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Homeland Security Grant Guidelines Make Security and Fiscal Sense

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On May 19, the Department of Homeland Security (DHS) announced its allocations for the fiscal year (FY) 2011 Urban Area Security Initiative (UASI) grant program. The purpose of the UASI is to distribute homeland security funds to the highest-risk urban areas in America. This year's allocations would drastically slash the number of areas eligible to receive UASI funds from 63 to 31.

DHS should be applauded for taking this step. Aligning grant allocations with risk is the right decision for the nation's security, ensuring that jurisdictions that actually need money because they face the most significant threats of terrorism are not shortchanged by those that do not. The Administration should now use this opportunity to move forward with other much-needed reforms in homeland security grant assistance.

Ignoring Risk. For too long, DHS has allocated UASI grant monies on highly suspect criteria while expanding the number of cities eligible to receive federal money. For instance, the number of eligible urban areas has more than doubled since 2003 from 30 urban areas to 63 today.

UASI funds are supposed to be evaluated on a formula that includes a risk score and an investment justification (or "effectiveness score"). It is clear, however, that DHS has largely ignored this formula in its UASI grant decision-making process in previous fiscal years. For instance, from FY 2007 to FY 2008, the allocation amounts to most of the cities receiving UASI funds decreased by exactly 3 percent—a result highly unlikely if DHS

had actually been using the formula provided by Congress.

This trend has continued, with increasing numbers of cities obtaining funds each year. Furthermore, increases in the number of eligible areas have not been accompanied by similar increases in funding for the program by Congress. While this makes fiscal sense, DHS's unwillingness to allocate funds in accordance with set risk-based formulas has led to a dilution of finite funds, spreading more money to more cities while accomplishing less.

Time for Politics to End. It is time for the politics of grant funding to end. Congress made a wise decision this year to cut funds for grants in FY 2011 by \$780 million under the FY 2010 enacted level. This reflects both the nation's financial situation and the need to press DHS to ensure that grants are getting actual results in terms of readiness.

Close to \$40 billion has been allocated to states and localities across the U.S. since 9/11, yet DHS is still unable to specify with any degree of certainty which capabilities exist, where those capabilities exist, the level of those capabilities, and remaining capabilities needs. This is a problem highlighted by the Government Accountability Office in its March

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2011 report on waste and government and is still a big problem that needs resolution.¹ Additional reforms are needed.

Such reforms should include the following:

- **Limit the number of UASI cities permanently.** Congress should seek to limit the number of urban areas eligible in any given fiscal year for the UASI grant program. While DHS has made the decision to decrease the number of eligible cities for this fiscal year, this could easily change next fiscal year and years after. Congress should ensure that only the most high-risk jurisdictions receive UASI funds.
- **Examine cooperative agreements.** The right approach to funding disaster preparedness recognizes the legitimate role that federal dollars can play in boosting capabilities at the state and local levels while allowing states and localities to be on a more level playing field with their federal counterparts. The need for such equality downplays the need for the current grant structure and invites another approach, such as the use of cooperative agreements, where the federal government and the states can sit down as true and equal partners and negotiate outcomes at the beginning—including covering programmatic and financial oversight requirements—and then direct funds to achieve those desired outcomes without the need for yearly applications.
- **Publicize gains and gaps in current capabilities at local, state and federal levels.** Since 9/11, DHS has done significant work in terms of establishing national standards for readiness

and identifying capabilities that are needed to obtain this level of readiness—efforts embodied in the National Preparedness Goal and the Target Capabilities List. However, since drafting these documents, DHS has not taken measures to execute these plans at the federal, state, and local levels, making it impossible to ascertain which critical capabilities exist. Given that the homeland security grants are meant to help close these gaps, not understanding their effectiveness does a disservice to security and American taxpayers. DHS should prioritize the process of figuring out what capabilities exist and which do not and tailor new allocations accordingly.

Good, but Don't Stop There. DHS should be applauded for starting the process of making better decisions when it comes to assistance for states and localities, beginning with the UASI program. Now the Administration, working with Congress, should begin to assess the current grant structure and strive to focus federal dollars exclusively on closing gaps in capabilities, thereby making America safer against terrorism and more prepared when disaster strikes.

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1. U.S. Government Accountability Office, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, March 2011, p. 118, at <http://www.gao.gov/new.items/d11318sp.pdf> (April 14, 2011).