Governors and the mayors in their tasks.

So the grant programs have always been about building capability, building capacity to protect against acts of terror, and build our ability to respond and protect for anything else.

We take that approach with the recognition that risk is everywhere. We do—the grants are focused on the highest risk community, highest risk States and urban areas, and it includes—

Senator BEGICH. Except, Mr. Manning, I would say that because you have the minimum amounts for each State, it does not really differentiate. I mean Louisiana and Alaska get the same amount of money.

Mr. MANNING. That is correct.

Senator BEGICH. I am sure if Senator Landrieu was here she would want to add a zero to her number, but I am just saying that the population centers are different. We are more broad-range.

So how does that work as a risk-analyzed approach?

Mr. MANNING. The distribution of grant funds follows a risk formula established in law in the Post-Katrina Act. It is a combination of State minimum amounts basically on population and then in addition based on a risk formula that is an analysis of the threat vulnerability and consequences, largely of an act of terror, on large urban areas around the country—an analysis of the top 100 and this year, in the appropriation, limited to an award of the top 25 riskiest places and the cities. So it is a combination of both.

There is a minimum for the communities that do not have as high a risk and then are not awarded additional funds. For every State, there is a floor minimum, essentially, with the understanding that risk is everywhere and that there are requirements everywhere.

Oklahoma is a very good example, and there are disasters in Alaska and Kentucky and many other minimum States.

I come from New Mexico. It was a minimum State as well.

Where responses are performed using capabilities developed under the grant but, more importantly, that grants fill a national purpose—we are building national preparedness, and the national—the ability of the United States to respond to a national cri-

sis is an aggregate of the capabilities that exist in local governments.

In Hurricane Katrina, there were 80,000 State and local responders that traveled from around the country. Hurricane Sandy was similar. When we have national-level crises, there is mutual aid from every small town in America, and that is a capability that is built for the Nation with a national-level grant program.

Senator BEGICH. Very good.

Ms. Richards, again, I did not want to leave you not having an opportunity to say something. I know there have been a lot of questions that have been laid on the table. And I will turn to Senator Paul here in just 2 seconds. But any comment on the general issues in regards to everything from the consolidation to the things we can be doing better to ensure that we are fairly managing these from a risk perspective?

Is there data that we are not asking for?

Give me your thoughts there.

Ms. RICHARDS. Thank you, sir. I do have a few comments.

Two years ago, we published a report where we looked at the efficacy of a grant management program, and we had a number of recommendations that identified legislative barriers to the efficiency of the program, where the simple facts of different grant programs have different deadlines and the money is available at different times makes it more difficult for the applicants to—

Senator BEGICH. That is legislatively?

Ms. RICHARDS. Yes.

Senator BEGICH. And I am assuming—and I am just guessing here as a new member—Congress has done nothing with those?

Ms. RICHARDS. Well, we make recommendations to FEMA. FEMA is making applications—

Senator BEGICH. The answer is yes. I hear you.

Ms. RICHARDS. Yes. I would say yes, sir. Yes, sir.

Senator BEGICH. I am just guessing because we have all these reports we love to get, and then we go onto the next crisis.

So, OK. Good. That is something for us to do.

Ms. RICHARDS. And also, it goes back to Senator Chiesa's question as well, on the difficulty to get the grant funds obligated in a timely manner. A lot of that is administrative because to complete the obligation there has to be a signature from the recipient at the subgrantee level.

Because those recipients are oftentimes local or small organizations, they do not meet every day like a State administrative agency does. And so, because they cannot predict when the money is going to be available and when the paperwork is going to come down, they may not have a meeting scheduled. So the funding just sits until they are available to sign for it.

So some greater regularity and some greater consolidation of when these timeframes would be helpful to both FEMA and the recipients.

Senator BEGICH. Very good. Senator Paul.

Senator PAUL. I started, and we mentioned some of the abuses from past FEMA expenses, but I thought it would be good to go through a few more.

Mr. Manning, have you read Senator Coburn's report?

Mr. MANNING. Yes, I have.

Senator PAUL. OK. Well, here is one. This is Montcalm County. This is not from his report.

It says, the United States is fighting terrorism one snow cone at a time. The West Michigan Shoreline Regional Development Commission, with a grant from FEMA, bought 13 snow cone machines valued at \$11,700.

That would embarrass me if I were in charge of any of this money, and I would want to respond and do something about that.

I think most people saw this when this was in the news—the Halo Counter-Terrorism Summit in 2012 in San Diego with the zombie apocalypse demonstration. Forty actors dressed as zombies did some kind of simulated terrorism thing. The cost, I think, was offset by grant money from FEMA.

That, I think, would embarrass me also if I were in charge of any of this money, but I would want to know if something had been done about it.

We are buying all these armored vehicles. And there probably is a need for an armored vehicle maybe in New York City or Washington, DC. or somewhere, but in Keene, New Hampshire, there have been two murders in the last 15 years. We bought a \$285,000 armored vehicle.

I am sure that even the people in Keene thought that was kind of ridiculous.

Montgomery County, Texas got a \$300,000 ShadowHawk drone with UASI dollars.

I would be a little concerned about not only the expense of it but what are our rules with regard to how that drone is being used.

See, some people have interpreted this open spaces doctrine to mean you can fly a drone anywhere. There are a lot of open spaces in Kentucky and Alaska, and I think you do deserve some privacy even when you are out hunting, sledding, whatever you are doing.

I think really we should be going to a court and saying: We think this person is committing a crime. Will you give us a warrant to look at them?

But we should not just be flying these. The whole government, from top to bottom, is buying these drones. I mean it is outrageous.

EPA has them. They are flying them everywhere. But if you think someone is a polluter and they are a farmer, go after them, but let's get a warrant.

We just cannot be funding this. Plus, it just gets so large, and this money is not accountable. It is just flowing everywhere, and nobody—snow cone machines, drones.

Long-range acoustic devices—they bought one in Pittsburgh for \$88,000. Apparently, it can cause permanent hearing loss, but it is this ear-splitting noise. And it is like we have got to have \$90,000 for an ear-splitting noise device?

See, I just wonder how the controls are, but some of it is just because nobody is paying attention to the dollars spent. We are a trillion dollars in debt every year, and we should do some things.

I mean, we had 9/11. We had this terrible thing happen, but we have a terrorism center—I think an anti-terrorism center in Somerset, Kentucky. I figure if the terrorists get to Somerset, Kentucky, we are probably done for, if they get that far.

But we do these things because they are work projects and communities like them because they bring money instead of saying, where do terrorists attack us?

It is sort of like who attacked us on September 11, 2001. Sixteen of the 19 were here on student visas. So we had a special program looking at student visas for 10 years, and we just de-funded that.

So we have money for ear-splitting devices and for snow cone machines, but we did not have enough money to look at people who are on student visas.

We, apparently, do not have enough analysts to look and see when you are targeted, when a foreign government, like Russia reports you, like the Tsarnaev brothers, to know that you are flying back to a part of the world where you may become radicalized.

So I think we empty our pockets spending money everywhere, but then the things we ought to be doing we are not doing, and the things we ought not to be doing we are doing. But I think it is really because of the overall philosophy of just throwing money at problems.

And I would appreciate if there had been any reforms, Mr. Manning, done since the zombie apocalypse and maybe on the snow cone machines and anything else.

Mr. MANNING. Thank you, Senator.

Yes, we have done, as you can imagine, a very close analysis of all of the examples raised in the report and many that we hear.

Senator PAUL. If you have a response—a formal response—I would not mind seeing that if you can send that to our office.

Mr. MANNING. Sure. We do, and we will be happy to provide it to your office as well.

There are usually, as you would imagine, answers and reasons for those. The ice machines were, well, intended for exactly that. Anybody who has been hospitalized will probably recall that they are often given ice chips when they are recovering rather than water, and the idea was to provide shaved ice in large quantities for a heat response.

But, nonetheless, we have processes in place to scrutinize the equipment that is being purchased. But, more importantly, what we have in place through the grant program now and what we propose going forward would eliminate those kinds of acquisitions because we are talking about defined capabilities—a particular number of individuals with training on certain equipment that is defined as a typed resource—to be able to achieve and much less of the kind of more vague “This is something I think might be useful, so I am just going to go ahead and do it” as we might have seen in the past.

Senator PAUL. But I am not sure why we send any money to these cities. Why do we send money for terrorism to little, tiny cities around the country?

I come from a little town. I am all for little towns, but I am not for sending anti-terrorism grants to any little cities.

I mean, New York is a problem. D.C. is a problem. L.A. is probably a problem. But by sending them to all these little cities, it sort of seems to me as if somehow politicians got involved.

I think there was a report a few years ago that said—I think this was in Indiana. There were like 9,000 requests for preparedness



grants—the pumpkin factory, the popcorn festival, all of these cute little things that my family goes to in a small town, but they do not need terrorism grants.

Someone should just say no.

Mr. MANNING. Well, Senator, in the case of small communities it is often that capability is procured by the State through local governments, and the idea is that you build response capabilities. There are prevention and interdiction of an attack that may occur somewhere, but you build the response often in the outlying areas to come in as mutual aid.

In the case of the snow cone machines, for example, if I recall correctly, that was in the Detroit area. And Abdulmutallab—had that device not failed, that aircraft would have blown up over Detroit and——

Senator PAUL. And the snow cone machine was going to save anybody?

Mr. MANNING. The snow cone machine, as I described, Senator, was to build capability for their mass casualty response, to be able to have shaved ice available. And, of course, as we all know and have seen reports, it was used for other purposes, and we have procedures in place to prohibit that from happening again.

The BearCats are another good example—the armored vehicles. I think we all saw the utility in the Boston area.

And, as I described, the idea is to build statewide capability on the part of the State that can come together as a statewide response to wherever a threat may occur.

And we do know that Zazi, the Times Square bomber, was building his bombs and planning in kind of remote, ex-urban Denver and transited most of the United States in route to New York.

So our grant program going forward has what we propose as more constraint on capabilities developed against specific identified threats and hazards that we have all worked jointly on identifying.

Senator BEGICH. Mr. Manning.

Mr. MANNING. Yes.

Senator BEGICH. Can I ask you a question? Would you mind submitting this—and then we will end this panel here.

The point I think Senator Paul is making is: How are these expenditures managed? What are really the capabilities and needs?

But you are also indicating that you have a newer approach to how you are dealing with the grants in the future. I would be interested if you could do this.

I am very visual. One thing about the Senate—we love to create mills of paper with a lot of writing. Can you show how the grant program existed before and what it looks like in the future in just a very simple chart style?

In other words, here is what it used to or could be used for, and these are some examples, and here is what now is happening that will preventing that or not, depending on what the subject matter.

Is that something that you could do?

It does not need to be complicated. When I say this—I always like to say this because I know Federal Agencies love to just inundate us with paper because they figure that is how we will get blurry-eyed and forget.

But I just want something very simple that says: Here is our current program. Here is what we are moving to.

And that, I think, would be a very interesting point to see because that would help us understand how you have kind of plugged these problem areas that have occurred.

Would that be within reason?

Mr. MANNING. Most definitely.

Senator BEGICH. Great.

For the two others, if I can ask you to do one thing—and it just dawned on me as you were talking. We probably do not do enough of this, and it is something I am trying to do with this Committee and another committee that I chair, and that is better oversight not just when something bad happens but—you know.

Can you submit not the ones that we have right now, but even you had mentioned you did a report a couple years ago with some legislation.

Can you submit to the Committee: Here is what we recommended, maybe even the last two reports, and what we have done?

Ms. RICHARDS. Absolutely.

Senator BEGICH. Again, I do not need a big fancy document. I just need: Here is the recommendation—completed, partially completed, not completed. What is your analysis of why—because one of the things we do not do here—it just dawned on me even more and more after 5 years now, sitting here.

We have great professional staff from the IG and your group, GAO, doing all this work. And then 3 years later since I have been here, 60 percent of the Senate has changed.

So, of course, we all come in with new ideas, and we say, why haven't you done this?

And you actually politely say, as you did—and it was very good—well, 2 years ago, we did this.

Then all of us say, well, we never saw it because, of course, we were new.

This might give us a better understanding of what we should be doing or not doing and, when there are recommendations, what is our followup to make sure that is done because, otherwise, we spend lots of time in committee meetings having committee meetings about something we talked about a year and a half ago.

And you all or the agency folks—I know what you will do. No disrespect; you will leave, and you will go, we told them this 2 years ago.

Well, help us do a better job in oversight.

So, if you would not mind doing that?

Ms. RICHARDS. Absolutely.

Senator BEGICH. And you select. I mean I would say the last report or last 2, whatever you feel is more relevant because if it is 10 years old it may be times have changed quite a bit.

But something that just says: Here is what we recommended. Here is what happened.

And then even if you can show what agency or the elected body—was supposed to be doing something.

Would that be OK?

Mr. MAURER. Absolutely.

Senator BEGICH. Great.

Thank you all very much. I appreciate your time and thank you for being at the panel here.

We do have another panel. If they are ready, we will do a little switch-out here. [Pause.]

Thank you very much. Thank you all very much for being here for our next panel. Again, I will just mention who is here, and then I will start.

And I will start with you, John, but let me first introduce everyone that is here.

John Madden, Director of Alaska Division of Homeland Security and Emergency Services; William Euille, Mayor, city of Alexandria—thank you very much. We love mayors. As you know, I was in the mayors' conference just a couple days ago. So we are glad that you are here.

Next is Josh Filler, President of Filler Security Strategies, and Matt Mayer, Visiting Fellow from the Heritage Foundation.

Thank you all very much for being here.

John, welcome. I know you are dealing with some significant tragedies and disasters in Alaska. I think we have one literally every 2 weeks, and I think there was an analysis done that we always have some sort of situation in Alaska. And I know you have done some incredible work. So let me turn to you, and then we will just kind of go down the row here.

**TESTIMONY OF JOHN W. MADDEN<sup>1</sup>, DIRECTOR, ALASKA DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT, AND PRESIDENT, NATIONAL EMERGENCY MANAGEMENT ASSOCIATION, AND MEMBER, NATIONAL GOVERNORS ASSOCIATION**

Mr. MADDEN. Well, thank you, Senator Begich and Ranking Member Paul for the opportunity to speak today on an increasingly critical and often overlooked aspect—

Senator BEGICH. John, can I interrupt you a second. I forgot to say one other thing.

Mr. MADDEN. Yes.

Senator BEGICH. You are also now the President of the National Emergency Management Association (NEMA), not just from Alaska, but you represent the whole group. I just want to give you that proper introduction. Sorry, John.

Mr. MADDEN. Thank you, sir.

Before I proceed, I do extend my thanks to you, Senator, and your staff and Senator Murkowski and Representative Young for your support during the recent historic floods on the Yukon, particularly in Galena. I was there just 4 days ago, working with the community.

We learned just in this last month that our investments in building capabilities did save lives, did alleviate human suffering and did reduce property damages.

And I do speak today for both the National Emergency Management Association, of which I am the President, and the Governors'

<sup>1</sup>The prepared statement of Mr. Madden appears in the Appendix on page 71.

Homeland Security Advisory Council in the National Governors Association (NGA), of which I am a member.

The question, what is the return on our investment, is not new and neither are the considerations from the States and our local partners.

The National Preparedness Task Force, comprised of leaders from State, local, tribal and territorial governments, addressed this in their report to Congress in September 2010. Many of the task force recommendations focused on building a problem-solving system based on investments in capabilities made through skilled analysis and continuous assessment of risk.

In January 2012, the National Emergency Management Association presented to Congress a proposal for a comprehensive grant system based on flexibility but balanced with accountability, where States set priorities and make investments in capabilities in support of their local governments for their risks, and measure performance and effectiveness of those investments.

In June of this year, the National Governors Association submitted its Governors' principles for Homeland Security grant reform including many of the measurement needs.

The Threat and Hazard Identification and Risk Assessment—must be at the center of this enterprise and be the basis for our priorities.

But the initial THIRA in 2012 held on to some past assumptions—that complex risk can be simplified and quantified by classifications like red, green, yellow/low, medium, high. It also limited the range and the variability of hazards and fit everything into a snapshot on the day. It did not enable and encourage collaboration between States that share the same hazards or where one may be a resource provider for the other through mutual aid. Most importantly, it did not recognize that threats and hazards and the risks from them do not stop at the State line, the county line or the city limits.

We must measure and manage risk. We must invest in capabilities based on risk. And we must measure the effectiveness of our investments in drawing down those risks. And with each investment and with each assessment of its effectiveness, we must feed this back in and adjust our priorities.

An effective THIRA must follow the supply lines from production to consumption. It must follow the watersheds and rivers and not just the geopolitical boundaries on the map. The THIRA must consider the interdependence of our systems and the possibility that a single investment may reduce the risk from several hazards.

But we must measure far more than we do now. We must measure the effectiveness of our decisions, of our assumptions and of our actions.

I can measure the effectiveness with great precision of a three-legged sled dog, but perhaps I should question the effectiveness of my decision based upon the ability to win the race.

Consider this statement developed and supported by the National Governors Association and the National Emergency Management Association in documents provided to the Congress: We 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 both the most serious and the most likely threats and hazards.

There are 13 opportunities in this statement to measure performance, and we need those 13 and more.

While not endorsing the National Preparedness Grant Program overall, both the National Governors Association and NEMA believe that any grant framework should have consistent methods to measure or assess progress in achieving those core capabilities. Only through the comprehensive grant reform can we ensure continuous assessment of risk across all levels of government, encourage strategic planning rather than spending planning and base funding on the priority needs of the communities and to measure progress to fill gaps in our capabilities.

This Nation is not well served when the grant system or the measurement system is an impediment to our national ability to be agile and adaptive, to swiftly confront changing hazards, emerging threats and increasing risks.

And I will stand ready for any questions at the end of the panel. Thank you.

Senator BEGICH. Thank you very much.

Mayor, thank you again. As I said in the opening, I am biased toward mayors. You know that.

And at the end of the day—no disrespect to my friend, John, sitting to your right—mayors have to deliver the end product, and so I really appreciate that you are here and represent the conference. Please.

**TESTIMONY OF THE HON. WILLIAM EUILLE,<sup>1</sup> MAYOR, CITY OF ALEXANDRIA, VIRGINIA, AND MEMBER, U.S. CONFERENCE OF MAYORS**

Mr. EUILLE. Well, thank you, Mr. Chairman and Ranking Member Paul.

Certainly, your comments are very appropriate—that mayors are the closest to the people and we have to deal with these issues on a daily basis and be responsive.

And I appreciate the opportunity, on behalf of the U.S. Conference of Mayors, to testify before you on the suite of Homeland Security Grant Programs and how they have helped not only my city and the region, but also cities across the country, to prevent, mitigate, prepare for and respond to both acts of terrorism and natural disasters.

Senator Begich, we especially appreciate the way as you mentioned, you were with us this past week in Las Vegas for our annual convention. You have continued to reach out to mayors and represent our interests and those of our cities in many different areas since your office moved from city hall to the Nation's capital. We know that you have not forgotten where you came from, and we know that we have a real friend here in the Senate.

My basic message today—again, your opening comments are a good segue in terms of why I am here representing the mayors. And my basic message today is that mayors and other local officials

<sup>1</sup> The prepared statement of Mr. Euille appears in the Appendix on page 82.

across the Nation strongly support the existing menu of Homeland Security programs.

As I believe my testimony will show they are working. We recognize that they may not be perfect and some changes may be needed, but they are the product of years of work by Congress, the Administration, State and local governments, and first responders. The Federal grant funds, which the Department of Homeland Security and its Federal Emergency Management Administration have provided, clearly have improved the Nation's planning, mitigation, preparedness, prevention, response and recovery capabilities.

The April 15 bombing at the Boston Marathon provides an excellent example of how DHS's investments provided through the Urban Area Security Initiative Program have paid off. There can be no doubt that they contributed significantly to the Boston area's quick and effective response to this horrific act of terrorism.

Here is one specific example. UASI funds provided the salaries for nine intelligence and GIS analysts and high tech equipment at the Boston Regional Intelligence Center. These assets were critical in protecting and providing information to the first responders in the field. The analysis monitored, vetted and triaged information concerning over 280 suspicious or criminal acts within Boston following the bombing.

The Tucson area has used Metropolitan Medical Response Systems (MMRS), funding to pay for planning, equipment and training to help first responders, public health, private health, law enforcement and emergency managers across Southern Arizona prepare for a mass casualty event. This capability played a major role in the effective interdisciplinary response to the January 8, 2011 shooting of Representative Gabrielle Giffords and 19 others.

In Alexandria, and the National Capital Region we have used learned lessons from various incidents to guide investment decisions, to increase our capabilities, to protect against future occurrence. For example, after the anthrax attacks in 2001, the NCR and UASI funds were used to enhance secure and interoperable communications, information sharing and the situational awareness in the region, and produce NCRnet, a secure fiber optic network connecting the NCR regions, Essence, a public health surveillance system, and the installation of chemical and biological sensors in the Metro system, where I am also a member of the board of directors.

As we are all aware, the fiscal year 2013–2014 budget submitted by the Administration proposed a major reform and consolidation of FEMA's Homeland Security Grant Programs, which would replace the current programs with the new National Preparedness Grant Program.

It is no secret that the U.S. Conference of Mayors and other organizations which represent local governments, first responders and emergency managers have registered serious concerns with regards to this proposals to convert the current suite of Homeland Security Grant Programs into State-administered block and competitive grant programs in which funding decisions are based on State and multi-state threat assessments. This proposal would no longer guarantee the retention of key programs, remove 25 percent set-aside for law enforcement terrorism prevention and expand the

eligible applicants for the portion of the funds which must be passed through to local governments, and to include port and transit authorities and private organizations.

We especially appreciate the fact that, thus far, Congress has rejected the Administration's proposed changes to the Homeland Security Grant Programs and agreed with us that changes must be considered by the authorizing committees.

We know that you will carefully examine any proposals that they send to you. The U.S. Conference of Mayors and other organizations which represent local governments, first responders and emergency managers have urged FEMA and the Administration to work with us and Congress to develop programs reforms which incorporate the successful elements of past and current programs, that identify new approaches which can have broad-based support.

Finally we suggest that any program improvements increase transparency, increase local involvement, provide flexibility with accountability, protect local funding, sustain terrorism prevention, provide incentives for metropolitan area regionalization.

I thank you for the opportunity to testify, and I stand ready for any questions you may have.

Senator BEGICH. Thank you very much, Mayor.

Let me go to Mr. Filler.

**TESTIMONY OF JOSH D. FILLER,<sup>1</sup> FOUNDER AND PRESIDENT,  
FILLER SECURITY STRATEGIES, INC.**

Mr. FILLER. Thank you.

Good morning, Chairman Begich and Ranking Member Paul.

I am Joshua Filler, President of Filler Security Strategies, a homeland security consulting firm in Washington, DC. It is my privilege today to discuss with you, issues surrounding our Nation's preparedness, how to evaluate it and what impacts Homeland Security grants have had on preparedness at the local, State and national levels.

The purpose of Homeland Security grants, such as the Urban Area Security Initiative and the State Homeland Security Program, is to supplement local and State spending to allow urban areas and States to build capabilities that bridge traditional domestic public safety, largely handled by the States and localities, with national security imperatives traditionally managed by the Federal Government. Without such funding, States and urban areas would not have the resources to develop capability levels necessary to integrate those missions.

Measuring the effectiveness of specific grant programs is different than measuring overall preparedness. Grant effectiveness is about how grants specifically impact capabilities. However, the overall level of preparedness in an urban area or State is influenced by numerous other factors—most importantly, State and local resources.

While Homeland Security Grant Programs are critical to enabling urban areas and States to enhance preparedness, they represent a small fraction of the tens of billions of dollars spent by States and urban areas on public health and safety each year.

<sup>1</sup> The prepared statement of Mr. Filler appears in the Appendix on page 88.

To measure grant effectiveness and preparedness, States and urban areas must establish their own capability targets and performance measures and metrics based on their unique risk profile and planning assumptions. That risk profile should also determine which capabilities are a priority to address high risks, threats and hazards. We cannot measure everything, and no single part of the Nation needs to be fully prepared for every conceivable hazard.

These locally developed targets, measures and metrics should all fit under a common framework, such as the Core Capabilities under the National Preparedness Goal. This will ensure a consistent, strategic approach while recognizing the differences across a country as large and diverse as the United States.

With these targets, measures and metrics in hand, States and urban areas should engage in a regular assessment process, involving self-evaluations, quantitative modeling and performance evaluations, particularly involving exercises and especially real-world incidents—all in order to build a consistent picture of preparedness over time.

In each case, the following steps should be addressed: First, identify the gaps in a State's or urban area's priority capabilities. Next, outline grant and other expenditures to close the identified capability gaps. And, based on the measures and metrics, identify the outcomes produced from grant and other expenditures in terms of closing capability gaps and attaining the capability target.

Throughout such a process, the best way to determine grant effectiveness and overall preparedness is to review how capabilities performed in a real-world incident. Based on the need, what were the strengths; what were the gaps, when a jurisdiction or agency had to perform?

In the end, we are making these investments in preparedness to more effectively operate when we have a threat or disaster. That is what matters most.

To date, I have worked on five grant effectiveness studies and have developed tools to evaluate overall preparedness in numerous regions across the Nation. These include in the San Francisco Bay Area, San Diego, Hampton Roads, Riverside and Anaheim/Santa Ana.

From that experience, I can say with certainty that there is no silver bullet or single answer to addressing the questions of grant effectiveness and overall preparedness.

What I have learned is that grant effectiveness and preparedness cannot be measured by just looking at the United States as a single operating entity, which it is not. Rather, the United States is a vast network of independent actors—towns, villages, cities, counties, States, the private sector and Federal Departments and Agencies—that must unify to achieve homeland security priorities and perform critical operational tasks before, during and after an incident.

When attempting to answer how effective a grant program is, or how prepared a region or the Nation as a whole may be, we must take a varied approach that addresses the question through multiple lenses. These lenses should include a look from the local perspective, the State perspective and the national perspective as well as others. Taken together, each lens will help provide a more com-



plete understanding as to grant effectiveness and overall preparedness across the Nation.

Thank you.

Senator BEGICH. Thank you very much. Mr. Mayer.

**TESTIMONY OF MATT A. MAYER,<sup>1</sup> VISITING FELLOW,  
HERITAGE FOUNDATION**

Mr. MAYER. Chairman and Ranking Member, thank you for having me this morning.

Now the question we are trying to address here is: Are we prepared?

And we have to ask the followup question: Are we prepared for what?

In over 10 years and \$40 billion plus of spending, the fact that we do not know what we have, where we have it and at what level it exists is problematic.

I do not envy Mr. Manning or any of the folks at FEMA. Having sat in those chairs, along with Mr. Filler, is not a place that you want to sit as you try to struggle through these very difficult issues after September 11, 2001. But we have to do so because we are entrusted with the public's money and we have an obligation to do so in the most effective and efficient manner we can.

I will say congratulations to the department and FEMA for pushing for a reduction in the number of Urban Area Security Initiative cities. It had ballooned to over 60 cities—a ridiculous number—and now has come down to 31, to 25. That is a great investment so we do not squander resources trying to put a thin layer of peanut butter on a piece of bread that is very big.

I also think the idea to consolidate the programs is a very good idea. It is not a new idea. We tried that during the Bush Administration several times, and special interests and other groups said no. But I think we have to be looking at consolidating so we can target funds where the risk is the greatest based upon that current risk model that the intelligence is driving there.

One of the mistakes I think we make is we assume that the risk is everywhere, and if we do so, that means protecting America from that risk is incredibly hard.

There is risk everywhere, but we do not live in a nanny State. We cannot make it a 100 percent safe place to live. If we do so, we sacrifice our civil rights and civil liberties in the process.

So we have to be smarter about saying, where is the risk and where is a meaningful level of risk where finite funds, finite resources, finite time and people can be applied, so that we can raise our preparedness to the highest degree possible in order for us to prevent an attack and if we are hit to respond effectively.

Boston is a great example. It shows over the years we have spent a whole lot of money on the response side and can respond fairly effectively, whether it is a tornado or it is the Boston attack.

Our problem still remains in preventing those attacks. And Boston was a preventable attack that we missed on opportunities because we failed to learn some of the lessons over the last decade that we should have learned.

<sup>1</sup> The prepared statement of Mr. Mayer appears in the Appendix on page 96.

And so, when we think about it, one of the things we do—and, Chairman, you noted this in the turnover in the Senate. I would say the turnover in the department is just as high or higher, and as a result, you see enormous amounts of churn on doctrine.

This is not the first National Preparedness Goal. I think it might be the fourth iteration of it.

It is not the first Core Capabilities. It may be the third or fourth iteration of those capabilities first announced in September 2004.

So this process has been an ongoing process where enormous amounts of churn have resulted, federally, in a lot of inaction and ineffectiveness.

But at the State and local levels, what that creates is an enormous problem. They do not have the resources to deal with this constant churn of policy, and all they do then is try to chase the next iteration. Do the mill burning, as you spoke of. And, as a result, we are just constantly shifting to kind of what is the next shiny object that we are trying to get money for.

We need to settle one policy so that States and locals can start building toward this idea of capabilities—what are they? What do we need? How high do we need them? And let's then figure out what the gap is that remains to be funded, which we often do not do enough.

Another problem that we have not addressed is the subjectivity of the measurement process, whether we measure effectiveness, which is an incredibly subjective measurement. You and I may see something completely different in terms of whether it is effective or not, and that subjectivity is a problem.

So we need to put more rigor and objectivity into the evaluation process so that we know when you and I both say that capability is working, it has common language; it has common understanding.

And, between jurisdictions, what I say is an effective urban search and rescue squad is what you say is so that when I call for yours under mutual aid it does not fail because it cannot do what I thought you said it could do.

So we need to make sure that there is commonality across the spectrum in order for us to do that.

Again, self-evaluations are problematic. I think you see in my testimony that I submitted for the hearing the 2012 assessments and the 2013 assessments, and we have lost ground enormously somehow in a year even though we gave more money out.

I know FEMA will say they are measuring different things, but that actually demonstrates the problem of how we measure things.

So we need to move further down the line of being smarter about what we measure, how we measure it and where we put the money.

I would suggest that the high risk urban areas are the place we need to focus our funding. After 10 years and more than \$40 billion, if we have not secured Small Town, Ohio, which is where I am from, it is time to let Small Town, Ohio take care of itself. We need to focus our Federal funds in the big places where we know there is risk of a terrorist attack.

With that, I will end my testimony and be happy to take any questions you might have.

Thank you for having me today.

Senator BEGICH. Thank you all very much for being here.

And let me start, John, if I can, with you. It sounded from your testimony, as you look at the Federal land—and I think of the phrase of spending plan versus strategic plan. I think you said strategic—that is the better approach. I think everyone on the panel probably would agree with that.

Do you think FEMA is moving in the direction that makes that really the focus? I will use what Mr. Mayer just said at the end.

I agree. I just quickly looked at the 2012 versus 2013. When you look at the numbers, you get terrified that we have gone the wrong direction. But then you hear the arguments from FEMA that, well, we are measuring things differently, which then means mayors and State folks have to churn paper to respond to that.

And, yet, what are measuring, are we doing it right, and what is the answer in this?

I am going to ask the same question to you, Mayor.

Are States trying to get FEMA to be on one set of parameters at some point, or is it just that FEMA is directing and you all are just trying to chase it and make sure that you fill the paperwork out so we get the resources that we think we need on the ground?

Does that question make sense?

Mr. MADDEN. Yes, sir, and it is constantly a chase between intent and execution.

In the heyday of all the funding—and there used to be several—many times more of what it is now, annually. It was all about spending. If I give you this money, can you spend it?

Senator BEGICH. Mm-hmm—

Mr. MADDEN [continuing]. Ask the question, how you can spend it?

Senator BEGICH. Mm-hmm.

Mr. MADDEN. And the performance measurement was I said I need three things, and I bought three things; therefore, I am successful.

Senator BEGICH. Mm-hmm.

Mr. MADDEN. There has been movement away from that, but we have not fully abandoned it.

Senator BEGICH. Abandoned the spending concept.

Mr. MADDEN. The spending concept.

Senator BEGICH. Right. Is that because of just entrenched—I mean, these two were there many years ago. So, I mean, is it just that change is difficult to adapt to in the way this program should operate?

Mr. MADDEN. We live in a time that cries out for innovation, but unfortunately, we have to create the innovation within a bureaucracy.

Senator BEGICH. Bigger—

Mr. MADDEN. And bureaucracies do not change rapidly. So they need to measure something, so they will measure the comfortable things before they will measure the difficult things.

And the real challenge that comes in under the National Preparedness System is trying to integrate it across. If you are thoughtful in this and say that this element is very critical for a recovery of a community that would be hit by any disaster, are we taking that knowledge and priority and putting it over into then

let's make that an emphasis for mitigation; let's make that an emphasis for protection?

We do not have that cross. Therefore, we are still emphasizing on execution.

And the strategic value of all these is to emphasize the thinking, the planning, the setting of priorities that then yield the spending.

Senator BEGICH. Mm-hmm.

Mr. MADDEN. We need to start at the beginning of this thoughtful process rather than at the end.

Senator BEGICH. Mayor, what is your thought on that?

Then I am going to ask both of you if you agree with that kind of analysis. Mayor.

Mr. EUILLE. Well, thank you, sir.

While I am not directly involved on a daily basis in terms of overseeing emergency preparedness, we have professional paid staff that does that very well.

Senator BEGICH. Right.

Mr. EUILLE. But I will certainly agree with John's comments.

But I think really what we are looking for here is, first, a comfort level that works for all—the localities, the States and the Federal Government. We are also committing to making certain that we are effective and efficient in terms of what we do and how we do it.

But, this talk about small towns versus large towns and not having the need to have the same type of equipment, or adequate equipment, and services that other cities and towns have—that makes sense in terms of—

Senator BEGICH. Of risk analysis.

Mr. EUILLE. Yes, risk analysis, in terms of concern.

But the reality of it all is—take my city of Alexandria, Virginia. We are caught in the middle of being right next to the Nation's capital. We are the small pea in a pot, but yet, we have just as much of a major commitment to helping to secure and protect the region—

Senator BEGICH. Right.

Mr. EUILLE [continuing]. In terms of our mutual aid, whether it is equipment, manpower or what have you. So we need to also have the resources to be able to be responsive.

Senator BEGICH. A good example might be—and I will use Alaska as an example, and then I am going to turn to Mr. Mayer and Mr. Filler for kind of additional comments.

Galena is not a terrorist location, but there is a flood disaster. So you have different risk levels on different levels. We know a natural disaster could occur there much more rapidly than a terrorist activity.

Then we go into Valdez, Alaska, where we have a small town, but we have the oil terminus for the pipeline. Higher risk but also on multiple fronts, wouldn't you say, John?

I mean especially last week when it was 90 degrees there. I am sure they love it, but also the fire risk now has increased dramatically. But it also has oil terminals that have a huge risk factor.

So it has kind of multi-layered tasks. Is that a fair statement, John?

Mr. MADDEN. Yes, sir, it is, and that illustrates the need for that interdependence.

Senator BEGICH. Mm-hmm.

Mr. MADDEN. Alaskan oil is an economic driver for the entire West Coast—

Senator BEGICH. Right.

Mr. MADDEN [continuing]. That enables them to have the economy to ship things back to Alaska.

Senator BEGICH. Right.

Mr. MADDEN. The vulnerability for the State of Alaska exists outside of our State as much as it does inside.

Senator BEGICH. The State, right.

Mr. MADDEN. And that is the part where any assessment of risk has to recognize that the vulnerability for a city or a county or a State often resides outside of its borders and that every city, county and State protects things that are of value to others. We protect a strategic national oil supply. Others protect food supplies.

Senator BEGICH. Mm-hmm.

Mr. MADDEN. There are pipelines that run from Louisiana to New England through many States.

Senator BEGICH. Right.

Mr. MADDEN. And each State is viewed differently for how they are assigned a risk.

Senator BEGICH. Mm-hmm.

Mr. MADDEN. And, to go on what you said earlier, there are 34 States that have received the identical Homeland Security grant funds last year and this year, and that just cries out—

Senator BEGICH. Right.

Mr. MADDEN [continuing]. For it is not based on risk if 34 States get the identical amount.

Senator BEGICH. And I think, Mayor, you would probably agree with that in a broad sense, not the specifics, but that last statement. I could sit here in my own limited knowledge and say certain States have a higher risk than other States, but 34 all the same seems odd.

But maybe—

Mr. EUILLE. Absolutely. I remember last year, maybe 2 years ago, when we got word in terms of the Washington Metropolitan Area about the grant funding that we were receiving, we all said, well, this is ridiculous.

I mean, we should almost be equal to what New York City is receiving, but yet the Washington Metropolitan Area suffered a tremendous reduction.

So I do not think that should be based on just allocations across the board. It should be, again, based on risk.

Senator BEGICH. Risk.

Either one of you want to respond on that analysis?

And you have unique experiences, both of you, because you have worked inside this system—and I am correct on that, right—at different times. So you kind of saw the beginning of these grants as well as now you are on the outside, looking in.

So I think it is a unique experience you bring here to the Committee.

Either one? Mr. Filler or Mr. Mayer.

OK.

Mr. FILLER. Yes, it has been a unique experience having to live with the consequences of some of your decisions from the outside. It definitely gives you a unique perspective.

On the risk side, I think what has been happening here is that the risk analysis that is being used is pushing more and more of the funding to the top which, by default, leaves so little funding for what is left, that everybody gets the same amount.

Senator BEGICH. So the bulk of the money goes here. There is a little bit left. So just spread it.

Mr. FILLER. Just spread it because the real risk analysis is taking place at the very top of the urban area list or the State list, depending on which list you are actually looking at.

So, when you do that, you only have a certain amount of money left. If there are statutory minimums, you have to meet those statutory minimums, and that basically—

Senator BEGICH. You have kind of got two pressures going on—the minimums and then the high risk—and then what is left is—

Mr. FILLER. Exactly.

So, when those two forces come together, it produces the result where 30 or some odd States may get the same amount of money even though there is no way those States have the same amount of risk. There just is not enough money to differentiate those risk levels when you are putting so much money at the top. I think that is probably what is happening.

Senator BEGICH. Mr. Mayer.

Mr. MAYER. Yes, there are a couple responses to some of the issues that you raise.

One of the challenges we have, right, is that we have a dual sovereignty system, that States are sovereign entities, as are local governments, and so this tension between the Federal Government telling States what they need to do or not do and States wanting to have some control over that. After all, it is the States' money that comes to Washington, coming back to them.

So that tension is always there, and it is a challenge, I think, to try to navigate that for any issue, including homeland security.

On the risk issue, it was interesting. When Mr. Filler and I were there, in preparing for the 2006 allocations, we thought we would try to get creative with the risk formula and add natural disaster risk to the formula to see how it would impact things as we were going through the analysis.

And what we discovered is if you put natural disaster risk into the risk formula it overwhelmed terrorism risk because the risk of fires, floods, tornadoes—

Senator BEGICH. Huge.

Mr. MAYER. It is huge.

Senator BEGICH. Huge and more frequent.

Mr. MAYER. More frequent.

So, again, that gets into that tension between what are we preparing for. Are we preparing for the natural disasters, or are we preparing for terrorism? And that, I think, helps us define and target where we need to go.

And on that risk, I think it was the 2007 to 2008 year on the Urban Area Security Initiative program, where they added 4 cities,

and literally, every city got cut by 3 percent exactly, from top to bottom. It did not matter.

And, again, that—

Senator BEGICH. In order to take care of the four.

Mr. MAYER. Yes. And that goes to the question of, how in the world, mathematically—and I am not that smart. So I cannot do this. But what is the algorithm that gets you the exact same outcome—a 3 percent cut for every city, from top to bottom?

It was basically to try to feed more mouths, and so they had to essentially rob from Peter to pay Paul.

Senator BEGICH. Right, with an amount that was shrinking overall.

Mr. MAYER. Correct.

Senator BEGICH. So it created even another problem.

Mr. MAYER. That is exactly right.

Senator BEGICH. Do you think—and let me ask again to whoever wants to answer this.

We have these grants. It is about preparedness. We have two kind of major areas—terrorism and natural disasters. I think you defined it.

I think that is a fair national security, and terrorism, kind of this category, and then natural disasters.

I had a panel here about a month ago, and we had some folks—a gentleman from the insurance industry. And their risk analysis on natural disasters is being incorporated much greater than they have ever had to do—the size and the frequency.

Do you think FEMA is understanding that there—or Homeland Security/FEMA is understanding—that there is an ever growing now on the natural disaster end, that is bigger?

The price tags are bigger and the frequencies are more often than maybe what the model or the thought was back a decade ago, because terrorism was kind of the driver. We had some natural disasters, but they were—I do not want to say they were infrequent, but they were not like they are today, or what we classify as natural disasters.

No one would have anticipated what happened in Hurricane Sandy, for example, 10 years ago. They would have never had that on kind of the risk analysis plan. Now they do, due to the frequency and intensity of some of these disasters.

Do you think the model has to be updated because you made me think about it when you said the natural disaster issues overwhelm the system when you calculate that in, which is going to be even bigger in the future, it seems to me.

Any thought on that?

Mr. MAYER. Yes. I mean, I have written extensively at Heritage on this issue of kind of the growth of the declarations coming out of FEMA for natural disasters. And we have taken the position that the vast majority of those are not being issued because they are creating—they are greater catastrophic events. Hurricane Sandy, obviously, is an exception to that.

But what you have is because we have not moved the number that gets you qualified for the declaration in a long time, average, routine fires, floods, tornadoes, severe storms are starting to qualify. And, as a result, lots of money is being poured into that.

Our position is we actually need to decentralize that and get that back as the primary responsibility of mayors and Governors that they need to fund and prepare for rather than have Federal funds and FEMA's time, frankly, being used for that smaller-scale, routine issues just because, well, there are more people living in certain places and those places have routine issues, whether they be a tornado in the Oklahoma alley or a flood in the Toledo area—

Senator BEGICH. Right.

Mr. MAYER [continuing]. Or for you and the issues you deal with.

Senator BEGICH. Like Alaska.

Mr. MAYER. Exactly.

Senator BEGICH. Very good.

John or Mayor, any—

Mr. MADDEN. Well, sir, I am one of the 22 States—Alaska is—where the responsibility for homeland security and emergency management are combined into a single division.

Senator BEGICH. Right.

Mr. MADDEN. So I get to look at this in a little different way.

And that is why the integration of our efforts needs to be the objective.

There are very similar consequences to terrorist acts as there are to natural disasters. There is disruption of central services and disruption to the population. There is suffering. There are injuries. And that is why if we build capabilities that well serve the Nation for natural disasters, for the consequences, it well serves the Nation against the terrorists, but we need to take different preventive and protective and mitigative measures in those.

But we have some universal risks, almost transcendent risks, that we need to have at the foundation.

Senator BEGICH. No matter what those subject matters—

Mr. MADDEN. No matter what.

Senator BEGICH [continuing]. We always have a base.

Mr. MADDEN. Because cyber attack can happen anywhere. It can be Portland, Oregon or Portland, Maine.

At any time. Any community. Any industry.

Chemical, Biological, Radiological, Nuclear or Explosive can happen at any place within the Nation.

Mass casualty from many forms—it could be a terrorist attack, or it could be an airplane crash or a collapsed building.

There are some of these capabilities that we can increase that well serve across a range of those hazards.

The separation between terrorism and natural disasters—not only is it artificial when it comes to consequences. It actually invites the extreme measures, or—what Senator Paul brought out—it invites the spending of money to accomplish the spending of money.

If we bring this back in and recognize that terrorism is not a logical, rational, predictable element, but it is a non-zero every place in the Nation—Oklahoma City in 1995 was not a rational terrorist attack. It was symbolic. And that can happen anywhere.

But Oklahoma City also has tornadoes.

The same skills they use for the one can be used for the other—command structure, communications, mass casualty.

Senator BEGICH. Debris cleanup.



Mr. MADDEN. Debris. All those things are capabilities that well serve the entire range of those hazards.

And that is where the separation—not only is it artificial, but it is a detriment to the strategic thought of: How do we develop the capabilities, for what purpose, and how do we integrate that between cities, between States?

Senator BEGICH. Mayor, do you have any comment?

I mean, it is interesting.

Mr. EUILLE. Just very briefly, and we had this discussion at the mayors' conference just recently in Las Vegas.

In terms of, again, being responsive, it is all about flexibility and the fact that for most cities and towns and States across the Nation we do have all of this under one umbrella. You do not have a separate office on homeland security and a separate office on emergency management—it is one umbrella.

Senator BEGICH. All one place.

Mr. EUILLE. Yes. They work as a team together and everything else.

And in terms of natural—at least in terms of homeland security, rather, the eye is always on the prize. We are always focused and looking and making certain that our communities and our cities and towns are safe from terrorism and everything else.

But I just had on my monthly TV show a campaign—See Something, Say Something—not so much on—well, it focused on the terrorism elements of it, but in terms of natural disaster you cannot see something and say something relative to a natural disaster because you do not know when it is going to occur. And it will happen, and then you have to be ready to respond.

So, for all the comments and the expressions by Mr. Madden here, I certainly support and believe that we need to keep the two intertwined, again, but I think it is flexibility that is the key here.

Senator BEGICH. Is the key.

Any last comments, and again, Mr. Filler, did you have any comment you want to make before I close out?

Mr. FILLER. I would just add that from the earliest days the department has embraced the concept of dual use, which is basically if you acquire a capability you can use it for either a natural hazard or a terrorist event.

Senator BEGICH. Right.

Mr. FILLER. Obviously, there is a difference in prevention.

And I think States and urban areas around the country have embraced that—that this split between terrorism and natural hazards, when you get to the ground level, really does not exist.

Senator BEGICH. Right.

Mr. FILLER. Obviously, on the prevention side and the intelligence side, but for all other practical purposes it is really an academic issue and one that I think most of the community has worked through and understands.

Now, if you change how you allocate funding based on terrorism risk or natural hazards risk, that will have a change. Obviously, New York is a greater terrorism risk than it is from an earthquake or even a hurricane despite Hurricane Sandy.

Senator BEGICH. Right.

Mr. FILLER. But, for purposes of once the money goes out and is used, dual use has been embraced for almost 10 years.

Senator BEGICH. Very good.

Let me say to all of you; thank you very much for being here. The first panel, second panel—you guys are kind of on the ground, dealing with it.

Again, your two unique experiences have been in the system and now outside the system. Like you said, sometimes you wonder, do I really want that regulation, and now I have to deal with it?

You get what you sow, right?

But it is helpful. I mean, I think we have—it is clear to me more and more as we look at this issue of FEMA. How do we create some consistency?

How we do not just do the churn and burn on the material or do as—the thing that bothered me the most was kind of the spending plan approach versus what is strategically necessary and where those gaps are, you fill them. I think a couple of you talked about that and how we do that.

A piece of what the mayor brought up—and I think in Alaska—we are kind of unique because we have this unique relationship with our cities and our State. But I can tell you in other cities and other States it is not as clean-cut as it should be.

John, you are an exception. I will tell you that, to be frank, with all the mayors that I know around the country.

And we have to figure this out—how to make sure that cities who are always going to be, no matter how much you strategize, will be the first person on the ground.

It may be a terrorist act as we saw in Boston or a natural disaster in Galena. It is the first. It is that body that is right there who may be a volunteer firefighter, a firefighter, police officer, EMT, or nurse, whoever it might be. And then right next door to them will be the State system and then the Federal system.

And if we are going to be responsive, not only in a preventive—or in a response mode but also in the preventive mode, which is also the hardest to measure but probably one of the most important. We can do certain things, but there are these risk factors.

It is going to be interesting to see over the next period of time as we see some recommendations on how we analyze this money and use it for risk factor strategic planning versus, well, we have a certain amount; spend it; we hope you do well with it because that is not the kind of money we have available anymore and we have to be much smarter about it.

So your ideas and your testimony, as well as your written testimony—I want to say on behalf of the Committee, thank you very much for being here.

Let me just check one thing. [Pause.]

The record will be kept open for 15 days for additional questions or comments from Members of the Committee. We may submit some written questions for you. We would be anxious for your response.

But, again, thank you all very much for being here.

This Committee is now adjourned.

[Whereupon, at 11:54 a.m., the Subcommittee was adjourned.]

# A P P E N D I X

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STATEMENT

OF

THE HONORABLE TIMOTHY MANNING  
DEPUTY ADMINISTRATOR  
PROTECTION AND NATIONAL PREPAREDNESS

FEDERAL EMERGENCY MANAGEMENT AGENCY  
U.S. DEPARTMENT OF HOMELAND SECURITY

BEFORE  
THE

SENATE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS,  
SUBCOMMITTEE ON EMERGENCY MANAGEMENT, INTERGOVERNMENTAL  
RELATIONS, AND THE DISTRICT OF COLUMBIA  
U.S. SENATE

**“ARE WE PREPARED? MEASURING THE IMPACT OF PREPAREDNESS GRANTS  
SINCE 9/11”**

Submitted  
By

Federal Emergency Management Agency  
500 C Street, S.W.  
Washington, D.C. 20472

June 25, 2013

### **Introduction**

Chairman Begich, Ranking Member Paul, and Members of the Subcommittee: Good morning. I am Timothy Manning, the Federal Emergency Management Agency's (FEMA) Deputy Administrator for Protection and National Preparedness. On behalf of Secretary Napolitano and Administrator Fugate, thank you for the opportunity to appear today.

As you know, FEMA's preparedness grant programs have contributed significantly to the overall security and preparedness of the Nation. We are more secure and better prepared to prevent, protect against, mitigate, respond to, and recover from the full range of threats and hazards the Nation faces than we have been at any time in our history. We plan better, organize better, equip better, train better, and exercise better, resulting in improved national preparedness and resilience.

Much of this progress has come from leadership at the State and local levels, fueled by FEMA's grant programs. Over the past ten years, Congress, through the Department of Homeland Security (DHS), has provided State, territorial, local, and tribal governments with more than \$36 billion. We have built and enhanced capabilities by acquiring needed equipment, funding training opportunities, developing preparedness and response plans, exercising and building relationships across city, county, and State lines. Although Federal funds represent just a fraction of what has been spent on homeland security across the Nation overall, these funds have changed the culture of preparedness in the United States. Response and recovery efforts from last year's Hurricane Sandy and the recent tragedy in Boston bear witness to the improved capabilities that preparedness grants have supported.

We are beginning to measure the effectiveness of the grant funding in several ways. First, FEMA has established measurable goals and objectives through the National Preparedness Goal and National Preparedness System that enable us to systematically measure improvements in first responder capabilities and state-wide preparedness. FEMA established the Threat and Hazard Identification and Risk Assessment, (THIRA) to provide a common approach for identifying and assessing risks, documenting their associated impacts, and setting capability targets. It creates an integrated risk picture through a five-step process that identifies threats and hazards; details their consequences; examines the core capabilities needed by States, territories, and urban areas; sets capability targets; and applies the results to products like the State Preparedness Report (SPR).

Because grantees must link grant investments to capability gaps or requirements or gaps they have identified for the 31 core capabilities as part of the THIRA and SPR, we can measure grantees' implementation of the System and annual progress in meeting the goals they have established for each of the 31 core capabilities defined in the National Preparedness Goal.

### **Measuring Preparedness Grants: The National Preparedness System**

In March 2011, President Obama signed Presidential Policy Directive 8 on National Preparedness, directing the development of a National Preparedness Goal. Plainly stated, the National Preparedness Goal, developed through a collaborative process including all levels of government, the private sector and the general public, envisions a secure and resilient Nation with the capabilities required across the whole community to prevent, protect against, mitigate, respond to, and recover from the threats and hazards that pose the greatest risk.

The National Preparedness System (NPS) is the instrument that the Nation employs to build, sustain, and deliver the core capabilities in order to achieve the National Preparedness Goal. FEMA requires grantees to implement the NPS and establish a Whole Community approach to homeland security and emergency management. To support building, sustaining, and delivering these core capabilities, grantees use the components of the NPS: identify and assess the risks we face; estimate capability requirements to meet those risks; build and sustain capabilities; plan to deliver capabilities; validate those capabilities through exercises and real world incidents; and then review and update our capabilities and plans. FEMA is tracking grantees' progress implementing the components of the NPS and their progress closing capability gaps.

In 2012, FEMA released a consistent methodology for determining risks through its *Comprehensive Preparedness Guide 201: Threat and Hazard Identification and Risk Assessment (THIRA) Guide*. Diverging from past efforts to establish measures and metrics for a capability that would be applied uniformly across all jurisdictions, this approach allows a jurisdiction to establish its own capability targets based on the risks it faces. Once each jurisdiction has determined capability targets through the THIRA process, the jurisdiction estimates its current capability levels against those targets in its State Preparedness Report (SPR). The THIRA and SPR processes are scalable to encourage sub-jurisdictions and sub-grantees to provide input to the State or territory. The THIRA and SPR results highlight gaps in capability, which gives FEMA a basis to measure grantees' progress in closing those gaps over time. On December 31, 2012, States and territories submitted their THIRA and SPR to FEMA. The summary results are published in the annual *National Preparedness Report*.

The next component of the National Preparedness System is to build and sustain critical capabilities. This step ties grant investments directly to needs and shortfalls. In State grant application Investment Justifications, grantees must address the capability gaps and requirements documented in their SPR that the investment intends to address. In addition, the grantee must identify the specific outcomes that the investment will yield.

In FY 2012, DHS preparedness grants required grantees to belong to the Emergency Management Assistance Compact (EMAC) and to ensure that grant-funded capabilities are deployable outside of their community to support regional and national efforts. EMAC offers

assistance during an incident by allowing States to send personnel, equipment, and commodities to help disaster relief efforts in other States.

In addition, grant recipients report their use of grant funds to build or sustain shareable, standardized, typed resources. Standardized resources promote collaboration during emergency response and recovery operations, as their well-defined capabilities and components make them easier to integrate with other jurisdictions' resources.

The next step in the National Preparedness System is planning to deliver capabilities. Grantees are required to review and update their Emergency Operations Plan (EOP) every two years and to incorporate the latest FEMA guidance in their plans. In November 2010, FEMA published *CPG 101: Developing and Maintaining Emergency Operations Plans, Version 2 (CPG 101 v.2)*, to assist in making the planning process consistent across all phases of emergency management and for all homeland security mission areas. Grantees are required to submit to FEMA an annual assessment of their progress in developing and/or updating their EOP that reflects this planning guidance. Nearly two-thirds of grantees reported having revised their existing EOPs to align with *CPG 101 v.2*. Nearly a quarter of grantees reported having exercised their EOP in alignment with *CPG 101 v.2*.

Equally important is the next step of validating capabilities through real-world incidents, exercises, and assessments. FEMA requires grantees through the Emergency Management Performance Grants (EMPG) Program to exercise their EOP regularly. Grantees also assess all 31 core capabilities annually in the SPR and identify whether exercises and real-world incidents have sufficiently prepared them to meet the capability targets in their THIRA. FEMA also works with grantees to develop case studies detailing how capabilities supported through grant investments are used in real-world incidents, as highlighted in the NPR.

#### **National Preparedness Report**

The *National Preparedness Report (NPR)* examines preparedness improvements across the Nation. The first NPR, released last year, included specific accomplishments in the context of the core capabilities identified in the National Preparedness Goal. While the inaugural 2012 NPR highlighted preparedness accomplishments in the decade following the September 11, 2001 attacks, the 2013 NPR – recently transmitted to this Committee – focuses primarily on accomplishments either achieved or reported on during 2012.

In total, the 2013 NPR identifies 65 key findings. Several of these findings focus on overarching national trends and highlight areas of national strength, areas for improvement, and issues that cut across multiple capabilities and mission areas.

The 2013 NPR found that the Nation continues to make progress building preparedness in key areas, including planning, operational coordination, intelligence and information sharing, and operational communications – each of these was identified as an area of strength in the 2012

NPR. Hurricane Sandy highlighted strengths in the Nation's ability to respond and recover from disasters. Federal partners supplemented State and local resources through established response and recovery support functions, and whole community partners provided valuable support to survivors.

The Nation also made progress in addressing the areas for improvement identified in last year's NPR, including: cybersecurity; recovery-focused core capabilities like economic recovery, protection of natural and cultural resources; housing; and integration of individuals with disabilities and access and functional needs.

This year, FEMA established criteria to identify areas for national improvement using State preparedness data, exercise information, and linkages to long-term drivers of emergency management. The 2013 NPR identifies two new areas for improvement using this repeatable methodology: infrastructure systems and public and private partnerships. Over time, it is expected the NPR will also identify new areas for improvement and remove areas that are effectively addressed.

The strengths and areas for improvement in the NPR will be used to inform planning efforts, focus priorities for Federal grants, and enable informed collaboration among stakeholders working together to improve the nation's preparedness.

#### **Hurricane Sandy**

Our investments paid off before and after Hurricane Sandy, with our Urban Area Security Initiative (UASI) grant program funding supporting regional response teams, training programs, interoperable communications, and plans development. New York City's success in responding to Hurricane Sandy stems in part from grant-funded investments in personnel and supplies, as well as community outreach and warning systems.

New York City used UASI-funds to develop and train the New York City Fire Department (FDNY) Incident Management Team (IMT). The FDNY IMT was activated for Hurricane Sandy operations on October 28. The IMT successfully managed resource deployment, personnel, finances, and logistics for operations in Queens, Brooklyn, and Staten Island. Missions included managing homebound evacuations; providing for fire and life safety; and managing tree removal and dewatering operations. From November 24 to December 29, the team coordinated the logistics of the New York City Department of Health and Mental Hygiene's support to residents as part of the their home wellness initiative.

In addition, UASI-funded personnel at New York City's Office of Emergency Management developed and conducted exercises on the City's evacuation and sheltering plans, which address complex, large-scale operations such as evacuating more than three million residents and sheltering up to 605,000. New York City activated these plans in response to Hurricane Sandy,

and involvement in the plan's development enabled City agencies to hasten recovery efforts like clearing downed trees and removing debris.

New York City also used UASI funds to develop an emergency stockpile of meals, water, and other essential supplies. This stockpile supported the mass care needs of 10,000 people across 71 shelters during and after Hurricane Sandy. During Hurricane Sandy, the City deployed more than 80 percent of the stockpile. In addition, the UASI program has provided roughly \$2 million per year to the Ready New York campaign, a city-wide effort to bolster community resilience. In 2012, the campaign supported more than 700 outreach events and distributed over a half million preparedness guidebooks.

New York City used another UASI-supported program, Notify NYC, to better inform City residents during Hurricane Sandy. Using phone calls, emails, text messages, and Twitter, Notify NYC provided nearly 70 warnings and emergency updates about Sandy to a network of over 170,000 subscribers in advance of and after the storm.

The State of New Jersey used Public Safety Interoperability Communications grants to fund construction of a statewide 700 MHz trunked radio communications system, which was one of the biggest public safety communications success stories related to Hurricane Sandy. The New Jersey Office of Information Technology and New Jersey State Police distributed nearly 500 portable radios to local, county, state, and Federal responders to access the system and meet critical communications needs in areas where local communication systems were inoperable. And despite heavy rain and high winds, infrastructure supporting the statewide system suffered only minimal, isolated damage. Out-of-state personnel deployed throughout New Jersey continued to use the system as their primary means of communication until early February 2013.

#### **Boston Marathon Bombing**

Similarly, Federal grant programs helped bolster State and local preparedness and response for the April 15 Boston Marathon bombing. In particular, FEMA's HSGP helped Boston and Massachusetts first responders build, sustain, and deliver capabilities critical to the bombing response.

For example, the Massachusetts State Police used a Forward Looking Infrared (FLIR) imaging unit purchased with DHS grants funds to search for, locate, and apprehend the surviving bombing suspect. Boston also used UASI funds to train SWAT teams to better integrate bomb technicians into tactical operations, a crucial capability that was demonstrated in the aftermath of the Marathon bombings. In addition, UASI investments helped the Boston Regional Intelligence Center (BRIC) support bombing-related operations, analysis, and investigations. The Boston Urban Area also has made significant investments in its Operational Communications capabilities through a variety of enhancements, including: the acquisition of radio caches, the establishment of a mutual aid radio network, and the development of a radio channel plan.



Prior to the Boston Marathon bombing, Boston and Massachusetts used Federal grant funds to plan, train, and exercise for improvised explosive device (IED)-related threats and hazards. Boston conducted a Joint Counterterrorism Awareness Workshop (JCTAWS) in 2011 focused on integrating response operations to a complex attack in the Boston metropolitan area. FEMA's Regional Catastrophic Preparedness Grant Program supported Boston and Massachusetts' efforts to develop key regional plans, including a Regional IED Annex, which established coordinated protocols for response to a significant IED incident. This grant program also supported a tabletop exercise for the Boston region featuring a coordinated IED attack across three states.

### **Urban Search and Rescue**

Investments in state and local capabilities developed nationwide coverage for response to structural collapse. Today, the Nation possesses significantly more capability in the Urban Search and Rescue (US&R) environment than it did ten years ago. Ninety-seven percent of the U.S. population lives within a four-hour drive of a structural collapse team. A recent FEMA tally identified nearly 300 structural collapse/US&R teams; only 55 percent of these teams existed prior to 2001. The national expansion of state and local US&R teams is a direct result of FEMA contributions in grant funding and training. From fiscal year (FY) 2006 to FY 2010, state, local, tribal, and territorial grantees allocated approximately \$158 million in preparedness assistance to build and maintain US&R capabilities, which can be deployed to support operations nationally. Meanwhile, in this same period, students completed nearly 33,000 search and rescue-related courses.

In summary, FEMA has provided measurable objectives for grantees through the National Preparedness Goal. The Goal is a guidepost for the entire nation and provides national objectives. The THIRA allows jurisdictions to determine their own desired outcomes/objectives for their jurisdiction, which contributes to achieving the National Preparedness Goal. FEMA is now tracking grantees' implementation of the National Preparedness System and their progress in sustaining and building capabilities to meet the National Preparedness Goal. These products are maturing and will allow the Nation to look holistically across all capabilities and whole community partners to gauge areas of strength and areas for improvement, and better target grants.

FEMA will also use project-based monitoring as the principal means of measuring project progress. FEMA will continue to follow projects from creation to completion, measuring basic data to assess impact over time, improving accountability, and enhancing FEMA's ability to identify progress made in preparedness.

In the past several years, FEMA has made significant improvements to its internal operations and in its management and oversight of the HSGP. We also have enhanced our ability to measure the effectiveness of grant dollars on the Nations' overall preparedness.

Our grant monitoring team continues to strengthen our efforts, ensuring that:

- Funds are used in accordance with Federal law, regulations and administrative procedures;
- Funds are utilized to meet the objectives of the grant program as determined by law or grant guidance;
- Waste, fraud, and abuse of grant funding is identified where it may exist and is eliminated; and
- Grantees are practicing sound grant management practices and making progress toward program goals.

In FY 2013, FEMA implemented an integrated monitoring plan designed to realize efficiencies and improve information sharing between the financial and programmatic monitoring staff. While financial and programmatic monitoring works hand-in-hand, they entail separate methodologies and processes. *Financial* monitoring focuses on compliance with statutory, regulatory, and FEMA grant administration requirements. *Programmatic* monitoring is designed to identify administrative or performance issues that could impede the success of grant objectives, and to target assistance to resolve those issues as early as possible in the grant cycle. The integrated analysis of financial and programmatic monitoring data will increase our ability to identify common issues and challenges and to proactively target assistance to grantees.

#### **Evolving the Grant Program: The National Preparedness Grant Program**

As we look to further strengthen our ability to prepare for events, the President's Fiscal Year 2014 Budget proposes to reform the grant programs and establish a National Preparedness Grant Program (NPGP). Creating this program would create a robust national network of capabilities, eliminate redundancies and make the most of our limited resources, while strengthening our ability to respond to evolving threats across America.

Specifically, the proposed NPGP would consolidate current State and local preparedness grant programs into one overarching program (excluding EMPG and Assistance to Firefighters Grants programs) to enable grantees to collaboratively build and sustain core capabilities towards achieving the National Preparedness Goal.

By removing stovepipes, encouraging collaboration among disciplines and across levels of government, State and local governments would be able to collectively prioritize their needs and allocate increasingly scarce grant dollars where they would have the greatest impact.

Consolidating the existing suite of grant programs will allow the nation to streamline and enhance its preparedness capacity with cross-jurisdictional, multi-purpose, and readily deployable State and local assets that work together as part of a strong national system.

The Program will focus on developing and sustaining the core capabilities—as identified and defined in the National Preparedness Goal—necessary to prevent, protect against, mitigate, respond to, and recover from events that pose the greatest risks to the United States.

Implementing the NPGP will also improve the efficiency of the grant programs by eliminating the burden on grantees to meet often redundant mandates from multiple individual grant programs. As the subcommittee is aware, the Redundancy Elimination and Enhanced Performance for Preparedness Grants Act identified the elimination of duplicative mandates as a priority.

This process, and the creation of NPGP, will ensure that grantees have the ability to build and sustain capabilities that can be deployed not just on the local level, but on the regional and national levels as well – creating an interconnected network of local, state, regional and national capabilities to increase the security of the nation. We look forward to working with this Committee toward that end.

#### **Conclusion**

We have demonstrated the efficacy of our grant programs through thoughtful analysis. The National Preparedness Goal provides us with a clearly defined target to work toward and we have greatly improved our ability to assess needs and track spending toward meeting those needs.

Thank you for the opportunity to discuss these important issues before the Committee. I am happy to respond to any questions you may have.

STATEMENT OF ANNE L. RICHARDS

ASSISTANT INSPECTOR GENERAL FOR AUDITS

DEPARTMENT OF HOMELAND SECURITY

*BEFORE THE*

SUBCOMMITTEE ON EMERGENCY MANAGEMENT, INTERGOVERNMENTAL  
RELATIONS, AND THE DISTRICT OF COLUMBIA

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

U.S. SENATE

*CONCERNING*

ARE WE PREPARED? MEASURING THE IMPACT OF PREPAREDNESS GRANTS  
SINCE 9/11



Good morning Chairman Begich, Ranking Member Paul, and Members of the Subcommittee:

I am Anne Richards, Assistant Inspector General for Audits at the Department of Homeland Security (DHS) Office of Inspector General (OIG). Thank you for inviting me to testify on the Homeland Security Grant Program (HSGP).

My testimony today will summarize the results of our audits of the homeland security grant program. I will present my testimony in two sections by first discussing deficiencies or challenges we identified and then highlighting some of the best practices being used by various states and urban areas.

HSGP provides funds to State, territory, local, and tribal governments to enhance their ability to prepare for, prevent, protect, respond to, and recover from terrorist attacks, major disasters, and other emergencies. Within DHS, the Federal Emergency Management Agency (FEMA) administers HSGP, which is an important part of the administration's larger, coordinated effort to strengthen homeland security preparedness. The program includes several interrelated Federal grant programs that fund a range of preparedness activities, including planning, organization, equipment purchase, training, and exercises, as well as management and administration. Under HSGP, the State Homeland Security Program (SHSP) provides financial assistance to States and U.S. territories for these activities, and the Urban Areas Security Initiative (UASI) provides funding to high-risk urban areas for the same types of activities.

Since 2007, DHS OIG has audited States and urban areas to determine whether they have implemented their HSGP grants efficiently and effectively, achieved program goals, and spent funds according to grant requirements. In total, as of May 2013, we have completed audits on HSGP grant management in 36 States and 1 territory (U.S. Virgin Islands), some of which included urban areas; we have 17 ongoing audits. We plan to complete audits of all states and territories receiving HSGP grants by August 2014. Our overall objective in these audits remains essentially unchanged—to continue recommending actions that will make grants management more efficient and effective, while strengthening the Nation's ability to prepare for and respond to natural and manmade disasters.

#### Results of FY 2013 Audits

Through our FY 2013 and previous years' audits, we determined that in most instances the States complied with applicable laws and regulations in distributing and spending their awards. However, we noted several challenges related to the States' homeland security strategies, obligation of grants, reimbursement to subgrantees for expenditures, monitoring of subgrantees' performance and financial management, procurement, and property management.

#### Homeland Security Strategies

As reported in recent testimony, many States continue to maintain homeland security strategies that do not include specific goals and objectives and are outdated. According to DHS guidance, States that receive HSGP grants are to create and use strategies aimed at improving preparedness and response to natural and manmade disasters. The goals and objectives in these strategies

should be specific, measurable, achievable, results-oriented, and time-limited. However, the goals and objectives in many strategies were too general for States to use to effectively measure their performance and progress toward improving preparedness and response capabilities. In addition, because some States did not update their strategies, they did not reflect the most current priorities, risks, needs, and capabilities. Using outdated strategies can also hamper decision-making on future expenditures.

In our audits completed through May of FY 2013, we noted that the homeland security strategies for Indiana, Kentucky, Massachusetts, Mississippi, North Carolina, Rhode Island, and Wisconsin did not include some or all of the elements necessary for a successful strategy, such as specific, measurable, achievable, results-oriented, and time-limited goals and objectives.

Kentucky, Massachusetts, and Mississippi also had outdated strategies. For example, Kentucky's strategic plan was drafted in 2005, prior to the issuance of the *National Preparedness Guidelines* of September 2007. Therefore, Kentucky's strategic plan was not updated to align with the revised guidelines. Kentucky's Office of Homeland Security officials said they expected to update their strategic plan by the end of 2012; yet, an interview with FEMA in February 2013 revealed that Kentucky was in the process of updating its plan, and expected to submit it to FEMA for review no later than 6 months after OIG issued the final report. Similarly, the Commonwealth of Massachusetts' Homeland Security Strategy had not been updated since 2007. Officials told us that they delayed the revising their strategy until after FEMA issued the National Preparedness Goals. Mississippi's 2008 plan also served as its strategy for FYs 2009 and 2010. But the strategy contained goals and objectives with target completion dates that had already passed, so it was not current and could not be effective in guiding future actions.

#### Obligation of Grant Funds

Our audits also showed that States did not always obligate HSGP grants to subgrantees in a timely manner. In many cases, it took months for State grantees to obligate grant funds. By not obligating funds promptly, grantees may have increased subgrantees' administrative costs. They may have also hindered the subgrantees' ability to complete projects and deliver needed equipment and training, which could ultimately put preparedness and response capabilities at risk. In addition, some State grantees did not promptly reimburse subgrantees for their grant expenditures.

In 2013, we found that Connecticut, Illinois, Indiana, Massachusetts, North Carolina, and Virginia did not obligate funds to their subgrantees in a timely manner. Specifically, the time it took to obligate funds to their subgrantees ranged from 138 days to 842 days.

In Connecticut, grant funds were fully obligated, on average, about 712 days after the 45-day requirement in FY 2008; about 636 days in FY 2009; and about 138 days in FY 2010.

Massachusetts obligated funds 472 days after the required date, and Virginia took as many as 842 days after the required period to obligate funds.

During FYs 2008 through 2011, Massachusetts sent letters to subgrantees notifying them of the amount of HSGP funds they were eligible to receive. Commonwealth officials considered the

date of the letter as the funding obligation date. However, the notification letters did not constitute obligation of funds because they contained conditions that had to be met before the funds would be made available to the subgrantee. For example, the letters required subgrantees to submit budgets and expenditure plans for Commonwealth approval. Upon approval of the budgets and plans, the Commonwealth would enter into a contract with a fiduciary agent representing the subgrantee. According to the letter, subgrantees could not undertake grant-funded activity prior to final execution of the contract with the fiduciary agent, and costs incurred outside the official contract period would not be reimbursed. Consequently, funds were not obligated until the Commonwealth executed a contract with the fiduciary agent.

#### Monitoring of Subgrantees' Performance and Financial Management

Many HSGP grantees did not adequately oversee subgrantees' performance or measure their progress toward achieving objectives and goals, nor did they always adequately monitor subgrantees' financial management of grants. Inadequate assessment of subgrantees' performance and progress may have limited the States' ability to assess capabilities and gaps and take corrective actions to improve them. Without performance monitoring, States cannot be certain that they have met program goals and used funds to enhance capabilities, rather than wasting them by not addressing deficiencies. The States also could not ensure that subgrantees' funding requests were aligned with real threats and vulnerabilities. By not adequately overseeing subgrantees' financial management practices, the States could not ensure that subgrantees were using funds efficiently and effectively and complying with Federal and State regulations in administering grants.

In our FY 2013 audits, we determined that seven States needed to improve their monitoring of grant performance and subgrantees' adherence to Federal and State regulations because they did not have procedures to ensure that subgrantees consistently tracked what they accomplished with grant funds, did not always ensure compliance with Federal laws and regulations, or had limited oversight. FY 2013 audits also showed that States needed to improve their financial management practices, performance and financial reporting, transfer of grant funds, management and administrative costs, or grant expenditure reviews.

Illinois' Urban Area and Rhode Island had no evidence of a performance measurement process. Chicago city officials stated that there were informal performance measurement processes in place during FYs 2006 through 2008, but they were not able to explain, demonstrate, or support these assertions. These officials also stated that they collected performance data at the City of Chicago department and agency levels, but there was no indication that such data was being analyzed, reconciled, or used for performance measurement. Rhode Island does not have sufficient performance measures to use as a basis for determining progress toward its security strategy goals and objectives. The State has attempted to measure the results of HSGP funds through a variety of reports, performance assessments, and strategy plans, but it has not gathered results-oriented data that can be measured to show the impact of the grant funds.

Kentucky had no measurable goals in place and our review of the State Preparedness Reports for FYs 2008 through 2010 showed that they estimate preparedness as a percentage based on the type of activity, such as planning or communications, but use inconsistent data from year-to-

year. These reports do not contain Specific, Measureable, Achievable, Results-oriented, and Time-limited—or SMART—performance measurements, so they do not measure the extent of Kentucky’s performance improvements in preparedness as a result of the Commonwealth receiving HSGP funds.

Additionally, Kentucky cannot evaluate its preparedness levels and response capabilities or effectively determine progress toward its goals and objectives. Instead of using a current strategic plan with performance measurements, Kentucky officials said that they use a risk-based approach for making funding decisions.

Virginia did not include measurable target levels of performance to compare with actual achievement. For example, the Commonwealth’s objective to implement the Ready Virginia Communications Plan was not measurable or time-limited. Without measurable target performance levels for goals and objectives, the Commonwealth could not evaluate the effect of grant expenditures on its preparedness and emergency response capabilities.

Massachusetts did not have sufficient performance measures to use in determining its ability to deter, prevent, respond to, and recover from acts of terrorism and natural and manmade disasters.

North Carolina did not develop performance measures to evaluate its ability to respond to an emergency caused by a natural disaster or terrorism, and it could not demonstrate specific improvements and measurable accomplishments of HSGP-funded projects for FYs 2008 through 2010.

North Carolina asserted that it measured its progress toward achieving its goals and objectives through Biannual Strategy Implementation Reports and State Preparedness Reports. Although the information in the State Preparedness Reports was linked with the State strategy’s goals and objectives, we could not verify how the State obtained the information in these reports. Furthermore, these surveys and reports included information on the financial status and completion of projects, but did not measure whether the State had met its strategic goals and objectives and improved its disaster preparedness and response.

#### Compliance with Procurement Regulations

In some audits we conducted since 2007, we identified subgrantees that did not fully comply with Federal and State procurement regulations. For example, in our FY 2013 audits, we identified subgrantees that did not comply with Federal regulations because they did not obtain an adequate number of bids, did not properly justify sole-source procurements, or did not conduct a cost analysis as required for a non-competitive procurement. As a result, the States could not always be assured that subgrantees made fully informed decisions on contract awards, and that they had selected the best offerors.

For example, Illinois did not always comply with Federal and local procurement regulations regarding UASI funded expenditures. We conducted a separate review of UASI-funded procurements for Project Shield interoperable communications equipment in Cook County and identified deficiencies in the procurement process. In addition, we conducted a limited review of



other UASI-funded procurements in both the City of Chicago and Cook County, and determined that Cook County did not have documentation, such as competitive quotations and sole-source justifications, for procurements outside of Project Shield.

Rhode Island and subgrantees did not ensure that Federal regulations were followed for procurements of equipment and services with HSGP funds. We identified several instances of noncompliance with grant requirements concerning cost analysis, quotes, and poor record keeping. For example, one subgrantee procured services totaling \$250,000 through a single-source vendor. The subgrantee provided a sole-source justification for the contract, explaining that the vendor was chosen because of its extensive knowledge of the State's emergency systems, but the subgrantee could not provide a cost analysis as required.

Another Rhode Island subgrantee did not retain quotes for a 2008 Sierra pickup truck procured with FY 2008 SHSP funds. Because of insufficient documentation, we could not determine whether the \$35,399 purchase was acquired under full and open competition. Additionally three subgrantees were unable to provide purchase and procurement documentation such as invoices and purchase orders for equipment purchases totaling \$186,179.

In Massachusetts, a subgrantee did not comply with State procurement requirements by renewing a contract that should have been rebid. A \$98,655 contract was awarded to a technical expert to compile studies, make an assessment, and develop recommendations for interoperable communications. Subsequently, the contract was increased to \$166,000 for design and development work at specific locations.

In another instance, a Massachusetts State agency purchased 16 all-terrain vehicles for \$100,316, and awarded a contract to a company with a prior contract, rather than conducting a competitive procurement. The agency contended that only this vendor could provide what was needed; it also claimed it had researched the unit price and deemed it competitive. According to the State Procurement Manual, however, sole source contracts are not allowable for this type of item.

In Mississippi, the State Board of Animal Health spent \$311,775 for a State food and agriculture vulnerability assessment without conducting a cost analysis before it entered into the agreement. The Board of Animal Health paid \$18,153 for sole-source technical support services without prior State approval or a contractual agreement.

According to Board of Animal Health officials, the agreement for the vulnerability assessment was awarded without competition because the awardee, a State agency, was the only source capable of conducting the study. In addition, the costs incurred for technical services were paid to an unjustified sole source because the service provider developed the program, and according to Board of Animal Health officials, was the only source capable of providing technical support. Furthermore, the State did not produce a contractual agreement to justify payments to this service provider.

#### Property Management

We also identified weaknesses in property management in our audits in FY 2013. Specifically, not all subgrantees were regularly inventorying grant-funded equipment, and subgrantees did not

always maintain accurate, complete, and up-to-date property records; did not always include required details in inventory documentation; and did not always properly mark grant-funded equipment as required by DHS. Without adequate property management, States and subgrantees may not be able to make certain that they have the necessary equipment, make well-informed decisions on future equipment needs, and prevent duplicative purchases. Proper inventory practices also help safeguard against loss, damage, and theft. Of the 10 States we audited thus far in FY 2013, two had property management weaknesses, including physical inventories that had not been completed; and inaccurate, incomplete, and missing property records.

#### Best Practices

We would also like to highlight some of the innovative and promising practices we have identified through our audits. Several States have implemented processes that can be considered “best practices” and in our audit reports we have recommended to FEMA that they ensure these practices are shared with other jurisdictions.

Kentucky hosts two mandatory grant workshops at various locations throughout the state: a grant application workshop for agencies interested in submitting projects for funding, and a grant compliance workshop for agencies awarded grant funding. These workshops include a review of Federal and State grant requirements, grant responsibilities if awarded, grant application and writing tips, and other available resources. The workshops are held periodically and provide local agencies the opportunity to receive required training while minimizing travel expenses.

Wisconsin uses a comprehensive Web-based system to announce and process HSGP grants, as well as track and report on grant activity, including inventory data, and it is designed to help measure grant performance.

Commonwealth of Massachusetts and Boston UASI officials conducted exercises and prepared after-action reports, which were used to identify areas in need of future HSGP funds. For example, the Boston UASI conducted an exercise called Urban Shield, which tested integrated systems to prevent, protect, respond to, and recover in the greater Boston high-threat, high-density urban area.

The Texas State Health and Human Services Department used Homeland Security grant funding for a system called the 2-1-1 Information and Referral and Transportation Assistance Registry (Registry). Individuals in Texas who may need assistance evacuating their homes during a disaster are entered in the Registry. The Registry is for people with disabilities, medical conditions, or other problems that would impede their ability to respond to a mandatory evacuation order because they do not drive or have family and friends to help. Across Texas, 2-1-1 Area Information Centers assist callers by explaining the Registry purpose and process. The Centers capture caller registration data in the Registry database. The Registry gives local emergency planners a better idea of the numbers of individuals who may need assistance and the type of assistance they may need during emergencies.

In California, the Technology Clearing house (San Diego Urban Area) is designed to evaluate new technologies and provide local jurisdictions detailed, independent assessments of equipment

and systems being considered by first responders. The Clearinghouse assists the law enforcement officers, firefighters, or emergency managers by conducting comparisons of detailed specifications, claimed benefits, warranties, compatibility issues, prices, and a myriad of other product issues.

In Florida, one Urban Area (Jacksonville) measures improvements in preparedness by evaluating its capabilities through annual gap analyses that are based on measured outcomes and an assessment of future needs. The gap analysis process uses readiness indicators (target capabilities list) and quantifiable data (i.e., spending trends) to identify gaps in planning, training, exercise, and equipment. The Urban Area Working Group prioritizes the results utilizing a tier system based on risk to the urban area, and incorporates the results into the project worksheets for the next grant cycle process.

Mr. Chairman, this concludes my prepared remarks. I welcome any questions that you or the Members of the Subcommittee may have.

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United States Government Accountability Office

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## Testimony

Before the Subcommittee on Emergency Management, Intergovernmental Relations, and the District of Columbia, Committee on Homeland Security and Government Affairs, U.S. Senate

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For Release on Delivery  
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# NATIONAL PREPAREDNESS

## FEMA Has Made Progress, but Additional Steps Are Needed to Improve Grant Management and Assess Capabilities

Statement of David C. Maurer, Director  
Homeland Security and Justice

## GAO Highlights

Highlights of GAO-13-637T, a testimony before the Subcommittee on Emergency Management, Intergovernmental Relations, and the District of Columbia, Committee on Homeland Security and Government Affairs, U.S. Senate

### Why GAO Did This Study

From fiscal years 2002 through 2012, Congress appropriated about \$41 billion to a variety of DHS preparedness grant programs to enhance the capabilities of state and local governments to prevent, protect against, respond to, and recover from terrorist attacks and other disasters. DHS allocated more than \$22.3 billion through four of the largest preparedness programs—the Urban Areas Security Initiative, the State Homeland Security Program, the Port Security Grant Program, and the Transit Security Grant Program.

In February 2012, GAO identified factors that contribute to the risk of FEMA potentially funding unnecessarily duplicative projects across the four grant programs. In March 2011, GAO reported that FEMA faced challenges in developing and implementing a national preparedness assessment, a fact that inhibits its abilities to effectively prioritize preparedness grant funding. This testimony updates GAO's prior work and describes FEMA's progress in (1) managing preparedness grants and (2) measuring national preparedness by assessing capabilities. This statement is based on prior products GAO issued from July 2005 to March 2013 and selected updates in June 2013. To conduct the updates, GAO analyzed agency documents, such as the *National Preparedness Reports*, and interviewed FEMA officials.

### What GAO Recommends

GAO has made recommendations to DHS and FEMA in prior reports. DHS and FEMA concurred with these recommendations and have actions under way to address them.

View GAO-13-637T. For more information, contact David C. Maurer at (202) 512-8777 or [maurerd@gao.gov](mailto:maurerd@gao.gov).

June 25, 2013

## NATIONAL PREPAREDNESS

### FEMA Has Made Progress, but Additional Steps Are Needed to Improve Grant Management and Assess Capabilities

#### What GAO Found

Officials in the Federal Emergency Management Agency (FEMA)—a component of the Department of Homeland Security (DHS)—have identified actions they believe will enhance management of the four preparedness programs GAO analyzed; however, FEMA still faces challenges. In February 2012, GAO found that FEMA lacked a process to coordinate application reviews and made award decisions with differing levels of information. To better identify potential unnecessary duplication, GAO recommended that FEMA collect project-level information and enhance internal coordination and administration of the programs. DHS concurred and has taken steps to address GAO's recommendations. For example, the fiscal year 2013 and 2014 President's budgets proposed the establishment of the National Preparedness Grant Program (NPGP), a consolidation of 16 FEMA grant programs into a single program. Members of Congress raised questions about the NPGP and did not approve the proposal for fiscal year 2013. FEMA incorporated stakeholder views, as directed by Congress, and the fiscal year 2014 President's Budget again proposed the NPGP. If approved, and depending on its final form and execution, the NPGP could help mitigate the potential for unnecessary duplication and address GAO's recommendation to improve internal coordination. In March 2013, FEMA officials reported that the agency intends to start collecting and analyzing project-level data from grantees in fiscal year 2014; but has not yet finalized data requirements or fully implemented the data system to collect the information. Collecting appropriate data and implementing project-level enhancements as planned would address GAO's recommendation and better position FEMA to identify potentially unnecessary duplication.

FEMA has made progress addressing GAO's March 2011 recommendation that it develop a national preparedness assessment with clear, objective, and quantifiable capability requirements and performance measures, but continues to face challenges in developing a national preparedness system that could assist the agency in prioritizing preparedness grant funding. For example, FEMA required state and local governments receiving homeland security funding to complete Threat and Hazard Identification and Risk Assessments (THIRA) and, as a part of this process, develop their own capability requirements by December 31, 2012. State officials are to use the capability requirements they identified to self-assess capabilities in their future *State Preparedness Reports*, which FEMA uses along with other sources to develop the annual *National Preparedness Reports*. However, FEMA faces challenges that may reduce the usefulness of these efforts. For example, because states develop their own capability requirements, and use individual judgment rather than a quantitative standard to assess preparedness capabilities, it may be difficult to identify differences and compare capability levels across states. Further, while FEMA officials stated that the THIRA process is intended to develop a set of national capability performance requirements and measures, such requirements and measures have not yet been developed. Until FEMA develops clear, objective, and quantifiable capability requirements and performance measures, it is unclear what capability gaps currently exist and what level of federal resources will be needed to close such gaps. GAO will continue to monitor FEMA's efforts to develop capability requirements and performance measures.

United States Government Accountability Office



U.S. GOVERNMENT ACCOUNTABILITY OFFICE

441 G St. N.W.  
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Chairman Begich, Ranking Member Paul, and Members of the Subcommittee:

I appreciate the opportunity to participate in today's hearing to provide an update on federal efforts to manage preparedness grants and assess preparedness capabilities. From fiscal years 2002 through 2013, the federal government appropriated about \$41 billion to a variety of Department of Homeland Security (DHS) preparedness grant programs to enhance the capabilities of state, local, territory, and tribal governments to prevent, protect against, mitigate the effects of, respond to, and recover from terrorist attacks and other disasters.<sup>1</sup> DHS allocated more than half of this total (\$22.3 billion) to grant recipients through four of the largest preparedness programs—the Urban Areas Security Initiative, the State Homeland Security Program, the Port Security Grant Program, and the Transit Security Grant Program.

The Post-Katrina Emergency Management Reform Act of 2006 (Post-Katrina Act) was enacted in the aftermath of Hurricane Katrina.<sup>2</sup> In response to the Act, among other things, DHS centralized most of its preparedness programs under the Federal Emergency Management Agency (FEMA)—a component of DHS—to better integrate and coordinate grant management. The act also requires that FEMA develop a national preparedness system and assess preparedness capabilities to determine the nation's preparedness capability levels and the resources needed to achieve desired levels of capability.<sup>3</sup>

<sup>1</sup>This total is based on Congressional Research Service data and our analysis, and includes Firefighter Assistance Grants and Emergency Management Performance Grants. See Congressional Research Service, *Department of Homeland Security Assistance to States and Localities: A Summary of Issues for the 111th Congress*, R40246 (Washington, D.C.: Apr. 30, 2010). For the purposes of this testimony, we define capabilities for prevention, protection, mitigation, response, and recovery as preparedness capabilities.

<sup>2</sup>The Post-Katrina Act was enacted as Title VI of the Department of Homeland Security Appropriations Act, 2007, Pub. L. No. 109-295, 120 Stat. 1355 (2006). The provisions of the Post-Katrina Act became effective upon enactment, October 4, 2006, with the exception of certain organizational changes related to FEMA, most of which took effect on March 31, 2007.

<sup>3</sup>According to the act, the assessment system must assess, among other things, current capability levels as compared with target capability levels (which, for the purposes of this testimony, we refer to as capability requirements), and resource needs to meet capability requirements. 6 U.S.C. §§ 744, 749.

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My testimony today addresses the following questions: (1) To what extent has FEMA made progress in managing four of the largest preparedness grant programs? (2) To what extent has FEMA made progress measuring preparedness by assessing capabilities?

My statement is based on reports and testimonies on DHS and FEMA grant management and preparedness assessment that we issued from July 2005 through March 2013.<sup>4</sup> More information about the scope and methodology of our prior work can be found in those reports. To update this work, we analyzed documentation such as DHS's *National Preparedness Report* issued in May 2013 and the DHS Fiscal Year 2014 Budget-in-Brief, and interviewed and obtained updated information on preparedness grants and capability assessment from FEMA officials in June 2013. We conducted our work in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

### Preparedness Grants

Over the past decade, the federal government has expanded financial assistance to a wide array of public and private stakeholders for preparedness activities through various grant programs administered by DHS through its component agency, FEMA. Through these grant programs, DHS has sought to enhance the capacity of states, localities, and other entities, such as ports or transit agencies, to prevent, respond to, and recover from a natural or man-made disaster, including terrorist incidents. Four of the largest preparedness grant programs are the Urban Areas Security Initiative, the State Homeland Security Program, Port Security Grant Program, and the Transit Security Grant Program.

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<sup>4</sup>For example, GAO, *Homeland Security: DHS's Efforts to Enhance First Responders' All-Hazards Capabilities Continue to Evolve*, GAO-05-652 (Washington, D.C.: July 11, 2005); *Government Operations: Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP (Washington, D.C.: Mar. 1, 2011); and *National Preparedness: FEMA Has Made Progress in Improving Grant Management and Assessing Capabilities, but Challenges Remain*, GAO-13-456T (Washington, D.C.: Mar. 19, 2013).

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- **The Urban Areas Security Initiative** provides federal assistance to address the unique needs of high-threat, high-density urban areas, and assists the areas in building an enhanced and sustainable capacity to prevent, protect, respond to, and recover from acts of terrorism.
  - **The State Homeland Security Program** provides funding to support states' implementation of homeland security strategies to address the identified planning, organization, equipment, training, and exercise needs at the state and local levels to prevent, protect against, respond to, and recover from acts of terrorism and other catastrophic events.
  - **The Port Security Grant Program** provides federal assistance to strengthen the security of the nation's ports against risks associated with potential terrorist attacks by supporting increased portwide risk management, enhanced domain awareness, training and exercises, and expanded port recovery capabilities.
  - **The Transit Security Grant Program** provides funds to owners and operators of transit systems (which include intracity bus, commuter bus, ferries, and all forms of passenger rail) to protect critical surface transportation infrastructure and the traveling public from acts of terrorism and to increase the resilience of transit infrastructure.

Since its creation in April 2007, FEMA's Grant Programs Directorate (GPD) has been responsible for managing DHS's preparedness grants.<sup>5</sup> GPD consolidated the grant business operations, systems, training, policy, and oversight of all FEMA grants and the program management of preparedness grants into a single entity.

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#### National Assessment of Preparedness

According to DHS and FEMA strategic documents, national preparedness is the shared responsibility of the "whole community," which requires the contribution of a broad range of stakeholders, including federal, state, and local governments, to develop preparedness capabilities to effectively prevent, protect against, mitigate the effects of, respond to, and recover from a major disaster.<sup>6</sup> Figure 1 provides an illustration of how federal,

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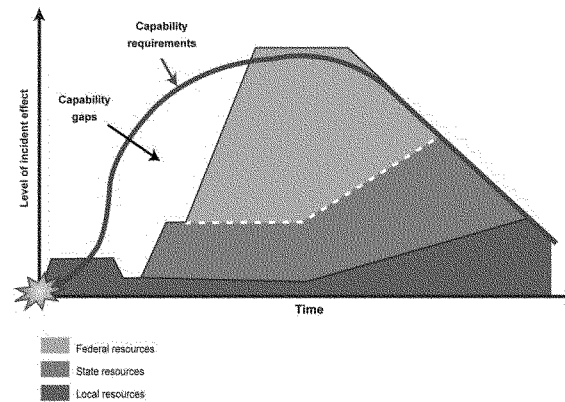
<sup>5</sup>The Post-Katrina Act transferred most of the Preparedness Directorate to FEMA, effective on March 31, 2007. Pub. L. No. 109-295, § 611(13), 120 Stat. 1355, 1400 (2006).

<sup>6</sup>FEMA, *FEMA Strategic Plan: Fiscal Years 2011-2014* (Washington, D.C.: February 2011), and DHS, *National Preparedness Goal* (Washington, D.C.: September 2011).



state, and local resources provide preparedness capabilities for different levels of government and at various levels of incident effect (i.e., the extent of damage caused by a natural or man-made disaster). The greater the level of incident effect, the more likely state and local resources are to be overwhelmed.

**Figure 1: Conceptual Illustration for Assessing Capability Requirements and Identifying Capability Gaps for National Preparedness.**



Source: GAO.

We have previously reported on and made recommendations related to DHS's and FEMA's efforts to develop a national assessment of preparedness, which would assist DHS and FEMA in effectively prioritizing investments to develop preparedness capabilities at all levels of government, including through its preparedness grant programs.<sup>7</sup> Such an assessment would

<sup>7</sup>GAO-05-652 and GAO, *National Preparedness: FEMA Has Made Progress, but Needs to Complete and Integrate Planning, Exercise, and Assessment Efforts*, GAO-09-369 (Washington, D.C.: Apr. 30, 2009).

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- identify the critical elements at all levels of government necessary to effectively prevent, protect against, mitigate the effects of, respond to, and recover from a major disaster (i.e., preparedness capabilities), such as the ability to provide lifesaving medical treatment via emergency medical services following a major disaster;
  - develop a way to measure those elements (i.e., capability performance measures); and
  - assess the difference between the amount of preparedness needed at all levels of government (i.e., capability requirements) and the current level of preparedness (i.e. capability level) to identify gaps (i.e., capability gaps).

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**FEMA Has Taken  
Actions to Enhance  
Management of Four  
Preparedness Grant  
Programs to Reduce  
the Risk of  
Unnecessary  
Duplication, but  
Challenges Remain**

In February 2012, we identified multiple factors that contributed to the risk of FEMA potentially funding unnecessarily duplicative projects across four of the largest grant programs—the Urban Areas Security Initiative, the State Homeland Security Program, the Port Security Grant Program, and the Transit Security Grant Program.<sup>8</sup> These factors include overlap among grant recipients, goals, and geographic locations, combined with differing levels of information that FEMA had available regarding grant projects and recipients. Specifically, we found that FEMA made award decisions with differing levels of information and lacked a process to coordinate application reviews.<sup>9</sup> To better identify potential unnecessary duplication, we recommended that FEMA (1) take steps to ensure that it collects project information at the level of detail needed to better position the agency to identify any potential unnecessary duplication within and across the four grant programs, and (2) explore opportunities to enhance FEMA's internal coordination and administration of the programs. DHS agreed with the recommendations and identified planned actions to improve visibility and coordination across programs and projects. We also suggested that Congress consider requiring DHS to report on the results of its efforts to identify and prevent duplication within and across the four

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<sup>8</sup>GAO, *Homeland Security: DHS Needs Better Project Information and Coordination among Four Overlapping Grant Programs*, GAO-12-303 (Washington, D.C.: Feb. 28, 2012).

<sup>9</sup>GAO, *More Efficient and Effective Government: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-449T (Washington, D.C.: Feb. 28, 2012).

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grant programs, and consider these results when making future funding decisions for these programs.

Since we issued our February 2012 report, FEMA officials have identified actions they believe will enhance management of the four grant programs we analyzed; however, FEMA still faces challenges to enhancing preparedness grant management. First, the fiscal year 2013 and 2014 President's budgets proposed the establishment of the National Preparedness Grant Program (NPGP), a consolidation of 16 grant programs (including the 4 grants we analyzed in our February 2012 report) into a comprehensive single program. According to FEMA officials, the NPGP would eliminate redundancies and requirements placed on both the federal government and grantees resulting from the existing system of multiple individual, and often disconnected, grant programs. For example, FEMA officials said that the number of applications a state would need to submit and the federal government's resources required to administer the applications would both decrease under the consolidated program. However, Members of Congress raised questions about the consolidation of the 16 grant programs and Congress did not approve the proposal in fiscal year 2013.<sup>10</sup> The fiscal year 2014 President's budget again proposed NPGP and, according to the fiscal year 2014 DHS Budget-in-Brief, FEMA improved the proposal by incorporating stakeholder views, as directed by Congress.<sup>11</sup> If approved, and depending on its final form and execution, the consolidated NPGP could help reduce redundancies and mitigate the potential for unnecessary duplication, and may address the recommendation in our February 2012 report to enhance FEMA's internal coordination and administration of the programs.

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<sup>10</sup>According to House report accompanying the DHS fiscal year 2013 appropriations bill, the NPGP proposal was denied due to the lack of congressional authorization and the lack of the necessary details that are needed for the initiation of a new program to include grant guidance and implementation plans. The committee also reported that stakeholders had expressed concern with the lack of stakeholder outreach prior to the program's introduction and directed DHS to conduct more stakeholder outreach. See H.R. Rep. No. 112-492, at 115 (2012).

<sup>11</sup>For example, to address the stakeholder concern that regulated port entities and transit systems would be required to apply through their state administrative agencies, the DHS Fiscal Year 2014 Budget-in-Brief states that the fiscal year 2014 NPGP will allow for transit agencies and port areas to include their own individual applications alongside the state administrative agency applications, consistent with urban area requests.

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Second, in March 2013, FEMA officials reported that the agency intends to start collecting and analyzing project-level data from grantees in fiscal year 2014; however, FEMA has not yet finalized specific data requirements and has not fully established the vehicle to collect these data—a new data system called the Non-Disaster Grants Management System (ND Grants). As of June 2013, FEMA officials expect to develop system enhancements for ND Grants to collect and use project-level data by the end of fiscal year 2013. FEMA officials stated that FEMA has formed a working group to develop the functional requirements for collecting and using project-level data and plans to obtain input from stakeholders and consider the cost-effectiveness of potential data requirements. In alignment with data requirement recommendations from a May 2011 FEMA report, the agency anticipates utilizing the new project-level data in the grant application process starting in fiscal year 2014.<sup>12</sup> Collecting appropriate data and implementing ND Grants with project-level enhancements as planned, and as recommended in our February 2012 report, would better position FEMA to identify potentially unnecessary duplication within and across grant programs.

Third, in June 2012, FEMA officials stated that there are additional efforts under way to improve internal administration of different grant programs. For example, officials stated that a FEMA task force has been evaluating grants management processes and developing a series of recommendations to improve efficiencies, address gaps, and increase collaboration across regional and headquarters counterparts and financial and programmatic counterparts. These activities represent positive steps to improve overall grants management, but officials did not identify any specific mechanisms to identify potentially duplicative projects across grant programs administered by different FEMA entities.

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<sup>12</sup>FEMA, *Redundancy Elimination and Enhanced Performance for Preparedness Grants Act: Fiscal Year 2011 Report to Congress* (Washington, D.C.: May 23, 2011).

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FEMA Has Made Progress in Establishing National Preparedness Capabilities, but Challenges Remain in Establishing Performance Measures That Could Assist in Prioritizing Grant Funding

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FEMA Has Faced Challenges Developing a National Assessment of Preparedness

We have previously found that DHS and FEMA have faced challenges in developing and implementing a national assessment of preparedness. For example:

- In July 2005, we reported that DHS had identified potential challenges in gathering the information needed to assess preparedness capabilities, including determining how to aggregate data from federal, state, local, and tribal governments and others and integrating self-assessment approaches.<sup>13</sup>
- In April 2009, we reported that establishing quantifiable metrics for capabilities was a prerequisite to developing assessment data that can be compared across all levels of government.<sup>14</sup> However, in analyzing FEMA's efforts to assess capabilities, we reported that FEMA faced methodological challenges with regard to (1) differences in available data, (2) variations in reporting structures across states, and (3) variations in the level of detail within data sources requiring subjective interpretation.

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<sup>13</sup>GAO-05-652.

<sup>14</sup>GAO-09-369.

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- In March 2011, we reported that FEMA's efforts to develop and implement a comprehensive, measurable national preparedness assessment were not yet complete. Accordingly, we recommended that FEMA complete a national preparedness assessment and that such an assessment should assess capability gaps at each level of government based on capability requirements to enable prioritization of grant funding.<sup>15</sup> We also suggested that Congress consider limiting preparedness grant funding until FEMA completes a national preparedness assessment. In the fiscal year 2011 and 2012 appropriations bills, Congress reduced funding for preparedness grants by \$875 million and \$1.28 billion less than the amount requested, respectively, and the House committee report accompanying the DHS appropriations bill for fiscal year 2012 noted that FEMA could not demonstrate how the use of the grants had enhanced disaster preparedness.<sup>16</sup> Similarly, in fiscal year 2013, Congress reduced funding for FEMA preparedness grants by about \$400 million from the amount requested.<sup>17</sup>

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<sup>15</sup>GAO-11-318SP.

<sup>16</sup>In April 2011, Congress passed the fiscal year 2011 appropriations act for DHS, which reduced funding for FEMA preparedness grants by \$875 million from the amount requested in the President's fiscal year 2011 budget. See Pub. L. No. 112-10, § 1632, 125 Stat. 38, 143 (2011). The consolidated appropriations act for fiscal year 2012 appropriated \$1.7 billion for FEMA preparedness grants, \$1.28 billion less than requested. See Pub. L. No. 112-74, 125 Stat. 786, 960-62 (2011). This total includes all grant programs in the state and local programs account and the Emergency Management Performance Grant program but does not include funding appropriated for firefighter assistance grant programs. The House committee report accompanying the DHS appropriations bill for fiscal year 2012 stated that FEMA could not demonstrate how the use of the grants had enhanced disaster preparedness. See H.R. Rep. No. 112-91, at 106-08 (2011).

<sup>17</sup>This total includes all grant programs in the state and local programs account and the Emergency Management Performance Grant program, as well as the firefighter assistance grant programs.

FEMA Has Made Progress in Establishing and Assessing Preparedness Capabilities, but Has Not Yet Developed Capability Requirements and Performance Measures That Could Assist in Prioritizing Grant Funding

While FEMA has taken steps to establish and assess capabilities, the agency has not yet developed clear, objective, and quantifiable capability requirements and performance measures that are needed to identify capability gaps in a national preparedness assessment, as recommended in our March 2011 report. In March 2011, the White House issued Presidential Policy Directive 8 on National Preparedness (PPD-8), which called for the development of a comprehensive approach to assess national preparedness that uses a consistent methodology with clear, objective, and quantifiable performance measures.<sup>18</sup> PPD-8 also called for the development of a national preparedness goal, as well as annual national preparedness reports (both of which were previously required under the Post-Katrina Act).<sup>19</sup> To address PPD-8 provisions, FEMA issued the *National Preparedness Goal* in September 2011, which establishes a list of preparedness capabilities for each of five mission areas (prevention, protection, mitigation, response, and recovery) that are to serve as the basis for preparedness activities within FEMA, throughout the federal government, and at the state and local levels.<sup>20</sup> In March 2012, FEMA issued the first annual *National Preparedness Report*, designed to identify progress made toward building, sustaining, and delivering the preparedness capabilities described in the *National Preparedness Goal* in the decade following the September 11, 2001, attacks. The second annual *National Preparedness Report* was issued in May 2013 and focuses on national accomplishments either achieved or reported during 2012. According to FEMA officials, the *National Preparedness Report* identifies what they consider to be national-level capability gaps.

FEMA officials stated that they have efforts under way to assess regional, state, and local capabilities to provide a framework for completing a

<sup>18</sup>The Post-Katrina Act required FEMA, in developing guidelines to define preparedness capabilities, to ensure that the guidelines are specific, flexible, and measurable. 6 U.S.C. § 746.

<sup>19</sup>The Post-Katrina Act also required FEMA to develop a national preparedness goal, as well as annual federal preparedness reports. 6 U.S.C. §§ 743, 752.

<sup>20</sup>The *National Preparedness Goal* refers to these capabilities as core capabilities, which replace what had been previously called target capabilities. The target capabilities were initially developed by DHS in 2005. For example, one of the preparedness capabilities for the response mission area relates to mass search and rescue operations, specifically to deliver traditional and atypical search and rescue capabilities with the goal of saving the greatest number of endangered lives in the shortest time possible.

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national preparedness assessment.<sup>21</sup> For example, FEMA required state and local governments receiving homeland security funding to complete Threat and Hazard Identification and Risk Assessments (THIRA) by December 31, 2012.<sup>22</sup> Guidance issued in April 2012 for development of the THIRAs describes a process for assessing the various threats and hazards facing a community, the vulnerability of the community, as well as the consequences associated with those threats and hazards. As part of the process, state and local governments are to develop their own capability requirements. Further, FEMA officials stated that they plan to release additional guidance during the summer of 2013 to assist state and local governments with estimating capability levels based on the capability requirements they developed in their THIRAs. According to FEMA officials, these estimations will help inform annual THIRA updates and may help state and local governments to refine their capability requirements in future THIRAs.

According to FEMA officials, the THIRAs are to be used by state, regional, and federal entities for future planning and assessment efforts. At the state level, FEMA guidance notes that state officials are to use the capability requirements they identified in their respective THIRAs to assess capabilities in their future *State Preparedness Reports*, which are statewide survey-based self-assessments of capability levels and requirements submitted by all 56 U.S. states and territories. FEMA uses the *State Preparedness Reports*, in addition to other sources, to develop the *National Preparedness Report*. Because the THIRAs were first completed by the end of calendar year 2012, the 2013 *National Preparedness Report* was the first iteration of the report in which states assessed their preparedness capabilities against the capability requirements from their THIRAs. At the regional level, each of the 10 FEMA regions is to analyze the local and state THIRAs to develop

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<sup>21</sup>GAO-11-318SP.

<sup>22</sup>According to FEMA officials, as of March 2013, some state and local urban areas had not yet completed their THIRAs. FEMA granted 6-month extensions to the December 31, 2012 deadline for five states and three local urban areas affected by Hurricane Sandy in late October 2012.



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regional THIRAs.<sup>23</sup> At the national level, the local, state, and regional THIRAs are collectively intended to provide FEMA with data that it can analyze to assist in the identification of national funding priorities for closing capability gaps. The outcome of the THIRA process is intended to be a set of national capability performance requirements and measures, which FEMA officials stated they intend to incorporate into future National Preparedness Reports.

However, limitations associated with some of the data used in the *National Preparedness Report* may reduce the report's usefulness in assessing national preparedness. First, in October 2010, we reported that data in the *State Preparedness Reports* could be limited because FEMA relies on states to self-report such data, which makes it difficult to ensure data are consistent and accurate.<sup>24</sup> Second, because states develop their own capability requirements, and use individual judgment rather than a quantitative standard to assess preparedness capabilities, it may be difficult to identify differences and compare capability levels across states. Finally, both the 2012 and 2013 *National Preparedness Reports* describe methodological challenges. For example, the 2012 *National Preparedness Report* noted that challenges remain in measuring progress from year to year and that, in many cases, measures do not yet exist to gauge performance, either quantitatively or qualitatively. Therefore, while programs may exist that are designed to address a given capability gap, FEMA has little way of knowing whether and to what extent those programs have been successful. Thus, as of June 2013, FEMA has not yet completed a national preparedness assessment, as we recommended in our March 2011 report, which could assist FEMA in prioritizing grant funding.

Depending on how the THIRA and *National Preparedness Report* processes evolve, such an approach to capability assessment could be a

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<sup>23</sup>FEMA officials stated that they required the FEMA regions to complete their inaugural THIRAs by September 30, 2012, 3 months before the local and state THIRAs were due. As a result, the first regional THIRAs did not incorporate information from the local and state THIRAs. The officials explained that FEMA directed the regional THIRAs to be completed in 2012 before the local and state THIRAs in order to aid development of preparedness grant guidance for fiscal year 2013, but that future iterations of the regional THIRAs are intended to incorporate information from completed local and state THIRAs.

<sup>24</sup>GAO, *FEMA Has Made Limited Progress in Efforts to Develop and Implement a System to Assess National Preparedness Capabilities*, GAO-11-51R (Washington, D.C.: Oct. 29, 2010).

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positive step toward addressing our March 2011 recommendation to FEMA to develop a national preparedness assessment of existing capabilities levels against capability requirements. Such a national preparedness assessment may help FEMA to (1) identify the potential costs for developing and maintaining required capabilities at each level of government, and (2) determine what capabilities federal agencies should be prepared to provide. While the recently completed THIRAs and 2013 *National Preparedness Report* are positive steps in the initial efforts to assess preparedness capabilities across the nation, capability requirements and performance measures for each level of government that are clear, objective, and quantifiable have not yet been developed. As a result, it is unclear what capability gaps currently exist, including at the federal level, and what level of resources will be needed to close such gaps through prioritized preparedness grant funding. We will continue to monitor FEMA's efforts to develop capability requirements and performance measures.

Chairman Begich, Ranking Member Paul, and members of the subcommittee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

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## Contacts and Staff Acknowledgments

For further information about this statement, please contact David C. Maurer, Director, Homeland Security and Justice Issues, at (202) 512-9627 or [maurerd@gao.gov](mailto:maurerd@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. In addition to the contact named above, the following individuals also made major contributions to this testimony: Chris Keisling, Assistant Director; Tracey King; David Lysy; Erin O'Brien; and Ben Rosenbaum.

**MR. JOHN W. MADDEN**

**Director, Alaska Division of Homeland Security and Emergency Management  
President, National Emergency Management Association  
Member, Governors Homeland Security Advisors Council**

**STATEMENT FOR THE RECORD**

**On behalf of  
GHSAC and NEMA**

**Submitted to the Senate Homeland Security and Governmental Affairs Committee  
Subcommittee on Emergency Management, Intergovernmental Relations, and  
the District of Columbia  
United States Senate**

*Are We Prepared? Measuring the Impact of Preparedness Grants since September 11*

**June 25, 2013**

Thank you Chairman Begich, Ranking Member Paul, and members of the Subcommittee for holding this hearing today. I appreciate the opportunity to appear before you to provide a state perspective in this important dialogue on measuring the effectiveness of homeland security grant programs. Today I represent both the Governors Homeland Security Advisors Council (GHSAC) of the National Governors Association and the National Emergency Management Association (NEMA). Between GHSAC and NEMA, we represent the state emergency management directors and homeland security advisors of the 55 states and territories and the District of Columbia.

### **Introduction**

As the current president of NEMA and a former executive committee member of GHSAC, I have witnessed a number of efforts over the past decade to measure the effectiveness and performance of homeland security preparedness grants. We are here today because while many of these measurement efforts were well-intentioned they have clearly fallen short as a proven means of assessing the long-term value of these programs. With almost \$40 billion in federal funding allocated to these grant programs since their inception, it is reasonable for Congress and the American people to ask, "What is the return on our investment?"

Unfortunately, we will continue struggling to answer such a question at all levels of government despite clear gains in our nation's level of homeland security preparedness as a result of these grants. At this time, most of those gains can only be proven with anecdotal evidence and piecemeal data. Until recently, state and local grantees have found little federal guidance on strategic baselines by which to measure progress or assess risk overall.

Performance measurement is just one issue in a more pervasive set of challenges across these grant programs. The current homeland security grants structure is a result of the expansion and contraction of up to eighteen different programs, which often overlap in both purpose and administrative requirements. This not only places an unnecessary burden on grantees, but also risks duplicative investments, inhibits coordination between stakeholders, and limits effective prioritization of federal funding. Any effort to establish a better performance measurement system must occur in tandem with a comprehensive effort to address the long-standing structural issues with these programs.

### **Federal Investment has Improved Preparedness**

Since September 11, 2001, billions in federal, state, and local funds have been invested to strengthen homeland security and emergency preparedness. Federal funds have provided critical support to supplement state, local, and territorial efforts to prevent, prepare for, mitigate, respond to, and recover from terrorist attacks and natural disasters. States continue using homeland security grant funds to develop and sustain core capabilities such as intelligence fusion centers, statewide interoperable communications, specialized response teams and citizen preparedness programs.

For example:

- In 2011 and 2012, multi-jurisdiction, multi-agency exercises were conducted through the Boston urban area (UASI) and funded with homeland security grant funds. These full-scale exercises brought together local, regional and state SWAT teams, explosive ordinance detection teams, hazardous materials teams, technical rescue teams, and emergency medical services to test operational coordination, communications, and response capabilities around Mumbai style (active shooter) and improvised explosive device scenarios. These same jurisdictions and resources responded to the Boston Marathon bombings on April 15, 2013, and the massive terrorist manhunt on April 18-19.

- During the Boston Marathon bombing and ensuing manhunt in April, federal homeland security grant funds supported essential equipment for a number of key law enforcement and response capabilities including: law enforcement tactical response team (SWAT) armored vehicles; Forward Looking Infrared Radar (FLIR) cameras for state police helicopters; bomb detection dogs and robots; key upgrades and renovations to the state emergency operations center; and mobile command unit vehicles for enhanced command, control and communications during the marathon and in the bombing response.
- In addition, two Massachusetts fusion centers that have been supported by homeland security grant funds also played a critical role during the Boston Marathon. In advance of the marathon, a joint threat assessment was prepared by the Commonwealth Fusion Center and the Boston Regional Intelligence Center in coordination with DHS and the Federal Bureau of Investigation (FBI). During the response to the bombing, both fusion centers worked with the FBI and the Joint Terrorism Task Force to support the investigation of the attacks. Once suspects were identified, technology systems used by the Commonwealth Fusion Center, including the Statewide Information Sharing System, were queried and provided additional information about the suspects' prior histories in Massachusetts.
- During the response to Hurricane Sandy in October 2012, public safety communications systems that were developed and supported using federal funds quickly issued alerts and warnings to more segments of the population than in previous emergencies.
- Following the deadly tornado in Moore, Oklahoma in May, the local Incident Response Commander called in support from a Regional Response System comprised of specialized technical teams trained in areas such as urban rescue, mass medical, and hazardous materials response. Federal homeland security investments helped build this statewide capability, providing funding for essential training and equipment.
- In my home state of Alaska, we have used homeland security grant funding to dramatically improve interoperable communications, improve resilience and reduce vulnerability of critical infrastructure and the provision of essential services, measurably increase our capabilities and capacities for medical surge and mass casualties resulting from any disaster, and ensure continuity of government and industry under all conditions.

While federal investment in building and sustaining state and local capabilities has clearly improved the incident readiness posture of communities nationwide, a systematic process to determine both the qualitative and quantitative value of federal investments against preparedness priorities and capability gaps has not existed. A survey of state homeland security advisors would likely provide a long list of how preparedness grants have improved capabilities at the local, state, and regional levels. These represent important stories to tell, but only serve to indicate the value of these programs in the context of specific incidents. Such anecdotes do not serve as a means to link investments to national preparedness priorities or measure progress in filling capability gaps over time.

When the current grant program structure was created, the primary purpose was to improve state and local capabilities to prepare for and respond to the emerging terrorist threat after September 11, 2001. Post-Hurricane Katrina, the focus of these grant programs was expanded to include an all-hazards approach to community preparedness to meet the challenges of both terrorist events and natural disasters. As the list of potential threats and hazards expanded, so too did the interpretation of how and where funding should be prioritized. Corresponding statutory changes, such as the *Post-Katrina Emergency Management*

*Reform Act of 2006* and the *Implementing the Recommendations of the 9/11 Commission Act of 2007*, attempted to streamline these programs and address performance measurement. While these laws improved certain processes, they also added complexity and increased administrative burdens at the state and local level.

#### **Grant Reform Will Support Performance Measurement**

Performance measurement of the preparedness grant program must be conducted as part of a broader package of reform to address current inefficiencies and administrative burdens that inhibit the most effective use of grant funds. The preparedness grants system should be streamlined and based on flexibility and accountability. Such reform will help ensure the most effective use of funds, and facilitate performance measurement by more clearly focusing efforts on those of greatest importance.

The current and continuing fiscal condition of our nation requires us to invest every dollar more wisely than ever before. Federal funding for homeland security grant programs has decreased by more than 75 percent since the program's inception in 2003, yet the structure remains unchanged. The current suite of 18 separate preparedness grant programs discourages collaboration across jurisdictions and limits the ability to sustain core capabilities and address emerging threats such as cybersecurity. Grant allocation should be primarily risk-based and address the most urgent gaps in local, state, and regional capabilities.

In recent years, the Government Accountability Office (GAO) has reported on the Federal Emergency Management Agency's (FEMA) inability to provide a framework to effectively measure grant performance. The lack of a viable set of grant metrics, however, cannot be considered in a vacuum absent broader evaluation of the current grants framework as a whole. GAO consistently identifies areas of duplication and redundancy among the various preparedness grant programs. Grantees at the state and local level have echoed those concerns, pointing out overlapping reporting requirements, burdensome administrative processes, constantly evolving federal grants guidance, and tight turnarounds on document submission.

The multitude of grant programs and administrative requirements of the current structure has limited the effectiveness of past performance measurement efforts. In part, this is why previous attempts to measure grant effectiveness have failed. Early FEMA initiatives to provide tools and a common methodology for grant performance such as the Cost-to-Capability (C2C) initiative demonstrated early promise, but significant challenges emerged in subsequent pilot programs. While C2C initiated a broader discussion of capability measurement, ultimately the program did not provide adequate, measureable, and independent tools and guidelines to properly allocate grant funding. The C2C methodology failed to unify preparedness efforts across jurisdictions and fell short of providing a common, standard operating picture that is critical for a truly "national" system.

#### **Ideas for Improvement**

FEMA released the National Preparedness Report (NPR) in early 2012 as part of the new National Preparedness System (NPS) required by Presidential Policy Directive 8. The NPR intends to provide a comprehensive analysis of efforts to build, sustain, and deliver capabilities from the local level through the regional level -- helping establish national priorities for the future. While the NPR is still in its infancy, many states find preparing their corresponding State Preparedness Report (SPR) useful. Some have raised questions, however, regarding the reporting process's link between threat analysis at the state and local level and the broader assessment of preparedness across the entire nation.

Many of these concerns should be addressed with FEMA's most recent grant-related initiative -- the Threat, Hazard Identification, and Risk Assessment process, or THIRA. Combined with the SPR, this

process should enable a means by which capability strengths and weaknesses, mutual aid opportunities, and key threats can all be evaluated based on risk and gaps identified at all levels of government. By their very nature, all threats and hazards are variable. The THIRA can enable a standardized problem solving approach to preparedness which considers complexity and interdependencies. If simply placed atop the current grants structure, states are likely to continue facing significant challenges to fully integrate the THIRA into disaster planning and identify areas of need for federal investment as intended. To further improve the THIRA/SPR process, states encourage FEMA to consider the following recommendations:

1. **Value local decision-making and national assessment:** An examination of preparedness must not consist solely of broad goals and priorities, but must also form the basis for action. FEMA should improve the SPR and THIRA process to ensure they provide value to states and local governments. States must be able to fully integrate core capabilities thoughtfully and systematically into their planning, analysis, and assessment processes.
2. **Ensure realistic timelines and foster a culture of collaboration:** The THIRA guidance for 2012 was released in September and due to FEMA in December of the same year. Such a tight turnaround did not provide enough time for adequate communication and engagement between state and local governments. This situation becomes exacerbated over subsequent years as the guidance for 2013 has yet to be released.
3. **Integrate state and local innovation into the National Preparedness System:** The federal government should leverage state and local innovation in methods, approaches, and products. FEMA should increase its collaboration on the implementation of the NPS with state and local stakeholders and serve as a resource on best practices. The emphasis should be on achieving the ability to prepare for and respond to events of extreme complexity based either on size, duration, or consequence.
4. **Provide consistency and support long-term planning:** Future federal guidance should seek to improve, but not replace, the THIRA and SPR processes. A continuing criticism of FEMA's management of the preparedness grant program is constantly changing guidance and reporting requirements. In only the second year, states are just beginning to use and understand the THIRA process. While FEMA continues to address concerns and challenges to integrate the various parts of the NPS, states are generally willing to give the NPS the benefit of the doubt in the near term -- as long as it remains a part of broader restructuring and consolidation of FEMA grant programs.

#### **A Path Forward**

Given the current fiscal environment, establishing a demonstrated methodology for measuring grant performance has never been more urgent. The National Preparedness Grant Program (NPGP) proposed by FEMA is a good first step to addressing many of the challenges with the current suite of grant programs. While not endorsing the NPGP, both NGA and NEMA recently sent a letter to Chairman Thomas Carper and Doctor Tom Coburn to show appreciation of the proposal and offer support for comprehensive grant reform. These letters have been submitted with this testimony for the record. While states continue to have questions and concerns with the NPGP, we remain encouraged to see a proposal providing a forward-thinking process by which grants become more measureable, accountable, and flexible to the states.

Any new grant framework should have consistent methods to measure or assess progress in achieving core capabilities. Measurement in a new grant construct could be realized through a four-step process:

1. **Ensure continuous assessment of risk across all levels of government:** Threat assessment, such as THIRA, must be conducted independent of funding allocations in order to adequately assess the current risk and hazards of a locality, state, and region. This must be a continuous, iterative process and not a yearly snapshot simply for reporting purposes.
2. **Encourage strategic plans versus spending plans:** The planning process must be shifted to focus on setting and achieving strategic goals under changing and uncertain conditions. This is unlike the current system where funding allocations are determined prior to planning.
3. **Base funding allocations on priority needs:** Funding allocations from the federal government should be focused on investments that will fill the most pressing capability gaps identified in the state and regional THIRA and SPR.
4. **Measure progress to fill capability gaps:** The above three steps allow for an effective and meaningful measurement process. As priorities in the state plans are funded, measureable gaps can be identified, addressed and reported back to FEMA and Congress.

### Conclusion

When first conceived, the suite of homeland security grants provided a solution for pressing and immediate needs to address capability gaps in the wake of September 11. Over the past decade, these programs have strengthened the nation's ability to detect and prevent terrorist attacks and respond to a range of other incidents. Despite this progress, recent events such as the West, Texas explosion, Oklahoma tornadoes, Boston Marathon bombing, and Hurricane Sandy remind us the threats to our communities continually evolve.

Confronting the dynamic threats of today requires a new construct and a new approach that will unify homeland security partners and be adaptable to uncertainty. Efforts must be integrated to improve agility in confronting threats to the homeland whether natural, technological, or manmade. The nation must effectively build and strengthen capabilities against a range of threats, reduce the consequences of many hazards, and thus reduce the risks to our communities. These goals can only be accomplished, however, when the barriers and stovepipes limiting flexibility and innovation are removed. The restructuring and streamlining of the federal homeland security grant programs is a national priority and must be designed with measurement in mind.

The National Governors Association and NEMA have each offered a set of principles and values to inform grant reform efforts. They include:

- improving flexibility;
- expanding accountability;
- developing performance metrics;
- supporting a skilled cadre of personnel; and
- reaffirming the partnership between federal, state, and local parties.

We encourage our federal partners in FEMA to join the states, nonprofit organizations, and the private sector in better focusing the current patchwork of programs into a streamlined and focused national system. Without addressing these issues in the near term, we risk continuing the failed practices of the past. We offer our experience, insight, and innovation to serve this national need.

Again, I thank you for the opportunity to testify today and look forward to your questions.



NATIONAL  
GOVERNORS  
ASSOCIATION

Jack Markell  
Governor of Delaware  
Chair

Mary Fallin  
Governor of Oklahoma  
Vice Chair

Dan Crippen  
Executive Director

June 10, 2013

The Honorable Thomas Carper  
Chairman  
Committee on Homeland Security and  
Governmental Affairs  
United States Senate  
Washington, DC 20510

The Honorable Tom Coburn  
Ranking Member  
Committee on Homeland Security and  
Governmental Affairs  
United States Senate  
Washington, DC 20510

The Honorable Michael McCaul  
Chairman  
Committee on Homeland Security  
United States House of Representatives  
Washington, DC 20515

The Honorable Bennie Thompson  
Ranking Member  
Committee on Homeland Security  
United States House of Representatives  
Washington, DC 20515

Dear Chairman Carper, Ranking Member Coburn, Chairman McCaul and Ranking Member Thompson:

The nation's governors thank you for supporting state and local homeland security preparedness programs. Over the past decade, these programs have strengthened our ability to detect and prevent terrorist attacks and respond to catastrophic emergencies. Despite this progress, recent events such as the Boston Marathon bombing and Hurricane Sandy remind us that threats to our communities continue to evolve. To confront today's dynamic threats, federal homeland security grant programs must be restructured to streamline processes and ensure the most effective use of taxpayer dollars. We urge you to support common-sense reforms and stand ready to work with you to find solutions to our nation's most pressing homeland security challenges.

In the wake of the terrorist attacks of September 11, 2001, nearly 20 programs were established to help state, territorial, tribal and local governments prepare for and respond to terrorist attacks, natural disasters and other emergencies. Together, these programs have invested billions in federal and state funds to build and strengthen critical capabilities such as intelligence information-sharing, interoperable emergency communications, bomb detection and hazardous materials response. By serving as the central point of coordination among multiple jurisdictions and functional areas, states have played a key role in ensuring that scarce resources are used effectively to meet identified national priorities while being tailored for regional needs.

Today, while all levels of government are better equipped to handle a range of emergencies, whether man-made or naturally occurring, we face new emerging threats such as cyber-attacks and homegrown violent extremism. To actively address these new risks, state and local public safety officials require greater flexibility than the current homeland security grant framework allows. The current grants structure does not properly incentivize collaboration between local governments and state agencies, which can lead

Page 2

to duplication of effort and restricts the dedication of resources to areas of most critical need. Thoughtful reform of these grant programs can ensure the efficient and effective use of taxpayer dollars while protecting our citizens and our way of life.

The Federal Emergency Management Agency (FEMA) has proposed a new National Preparedness Grant Program (NPGP) to replace the current suite of grants. This proposal addresses many of the challenges states face with the current suite of grant programs. While we have concerns about portions of the NPGP, we applaud FEMA for putting forward a comprehensive proposal and believe it is a good first step toward meaningful reform.

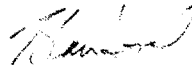
The nation's governors stand ready to work with you to improve these important grant programs and offer the attached set of reform principles to help guide this effort. We look forward to working with you to continue to strengthen the partnership among all levels of government to prepare for and respond to emergencies.

Thank you for your consideration.

Sincerely,



Governor Martin O'Malley  
Chair  
Health & Homeland Security Committee



Governor Brian Sandoval  
Vice Chair  
Health & Homeland Security Committee

Enclosure: NGA Grant Reform Principles



## Governors' Principles for Homeland Security Grant Reform

The Department of Homeland Security provides state and local governments with preparedness grant funding that provides support for developing and maintaining critical homeland security and emergency management capabilities. Over the last several years, these grant funds have been significantly reduced. With decreased funding expected for the foreseeable future, Congress and the Administration are re-examining the grant programs in order to make them more flexible and effective.

Currently, there are 18 major preparedness grant programs administered by the Department of Homeland Security. Many of these programs often overlap with others, creating unintended inefficiencies and unnecessary administrative burdens. In addition, changing program requirements often make the current structure complex and burdensome to states.

Governors are supportive of efforts to reform these programs. As reform proposals are considered by Congress and the Administration, governors offer the following principles:

### Principles:

- Grants should be risk-based but continue to provide each state and territory funding to support critical homeland security and emergency management capabilities, including personnel costs and the sustainment of investments.
- Funding should focus on developing, enhancing and sustaining common core capabilities.
- The federal government should work with states and territories to develop consistent methods to measure or assess progress in achieving common core capabilities.
- Grant funding should be distributed through states and territories to enhance regional response capabilities, avoid duplication of effort, and ensure awareness of gaps in capabilities.
- Consistent with current law, states should be permitted to use a portion of the grant funds for management and administration in order to coordinate the efficient and effective use of grant funds, provide necessary oversight and comply with federal reporting requirements.
- Any reform to the current grant programs should provide states with flexibility to determine which priorities should be funded and where investments should be made within their borders.
- Any grant program should allow flexibility for any state cost-share requirements.
- The federal government should provide clear, timely, and explicit guidelines for conducting threat assessments and how those assessments will be used to determine base-level funding.
- The federal government should be more transparent with states in sharing the data used to populate the funding formula/algorithm. States should be provided with a centralized point of contact and reasonable time to review and inform the data.
- The federal government should ensure that reforms eliminate inefficiencies, do not duplicate efforts, and do not place additional administrative burdens on states.
- Grants should allow for multi-year strategic planning by states and local jurisdictions.



**President**  
Mr. John Madden, AK

**Vice President**  
Mr. Charley English, GA

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**Region IX**  
Mr. Chris Smith, NV

**Region X**  
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June 12, 2013

The Honorable Thomas Carper, Chairman  
Committee on Homeland Security and Governmental Affairs  
United States Senate  
Washington, DC 20510

The Honorable Tom Coburn, Ranking Member  
Committee on Homeland Security and Governmental Affairs  
United States Senate  
Washington, DC 20510

Dear Chairman Carper and Doctor Coburn:

For more than a decade, you have supported state and local preparedness efforts through the Homeland Security Grant Program (HSGP). The National Emergency Management Association (NEMA) applauds your continued efforts, but realizes the time has come to reevaluate the flexibility and accountability of these programs. NEMA represents the state emergency management directors of all 50 states, the Territories, and District of Columbia.

As the National Governors Association recently outlined to your committee in a letter dated June 10, 2013, the threats and hazards facing this nation have evolved in recent years, and the time has come for these programs supported by the Committee to follow suit. After NEMA first proposed significant grant reform in January of last year, the dialogue is fortunately continuing to develop. Your guidance and expertise will be imperative in ensuring these programs remain flexible and accountable in the coming years.

Since the inception of the HSGP, NEMA has maintained support of these grants as critical resources to help state and local governments build and sustain capabilities to address the various threats and hazards they face. But with time comes perspective, and we continue to believe the opportunity and need for reform is upon us. As we stated last year:

*The current grants structure is complex and often contradictory. This creates unintended inefficiencies in investments and duplication of efforts. The current and continuing fiscal condition of our nation requires us to invest every dollar more wisely than ever before. We want to gain efficiencies in our grants so that we can increase the effectiveness of our mission.*

While we applaud the Federal Emergency Management Agency (FEMA) continuing this dialogue through the administration's fiscal year 2014 recommendation of the National Preparedness Grant Program (NPGP), but several issues must still be addressed:

- NEMA has repeatedly said the existing Threat Hazard Identification and Risk Assessment (THIRA) process is only as good as the information provided to create it and the system it supports and must be partnered with an effective planning effort. NEMA recommended these processes be tied together systematically:

*Each state conducts and maintains a comprehensive Threat Hazard Identification*



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*Risk Assessment (THIRA) in concert with Department of Homeland Security (DHS) and state officials. A comprehensive preparedness strategy is developed to assess current capabilities, determine future requirements, and evaluate recent progress and initiatives.*

The NPGP proposal seems to focus heavily on a comprehensive threat/risk assessment and gap analyses. NEMA encourages the implementation within a state to be led by the state and include information from federal partners, private sector, and non-governmental organizations. We do not believe the administration is placing the appropriate emphasis on the THIRA process. NEMA feels strongly that all sub-grantees must participate in the state THIRA process. Furthermore, the federal government must follow suit and utilize those state THIRAs when assembling regional and federal assessments.

- NEMA applauds the requirement for increased involvement by the SAAs; but there remain many variations in state organizational structures. The NEMA proposal offers a good model that considers all the combinations and institutionalizes the participation in the same process to ensure comprehensive review of preparedness efforts. We would continue to encourage a grant reform effort to include this broad governance structure including the broadest coalition of disciplines, jurisdictions, and interests. As we stated in our proposal:

*Applicants will apply for funds from the investment grant based upon completed preparedness strategies. Applications are reviewed by a multi-disciplinary advisory committee, and the SAA makes awards as appropriate.*

- The NPGP peer review process for all of the grant funding is overly bureaucratic and does not appear to add value to the process. The NEMA proposal placed responsibility at the state level and governance board, working with the applicants, for the review and approval of projects and proposals. The peer review process for just the competitive funding, however, is encouraged.

Much has been accomplished with investments already made through the homeland security suite of grants. Regional and cross-jurisdictional coordination has been greatly enhanced, capabilities have been developed and sustained, and a more robust response and recovery system is in place nationwide as a result of your efforts thus far. In our report of July 2011, we described some of the examples of increased capabilities as evidenced in real events. While these successful outcomes must be recognized, the time has come to focus the nation's attention on a comprehensive "next step" prompted not by an attack but by our thoughtful reflection on lessons learned.

Unfortunately, the status quo can no longer remain viable by catering specifically to select constituencies. When broken down into competing interest groups, the nation is no longer able to adequately address the full range of prevention, protection, mitigation, response, and recovery efforts. As always, NEMA stands ready to continue engaging in this dialogue and hope fiscal year 2014 is finally the time we can honestly address the gaps in these grant programs. We firmly believe that comprehensive reform will bring about the much needed flexibility by grantees, but also necessary accountability to Congress, the administration, and the American taxpayer. Please contact our Director of Government Relations, Matt Cowles, at 202-624-5459 or [mcowles@csa.org](mailto:mcowles@csa.org) should you have any questions about NEMA's position or require additional information.

Sincerely,



John W. Madden  
President, National Emergency Management Association  
Director, Alaska Division of Homeland Security & Emergency Management

cc: Subcommittee Chairman Mark Begich and Ranking Member Rand Paul



**THE UNITED STATES CONFERENCE OF MAYORS**

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***ARE WE PREPARED?  
MEASURING THE IMPACT OF PREPAREDNESS GRANTS SINCE 9/11***

**STATEMENT BY**

**THE HONORABLE WILLIAM EUILLE  
MAYOR OF ALEXANDRIA, VA  
ON BEHALF OF THE UNITED STATES CONFERENCE OF MAYORS**

**BEFORE THE  
SUBCOMMITTEE ON EMERGENCY MANAGEMENT, INTERGOVERNMENTAL  
RELATIONS, AND THE DISTRICT OF COLUMBIA  
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENT AFFAIRS  
UNITED STATES SENATE**

**JUNE 25, 2013**

Chairman Begich, Ranking Member Paul, and members of the Committee, I am Bill Euille, Mayor of Alexandria, VA. I appreciate the opportunity to testify before you on the suite of homeland security grant programs and how they have helped my city and region, along with cities across the country to prevent, mitigate, prepare for, and respond to both acts of terrorism and natural disasters.

Senator Begich, we especially appreciate the way you have continued to reach out to mayors and represent our interests and those of our cities in so many different areas since your office moved from city hall to the nation's capital. We know that you have not forgotten where you came from and that in you we have a real friend in the Senate.

My basic message today is that mayors and other local officials across the nation strongly support the existing menu of homeland security programs. As I believe my testimony will show, they are working. We recognize that they may not be perfect and some changes may be needed, but they are the product of years of work by Congress, the Administration, state and local governments, and first responders. The federal grant funds which the Department of Homeland Security and its Federal Emergency Management Administration have provided clearly have improved the nation's planning, mitigation, preparedness, prevention, response, and recovery capabilities.

Particularly important is the incentive they provide for federal, tribal, state, territorial and local jurisdictions to work together. By planning, training, and conducting exercises together, local fire chiefs, police chiefs, sheriffs, public health officials, emergency managers, and state and federal officials are able and ready to work together when an incident happens. This pre-planning and coordination prevents confusion, and directly saves lives.

#### **Increased Local Response Capabilities Resulting from DHS Investments**

The April 15 bombing at the Boston Marathon provides an excellent example of how DHS investments provided through the Urban Area Security Initiative program have paid off. There can be no doubt that they contributed significantly to the Boston area's quick and effective response to this horrific act of terrorism. Specifically, grant funds were used to:

- **Increase communications interoperability** through the purchase of new portable radios and of new mobile radios for every first responder in the region; the development and maintenance of one of the first shared radio channel plans for public safety first responders (police, fire, and EMS) within the nine cities and towns in the region; the development and support of the Boston Area Ambulance Mutual Aid Radio Network which allowed communications between private ambulance companies and Boston EMS as they treated and transported approximately 282 victims to nearby hospitals; and the development and support of the Boston Area Police Emergency Radio Network which enables most first responders in the region to communicate with agencies from other jurisdictions and during the incident for operational and field communications across jurisdictions after the bombings and for the manhunt operations.
- **Facilitate intelligence and information sharing** by providing salaries for nine intelligence and GIS analysts and equipment (e.g., television screens, computers, surveillance, Sensitive Compartmented Information Facility) within the Boston Regional Intelligence Center. These assets were critical in protecting and providing information to the first responders in the field. The analysts monitored, vetted, and triaged information concerning over 280 suspicious or criminal acts within Boston. In addition, they provided risk assessments on potential infrastructure targets, reviewed videos and social media for leads, and coordinated resources. For the presidential visit on Thursday, the analysts also provided pre-event threat assessments. After the capture of the bombing suspects, the BRIC tracked 42 potential and scheduled events, such as vigils and protests. In addition BRIC analysts were

able to use the Digital Sandbox System, purchased with UASI funds, to build their risk assessment reports.

- **Provide critical infrastructure and key resources**, including 13 Explosive Ordnance Disposal (EOD) Detection K-9 Units from Boston, Revere, and Quincy which were deployed and assisted with identifying possible explosive devices and patrolling certain areas during the incident; EOD Personal Protective Equipment which the police departments used to protect their officers; EOD Equipment, including EOD robots which were used to search certain areas and respond to suspicious packages and EOD inspection cameras (night vision monoculars) which helped officers to see during the manhunt that began Thursday night; two Tactical Response Vehicles – Ballistic Engineered Armored Response Counter Attack (BearCat) vehicles – which the Boston Police Department used to protect their SWAT personnel as they patrolled streets, searching for the bombing suspects; and a CBRNE Mobile Command Vehicle which was used to transport Special Operations Division Tactical and Command personnel to the incident site and support on-scene intelligence sharing and investigations among first responders and transmit information to off-site locations. This vehicle was deployed for the marathon event and after the bombings was used for securing the incident site and then was moved to Watertown during the manhunt operations there.
- **Enhance planning and community preparedness** by providing a shelter trailer which was deployed to the family assistance center that served as a shelter Monday night; a Mass Notification System, ALERT Boston, which is the city's emergency notification system and which was used to send a message to the public informing them to shelter-in-place during the manhunt; Variable Message Sign Boards, which were posted at the marathon and in Watertown for the manhunt operations to inform the public of safety messages; and light towers, which were used at the crime scene for evidence collection during the night.

Among other examples of what investments made through homeland security grant programs have accomplished:

- The Tucson area has received funding from the Metropolitan Medical Response System (MMRS) since 1999. This funding has paid for planning, equipment and training to help first responders, public health, private health, law enforcement, and emergency managers across Southern Arizona prepare for a mass-casualty event. The training, equipment and exercises funded by the MMRS program played a major role in the effective interdisciplinary response to the January 8, 2011 shooting of Representative Gabrielle Giffords and 19 others.
- In Illinois, funding from the State Homeland Security Program (SHSP) has helped to strengthen its Mutual Aid Box Alarm System (MABAS), one of the nation's premier mutual aid systems. The system is composed of over 1,100 fire agencies and can mobilize approximately 38,000 firefighters and paramedics to respond to an event in the State of Illinois. Approximately 800 times per year, the MABAS is activated to help jurisdictions respond in their areas. In addition, the MABAS has been used to deploy resources to interstate disasters, such as Hurricanes Katrina, Gustav, and Ike and last year's river flooding in Missouri and Illinois.
- With support from DHS, there are now 300 state and local teams with technical rescue capability. After the April 2011 deadly tornadoes, Alabama was able to rely on state and local resources for search and rescue operations, instead of requesting federal urban search and rescue support.



### **The Experience in Alexandria and the National Capital Region**

I would now like to share with you some of our experiences in my own city of Alexandria and in the National Capital Region, of which we are a part. As you know the National Capital Region (NCR) encompasses the District of Columbia, Suburban Maryland, and Northern Virginia. We have learned lessons from the various incidents which have occurred and based on those lessons have increased our capabilities to protect against future occurrences:

- After 9/11 the City and our regional partners used lessons learned from our response to the Pentagon incident in the investment decisions we made for the use of both local tax funds and funds received through federal grants. For example, to improve our preparedness in Alexandria, in 2003 we increased our emergency management office from one employee to four using local tax dollars. We used UASI and State Homeland Security Grant Funds to train and equip first responders and to purchase alert and warning systems for the community.
- Using real world experiences like Hurricane Isabel to inform our investment decisions, we have used UASI funds to increase regional planning and coordination, including the development of the NCR Regional Emergency Coordination Plan and the NCR Mutual Aid Operations Plan.
- Our experiences with the Anthrax attack that involved letters sent to Members of Congress and media in D.C., New York, and Florida in 2001 led to UASI investments in secure and interoperable communications, information sharing, and situational awareness in the region. These investments produced NCR Net, a secure fiber optic network connecting the NCR jurisdictions; Essence, a public health surveillance system; and the installation of chemical/biological sensors in the Metro System.
- The D.C. Sniper incident led to UASI investments in license plate readers and automated fingerprint identification systems as well as increased staffing intelligence centers, which have improved our law enforcement capabilities.
- Lessons from Hurricane Katrina led our region to use UASI funding for investments in the Regional Integrated Transportation Information System that informs evacuation decisions, for purchase of mass care supplies for increased sheltering capacity, and for training thousands of volunteers to support critical missions during disasters.

The support which Congress has provided has enabled local officials in our area to significantly advance the preparedness of the entire region. The City of Alexandria and the entire National Capital Region continue to pursue increased capabilities so that they can meet the full spectrum of homeland security and emergency management needs. Your continued direct support to Alexandria and to other communities across America is needed if we are going to be successful in our efforts to protect our citizens at the local level.

### **The National Preparedness Grant Program Proposal**

As you are well aware, in both its FY 2013 and FY 2014 budget submissions the Administration proposed a major reform and consolidation of FEMA's homeland security grant programs which would replace the current programs with a new National Preparedness Grant Program. It is no secret that the U.S. Conference of Mayors and other organizations which represent local governments, first responders, and emergency managers have registered serious concerns with the proposal to convert the current suite of homeland security grant programs into state-administered block and competitive grant programs in which funding decisions are based on state and multi-state threat assessments.

While we appreciate the fact that FEMA made changes in its FY 2014 budget proposal in response to some of the concerns raised by the Conference of Mayors and others, the proposal still contains several items of concern, including collapsing all of the current programs into a consolidated program which would no longer guarantee the retention of key programs, removal of the 25 percent set-aside for law enforcement terrorism prevention, and expanding the eligible applicants for the portion of the funds which must be passed through to local governments to include port and transit authorities and private organizations.

We especially appreciate the fact that thus far Congress has rejected the Administration's proposed changes to the homeland security grant programs and agreed with us that those changes must be considered by the authorizing committees. We know that you will carefully examine any proposals they send to you.

The U.S. Conference of Mayors and other organizations which represent local governments, first responders, and emergency managers have urged FEMA and the Administration to work with us and with the Congress to develop program reforms which incorporate the successful elements of past and current programs and identify new approaches which can have broad support. We further urge that any reform proposals protect certain key programs, including the Urban Area Security Initiative, State Homeland Security Grant Program, and port and transit security grants, which provide targeted funding to local areas and critical infrastructure considered to be at the highest risk.

#### **Principles for Program Improvement**

Finally, we suggest that as it works with Congress and stakeholders to improve its programs, FEMA use the following set of core principles developed by our coalition of local organizations:

**Increase Transparency** – It must be clear and understandable to the federal government and the public how the states are distributing funds, why they are making these decisions, and where the funds are going.

**Increase Local Involvement** – Local government officials, including emergency managers and emergency response officials, know best the threats and vulnerabilities in their areas. The Threat Hazard Identification Risk Assessment (THIRA) process must include the input of local elected and emergency response officials, and the Federal Emergency Management Administration (FEMA) must be able to audit states by comparing local risk assessments to the state level THIRA. Further, local governments should have the opportunity to challenge a state THIRA that inadequately reflects their needs or input.

**Provide Flexibility with Accountability** – Any changes to the existing federal grant programs should allow federal funding to meet individual local needs, and preparedness gaps as identified at the local level. Effective but sometimes less politically popular programs, like mitigation, must still receive funding.

**Protect Local Funding** – Since event impact and response are primarily local in nature, grant funding should support primarily local prevention and preparedness efforts, as is the case under the current program structure. It is important that the vast majority of federal homeland security grants continue to fund local prevention and response activities, including local emergency managers and first responders, and activities that support their preparedness efforts.

**Sustain Terrorism Prevention** - The current emphasis on supporting law enforcement's terrorism prevention activities must be maintained. The federal grant funds should not be used to support larger

state bureaucracies at the expense of operational counter terrorism preparedness, threat analysis, and information sharing activities.

**Provide Incentives for Metropolitan Area Regionalization** – While FEMA’s proposal focuses on states and multi-state regions (similar to the FEMA regions), the homeland security grants must also support preparedness in metropolitan intra-state and inter-state regions, such as the National Capital Region.

#### **Conclusion**

As this Committee considers the suite of homeland security grant programs and possible reforms to them, I urge you to increase, not decrease, local involvement and flexibility. Local officials know best the threats they face, and they know best the gaps which exist in community preparedness. The homeland security grant programs should support primarily local prevention and preparedness efforts since disaster impacts and response are local in nature.

I appreciate the opportunity to testify before you today on this issue of vital importance to me, my city and my region, and to all local officials, emergency managers, and first responders across the nation. We look forward to working with you to ensure the transparency, efficiency, and effectiveness of homeland security grants.

**Testimony of Joshua D Filler**  
**President, Filler Security Strategies, Inc. before**  
**The Senate Homeland Security and Governmental Affairs Committee**  
**Subcommittee on Emergency Management, Intergovernmental Relations and the**  
**District of Columbia**

June 25, 2013

**Introduction**

Good afternoon, Chairman Begich, Ranking Member Paul and other distinguished Members of the Subcommittee. I'm Joshua Filler, President of Filler Security Strategies a homeland security consulting firm in Washington, DC. Since 2006 I have worked with major urban areas and states from around the nation on homeland security risk assessments, preparedness assessments, grant evaluations and strategic plans. I have also served as an advisor to several local public safety associations on homeland security preparedness matters.

Prior to my private practice, I was the first director of the Office of State and Local Government Coordination at the Department of Homeland Security from 2003 to 2005. At DHS I served as a senior advisor to the Secretary of Homeland Security, and as a member of the Secretary's Emergency Response Group. My office was responsible for coordinating the programs of the Department as they relate to state and local governments, including the creation of many of the Department's current preparedness grant programs.

Prior to joining DHS, I was Director of Local Affairs for the White House Office of Homeland Security. Before joining the White House, I served in the Cabinet of the Mayor of New York City as the Legislative Director to the Mayor and Chief of Staff in the Office of the Deputy Mayor for Operations where my work included oversight of the New York Police Department, Fire Department and other city agencies. After September 11, 2001, I was responsible for emergency operational issues and managing contacts with local, state and federal officials on behalf of New York City in connection with the terrorist attack on the World Trade Center.

It is my privilege today to discuss with you issues surrounding our nation's preparedness, how to evaluate it, and what impacts homeland security grants have had on preparedness at the local, state and national level.

**The Preparedness Cycle**

Preparedness is a cyclical process, as opposed to a linear endeavor in which there is a defined end. This is why the term "preparedness cycle" is used by DHS and others to explain the preparedness process. When it comes to preparedness there is no "end state" because risks change, plans need updating, training for new personnel is required, and equipment is replaced or upgraded, and so on. As long as there are risks, there will be a need to prepare for them and resource those preparedness efforts whatever the source.

### **The Role of the Grants**

The purpose of homeland security grants such as the Urban Areas Security Initiative (UASI) and State Homeland Security Program (SHSP) is to supplement local and state spending to allow urban areas and states to build capabilities that bridge traditional domestic public safety, largely handled by states and localities, with national security imperatives, traditionally managed by the federal government. Without such funding, states and urban areas would not have the resources to develop capability levels to integrate those missions.

### **Grant Effectiveness versus Overall Preparedness**

Measuring the effectiveness of specific grant programs is different than measuring overall preparedness. Grant effectiveness is about how grants impact capabilities and preparedness. However, the overall level of preparedness in an urban area or state is influenced by numerous other factors; most importantly, state and local resources. While homeland security grant programs are critical to enabling urban areas and states to enhance preparedness, they represent a small fraction of the tens of billions of dollars spent annually by states and urban areas on public health and safety each year.

### **Measuring Grant Effectiveness and Preparedness**

To measure grant effectiveness and preparedness, states and urban areas must establish their own capability targets and performance measures and metrics based on their unique risk profile and planning assumptions. That risk profile should also determine which capabilities are a priority to address high risk threats and hazards. We cannot measure everything and few parts of the nation need to be fully prepared for every conceivable hazard.

These locally developed targets, measures and metrics should all fit under a common framework such as the Core Capabilities under the National Preparedness Goal. This will ensure a consistent strategic approach while recognizing the differences across a country as large and diverse as the United States.

With these targets, measures and metrics in hand, states and urban areas should engage in a regular assessment process involving self-evaluations, quantitative modeling, and performance evaluations (exercises and especially real world incidents) in order to build a consistent picture of preparedness over time. In each case, the following steps should be addressed:

- Identify gaps in a state or urban area's priority capabilities.
- Outline grant and other expenditures to close the identified capability gaps.
- Based on the measures and metrics, identify the outcomes produced from grant and other expenditures - the closing of capability gaps and the attainment of the capability target.

Throughout such a process, the best way to determine grant effectiveness and overall preparedness is to review how capabilities performed in a real world incident. Based on the need, what were the strengths and what were the gaps when a jurisdiction or agency had to perform? In the end, we are making these investments (federal, state and local) in preparedness to more effectively operate when we have a threat or disaster. That's what matters most.

To date, I have worked on five grant effectiveness studies and have developed tools to evaluate overall preparedness in numerous regions across the nation. These include in the San Francisco Bay Area, San Diego, Hampton Roads, Riverside, and Anaheim/Santa Ana. From that experience I can say with certainty that there is no silver bullet or single answer to addressing the questions of grant effectiveness and overall preparedness.

What I have learned is that grant effectiveness and preparedness cannot be measured by just looking at the United States as a single operating entity, which it is not. Rather, the U.S. is a vast *network* of independent actors - towns, villages, cities, counties, states, the private sector and federal departments and agencies - that must unify to achieve homeland security priorities and perform critical operational tasks before, during, and after an incident.

When attempting to answer how effective a grant program is or how prepared a region or the nation as a whole may be, we must take a varied approach that addresses the question through multiple lenses. These lenses should include a look from the local perspective, the state perspective and the national perspective, and others as well. Taken together, each lens will help provide a more complete understanding as to grant effectiveness and overall preparedness.

### **Recommendations**

1. FEMA should continue to develop high level baseline capability measures, metrics, and resource types under the National Incident Management System (NIMS) across Core Capabilities that urban areas and states can draw from. In some cases, these could be agreed upon minimum requirements for a capability to be functional no matter the location of the country.
2. Continue to have states and urban areas develop their own Core Capability targets, measures and metrics based on local and state level operational plans and state and national standards such as the NIMS, National Fire Protection Association, FBI Bomb Squad accreditation standards, etc. In essence, can the states and urban areas do what their plans and standards say they need to be able to do?
3. Develop a systematic and consistent approach and timeline to conducting risk and capability assessments, follow-on homeland security strategies and investments at the urban area and state levels. To date, timelines for these activities often run concurrently when they should be sequential as each step feeds the next.

4. Ensure that homeland security grant application and reporting materials are designed to capture data needed to track investments on a capabilities basis and provide adequate time to develop those applications.
5. Develop a stand-alone report, or one that serves as an addendum to the National Preparedness Report, that outlines how grant funds have increased capabilities as demonstrated in selected real world incident prevention, protection, response, and recovery operations over the last ten years. Examples may include the 2013 Boston Marathon Bombing, and 2013 Christopher Dorner domestic terrorism rampage in Riverside, and the 2003 and 2007 wildfires in San Diego.
6. Finally, states and urban areas should develop their own grant effectiveness studies using a common framework based on how grant investments impacted their ability to meet Core Capability targets, measures and metrics with an emphasis on how grant funded capabilities impacted real world incident operations. A white paper outlining an approach and methodology is attached hereto.



## White Paper

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### Evaluating the Effectiveness of Homeland Security Grant Dollars

June 2013

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This white paper outlines the benefits of developing state and urban area homeland security grant effectiveness reports that can demonstrate to policy makers at all levels whether a state or urban area has allocated its funding based upon risk, and what measurable capabilities have been produced through grant investments to mitigate that risk.



## Background

Today, many in Congress are demanding that states and urban areas demonstrate the return on investment of homeland security grant programs. To address this demand, states and urban areas must use a systematic and data driven approach that can clearly demonstrate the outcomes produced from grant supported preparedness projects each state and urban area has implemented.

This white paper outlines a methodology to develop Grant Effectiveness Reports for states and urban areas that receive either State Homeland Security Program or Urban Areas Security Initiative (UASI) funds.<sup>1</sup> Grant effectiveness may be defined as “the expenditure of grant funds that increase or sustain Core Capabilities most needed in order to reduce the risk of terrorism and other catastrophic incidents and implement the National Preparedness Goal.”

Grant effectiveness (and overall preparedness) cannot be adequately measured by looking at the United States as a single operating entity, which it is not. Rather, the U.S. is a vast *network* of independent actors - towns, villages, cities, counties, states, the private sector and federal departments and agencies - that must unify to achieve homeland security priorities and perform critical operational tasks before, during, and after an incident.

While mutual aid through systems such as the Emergency Management Assistance Compact allow resources from across the nation to deploy to impacted areas, incidents are still managed by those local and state responders with jurisdictional authority in the impacted area(s). Indeed, all incidents are local even when they may impact the entire nation. As such, regional and state level Grant Effectiveness Reports can provide a detailed and meaningful review of how Core Capabilities within a defined jurisdictional level have improved, been sustained, or decreased over time to manage all hazards as a result of grant funding.

States and urban areas are now required to complete a threat and hazard identification and risk assessment (THIRA), a State Preparedness Report (SPR), and follow-on homeland security strategy update. States and urban areas can leverage these and other existing data sources in order to qualitatively and quantitatively document progress made in building Core Capabilities, reducing risk, and enhancing preparedness. The proposed effort would add to and supplement these existing assessment initiatives.

The objective of the immediate effort is to allow states and urban areas to demonstrate to policy makers at all levels of government, particularly members of Congress with oversight responsibilities, the effectiveness of grant investments while building the foundation for a long-term approach to measuring overall preparedness and risk management.

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<sup>1</sup> This paper and the approach and methodology outlined herein is also applicable to maritime ports and mass transit agencies that receive Port Security Grant Program and Transit Security Grant Program funds.

### Approach

The Grant Effectiveness Report would integrate findings from prior risk, capability, and investment data into a broader evaluation of the impact that grant investments have had on state and urban area preparedness. In doing so, the report would directly address the following issues:

- Has the grant program helped the state or urban area better understand and document the threats and hazards that pose a risk to the state or urban area?
- Has the grant program helped the state or urban area better identify, document and prioritize Core Capabilities needed to address high risk threats and hazards?
- Has the grant program helped the state or urban area identify and document its gaps and strengths in those priority Core Capabilities?
- Has the state or urban area invested its grant funds in its priority Core Capabilities?
- How have grant investments improved the state's or urban area's priority Core Capabilities as demonstrated during an incident e.g., terrorism threats or events and natural disasters (real or simulated)?
- What are any remaining gaps in priority Core Capabilities?
- How will cuts in grant funding to the state or urban area impact its level of ability across its priority Core Capabilities?

### Methodology

The analysis would begin by compiling relevant data sources from stakeholders, including:

- The State Homeland Security Strategy and Urban Area Homeland Security Strategies.
- Any pre-existing performance targets that may exist, e.g., the Cities Readiness Initiative target of vaccinating metropolitan areas within 48 hours.
- Risk analysis and capabilities assessment data including from the THIRA and the SPR. The analysis would be based on investments made to achieve the capability targets in the THIRA and SPR in furtherance of the state's and urban area's homeland security strategy goals and objectives.
- Financial data from grant reporting processes that track investments.
- Quantitative and qualitative performance data from training, exercises, and real-world incidents.
- Interviews with state and local subject matter experts on key investment areas.

Analysts would then use these different data inputs to identify linkages across risk, capabilities, historical spending, and outcomes. What would follow would be an analysis of correlations between:

- Identified capability gaps in the state or urban area.
- Any identified capability targets the state or urban area has set.
- Historical grant expenditures to close identified capability gaps.
- The outcomes from grant expenditures relative to closing the identified capability gaps.

The chart below presents hypothetical data and the outline in which that data could be presented.

Capability Gaps	Capability Target	Grant Investments	Capability Outcomes
Mass decontamination was limited to cold water through fire houses in parking lots with no personal privacy. Decontamination rate was limited to 100 people per hour.	Mass decontamination rate of 200 people per hour in an enclosed environment with heated water and privacy.	A new mass decontamination unit for a region.	Mass decontamination rate of 200 people per hour in an enclosed environment where the water is heated, there is privacy, and the non-ambulatory can be treated.

### Conclusion

At its core, evaluating the effectiveness of grant investments is about measuring the impact that grant supported resources have had on a state or urban area's level of preparedness. The analysis should illustrate the impact of resources dedicated to fill a particular capability gap, the benefits derived from sustaining an existing capability need, any shared or regional benefits that result from the investments, and the consequences of losing capabilities if funding support disappeared. Addressing these issues will form the core of the analytic results, which will help policy-makers at all levels of government (local, state, and federal) better understand the outcomes that are being produced through homeland security grant investments.



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*CONGRESSIONAL TESTIMONY*

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**Are We Prepared?  
Measuring the Impact of Preparedness  
Grants Since 9/11**

**Testimony before  
Committee on Homeland Security and  
Governmental Affairs  
Subcommittee on Emergency Management,  
Intergovernmental Relations, and the  
District of Columbia**

**United States Senate**

**June 25, 2013**

**Matt A. Mayer  
Visiting Fellow  
Douglas and Sarah Allison Center for Foreign Policy Studies  
The Heritage Foundation**

My name is Matt A. Mayer. I am a Visiting Fellow in the Douglas and Sarah Allison Center for Foreign Policy Studies at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

Thank you for the opportunity to appear before the subcommittee today. In lieu of restating the research I've done over the last six and a half years at The Heritage Foundation and in my book *Homeland Security and Federalism: Protecting America from Outside the Beltway*, I would respectfully direct you to my page on The Heritage Foundation website ([www.heritage.org/about/staff/m/matt-mayer](http://www.heritage.org/about/staff/m/matt-mayer)) where you can read the various reports I've written on the topic of this hearing.

I'd rather spend my brief time with you framing the challenges that remain in preparing America for major events.

First, at the federal level, we've squandered time, money, and talent by the continual reinvention of our preparedness doctrine. Whether it is the superficial replacement of Homeland Security Presidential Directive 8 with Presidential Policy Directive 8 or the multiple iterations of the National Preparedness Goal or the rebirth of the original Target Capabilities List as the Core Capabilities, symbolic planning took the place of execution.

As I discovered during and after my time at the U.S. Department of Homeland Security, there is an enormous temptation to reinvent the wheel after leadership changes. This activity occurs when political appointees are replaced, regardless of whether that change occurred within the same administration or across different administrations. Oftentimes, this activity occurs devoid of any substantive deficiency in existing policy.

The impact of this constantly changing landscape on state and local partners is enormous. It results in waste, inefficiency, and delays. It also leads to the disintegration of trust, as state and local partners must deal with another new Washington political appointee who promises to "fix" the problems, but rarely does.

Next, our measuring sticks are too dependent upon subjective criteria such as "effectiveness" or self-evaluations. One of the key benefits of developing the Target Capabilities List was to determine what capabilities were needed, where we needed those capabilities, at what level we wanted those capabilities to function, and what were the levels of current capabilities in our high-risk locations. This analysis would allow the federal government to put a price tag on preparedness, determine how much of that price tag should be borne by the federal government, and identify the endpoint of federal funding.

After ten years of federal funding, because there has never been a comprehensive, independent audit of state and local assets, we really don't know what capabilities we've actually acquired, at what level those capabilities currently are, and what remains to be acquired. Federal homeland security funding has become another permanent federal program with no endpoint in sight.

Comparing the capabilities assessments contained in the 2012 National Preparedness Report and the 2013 National Preparedness Report demonstrates vividly the flawed outputs inherent in the current approach.

#### Current Levels

Core Capability	2013 Assessment	2012 Assessment	Difference
On-Scene Security and Protection	61%	72%	-11
Public Health and Medical Services	60%	78%	-18
Operational Communications	60%	72%	-12
Critical Transportation	58%	64%	-16
Operational Coordination	57%	73%	-16
Situational Assessment	57%	64%	-7
Planning	55%	69%	-14
Intelligence and Information Sharing	53%	64%	-11
Public Information and Warning	53%	71%	-8
Environmental Response/Health and Safety	52%	70%	-18
Interdiction and Disruption	48%	67%	-19
Mass Search and Rescue Operations	47%	65%	-18
Threats and Hazard Identification	46%	69%	-23
Risk and Disaster Resilience Assessment	45%	62%	-17
Forensics and Attribution	42%	61%	-19
Supply Chain Integrity and Security	39%	52%	-13
Long-Term Vulnerability Reduction	39%	63%	-24
Health and Social Services	39%	54%	-25
Mass Care Services	38%	63%	-25
Public and Private Services and Resources	38%	62%	-24
Community Resilience	38%	58%	-20
Screening, Search, and Detection	37%	64%	-27
Physical Protective Measures	35%	56%	-21
Risk Management for Protection Programs & Activities	35%	62%	-27
Fatality Management Services	34%	59%	-25
Access Control and Identify Verification	33%	50%	-17
Infrastructure Systems	32%	62%	-30
Housing	30%	44%	-14
Economic Recovery	30%	50%	-20
Natural and Cultural Resources	28%	47%	-19
Cybersecurity	17%	42%	-25

After another year of funding, how did core capability levels plummet so severely across the board from 2012 to 2013? As a nation, if you believe the reports, we did not improve the capability level of a single core capability.

Acknowledging that the core capabilities are not weighted equally in importance, the average preparedness percentage across core capabilities in 2012 was 62 percent. In 2013, it fell to just 43 percent. If it took roughly \$40 billion over 11 years to hit that mark, that means it will take another \$53 billion to become fully prepared. If Congress appropriates \$1.3 billion per year, it will take another 41 years to finally be prepared at an unadjusted price tag of \$93 billion.

Those figures are pure fantasy.

If we want to truly know what capabilities we possess, where we possess those capabilities, and at what level those capabilities are, we must be more rigorous, objective, and methodical about how we answer those questions. Otherwise, subjectivity will render these reports meaningless.

Finally, for too many years, Congress has appropriated funds to states and localities under more than 20 different grant programs. From siloed infrastructure programs (such as the Transit Security Grant Program) to those targeting charity organizations, virtually every constituency managed to get a program tailored to its wants. Even worse, those entrenched interests successfully fought off attempts to consolidate programs in a more rational way.

In 2012, the U.S. Department of Homeland Security allocated \$1.3 billion under 11 different programs:

- Assistance to Firefighters,
- State Homeland Security,
- Urban Areas Security Initiative,
- Operation Stonegarden,
- Tribal Homeland Security,
- Nonprofit Security,
- Emergency Management Performance,
- National Special Security Event,
- Port Security,
- Transit Security, and
- Intercity Passenger Rail Security.

The U.S. Department of Health and Human Services, the U.S. Department of Justice, and other federal departments and agencies have additional state and local grant programs as well.

Similarly, the methods of allocating funds ranged from nonsensical population-based allocations to complex algorithms using risk-related elements. These allocation variations resulted in funding being sent to places with little to no terrorist risk and then being placed on autopilot, thereby allowing locations to receive funds no matter what their risk or level of preparedness. Meanwhile, America's high-risk jurisdictions received less funding than they should have.

For example, under the 2012 allocations, the lowest Urban Areas Security Initiative (UASI) allocation of \$1.25 million went to both Indianapolis and San Antonio; Denver received \$2.5 million; Las Vegas got \$1.8 million; Charlotte pulled in \$1.5 million; and Portland earned \$2.2 million. Yet Wyoming, which has fewer people than all of those cities, received \$2.8 million. In fact, over one-third of the 31 high-risk UASI cities received less funding than Wyoming did.

Congress can and should do better with the finite funds it allocates to secure America.

After \$40 billion and 11 years, it is time for Congress to narrow the focus of finite federal funds for homeland security grants. By now, most low-risk states, cities, fire departments, infrastructure entities, and other groups have received more than enough federal funds to meet whatever minimal terrorism threat they may face.

The challenges we face in preparing America for the evolving threats we face are to stop reinventing our preparedness doctrine, bring much more rigor and objectivity to how we assess preparedness, and to allocate finite funding more strategically.

Thank you for the opportunity to speak today on this important issue. I look forward to your questions.



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**STATEMENT FOR THE RECORD**

**Richard W. Stanek, President**

**Major County Sheriffs' Association (MCSA)**

**"Are We Prepared: Measuring the Impact of Preparedness Grants Since 9/11"**

**Hearing Before the**

**Subcommittee on Emergency Management, Intergovernmental Relations, and**

**the District of Columbia**

**Committee on Homeland Security and Government Affairs**

**United States Senate**

**June 25, 2013**

Chairman Begich, Ranking Member Paul, Members of the Subcommittee, I appreciate the opportunity to discuss the status of our preparedness as a nation to prevent, mitigate and respond to acts of terrorism and natural disasters. The current suite of homeland security grant programs has made an enormous impact on how state and local law enforcement responds in the line of duty to protect this nation.

I am the elected Sheriff of Hennepin County, Minnesota and the President of the Major County Sheriffs' Association (MCSA), whose membership is comprised of elected sheriffs from counties across the country with populations of 500,000 people or more, representing a combined 100 million Americans. The start of my now 29 year career in law enforcement was as a police officer in the Minneapolis Police Department. From there I also served in the Minnesota State Legislature and was then named by the Governor as the Commissioner of Public Safety & Director of Homeland Security for Minnesota. I also serve on the Board of the National Sheriffs' Association (NSA) and as chair of NSA's Homeland Security Committee. Finally, I'm also on the Department of Homeland Security's Interagency Threat Assessment and Coordination Group (ITACG), the Criminal Intelligence Coordinating Council (CICC), and on the Director of National Intelligence's Homeland Security/Law Enforcement Partners Group.

The current suite of homeland security grant programs has been effective in enhancing our nation's mitigation, prevention, preparedness, response, and recovery capabilities. Our sheriffs strongly support these programs and appreciate the funding and support Congress has shown for them over the years. We also acknowledge that some changes in the programs may

be necessary to ensure the best return on taxpayer dollars, including greater emphasis on performance metrics to properly measure effectiveness at the state and local level.

Last year, the President included in his FY 2013 budget request a proposed consolidation of the current suite of FEMA homeland security grant programs into one program called the National Preparedness Grant Program (NPGP). Our association, along with many others representing first responders and elected officials, expressed serious concern over the proposed consolidation through letters to the appropriate Congressional committees and in numerous meetings with both Congressional and agency level staff. The proposal would consolidate the programs into state-administered block and competitive grants where funding allocations would be made based on state and regional threat assessments, known as the Threat and Hazard Identification and Risk Assessment (THIRA). After Congressional disapproval of the proposed consolidation last year, we were disappointed to see the proposal included again in the FY 2014 budget request. We do, however, appreciate some changes that were made in this year's request based on feedback provided from stakeholder groups. We also applaud FEMA's acknowledgement that consolidation proposals such as the one before us must be considered by the proper authorizing committees in Congress.

The FY 14 proposal still raises several key concerns for our members and other stakeholder groups that would be most affected from the consolidation, including:

**Collapsing the 16 Distinct Homeland Security Grant Programs into One Program**—Each of the current homeland security grant programs targets specific risk needs at the state and local level and we strongly urge FEMA and Congress to maintain the separate programs.

For example, the Urban Area Security Initiative (UASI) grant program has provided critical funding for training exercises that support multi-jurisdictional collaboration and coordination. The UASI regions use planning councils with all key stakeholder groups involved to ensure collaboration and integration of capabilities—this provides for the best preparation in the case of a terrorist incident, but also provides for effective and efficient use of the funding. UASI funding also goes toward sustainment of interoperable public safety communications. Around \$1.2 billion was spent between 2003 and 2009 to ensure that 90 percent of all high-risk urban areas are capable of providing communications within one hour of incidents involving multiple jurisdictions and agencies.

In the Michigan UASI region, the sheriff in Oakland County uses regional allocations for staffing positions such as analysts for the Solution Area Planners and Detroit Southeastern Michigan Intelligence Information Center (DSEMIIC). Additionally, regional capabilities such as HazMat, Urban Search and Rescue (USAR) and other training and exercises are sustained through UASI regional allocations. Training and exercises are large projects funded through both the Regional and Oakland County allocation allowing members from around the region to enhance response capabilities and work together. Finally, technological advances in detection equipment, sirens, and interoperable communications as well as physical equipment such as barricades are also maintained through this critical funding source.

In my own region, my office also uses UASI money to assign an analyst to our fusion center, the Minnesota Joint Analysis Center (MNJAC). In addition, funding has gone to purchase critical equipment such as scanning equipment used to sweep high level targets such as the Hennepin

County Medical Center, the Hennepin County Government Center, and other government facilities in the area. The funding used for the overtime spent by personnel using this scanning equipment also comes from the UASI grant program. Without this distinct, critical funding stream, we could jeopardize keeping our communities safe and lose an important prevention function in assessing for potential threats. Also of great importance is the safety of our officers. UASI funds have helped fund the purchase of personal protection equipment (PPE) and ballistic vests aiding our front line officers in the line of duty.

I would also like to make note of an amendment that Senators Tom Coburn and John McCain proposed during debate over FY 13 funding of the Federal government. The amendment would have restricted UASI funds from being used for overtime and backfill expenses. We strongly opposed this amendment as it would reduce the response capabilities at the local level developed through critical training exercises. The NYPD uses UASI funding for overtime pay associated with activities of the joint terrorism task force working on counterterrorism investigations. All of our member's budgets are strained to the limit and the added duties of counterterrorism cannot be considered a local duty and allowing federal funds to help support the locals as they assist federal efforts is more than reasonable.

**Expanding the Definition of "Local Unit" of Government**—Under the proposed consolidation, the definition of a "local unit" of government would be expanded to include port and transit authorities and private organizations. This change could have vast unintended consequences on funding for law enforcement that is already stretched thin as a result of America's current fiscal state. With reduced funding, essential training and collaboration functions among

stakeholder groups could be significantly jeopardized. Additionally, “local unit” of government is already defined in other laws and the proposed change could then be referred to in future legislative language with unintended consequences.

**Proposed Elimination of the 25 Percent Law Enforcement Terrorism Prevention (LETP) Set-Aside**—Maintaining law enforcement terrorism prevention activities is absolutely critical in the post 9/11 world. Reducing the ability of state, local and tribal law enforcement to contribute to counterterrorism prevention and response activities would hinder our efforts to protect the homeland. The LETP requirement recognizes the unique role of state, local and tribal law enforcement across the spectrum of homeland security activities—prevention, mitigation, response and recovery.

Through the set-aside funding, our members are able to collaborate and coordinate across jurisdictional lines with other state and local entities as well as federal law enforcement partners. It also affords us the ability to partner with the private sector in the identification of threats, the sharing of critical information and the gathering of intelligence. Training is also a fundamental portion of these activities, allowing law enforcement to recognize and report suspicious activities and prepare for incidents of terrorism such as the atrocious acts during the Boston Marathon on April 15 of this year.

Finally, we acknowledge the difficult budget constraints currently facing the Federal Government, but Congress must realize the importance of the LETP set-aside which provides a dedicated funding stream targeting vital law enforcement functions. Firefighters and emergency managers continue to enjoy dedicated funding streams through the Staffing for

Adequate Fire & Emergency Response Grants (SAFER) and Emergency Management Preparedness Grants (EMPG) respectively. These two programs, although enacted under separate authorization, are not part of the consolidation proposal and have received less severe cuts than law enforcement in recent years. Each of these stakeholder groups provides a very important and vital service to our communities, but regardless of the nature of an incident, law enforcement personnel is the only group that *always* responds to every 911 call. ***Law enforcement is the only sector tasked with prevention duties as well as first response responsibilities and the elimination of this set-aside funding would be devastating to our state and local capabilities.***

**Unclear Role of Locals in the THIRA Process**—We remain concerned that local risks and needs are lost in the process as they make their way to the state level THIRA application. We want to make sure that political considerations at the state level do not become the criteria for risk assessments and the ultimate distribution of the 80 percent of funding that passes through the state to local jurisdictions. Politicization of this process only harms local first responders and damages both short and long-term capabilities and collaboration. We strongly agree with Mayor Euille’s testimony during the hearing that locals best understand the needs and risks in their areas. Local risk assessments should be compared to the state THIRA and local governments should be able to challenge a state THIRA that does not reflect the input of local vulnerabilities.



**Conclusion**

As Mayor Euille outlined in his testimony, a number of principles have been developed by stakeholder groups in consideration of improving the current suite of homeland security grant programs. These include increasing transparency, increasing local involvement in the THIRA process to ensure that local needs and risks are fully addressed, providing flexibility at the local level while also maintaining accountability, protecting local funding, sustaining terrorism prevention funding and providing incentives for metropolitan area regionalization. When considering all of these concerns, local law enforcement must be at the center of these discussions as first responders who cover the spectrum of activities aimed at achieving the National Preparedness Goal—"A secure and resilient nation with the capabilities required across the whole community to prevent, protect against, mitigate, respond to, and recover from threats and hazards that pose the greatest risk".

The Major County Sheriffs' Association remains committed to working with Congress, FEMA and DHS to sustain and enhance core capabilities developed through the current suite of homeland security grant programs that have proven vital to protecting our nation.



The Jewish Federations  
OF NORTH AMERICA

**Statement of the Jewish Federations of North America**

Submitted by Robert B. Goldberg, Senior Director, Legislative Affairs

*Subcommittee on Emergency Management,  
Intergovernmental Relations, and the District of Columbia  
Of the U.S. Committee on Homeland Security and Government Affairs*

**Are We Prepared?**

**Measuring Impact of Preparedness Grants Since 9/11**

Tuesday, June 25, 2013

The Jewish Federations of North America (JFNA) welcomes the Subcommittee's invitation to submit this statement on the impact of Preparedness Grants on nonprofit security. The Subcommittee's hearing comes at a time when the Department of Homeland Security (DHS) is seeking congressional authority to consolidate the Preparedness Grants into a single National Preparedness Grant Program. Without judgment as to the benefits such a consolidation might have in replacing the larger grant programs, such as the Homeland Security Grant Programs, JFNA's view is that the inclusion of the Nonprofit Security Grant Program (NSGP) into a consolidated framework would be detrimental to nonprofit security. We believe that the same rationale and justification Congress relied upon in establishing the Nonprofit Security Program applies equally to our recommendations that Congress exempt NSGP from any consolidation legislation it considers, and to continue NSGP as a separately funded, stand-alone preparedness grant.

**Summary:**

As detailed below, there is a significant record of threats from terrorists and extremists to particular aspects of the nonprofit sector that substantiates the need for the inclusion of nonprofit security investments through the Preparedness Grants. Yet, there has been and continues to be strong reluctance among State Administrative Agencies and UASI grantees to include the nonprofit sector in their planning, development, and investment requests provided through the main Preparedness Grants. The exclusion of the nonprofit sector continues, despite present and emerging risks; clear program eligibility; specific guidance from DHS and the Federal Emergency Management Agency (FEMA); and direct outreach from the nonprofit sector. As a counter measure, the Nonprofit Security Grant Program was put in place to ensure that, at a minimum, at-risk nonprofit institutions are able to receive modest, yet critical, attention and investments to bolster their physical security and preparedness. Should the NSGP program be folded into a National Preparedness Grant Program, there is strong evidence that the nonprofit sector would lose the critical coordination, infrastructure, and accountability provided for through NSGP, and the sector would face again the very challenges that excluded it from the Preparedness Grants in the first place – a return to the *status quo ante*.

**The Jewish Federation of North America – A Coordinating Body for Jewish Preparedness:**

JFNA represents one of the largest and longest serving philanthropic health and social services systems in North America. We comprise a network of 153 Jewish Federations and 300 independent Jewish communities across the country that is connected through our umbrella organization. Collectively, we serve as a fundraising, planning, and coordinating body that supports the operations of thousands of Jewish institutions, including schools, community centers, hospitals, health centers, day care facilities, and other social services providers. In the aggregate, we employ tens of thousands of people and serve millions of individuals and families within major population centers, as well as in smaller communities across the country. We are considered the central address of the Jewish community in the United States.

JFNA is also a leading facilitator within the Jewish community in responding to or recovering from man-made and natural disasters. For 25 years, we have worked with partners including

government agencies at all levels active in emergency management. For more than 30 years, we have been a founding member on the National Board of FEMA's Emergency Food and Shelter Program. During the last twenty-four months, JFNA has responded to, and raised millions of dollars in aid for, numerous domestic emergency situations, including tornados in Alabama, Massachusetts, Kansas, Kentucky, and Oklahoma; major Hurricanes Isaac and Sandy; and the Boston Marathon bombings.

Moreover, JFNA is a prominent advocate for Jewish communal security. Since before September 11, 2001, Jewish communal institutions have been the primary or secondary targets of both high profile and lesser known plots and attacks by international and home-grown terrorists and extremists – from the 1993 attack on the World Trade Center in New York City, to the 1994 Buenos Aires bombings, to the 2003 Istanbul, Turkey bombings, to the 2004 Madrid Bombing, to the 2008 Mumbai, India massacre, to the 2010 Cargo Plane Bomb Plot (target: Chicago), to the 2010 London Bomb Plot, to the 2012 Toulouse, France massacre, to the 2012 Milan, Italy Bomb Plot, and many more, as illustrated in greater detail below.

**The Pernicious Threats to Jewish Communal Security:**

In 2002, three seminal threat events occurred that led to JFNA organizing and advocating for needed recognition, inclusion, and support from all levels of government for nonprofit security assistance. The incidents included:

The publication by The Associated Press on February 1, 2002, of an English language translation of an al Qaeda training manual entitled, "Manual of Afghan Jihad." This pre-9/11 document called for the creation of special terrorist units to work in areas with large Jewish communities. It stated, "In every country, we should hit their [Jewish] organizations, institutions, clubs and hospitals." It went further, "The targets must be identified, carefully chosen, and include their largest gatherings so that any strike should cause thousands of deaths."

A June 2, 2002, CBS "60 Minutes" interview with American Abdul Rahman Yasin, the sole suspect in the 1993 World Trade Center bombing who got away (after being interviewed and released by law enforcement). According to Yasin, the Twin Towers

were not the original target for that attack. He revealed that the original plot had been to blow up Jewish neighborhoods in Brooklyn. Yasin recalled that the plot's mastermind, Ramzi Ahmed Yousef, redirected the bombers from Jewish enclaves to the World Trade Center after scouting sites and determining that the detonation of "one big explosion" would be more efficient and effective than attempting to carry out "smaller ones" against Jewish targets. According to Yasin, Yousef explained, "The majority of the people who work in the World Trade Center are Jews." Yousef is the nephew and was the financial benefactor of Khalid Sheikh Mohammad, the "principal architect of the 9/11 attacks," according to the 9/11 Commission Report.

A June 22, 2002, New York Times report of an FBI Advisory to FBI field offices and other law enforcement agencies, alerting them that terrorists may try to use fuel tankers to bomb Jewish neighborhoods, synagogues, and schools. The warning came only weeks after an April 11, 2002, fuel truck bombing of the ancient Ghriba Synagogue in Tunisia, which killed 14 and wounded 30 civilians. Al Qaeda claimed responsibility for the attack, which was reportedly organized by Khalid Sheikh Mohammad.

Since 2002, there have been multiple incidents by terrorists and extremists against Jewish communal interests as recounted by counterterrorism experts. The following are illustrations:

According to The FBI's 2009 Year in Review of top terror cases, dated December 28, 2009, the FBI chronicled the arrest of David Coleman Headley, an American, who selected the targets of the 2008 Mumbai attacks (considered India's 9/11), where six Jewish civilians (4 of whom were Americans) were tortured (no other victims of the massacre were tortured) and murdered at a Jewish community center; the arrest of four radicalized Americans for attempting to blowup a Riverdale, New York synagogue and a Jewish community center; the deadly shooting at the US Holocaust Memorial Museum in Washington, DC; and the attack on an Army recruiting center in Little Rock, Arkansas, by a self-described al Qaeda in the Arabian Peninsula jihadist, whose plot included attacking Jewish institutions across multiple states.

On December 10, 2012, the FBI reported that of the 1,480 victims of anti-religious hate crimes in the United States for 2011 (the most recent data available), 63.2 percent were

victims of an offender's anti-Jewish bias – more than all other categories combined. The 2011 statistics closely track the disproportionate rate of anti-Jewish bias crimes in the United States that were reported in each of the preceding annual hate crimes reports published by the FBI over the past decade.

On January 23, 2013, the Congressional Research Service published a comprehensive analysis (R41416) on American Jihadist Terrorism. The report highlighted the 2005 plot by the group Jamiyyat Ul-Islam Is-Saheeh to attack Jewish institutions and military assets in southern California -- the "most prominent post-9/11 example of domestic violent jihadist activity inspired in prison;" The 2009 Newburgh Four case, which involved a plot to trigger explosives in front of a synagogue and Jewish community center; The 2011 grenade plot by Ahmed Ferhani, an Algerian, and Mohamed Mamdouth, a naturalized US citizen from Morocco, who plotted to blow up prominent synagogues in New York City; and the 2012 bombing plot by Amine El Khalifi, a Moroccan citizen living in the US on an expired B2 tourist visa, who targeted the US Capitol, a local synagogue, and a restaurant frequented by US military personnel.

The threats have also impacted Jewish Federations directly:

On July 28, 2006, American Naveed Haq attacked the Jewish Federation of Greater Seattle. He entered the federation building by placing a gun to the head of a 14 year old girl. He shot six women, one who was 17 weeks pregnant and another, fatally. At trial, evidence (including 911 recordings) was presented that Haq ranted about his hatred for Jews as he opened fire and that the attack was his "personal Hezbollah." In later recordings of his jailhouse telephone conversations with his mother, Haq told her that he was "a soldier of Islam."

On June 1, 2009, American Abdulhakim Mujahid Muhammad, formerly Carlos Bledsoe, was arrested for a drive-by shooting of two soldiers outside of a US Army recruiting center in Little Rock, Arkansas. By his own account, he planned for jihad (multiple attacks) and claimed affiliation with al-Qaeda in the Arabian Peninsula. Muhammad was arrested in possession of a loaded SKS 7.62mm assault rifle, a sawed-off 12-gauge shotgun, a 20-gauge shotgun, 2 handguns, Molotov cocktails, more than 500 rounds of ammunition, and homemade silencers. A joint FBI-Homeland Security intelligence

assessment obtained by The Associated Press said officers also found that Muhammad "had conducted research on other targets, including military sites, government facilities, and Jewish institutions" in multiple states. Jewish entities, including federations, located in Little Rock, Philadelphia, Atlanta, New York, Louisville and Memphis, were among his targets. After his arrest, Muhammad wrote that his initial plan was to kill "3 Zionist rabbis in Memphis, Little Rock, and Nashville." He described throwing a firebomb at the home of a rabbi in Memphis, Tennessee to commence his jihad. This occurred a day prior to the assault on the Little Rock recruitment center. He also wrote about aborting a second attack on a Jewish rabbi as the neighbors were around. Later, the Senate Homeland Security and Government Affairs Committee heard testimony from the father of one of the Army recruiting victims that the incident was terrorism because Muhammad targeted Jewish sites.

On January 16, 2013, the Department of Justice unsealed a criminal indictment against suspected Ohio white supremacist Richard Schmidt, a convicted murderer, for his illegal possession of a cache of 18 assault weapons and other firearms, high-capacity magazines, and more than 40,000 rounds of ammunition. He had been investigated for counterfeiting sporting goods. Shortly after his arrest, the FBI contacted the Jewish Federation of Greater Detroit explaining that they found Schmidt to also be in possession of detailed information about the federation and its leadership that included a hand-drawn rendering of the federation building and parking lot. Also found by investigators was a "Jewish 500" hit list of Jewish-owned businesses, and documents and paraphernalia associating Schmidt to the neo-Nazi movement.

The above is a mere sampling of the significant public record on the specific and existential threats to Jewish communal security in the United States. Over the intervening years, many Senate and House committee hearings, and Executive Branch reports, have touched upon current and emerging threats to Jewish communal institutions – often as illustrations of the vulnerability soft, civilian targets that are of high value to terrorist. For example:

In a February 15, 2012 hearing on "An Examination of the Presidents FY 2013 Budget Request for the Department of Homeland Security," then-House Homeland Security Committee Chairman Peter King (R-NY) raised with Homeland Security Secretary Janet

Napolitano his concern for the emerging and escalating security risks posed by Hezbollah to “soft” Jewish targets in the United States. According to King, America faces a growing threat from “hundreds” of agents of Hezbollah in the US as tensions grow over Iran’s suspected nuclear weapons program. (Related: On February 14, 2008 the FBI put 101 nationwide Joint Terrorism Task Forces on alert for potential threats against the Jewish community by Hezbollah operatives; On February 15, 2008, the FBI and the Department of Homeland Security sent out a rare joint bulletin to State and local law enforcement authorities advising them to watch for strikes by Hezbollah against Jewish targets; In May 2006, FBI officials contacted Jewish communal leaders to warn them that Hezbollah has sleeper cells in New York and other major American cities that may be activated in the event of an American-Iranian confrontation over Iran’s nuclear efforts.)

On March 12, 2013, National Intelligence Director James R. Clapper testified before the Senate Select Committee on Intelligence on the “Worldwide Threat Assessment of the US Intelligence Community.” In his testimony, Director Clapper stated that the March 2012 attacks by an al Qaeda-inspired extremist in Toulouse, France, was an example of a “perceived” terrorist success that would motivate other homegrown violent extremists to act in the United States or abroad. In the Toulouse attacks, Islamic terrorist Mohammed Merah killed 3 French soldiers in two attacks. In a third attack on a Jewish day school, he shot to death 30-year-old Rabbi Jonathan Sandler; his two oldest (out of three) children Aryeh, aged 6, and Gabriel, aged 3; and the head teacher’s daughter, eight-year-old Miriam Monsonogo. A fifth child was gravely injured. It was the worst school-related attack in French history (considered by the French to be their 9/11).

Despite the lengthy and well documented record, of which the above is a mere illustration as there are too many incidents to account for in this statement, our efforts to seek appropriate recognition of the threats from across the ideological spectrum, and, in response, our inclusion in State and local homeland security discussions, planning, and investments, have and continue to be resisted on a wholesale basis outside of the specific mandates provided by Congress through FEMA’s Nonprofit Security Grant Program (NSGP). NSGP is the gateway for nonprofit security as discussed below.



**Nonprofit Security and the State and Local Grant Programs:****DHS Guidance, 2004**

The threats to the nonprofit sector have historically been ignored, misunderstood, or overlooked by States and localities in their homeland security planning and related Preparedness Grant investments. In 2004, JFNA sought and received official guidance from the Department of Homeland Security to clarify the eligibility of nonprofit organizations to participate in the Preparedness Grants. On June 16, 2004, the Office of Domestic Preparedness issued Information Bulletin Number 120, which was directed to all State Administrative Agency Heads, Points of Contact, and Security Directors. The bulletin expressly stated that non-governmental organizations were eligible to receive homeland security funding. Unfortunately, the bulletin failed to lead to any discernible results.

**The Nonprofit Security Grant Program, 2005 - Present**

In 2005, JFNA, with the support of a broad coalition of nonprofit associations, requested that Congress establish the Nonprofit Security Grant Program (NSGP) as a means to ensure nonprofit inclusion in the Preparedness Grants. The program provides for the acquisition and installation of physical security enhancements and related training to nonprofit institutions deemed at-risk of terrorist attacks. The investments secured through NSGP grants are similar to those installed throughout Capitol Hill, such as enhanced fencing, lighting, and bollards; surveillance systems; metal detectors and screening machines; blast proofing and shatter resistant window coating; door and lock reinforcements; cyber security protection; and training of personnel in terrorism awareness and employee preparedness, among them.

Jurisdictionally, the program is limited to Urban Area Security Initiative (UASI)-eligible Areas. Since the inception of NSGP in FY 2005, Congress has appropriated \$138 million to fund the program, constituting slightly more than three-tenths of one percent of the \$40 billion Congress has allocated to the Preparedness Grants.

NSGP has provided for approximately 1,700 grants to local nonprofit institutions deemed by the Secretary of Homeland Security to be at risk of terrorist attack. The grants are capped at \$75 thousand. The award results for FY 2013 are pending, but between 130 and 200 awards are expected to be made. It should be noted that the number of applicants for FY2013, the demand, far exceeds the available resources. It is reported that 360 applications were submitted by New York and California UASI Areas, alone, for the pending grant cycle. This does not account for the submissions of the other 23 UASI-eligible Areas that participated.

The program follows a two-tiered State and Federal review process. It is based upon risk assessments and Investment Justifications first reviewed by UASI working groups and the State Administrative Agencies, and then by a multi-disciplined committee within the Department of Homeland Security and FEMA. The Secretary of Homeland Security makes the final award determinations based upon the totality of the review process.

Over the course of the program, approximately 65 percent of the awards have been directed to Jewish communal institutions. In responding to the deadly June 2009 attack at the US Holocaust Memorial Museum by white supremacist James W. von Brunn, Secretary Napolitano remarked in a statement announcing the award results for the FY 2009 Preparedness Grants, “we saw last week the need for these types of [nonprofit security] grants with the attack at the Holocaust Memorial Museum.” More recently in an on-the-record meeting with the staff of *The Jewish Daily Forward* that took place on June 4, 2012, Secretary Napolitano responded to a question regarding the totality of the grant awards. The Secretary stated, “Unfortunately there are risks attendant on the Jewish community that are not attendant on all other communities.” She added, “The fact that it ends up going to many Jewish organizations doesn’t in itself bother me.” She explained that during her tenure at DHS (more than four years), threats to the Jewish community have come from foreign entities, from homegrown extremists and from “hate crime type of activity.” Based on her experience with the NSGP program, she also stated that she had seen no evidence that the money was misspent, and that she believed the grant program had been successful.

Outside of Jewish communal security, the NSGP awards have served hundreds of hospitals and nonprofit institutions deemed by the Secretary of Homeland security to be of particular iconic or symbolic importance that place them at particular risk of terrorist attack. We are aware that in

a few rare instances, three States -- New York, Maryland, and New Jersey -- have provided additional modest funds to supplement some of the NSGP program years.

Alarming, despite the documented threats and the positive NSGP track record, the program has been undermined in recent years through the incremental limitation of UASI-eligible Areas from a high of 64 to a present low of 25, and the steady decline in annual program funding from a high of \$25 million in FY 2005 to a low of \$10 million in FY 2013. In FY 2012, when Congress for the one and only year provided the Secretary with the authority to determine the allocations made among the Preparedness Grants, the Office of Management and Budget recommended that the Secretary limit the NSGP allocation to \$5 million. Through our strong intervention the allocation ended up at \$10 million, but constituted a near-50% cut from the \$19 million funding level Congress approved for NSGP in FY 2011). In each of the President's budget requests for FY 2013 and FY 2014, it is recommended that Congress zero-out the NSGP program allocation, and replace the multiple Preparedness Grant appropriations with a single funding stream for the proposed National Preparedness Grant Program. Based on the totality of our experience with DHS, FEMA and the State and local homeland security agencies, we believe that any proposal to integrate the NSGP program into a consolidated program would be the death knell of any meaningful federally supported nonprofit security investments at the State and local levels. This conclusion is based upon our experience over the past two years regarding the greater Homeland Security Grant Programs, as described below.

The Homeland Security Grant Programs (HSGP) and the Law Enforcement Terrorism Prevention Activities (LETPA) Investments, FY 2012 – Present:

In recognition of JFNA's concerns that the Nonprofit Security Grant Program had experienced greater geographic limitations and significant funding cuts in recent years, DHS and FEMA updated (realigned) the Preparedness Grant Guidelines for the FY 2012 and FY 2013 HSGP program and LETPA initiative, to encourage States and UASI grantees to bolster nonprofit security as a priority investment. The following is a summary of the guidance as it pertains to the nonprofit sector.

Pursuant to the Homeland Security Act of 2002, States are required to ensure that at least 25 percent of the combined HSGP program funds allocated under the State Homeland Security Program (SHSP) and Urban Area Security Initiative (UASI) are directed towards Law Enforcement Terrorism Prevention Activities. For FY 2012 LETPA-designated funding exceeded \$196 million and for FY 2013, LETPA-designated funding exceeded \$228 million.

The guidance called for collaboration with Nonprofit Organizations:

“SHSP and UASI grantees must also work with the nonprofit community, including through the dedication of LETPA funds and resources, to address terrorism prevention concerns, seek input on the needs of the nonprofit sector, and support the goals of their investments.”

Among 6 enumerated priority activities eligible for use of LETPA focused funds, it provided:

“Increase physical security, via law enforcement personnel and other protective measures by implementing preventative and protective measures related to at-risk nonprofit organizations.”

In describing the priority of building and sustaining law enforcement terrorism prevention capabilities, the guidelines articulated the threat to the homeland, as follows:

“The threat of violent extremism in America is not new. Throughout history, misguided groups – including international and domestic terrorist organizations, neo-Nazis and anti-Semitic hate groups – have engaged in horrific violence to kill innocent civilians and threaten free and open societies. Most recently al-Qa’ida and its affiliates have attempted to recruit and radicalize people to terrorism here in the United States, as we have seen in several plots and attacks in recent years.”

The above guidance is clear that significant threats are borne upon the Jewish civilian community and should be addressed through the LETPA requirements of the HSGP program. In further support for nonprofit investments, the guidance referred to the President's plan on "Empowering Local Partners to Prevent Violent Extremism in the United States." According to this plan, States and UASI grantees should support and help empowers at-risk communities to prevent violent extremism, as follows:

"Communities are best placed to recognize and confront the threat because violent extremists are targeting their children, families, and neighbors;"

"It is essential that we find ways to help them protect themselves;"

"To support a community-based approach, the Federal Government is working to strengthen partnerships and networks among local stakeholders;"

"Effective community engagements and support are essential components of good governance – especially for communities that may be targeted by violent extremism;" and

"Engagement is essential to help build a network of individuals, groups, civil society organizations, and private sector actors to support community-based efforts to counter violent extremism."

JFNA strongly commended DHS and FEMA for promulgating the new nonprofit guidance. Unfortunately, as with the 2004 ODP Bulletin No. 120, the guidance has led to no discernible achievements for nonprofit security. We have found in our outreach that most State governments remain nonresponsive, and of those that have responded to our outreach, they have been unmoved to take meaningful nonprofit-related actions or make nonprofit investments. A complete disconnect exists between what DHS and FEMA have sought in the guidance and how the SAA's and UASI grantees perceive their priorities. To this point, JFNA has made a number of contacts with the SAAs to build lines of communication and generate

partnerships. Our most recent letter to every State Administrative Agency, dated July 1, 2013, asked, in relation to the HSGP/LETPA Guidelines for FY 2013, the following:

“What steps is your State Administrative Agency (and UASI Area(s), if applicable) taking to comply with the guidance? What ongoing efforts are you planning to make in order to maintain compliance? Who is (are) the point(s) of contact within your agencies for local institutions to contact regarding this opportunity? If no steps will be taken, please explain why not?”

We received a total of one response from nearly 40 SAA’s we contacted. The California Emergency Management Agency responded by referring us back to the Nonprofit Security Grant Program. While we know CAL-EMA to be a strong partner regarding NSGP, it appears that they had given no thought to engaging the nonprofit sector in response to the HSGP and LETPA Guidance.

In reaction to the dearth of interest from State and UASI grantees, we have sought additional engagement from DHS and FEMA. Unfortunately, DHS and FEMA recently informed us that:

“[I]t would be impracticable for [FEMA] to attempt to facilitate communications between SAAs or government agencies and individual non-profit entities at the local level,” and that, “FEMA leaves the decision of how best to allocate grant funding to the grantee.”

We believe that this experience and FEMA’s response are prescient indicators of what will come of nonprofit security should the Nonprofit Security Grant Program be replaced by a National Preparedness Grant Program.

#### National Preparedness Grant Program:

Pressed by significant cuts to the State and local grant programs since FY 2010, the perceived overlapping and sometimes confusing nature of the Homeland Security Grant Programs, concerns at DHS and FEMA for the unfocused (sometimes undisciplined) nature in which States

and UASI grantees may make investments, and Congressional criticism over the inefficiencies and delays associated with States and UASI grantees carrying out and completing investments funded, the Administration proposed in FY 2012 and re-proposed in FY 2013 to reform the Preparedness Grants through a consolidated National Preparedness Grant Program.

While we agree that the above concerns must be addressed, we also believe that a one-size fits all approach would be contrary to the security needs of the nonprofit sector. NSGP is a program that benefits from a specific, centralized structure and oversight that ensures a minimum floor is in place for nonprofit security investments to be made within high-threat areas. The program was conceived because the security priorities of the nonprofit sector were not being addressed. Neither ODP Bulletin No. 120 or the FY 2012 and FY 2013 HSGP/LEPTA Guidance have changed that fact.

Moreover, the NSGP program has received high marks from DHS. The only concern raised by DHS that we are aware of has to do with the sustainability of the program in the face of the recent spending cuts Congress has made to the Preparedness Grants. Yet, the consolidation of the NSGP program within a National Preparedness Grant would not address or alleviate this problem. In our view, without the specific structure and allocation the NSGP program provides for nonprofit security investments, just the opposite would occur.

Furthermore, DHS and FEMA have been very imprecise in how the proposed consolidation grant would be structured; how it would work in real and practical terms. As with HSGP/LETPA, we believe that DHS and FEMA would leave it up to the States and UASI grantees to determine how best to allocate their resources and that it would be impractical for DHS and FEMA to step in on behalf of at-risk nonprofit institutions.

**Conclusion:**

For the above reasons, we strongly urge the Subcommittee to support maintaining the Nonprofit Security Grant Program as a separately funded, stand-alone preparedness grant. In the event Congress approves a consolidation of the greater Preparedness Grants within a National Preparedness Grant Program, we would strenuously urge the Subcommittee to support

“excepting” the NSGP program from inclusion in the legislation. To the concern the Department of Homeland Security has raised that recent funding cuts to the Preparedness Grants have made sustaining the NSGP program more difficult, we respectfully urge the Subcommittee to support a return of the NSGP annual allocation to more reasonable levels. Based on the totality of the circumstances as described in this statement, Congress, working with DHS and FEMA, should be able to support the NSGP program, which since FY 2005 has cost slightly more than three-tenths of one percent of the \$40 billion allocated to the Preparedness Grants.

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**Written Statement for the Record**

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And  
Vice Chair of the Subcommittee on Homeland Security and Emergency  
Management for the National Association of Counties**

**Submitted on behalf of the National Association of Counties (NACo)**

**Before the  
Senate Homeland Security Subcommittee on Emergency Management,  
Intergovernmental Relations, and the District of Columbia**

**"Are We Prepared? Measuring the Impact of Preparedness Grants Since 9/11"**

**Submitted for the Record July 10, 2013**

**Thank you Chairman Begich, Ranking Member Paul and distinguished members of the Subcommittee for the opportunity to submit testimony for the record about the impact of U.S. Federal Emergency Management Agency (FEMA) grants and the role of Federal, state and local governments in national preparedness.**

On behalf of the National Association of Counties (NACo) and America's 3,069 counties, I want to thank you, Chairman Begich and Ranking Member Paul, for your efforts in securing our nation from threats posed by all hazards.

Today I plan to discuss four core issues:

1. The important role of county officials and first responders in planning, mitigation, preparedness, prevention, response and recovery capabilities
2. FEMA grants are critical to counties and communities across the country
3. The importance of increased local involvement and program flexibility
4. County concerns over the proposed National Preparedness Grant Program (NPGP)

My name is Judson Freed. I have been a professional Emergency Manager for more than 25 years and currently have the honor of serving as Director of the Office of Emergency Management and Homeland Security for Ramsey County, Minnesota. I am past Chair of the Twin Cities Urban Area Security Initiative Council and the Government Affairs Chair for the Association of Minnesota Emergency Managers. Finally, I am also the current Vice Chair of the Subcommittee on Homeland Security and Emergency Management for NACo.

**It is in my capacity as Vice Chair of the Homeland Security and Emergency Management Subcommittee at the National Association of Counties (NACo) that I respectfully submit this written testimony—representing elected and appointed county officials in our nation's 3,069 counties.**

The nation's county governments provide the essential services to create healthy, vibrant and safe communities. Counties support and maintain public infrastructure, transportation and economic development assets; keep residents healthy; ensure public safety to protect our citizens; and implement a broad array of federal, state and local programs in a cost-effective and efficient manner. People depend on counties to provide services that build, maintain and protect their homes, schools and neighborhoods.

**The important role of county officials and first responders in planning, mitigation, preparedness, prevention, response and recovery capabilities**

First, Mr. Chairman, I would like to discuss the important role of county officials and first responders in planning, mitigation, preparedness, prevention, response and recovery capabilities. Counties are uniquely positioned to play a key role in these activities.

In the realm of emergency management and homeland security, county personnel—including over 3,105 county sheriff and police departments nationwide, and innumerable emergency medical technicians and firefighters—are often the first responders during an emergency or crisis situation. County governments not only supply these first responder personnel, but also maintain and operate 911 emergency communications systems across the country.

Counties also own, operate and maintain many transportation and infrastructure assets that are critical during emergencies and natural disasters. They own and maintain 44 percent of America's roadways, over 228,026 bridges and almost one third of the nation's transit systems and airports.

Counties provide healthcare to those involved in emergency situations and own over 964 hospitals across the country. In addition to providing healthcare to those involved in emergency situations, they offer follow-up in many forms, including through many county social services functions. County Public Health offices are the first line of defense against disease outbreaks, and the last line of defense in the treatment and recovery from these events.

The County Emergency Management Agency (EMA) is the lynchpin of the national Emergency Management and Homeland Security enterprise. As Secretary Napolitano recognized in her April 7, 2010 statement, "Enhancing preparedness across our nation requires close collaboration between all levels of government." In the event of a national or regional emergency, county governments are uniquely positioned to play a key role in planning, mitigation, preparedness, prevention, response and recovery capabilities.

The County EMA director is often a part-time employee, or is performing "other duties as assigned" during the preparedness and prevention planning activities. This individual provides coordination between the various municipalities in the hours before disaster strikes (if there is any warning) and between the municipalities and the states during the hours and days after. County EMA officials work hand in hand with FEMA teams on Preliminary Damage Assessments (PDA) and, if federal funds are made available, it is the County EMA that handles the reams of paperwork, weeks of meetings and years

of recovery. And it is county personnel and resources—from EMA and other agencies, along with our municipal partners—who go elsewhere in the nation to assist other jurisdictions deal with devastation.

The “state teams” sent to assist after major disasters (Emergency Management and Incident Management, Search and Rescue, fire, law enforcement, and EMS, etc.) are made up of professional employees of county and local governments. Local governments have the responsibility to recruit, train and equip these individuals, and also provide the day-to-day upkeep and management of the constituent parts of these teams. Only through the creation of robust readiness capabilities at the local level can these local responders be spared to assist elsewhere in the nation in times of need.

Local governments have learned to band into regional entities to provide the coordination needed for such resilience. The increased capability built on local capacity, and coordinated with our state partners, has built a national Emergency Management capacity that has strengthened our nation's ability to respond to emergencies of all types, and our ability to recover from disaster.

Counties in particular have a prominent role in the national Emergency Management enterprise. Counties are formal administrative arms of the state. They deliver services mandated by the state and federal government, provide for tax assessment, law enforcement, fire and EMS services, land use planning, environmental health and management functions, administer courts and even support state court functions.

Because they are regional in nature, counties provide a mechanism to coordinate local emergency management efforts between municipalities as well as the means to target state and federal resources where they are most needed. The administrative and political functions resulting from county governments’ varying structures encourages cooperative leadership and administration.

Local emergency management requirements are largely dictated by state law and state interpretation of federal requirements. But the provision of emergency management services to the people requires local action, which in turn requires local knowledge. **Counties recognize the importance of a strong local-state-federal partnership to prepare for and respond to emergencies and natural disasters.**

This interdependence has built strength. Research has again and again proved that organizations are far more likely to coordinate—and to coordinate effectively—if they are geographically close. Political and Social Scientists and other academic experts have studied, proven and published this simple fact in many professional and academic journals articles dating back to at least 1986. But the reality is that this interdependence also requires funding. Counties understand that it is our role to provide the funding and oversight for our local roles and requirements. However, to sustain the capabilities needed to send

local assets elsewhere requires the coordination of our state governments and financial assistance from the federal government.

**FEMA grants are critical to counties and communities across the country**

**Second, Mr. Chairman, I would like to discuss how important FEMA grants are to counties and communities across the country.**

In my capacity as Vice Chair of the Subcommittee on Homeland Security and Emergency Management at NACo, I have had the opportunity to speak with many of my colleagues around the nation regarding Homeland Security grants. In my interaction with elected leadership from the local to the federal level, the common question is "show us how federal dollars have built or strengthened national capability?"

First, FEMA and Homeland Security grants provide critical resources needed for training and equipment to help local communities build and strengthen capabilities, and afford local governments the capacity to send help to other communities. My own county (Ramsey County, MN) sent personnel and equipment to assist in the immediate and long-term efforts in Boston and New York following Hurricane Irene and again to New York in the aftermath of Sandy. Across our own state, professionals from public health, law enforcement, public works, fire suppression and even property assessors have traveled for extended periods to assist neighbors in need. The cooperative efforts with the State (and between the states) through the Emergency Management Assistance Compact (EMAC) made these deployments possible.

As you know, EMAC is the state-to-state mutual aid program established nationwide through the hard work of FEMA, the States and Congress. It allows local personnel and resources to be sent by one state to another state or territory in times of need. It is a great example of local-county-state cooperation. What you may not know, however, is that the local participation in EMAC is completely dependent on our having adequate resources at home, and almost completely dependent on federal funding assistance. The training and equipment funded through FEMA and Homeland Security Grants has helped to build local capabilities and allowed us the capacity to send help elsewhere.

Our regional response to the August 2007 collapse of the Interstate 35W Bridge into the Mississippi River was made possible through the use of a (then) newly interoperable radio communications system, a collapse structure rescue capability and trained and equipped sheriff's offices and police departments. All of this equipment and training was made possible through partial funding from these federal grants including the Urban Area Security Initiative (UASI), the Metropolitan Medical Response System (MMRS), the State Homeland Security Grant Program (HSGP), the Port Security Grant program and the

Emergency Management Performance Grant (EMPG) program. Using these funds we, and others like us across the nation, built local fire and rescue agencies into cross jurisdictional cooperative teams capable of responding to such incidents here in Minnesota—and elsewhere when needed.

More importantly, the exercises and interjurisdictional training carried out in advance of this and many other emergencies—funded through these grants—made for human interoperability that was previously unknown. The combination of federal mandates and state coordination, and the critical funding that has accompanied this, has made it possible for such aid to be extended time and again. Without these funds, local government cannot afford the costs of sending personnel and equipment far from home for extended periods.

The interagency response to the bombings in Boston just months ago was accomplished largely through local application of capacity developed through use of these grants and in response to new methodology promulgated through the enterprise. Lessons learned from that response are already encompassed by the latest grant guidance for homeland security/emergency management funding in areas such as medical triage response (and were, in turn, initially developed through grant programs such as the UASI and MMRS).

Local law enforcement across the nation has used the grant-funded training and exercises (and equipment) to develop new methods for coping with so-called "active shooter" events in schools and other public places.

Specific areas that have been developed as a direct result of federal grants to local government include:

- Development and maintenance of local Emergency Management Agency capabilities, resulting in more resilient communities
- Training of personnel for roles in incidents with national implications and kept "fresh" through use in local incidents
- Engagement of the community in awareness of emergencies and potential intentional acts
- Modernization and interoperability of communications technology
- Facilitation of intelligence gathering and sharing
- Provision of better situational awareness throughout and between jurisdictions
- Assessment of risk to critical infrastructure and key resources and the mitigation of many of these risks
- Compliance with federally mandated risk identification and mitigation activities at the local level

FEMA funding initiated the project that has become the Emergency Management Standard by EMAP (the Emergency Management Accreditation Program)—the first ever American National Standards Institute approved standard for public sector emergency management programs (not just departments). In turn, the Emergency Management Standard can be adopted to provide verifiable metrics on Emergency Management at the state and local levels.

In short, the current collection of grants are working and are achieving demonstrable results. Further, the recent advent of the Threat and Hazard Identification and Risk Analysis (THIRA) concept—which builds upon the decades old Emergency Management process of the “HIRA” (or Hazard Identification and Risk Analysis) concept—has laid the groundwork for even more targeting of funds to areas of need, particularly in the various Urban Area Security Initiative jurisdictions.

**The importance of increased local involvement and program flexibility**

**Third, Mr. Chairman, I would respectfully ask you to consider the need for increased local involvement and program flexibility**

As this Committee considers the suite of homeland security grant programs and possible reforms to those programs, I urge you to increase, not decrease, local involvement and flexibility. Local officials know best the threats they face, and they know best the gaps which exist in community preparedness. The homeland security grant programs should primarily support local prevention and preparedness efforts since disaster impacts and response are local in nature.

In 2008, and again in 2010, the National Homeland Security Consortium, administered by the National Emergency Management Association (NEMA), and of which NACo is a member, stated in their seminal series of White Papers that sustained resources and capabilities that provide predictable and continued federal technical and financial assets are imperative to efforts to develop and maintain the capabilities that protect the homeland. The Consortium declared that the very first principal of overarching imperatives for unity of effort in Emergency Management is that “preserving the historic principles that guide how our nation is governed is imperative” and that the nation’s states and counties “must be equal partners in setting national goals and their supporting policies and procedures” (National Homeland Security Consortium, “Protecting Americans in the 21st Century,” 2010).

My own research, conducted at the Naval Postgraduate School, bears out the importance of these priorities. While the federal government must help states and locals to fund national efforts, disaster experts recognize that response to major crisis is and must be a shared responsibility. The bombing in Boston earlier this year—responded to with training and equipment paid for through grants—tragically

resulted in three deaths. However, each year since 9/11 there has been at least one natural disaster that resulted in double-digit fatalities. This clearly illustrates that the national need is not limited to coping with human caused or terrorist events, but must address the overall risk factors we face.

The THIRA process helps to identify these risks, but the overall risk must be derived from the local level upward to the state level. For example, a tornado striking one small town may not be a catastrophe statewide, but will have immediate and lasting impacts on the county. We must, then, work to better understand risk from this perspective and act to mitigate risk at the most local level possible.

In an era of ever-decreasing resources and ever-increasing requirements passed from the federal government to local governments, NACo is not only cognizant of the need for fiscal responsibility, but applauds efforts to streamline the grant processes and enhance the grants' effectiveness. We are very concerned, however, that the attempts to concentrate all funding under control of state administrative agencies (SAA) ignores the fact that all emergencies are local and that local governments not only understand their own needs more clearly, but will be the first and last to deal with the situation. Concentrating federal emergency management and homeland security grants under the SAAs neglects these key points, as well as the fact that the personnel and assets used to respond across this country are local personnel and assets.

The most vivid example of how federal funding for mandated programs in Emergency Management can be used effectively is the Emergency Management Performance Grant Program (EMPG). As you know, the EMPG supports state and local Emergency Management Agencies (EMAs) if, and only if, the EMA meets specific baseline performance items. The EMPG program is separate from all other FEMA/DHS grants, and requires that counties receiving EMPG funds not only meet an ever-increasing number of requirements (in Minnesota there are now 109 separate items) but must also provide a hard match of the funds. These requirements provide the state with the ability to shape activity to meet statewide risks, and the 50/50 match means that the local government must have "skin in the game" and accept responsibility for local risk.

However, as funding resources have grown ever more scarce, less and less of the EMPG funds are finding their way to the local level of government. While some states, such as Minnesota, pass through the majority (up to 70 percent) of EMPG to the locals, other states have retained greater portions. This year, Louisiana changed from passing through close to 68 percent to passing through only 35 percent in order to support the state's agency, diminishing the capability at the local level. In other locations, the state hires personnel and—on the claim that these personnel work with the locals—considers these hires of state employees to be "pass through" to the counties. Thus, despite Congress' much-



appreciated efforts to increase EMPG funding to \$350 million, less money is going to local government EMA despite their continued compliance with FEMA and DHS requirements.

NACo encourages Congress to maintain EMPG as a separate program from all other DHS grants and to mandate that states pass through 70 percent of EMPG to local EMA—while at the same time continuing the 50/50 match mandate by local government and the requirement to comply with minimum standards. NACo asks Congress to consider the successes and capabilities built by the other grant streams, and continue to build upon them as counties continue to construct and sustain these much needed capabilities.

We maintain our agreement with the Homeland Security Consortium's stance that states and locals must be “equal partners” in setting the goals. Since the impact and response to disasters are primarily local in nature, grant funding should support local prevention, preparedness and response efforts, as is the case under the current structure. Hiring more state employees will not address these realities, and will result in a general degradation of the capacity built over the decades at great cost.

**County concerns over the proposed National Preparedness Grant Program (NPGP)**

**And finally, Mr. Chairman, I would like to express concerns over the proposed National Preparedness Grant Program (NPGP).**

The NPGP proposal would convert the current suite of homeland security grant programs into state-administered block and competitive grant programs in which funding decisions are based on state and multi-state threat assessments without clear local involvement. Being “consulted” by the State Administrative Agency (SAA) is not the same as being “equal partners” in setting goals and policies. Local governments and first responders best know the intricacies of the local need.

While we appreciate the fact that FEMA made changes in its FY2014 budget proposal in response to some of the concerns raised by national associations and other groups, the proposal still contains several items of concern, including collapsing all of the current programs into a consolidated program that would no longer guarantee the retention of key programs, removal of the 25 percent set-aside for law enforcement terrorism prevention and expanding the eligible applicants for the portion of the funds that must be passed through to local governments to include port and transit authorities and private organizations. Increasing the size of the pool and adding competitiveness criteria will merely reduce the amounts available to local first responders, and increase the politicization of the grant process to the detriment of national security.

NACo urges Congress to maintain the requirements that states pass through 80 percent of grant funds directly to local governments in order to sustain and enhance national capacity. If consolidation of the current homeland security grants is necessary (we do not deny that some efficiencies can be achieved by combining some grants), we ask that the program that has been most demonstrably effective for more than 50 years—the Emergency Management Performance Grant program—be maintained as a separate program specifically geared to developing and sustaining local capability for emergency management. As for the 16 homeland security grant programs, some consolidation can achieve greater efficiency. But these efficiencies must still serve the intended purpose of building, enhancing and maintaining preparedness programs geared toward resilience.

NACo has developed draft policy language to address this key issue. Because our national meeting to formally consider and adopt this language will not occur until later this month, we intend to provide the Committee with our proposed language after the meeting when the final policy is adopted. As soon as this occurs, NACo will welcome any opportunity to work with Congress and the other stakeholders to prepare updated legislative language to accomplish these goals.

Finally, as Congress and stakeholders work to improve these programs, we respectfully urge FEMA to use the following set of core principles developed by our coalition of local organizations:

- **Increase Transparency** – It must be clear and understandable to the federal government and the public how the states are distributing funds, why they are making these decisions and where the funds are going.
- **Increase Local Involvement** – Local government officials, including emergency managers and emergency response officials, know best the threats and vulnerabilities in their areas. The Threat Hazard Identification Risk Assessment (THIRA) process must include the input of local elected and emergency response officials, and the Federal Emergency Management Administration (FEMA) must be able to audit states by comparing local risk assessments to the state level THIRA. Further, local governments should have the opportunity to challenge a state THIRA that inadequately reflects their needs or input.
- **Provide Flexibility with Accountability** – Any changes to the existing federal grant programs should allow federal funding to meet individual local needs and preparedness gaps as identified at the local level. Effective but sometimes less politically popular programs, like mitigation, must still receive funding.

- **Protect Local Funding** – Since event impact and response are primarily local in nature, grant funding should support primarily local prevention and preparedness efforts, as is the case under the current program structure. It is important that the vast majority of federal homeland security grants continue to fund local prevention and response activities, including local emergency managers and first responders, and activities that support their preparedness efforts.
- **Sustain Terrorism Prevention** - The current emphasis on supporting law enforcement's terrorism prevention activities must be maintained. The federal grant funds should not be used to support larger state bureaucracies at the expense of operational counter terrorism preparedness, threat analysis and information sharing activities.

In closing, we support efforts to strengthen national resilience by ensuring local resilience; to enhance the coordination and collaboration between the states and local government, and between first response and Emergency Management agencies; and to ensure that our nation is prepared to prevent, respond to, recover from and mitigate the effects of all hazards—and thus preserve national security through homeland security—and homeland security through hometown security.

Thank you again, Mr. Chairman and members of the Subcommittee, for the opportunity to submit this written testimony on behalf of the nation's counties. We thank you for your continued leadership.

We look forward to continuing the dialogue with you and would be happy to answer any questions that you might have.

