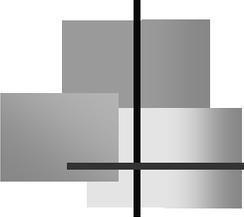




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# *Overview of Homeland Security Funding*

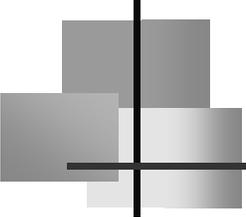
Paul Van Lenten, Jr.  
House Appropriations Committee  
November 13, 2006



# Presentation Outline

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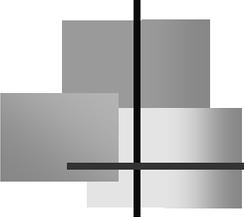
- Overview of Federal Homeland Security Programs
- State Role in Homeland Security
- Future Federal Funding for Homeland Security Grants
- Policy and Budget Issues for Consideration



# Overview of Homeland Security and Emergency Preparedness

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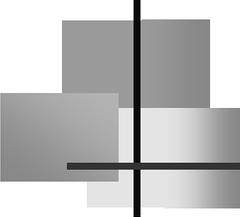
- Homeland security is defined by the federal government as:  
“A concerted effort to prevent terrorist attacks within the United States, reduce America’s vulnerability to terrorism, and minimize the damage and recover from attacks that do occur”
- Improving homeland security involves six activities:
  - Intelligence and warning
  - Border and transportation security
  - Domestic counter-terrorism
  - Protection of critical infrastructure and key assets
  - Defense against catastrophic threats
  - Emergency preparedness and response
- Although the federal government emphasizes homeland security, the federal government has adopted an “all hazards” approach including preparedness for natural disasters and industrial or other accidents



# Federal Agencies Involved in Homeland Security

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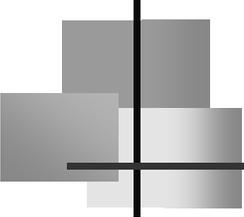
- A number of federal agencies are involved in improving homeland security or emergency preparedness:
  - Department of Agriculture
  - Department of Defense
  - Department of Energy
  - Department of Homeland Security
  - Department of Health and Human Services
  - Department of Justice
  - Department of Transportation
- All of these agencies provide some level of grants for use in achieving the nation's homeland security and emergency preparedness objectives
  - Very few federal homeland security or emergency preparedness grants require state matching funds



# Distribution of Homeland Security and Emergency Preparedness Grants

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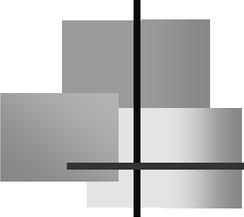
- Federal grants for homeland security and emergency preparedness are issued either directly to the recipients or to states for subsequent distribution to state and local agencies
  - Grants issued directly to recipients include: the Assistance to Firefighters Program, Port Security Program, and Urban Areas Security Initiative (targeted to specific at-risk metropolitan areas)
  - States have little role to play in the distribution of these grants
- Grants to states for subsequent distribution typically allow for more input into their uses and primarily come from two federal departments:
  - Department of Homeland Security:
    - Homeland Security Grant Program
    - Law Enforcement Terrorism Prevention Program
    - Citizen Corps Program
    - Emergency Management Performance Grants
    - Metropolitan Medical Response System
  - Department of Health and Human Services:
    - Centers for Disease Control: Bioterrorism Preparedness Program
    - Health Resources and Services Administration: Hospital Preparedness Program



# Changes in Homeland Security Grant Distribution Methods

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- Prior to FFY 2006, the Department of Homeland Security (DHS) issued grants to states based upon a minimum amount plus a component typically based on population
  - Methodology was criticized because of differences in per capita funding for various states and localities
    - Example:  
Wyoming: \$9.0 million in FFY 2005 = \$18.00 per capita  
New York: \$49.4 million in FFY 2005 = \$2.57 per capita
  - In response, the 9/11 Commission, and others, recommended using risk and threat assessment as the sole means for allocating homeland security grants
- Since FFY 2006, DHS has emphasized awarding grants above the minimum amount based on risk and threat assessments
  - DHS has also shifted more of its grants into programs solely targeting risk and threat assessments (i.e., Urban Areas Security Initiative)
- Other agencies, including the Department of Health and Human Services have also begun to target specific issues rather than statewide preparedness (i.e., pandemic flu)
- Changes in federal distribution methods can affect both the distribution of federal grants by states and the level of grants received by states



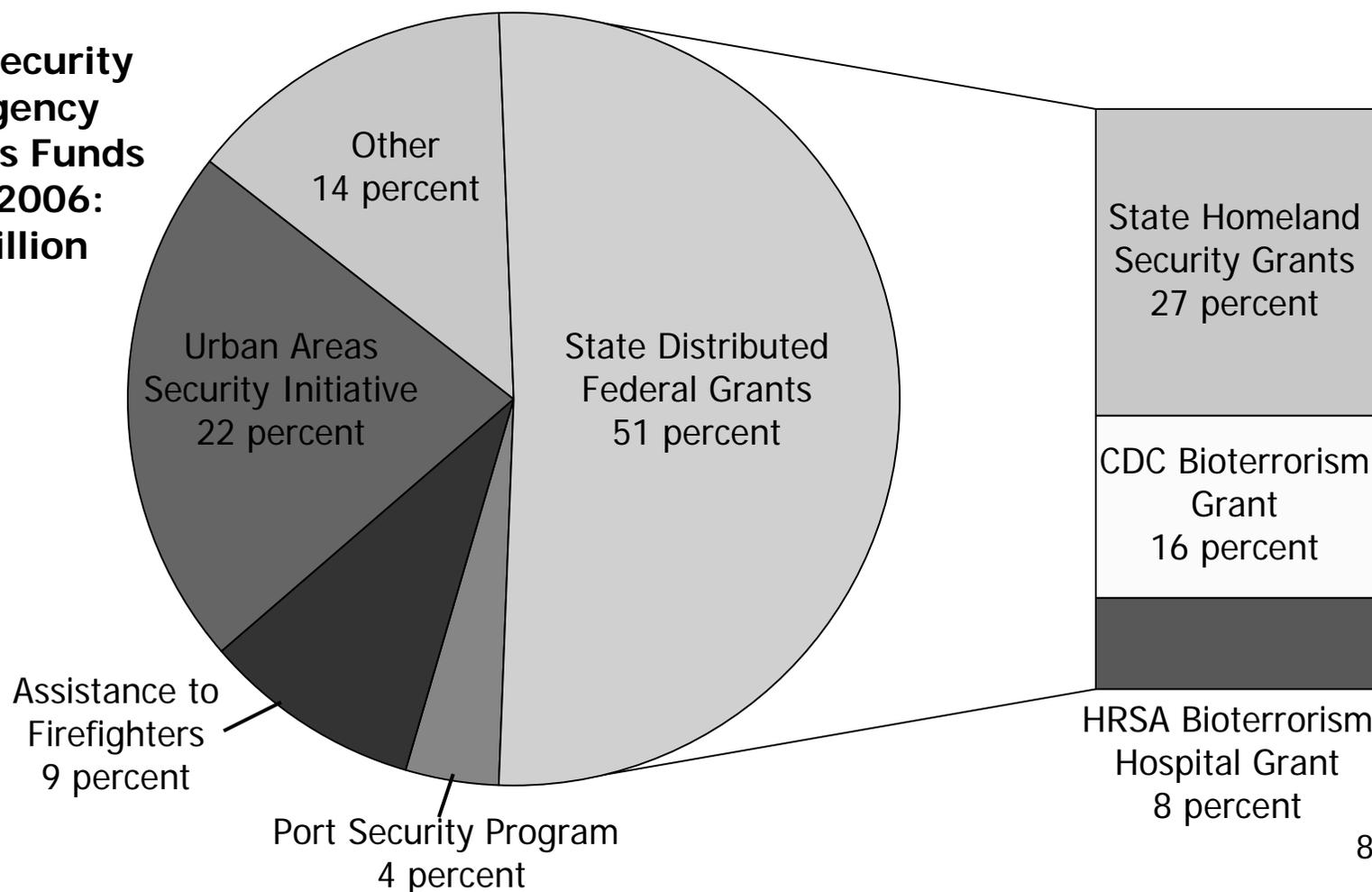
# Presentation Outline

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- Overview of Federal Homeland Security Programs
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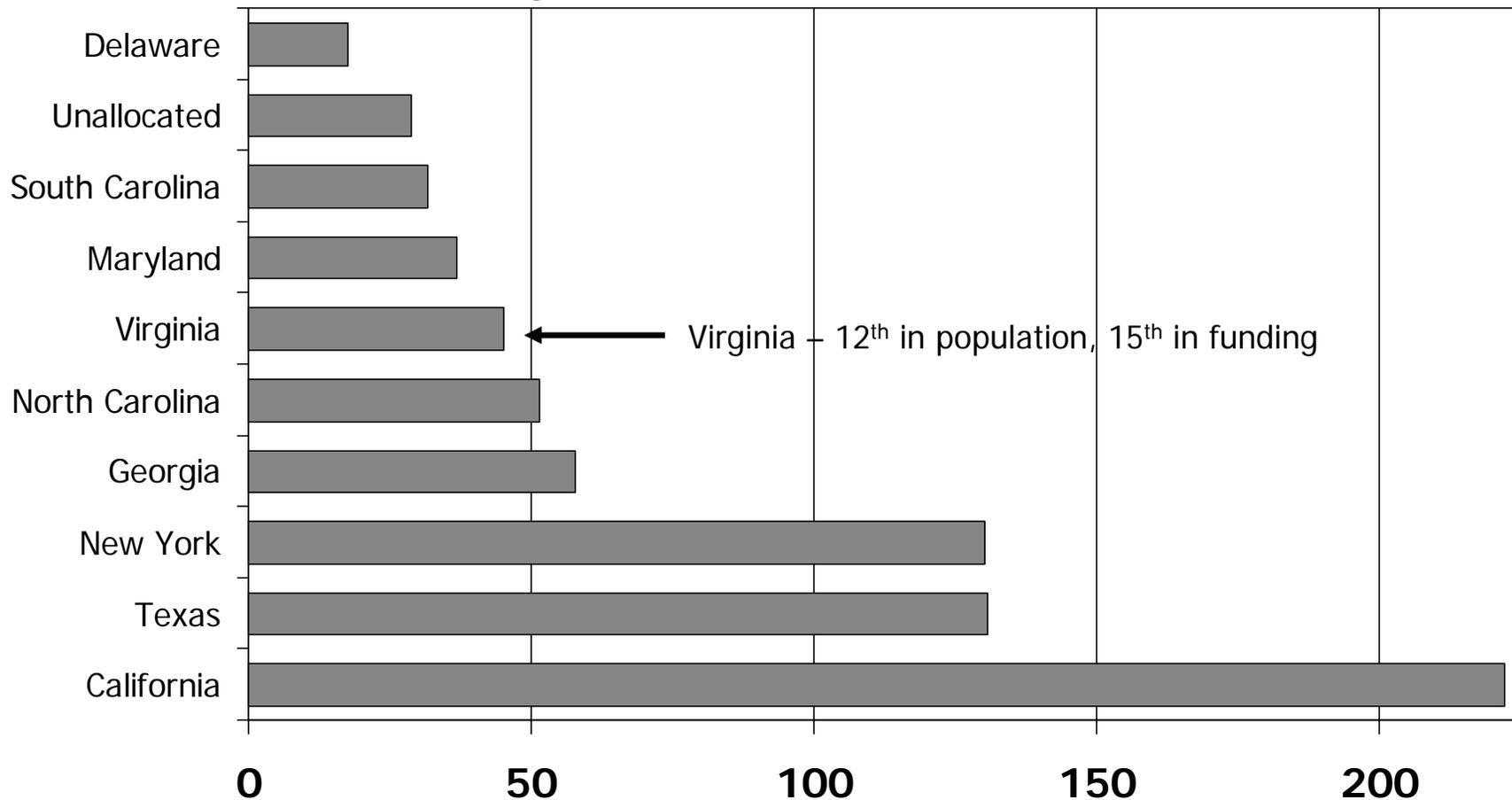
# Total Homeland Security Grants Awarded to Virginia

Homeland Security and Emergency Preparedness Funds  
FFY 1999-2006:  
\$578.7 Million

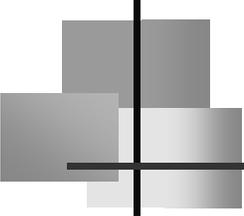


# Comparing Virginia's and Other States' Homeland Security Grants

Homeland Security, CDC, and HRSA State Grant Allocations, FFY 2006



Source: Federal Funds Information for States, June 2006



# Virginia's Approach to Homeland Security and Emergency Preparedness Grants

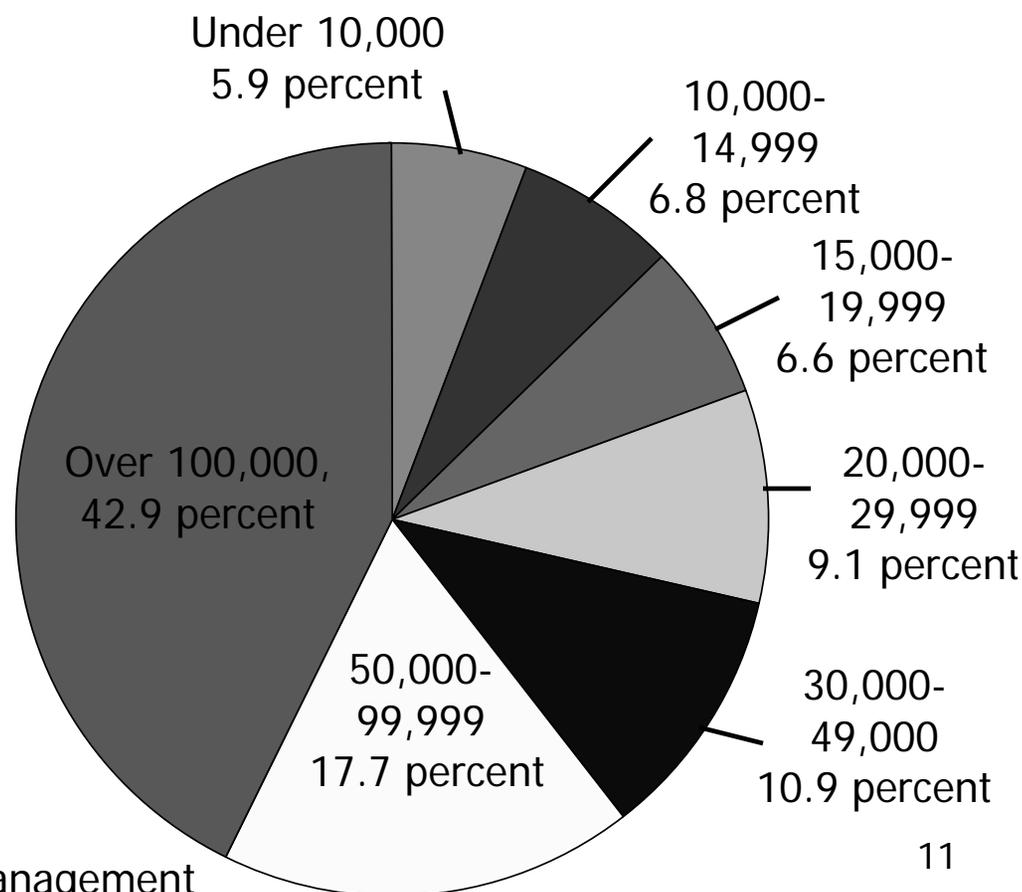
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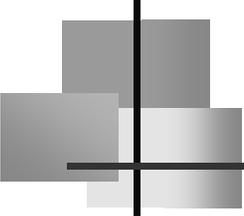
- Virginia's Homeland security and emergency preparedness efforts coordinated by the Office of Commonwealth Preparedness
  - Serves as liaison to the Department of Homeland Security and other federal agencies, state agencies, local governments, and first responders
    - Serves on National Capital Region security group responsible for spending of Urban Areas Security Initiative grants
    - Chairs Commonwealth Protection Working Group, which determines what state security and emergency preparedness projects will be funded from grants
- A number of state agencies are involved in homeland security and emergency preparedness, but two agencies manage the majority of Virginia's federal grants:
  - Department of Emergency Management (VDEM) manages grants from federal Department of Homeland Security
  - Department of Health (VDH) manages grants issued by Centers for Disease Control and Health Research and Services Administration

# Distribution of Virginia's Homeland Security Grants

FY 2005 Grant Distributions by Population  
Total: \$8.5 Million

- Prior to FY 2006, Virginia distributed federal Department of Homeland Security grants based upon a minimum base and a population factor
- All Virginia localities received funding
- Approach criticized for inequities in per capita funding
  - Example:
    - Highland County received \$17,209 in FY 2005 – or \$7.17 per capita
    - Fairfax County received \$864,651 – or \$0.85 per capita





# Current Distribution of Virginia's Homeland Security Grants

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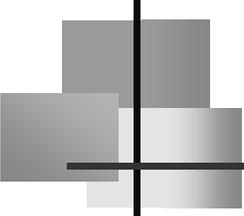
- In FY 2006 and beyond, Virginia will be distributing federal Department of Homeland Security grants based upon risk and threat assessments
  - Distribution methodology has changed for two reasons:
    - The federal Department of Homeland Security began emphasizing risk and threat assessments rather than population for the issuance of grants
    - General Assembly has directed the Office of the Commonwealth Preparedness to develop a risk and threat assessment approach for the distribution of homeland security and emergency preparedness grants
- All Virginia localities will not receive funding
- Awards will be competitive and based on following criteria:
  - Project must address an identifiable risk
  - Project must meet the objectives of the state strategic plan
  - Project should address a regional security need
- According to Office of Commonwealth Preparedness, many projects supported by the federal grants are for activities in which all localities may not choose to participate or for specific projects targeted to urban areas
  - Training exercises: National Incident Management System, Exercise Evaluation Program
  - Specific projects: Transportation equipment, critical infrastructure in Hampton Roads, tactical water operations, night aviation unit operations

# Specific Uses for Department of Homeland Security Grants

- Grants are used to support planning to address security gaps, training for state agencies and local first responder agencies, exercises, and state and local equipment purchases
  - 80 percent of these grants are passed through to localities
  - Agency provides all localities opportunity to participate in regional exercises at least once a year

Category	Homeland Security Grant	Law Enforcement Grant	Citizens Corps	Emergency Management Grant	Medical Response System	Buffer Zone Program	Total
Equipment	\$20.4	\$6.8	\$0.0	\$0.0	\$0.6	\$2.1	\$30.0
Exercises	\$1.8	\$0.0	\$0.0	\$0.0	\$0.2	\$0.0	\$2.0
Management	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1
Organization	\$0.0	\$0.0	\$0.0	\$0.4	\$0.0	\$0.0	\$0.4
Planning	\$1.0	\$0.1	\$0.2	\$3.4	\$0.2	\$0.0	\$5.0
Training	\$0.6	\$1.8	\$0.0	\$0.0	\$0.3	\$0.0	\$2.8
Total	\$23.9	\$8.7	\$0.3	\$3.9	\$1.4	\$2.1	\$40.3

Source: Department of Homeland Security, Office of Grants and Training, October 2006



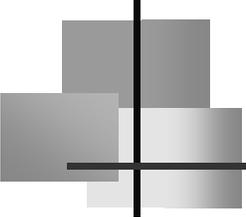
# Specific Uses for Department of Health and Human Services Grants

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- Grants are used to support:
  - 140 epidemiologists and health planning personnel
  - Scientific and technical personnel for the Division of Consolidated Laboratories
  - Improving hospitals' capability to respond to catastrophes
    - Virginia Hospital and Healthcare Association distributes grants to regional associations of hospitals under a formula developed by those hospitals and the Department of Health

Category	Local/Regional	Central Office	DCLS Lab	Hospitals	Total
Personnel	\$6.4	\$2.8	\$1.7	\$0.2	\$10.8
Equipment	\$0.3	\$0.1	\$0.2	\$0.0	\$0.7
Supplies	\$0.3	\$0.1	\$0.2	\$0.0	\$0.6
Contractual	\$0.7	\$1.5	\$0.1	\$0.7	\$2.3
Consultant	\$0.0	\$0.1	\$0.0	\$0.3	\$0.4
Other	\$0.6	\$0.9	\$0.8	\$10.4	\$12.7
<b>Total</b>	<b>\$8.2</b>	<b>\$5.5</b>	<b>\$3.0</b>	<b>\$11.7</b>	<b>\$27.5</b>

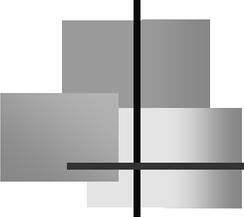
Source: Virginia Department of Health, FY 2006 Expenditures



# Annual State Support for Homeland Security and Emergency Preparedness

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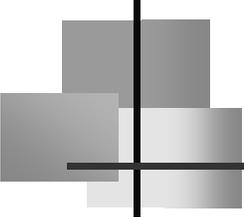
- The Office of Commonwealth Preparedness maintains an accounting of the federal grants received by state and local agencies
- Determining the level of annual state spending on homeland security and emergency preparedness is difficult, because no line item exists for this spending
  - Survey of the 17 agencies comprising the Virginia Emergency Response Team provides spending of \$22.4 million GF and \$88.7 NGF annually
- Additionally, some specific initiatives supported by the General Assembly include the STARS radio system, the development of the Emergency Operations Center and the creation of the Fusion Center



# Presentation Outline

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# Future Homeland Security and Emergency Preparedness Funding

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- Congressional Budget Office (CBO) projected that funding for homeland security would be flat between federal fiscal years 2005 and 2014
  - However, this analysis did not incorporate the reductions in homeland security funding in FFY 2006 and 2007
- NCSL staff believe homeland security grants are likely to diminish over time and that as the grants diminish, grant requirements will increase
  - Possibly confirming this viewpoint, a number of homeland security grants were targeted for elimination during latest congressional budget debate
    - Law Enforcement Terrorism Prevention Program
    - Rail Security Program
    - Port Security Program
    - Rural Domestic Preparedness Program
    - Metropolitan Medical Response Program
  - Homeland security research and development expenditures are also facing cost containment measures after several years of 20 percent growth
    - Increases in specific R&D spending coming at the expense of other research programs

# Federal Funding and Virginia's Allocations for Homeland Security Grants Have Been Reduced

- Federal funding for the Homeland Security Grant has decreased by 52 percent between FFY 2005 and FFY 2007
  - Virginia's share of grants decreased by 83.7 percent over this same period
- Federal funding for the Law Enforcement Terrorism Prevention Grant has decreased by 2.9 percent between FFY 2005 and FFY 2007
  - Virginia's share of these grants have decreased by 67.8 percent over this same period

Homeland Security Grant Allocations (Dollars in Millions)			
	FFY 2005	FFY 2006	FFY 2007
U.S.	\$1,100	\$544.5	\$525.0
Virginia	\$23.9	\$8.7	\$3.9

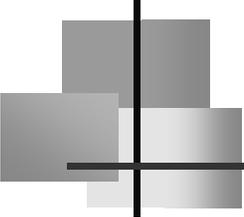
Law Enforcement Terrorism Prevention Program Allocation (Dollars in Millions)			
	FFY 2005	FFY 2006	FFY 2007
U.S.	\$386.3	\$396.0	\$375.0
Virginia	\$8.7	\$6.3	\$2.8

# Federal Funding and Virginia's Allocations for CDC and HRSA Grants Have Been Reduced

- Federal funding for the Bioterrorism Preparedness Program overseen by the Centers for Disease Control has decreased by 11.2 percent between FFY 2005 and FFY 2006
  - Virginia's share of grants decreased by 4.3 percent over this same period
- Federal funding for the Hospital Bioterrorism Preparedness Grant overseen by the Health Research and Services Administration has decreased by 4.3 percent between FFY 2005 and FFY 2006
  - Virginia's share of these grants has decreased by 0.85 percent over this same period
- Federal Department of Health and Human Services budget for FFY 2007 has not been finalized

Centers for Disease Control (Dollars in Millions)			
	FFY 2005	FFY 2006	FFY 2007
U.S.	\$862.8	\$766.4	N/A
Virginia	\$16.1	\$15.4	\$13.6

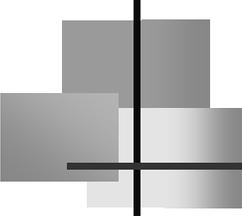
HRSA Grant Program (Dollars in Millions)			
	FFY 2005	FFY 2006	FFY 2007
U.S.	\$470.8	\$450.4	N/A
Virginia	\$11.8	\$11.7	\$11.4



# Presentation Outline

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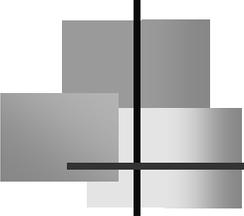
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# Policy and Budget Issues for Consideration

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- If federal grants for homeland security and emergency preparedness are reduced, the General Assembly will need to determine whether any grant-supported functions should continue
  - Reductions in Department of Homeland Security grants could affect support for planning, training exercises, or equipment maintenance or replacement
    - State agencies and localities have been warned by the Department of Emergency Management that funding for equipment maintenance and replacement may not be available
  - Reductions in Department of Health and Human Services (DHHS) grants could also affect support for planning, training exercises, medical supplies, and equipment maintenance or replacement
  - More importantly, reductions could affect support for all or some portion of the 140 epidemiologists, planners, public information officers, and central laboratory staff
    - As DHHS grants have decreased, the Virginia Department of Health has eliminated about five of its new positions and left a similar number unfilled



# Policy and Budget Issues for Consideration (cont'd)

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- If the General Assembly determines any of these grant-supported functions should continue, the next question is whether to transfer these costs to the general fund or another source
  - Maintenance and replacement of medical supplies and equipment has a longer time horizon than decisions about positions
- Currently, very little is known about the annual state operating support being used to support homeland security and emergency preparedness throughout state government
  - General Assembly may wish to require information on this issue
    - What is being done with state operating support?
    - How do expenditures from state operating support improve Virginia's homeland security or emergency preparedness?
    - How do these expenditures correspond with the federal grants received by Virginia for homeland security and emergency preparedness?
    - Should accounting codes be developed for state agency homeland security expenditures?