

ISSUE BRIEF

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Homeland Security Grants: Greater Focus Needed with Finite Federal Funding

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The U.S. Department of Homeland Security (DHS) just announced the final allocations for the 2012 homeland security grants. Since 9/11, Congress has allocated over \$40 billion in funds to states and localities. The majority of this funding came from DHS, but funding also came from the U.S. Department of Justice (DOJ), the U.S. Department of Health and Human Services (HHS), and other federal departments and agencies.

What has all of this funding bought taxpayers nearly eleven years later? Even taking DHS's view, not as much as it should have bought. Given the growing federal fiscal crisis, Congress needs to dramatically change where those grants go.

The Status Quo. According to the DHS *National Preparedness Report*¹ published in March, states and localities have a long way to go

before America is “prepared” for a catastrophic event. Keep in mind that the DHS assessment is largely based on self-assessments completed by states and localities with little to no audit verification. With that limitation in mind, the following is the relative preparedness of states and localities across the 31 core capabilities

Acknowledging that the core capabilities are not weighted equally in importance, the average preparedness percentage across core capabilities is just 62 percent. If it took \$40 billion over 11 years to hit that mark, that means it will take another \$15 billion to become fully prepared.

If Congress appropriates \$1.3 billion per year, it will take another 11.5 years to finally be prepared. Can America really wait until 2024 to be prepared for a catastrophic event?

Time and Funding Not Available. For too many years, DHS and other federal departments and agencies have disbursed 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, DHS allocated \$1.3 billion under 11 different programs:

1. Assistance to Firefighters,
2. State Homeland Security,
3. Urban Areas Security Initiative,
4. Operation Stonegarden,
5. Tribal Homeland Security,
6. Nonprofit Security,
7. Emergency Management Performance,
8. National Special Security Event,
9. Port Security,
10. Transit Security, and
11. Intercity Passenger Rail Security.

HHS, DOJ, and other federal departments and agencies have additional state and local grant programs as well.

Similarly, the methods of allocating funds ranged from nonsensical

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CHART 1

Core Capability, by Average Capability Level



Source: U.S. Department of Homeland Security, Federal Emergency Management Agency, "National Preparedness Report," March 30, 2012, p. ii, <http://www.fema.gov/library/viewRecord.do?id=5914> (accessed July 25, 2012).

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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.

Thankfully, the Obama Administration eliminated over half of the eligible cities from UASI this year, thereby maximizing the funding to America's riskiest 31 cities.

Focus Finite Funds. Congress and DHS should do better with the finite funds it allocates to secure America. Here are concrete ways to do that:

- **Be fiscally responsible.** Congress and DHS cannot spend their way to security. Homeland security funding should have a specific purpose: reducing risk and preventing attacks and disasters. Rather than continue to spread federal funds using an "inch thick and a mile wide" mentality, Congress should target federal funds at the highest-risk states, cities, and counties where the funds could meaningfully increase the security of Americans.
- **Consolidate grant programs.** By using risk analysis and the latest threat intelligence, Congress can consolidate the dozen or so

1. U.S. Department of Homeland Security, Federal Emergency Management Agency, 2012 National Preparedness Report, March 2012, <http://www.fema.gov/library/viewRecord.do?id=5914> (accessed July 26, 2012).

homeland security grant programs into just two: one for high-risk states and cities and one for infrastructure protection.

- **Limit the number of UASI cities permanently.** Congress should limit the number of urban areas eligible in any given fiscal year for the UASI grant program. While DHS has decreased 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 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 in which 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.

Twelve Years Is Too Long. 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 U.S. should dramatically move forward the estimated date of 2024 when its high-risk cities will be 100 percent prepared for the next catastrophic event to occur.

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