

Executive Memorandum

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Homeland Security Grant Bill Needs Revision But Is a Step in the Right Direction

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The House Select Committee on Homeland Security has unanimously approved the Faster and Smarter Funding for First Responders Act (H.R. 3266), which is intended to reform the distribution of homeland security grants to state and local governments. This long-overdue legislation would restructure a wasteful bureaucratic process, but further measures should be added to improve oversight, accountability, and efficiency.

Funding for emergency responders has increased dramatically since the September 11 attacks, rising to over \$4.5 billion in fiscal year 2004. The Department of Homeland Security oversees the distribution of the lion's share of these grants but lacks the means to distribute funds in line with its strategic priorities, national standards by which to assess the effectiveness of state and local programs, and processes to distribute funds quickly and effectively. Congress should establish a national framework to bring fiscal discipline to the system and ensure that the two greatest strategic needs—linking federal, state, and local assets in an integrated national response system and preparing the nation to deal with catastrophic terrorist attacks—are met first.

Important Features. Federal funds cannot, and should not be expected to, meet all of the nation's homeland security needs. Public safety is a shared responsibility, with states, counties, and cities accountable for providing staffs, equipment, and

services. Grants from Washington should be used as incentives to ensure effective integration of federal, state, and local assets into a true national capacity to conduct domestic counterterrorism and disaster response.

H.R. 3266 provides the basis for building this system through a more thoughtful, responsive, and judicious grant-making process. Its important features include:

The Faster and Smarter Funding for First Responders Act would restructure a wasteful bureaucratic process, but further measures should be added to improve oversight, accountability, and efficiency.

- Requiring well-defined national goals for terrorism preparedness, a determination of essential capabilities needed by state and local entities, and national standards.
- Establishing specific penalties, incentives, and restrictions to ensure the efficient and quick distribution of funds and promote cooperative regional programs that will enable communities to share resources effectively.
- Requiring that grant applications be ranked by their contribution to the national capacity to respond to terrorism.

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- Establishing a national advisory task force to help define essential capabilities.
- Requiring recipients to report on how funds will be used to provide essential capabilities and assess the effectiveness of monies spent in improving preparedness. (This process will allow for performance-based budgeting, the setting of performance requirements without specifying the exact methods, and maximum flexibility for states and local governments in determining how best to meet their unique security needs.)

Needed Changes. Other provisions of the bill require modifications or additions to ensure that the grant-making process is responsive to the needs of the national homeland security strategy and makes the best use of available resources. Specifically, the bill should:

- **Not exempt** existing programs—such as Fire, Emergency Management Planning and Assistance, and Public Safety and Community Policing (COPS) grants—from the new criteria. These special-interest grants should be abolished and the funds consolidated under a single program to allow them to be targeted on the greatest strategic needs.
- **Call** for two successive annual reports to work out procedures for developing criteria and then switch to quadrennial reports instead of requiring annual reports to establish essential capabilities. Issuing reports every four years would better allow for establishing long-term programs, while annual reports might whipsaw requirements back and forth every year.
- **Require** the Departments of Homeland Security and Health and Human Services to harmonize their grant processes so that states and local governments do not have to submit duplicative plans and requirements. This would greatly facilitate achieving the goal of one-stop shopping for domestic security assistance. A provision in the Homeland Security Grant Enhancement Act of 2003 (S. 1245), sponsored by Senator Susan Collins (R-ME), includes suitable provisions to address this issue.
- **Assign** responsibility for determining essential capabilities to the Office of State and Local Government Coordination, not the Undersecretary of Preparedness and Response as currently written. The Coordination Office should be required to set standards and oversee the distribution of grants for *all the critical missions areas* defined by the national homeland security strategy, including intelligence and early warning, border and transportation security, domestic counterterrorism, protecting critical infrastructure, defending against catastrophic threats, and emergency preparedness and response.
- **Assign** oversight of the process to the Homeland Security Council. The council represents all the federal agencies with a significant interest in homeland security and should have appropriate responsibilities to ensure that all critical national needs are addressed in defining essential capabilities.
- **Establish** a separate and independent organization within the Department of Homeland Security to evaluate the effectiveness of the grant program, particularly in improving readiness. This would ensure that programs are assessed by an “honest broker” not specifically engaged in the task of setting standards or issuing grants.
- **Require** that the advisory task force be nonpartisan.
- **Establish** more definitive criteria for determining the priority of funding. Legislation should require a minimum level of essential capabilities for all states, but specific criteria must be established to ensure that the preponderance of funds is directed toward meeting the highest strategic needs.

Conclusion. Getting the framework for providing assistance to state and local governments right is essential for the future security of the United States. The war on global terrorism will be a protracted conflict; the U.S. needs a well-structured, affordable homeland security architecture that will help to protect Americans for decades to come.

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