

# Background

No. 2033  
May 10, 2007



Published by The Heritage Foundation

## Spending Smarter: Prioritizing Homeland Security Grants by Using National Standards and Risk Criteria

*James Jay Carafano, Ph.D., and Matt A. Mayer*

On March 31, 2005, the Department of Homeland Security (DHS) released the Interim National Preparedness Goal and Target Capabilities List (TCL).<sup>1</sup> The list provides national standards for building a national disaster preparedness and response system to deal with man-made and natural catastrophes. States and local communities should be using the TCL as a blueprint for using their homeland security grants. However, the DHS has done too little to help state and local governments make smart choices.

Americans deserve a system that maximizes the use of their tax dollars and minimizes waste in as transparent and objective a manner as possible. Congress should do more to ensure that the DHS uses the TCL to build a national disaster preparedness and response system.

### Homeland Security Efforts Since 9/11

After the attacks on September 11, 2001, Congress appropriated billions of dollars without first establishing a system and strategy to guide allocations to increase national preparedness. While Congress needed to appropriate some funds to close obvious gaps immediately, the exigencies of the moment no longer justify continuing to allocate funds without clear standards and priorities.

Post-9/11 assessments of emergency response capabilities revealed that the U.S. lacked the capacity to prepare for and respond to disasters in an integrated and effective manner. Response assets in the public and private sectors could not be marshaled across cit-

### Talking Points

- Since 9/11, Congress has been throwing money at the states for homeland security with little regard to how efficiently or effectively funds are being spent.
- The states have used over \$20 billion in federal tax dollars. About 40 percent of state grants are allocated by law regardless of risk or need. As the 9/11 Commission warned, Congress is turning homeland security grants into pork-barrel legislation.
- The Department of Homeland Security has established national standards to guide the distribution of grants, but Congress continues to thwart the department's efforts to allocate federal homeland security grants according to these standards.
- Congress should eliminate the minimum grants for each state and specialty grants that favor individual constituencies and allow the DHS to implement programs that will provide a fully transparent and objective grant allocation process.

This paper, in its entirety, can be found at:  
[www.heritage.org/research/homelanddefense/bg2033.cfm](http://www.heritage.org/research/homelanddefense/bg2033.cfm)

Produced by the Douglas and Sarah Allison  
Center for Foreign Policy Studies  
of the  
Kathryn and Shelby Cullom Davis  
Institute for International Studies

Published by The Heritage Foundation  
214 Massachusetts Avenue, NE  
Washington, DC 20002-4999  
(202) 546-4400 • [heritage.org](http://heritage.org)

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

ies, states, and the nation to deal with large-scale disasters. Building a truly national system that respects the principles of federalism and creates the capacity for joint action requires establishing national standards that define the essential capabilities that communities need in order to take care of themselves and cooperate with others.<sup>2</sup>

Homeland Security Presidential Directive No. 8 required the DHS to establish national standards for disaster preparedness and response. These standards were to respect federalism, allowing for flexibility and acknowledging that local leaders who would lead the local response to any disaster would know how best to organize and equip local responders. In addition, the standards had to be adaptive, recognizing that the needs of states and communities would vary because of local conditions, such as geography and population.<sup>3</sup>

In the process of establishing national standards, the DHS:

- **Developed the national planning scenarios.** The national planning scenarios involve 15 scenarios along the chemical, biological, radiological, nuclear, and explosives spectrum, as well as an earthquake, a hurricane, and a pandemic flu outbreak. Each scenario tests from prevention capabilities to recovery capabilities.<sup>4</sup>
- **Created a target capabilities list.** Using the 15 national planning scenarios, the DHS worked closely with thousands of experts from government (federal, state, and local), nongovernmental organizations, and the private sector to compile a list of tasks that would need to be done to prevent, respond to, or recover from each of the 15 scenarios. From a list of roughly 1,600 tasks, the DHS-led team identified approximately the top

200 critical tasks from the 15 scenarios. Experts identified the capabilities that would be needed to perform each task successfully.

Because the capabilities were derived from both terrorist and natural disaster scenarios, the TCL is an all-hazards tool featuring many dual-use elements. The TCL originally contained 36 critical capabilities, but an additional capability was added based on experience during the response to Hurricane Katrina. The DHS continues to review other possible capabilities for inclusion. Each capability includes specific components such as equipment needs, personnel and training requirements, and performance and preparedness measures and metrics.<sup>5</sup>

The scenarios and capabilities list addressed a long-standing glaring shortfall in national leadership by providing standards for performance and capabilities that could be used to assess the readiness of responders and to identify additional capabilities that are needed to make Americans safer. The next step was ensuring that federal, state, and local entities worked together to turn these plans into action.

### The Rubber Doesn't Always Meet the Road

By the end of fiscal year 2007, the DHS alone will have allocated nearly \$20 billion to state and local governments for homeland security,<sup>6</sup> yet the DHS still lacks the ability to determine how closely state and local governments are following its standards. While the department has a high-level (by broad category) concept of how states spend homeland security grants, these data do not provide a clear picture of progress toward national standards. The DHS has not conducted a national capabilities

1. U.S. Department of Homeland Security, *Interim National Preparedness Goal—Homeland Security Presidential Directive 8: National Preparedness*, March 31, 2005, at [www.ojp.usdoj.gov/odp/docs/InterimNationalPreparednessGoal\\_03-31-05\\_1.pdf](http://www.ojp.usdoj.gov/odp/docs/InterimNationalPreparednessGoal_03-31-05_1.pdf) (April 5, 2007).
2. James Jay Carafano, Ph.D., "Fixing the Homeland Security Appropriations Bill," Heritage Foundation *Executive Memorandum* No. 891, July 9, 2003, at [www.heritage.org/Research/HomelandDefense/em891.cfm](http://www.heritage.org/Research/HomelandDefense/em891.cfm).
3. U.S. Department of Homeland Security, *Interim National Preparedness Goal*.
4. U.S. Government Accountability Office, *Homeland Security: DHS' Efforts to Enhance First Responders' All-Hazards Capabilities Continue to Evolve*, GAO-05-652, July 2005, pp. 16-17, at [www.gao.gov/new.items/d05652.pdf](http://www.gao.gov/new.items/d05652.pdf) (April 5, 2007).
5. *Ibid.*, p. 18.
6. Michael Chertoff, remarks at press conference on the fiscal year 2007 homeland security grant program, U.S. Department of Homeland Security, January 2007, at [www.dhs.gov/xnews/releases/pr\\_1168039350894.shtm](http://www.dhs.gov/xnews/releases/pr_1168039350894.shtm) (April 5, 2007).

assessment since 2003, two years before the release of the TCL. As a result, the department does not really know—in fact, no one really knows—what capabilities state and local governments have and whether or not they are enough and of the right kind to contribute to the national disaster preparedness and response system.

Congress has not helped. The House of Representatives and the Senate have devoted scant attention to implementing national standards. Instead, Congress continues to wrestle with funding formulas and other grant-related issues, failing even to analyze whether additional funds are needed and why they are needed.<sup>7</sup>

By focusing on allocation rather than results, Congress continues to treat homeland security grants as simply another entitlement, not as a national security instrument. Congress seems to be turning homeland security grants into pork-barrel legislation, ignoring the 9/11 Commission's specific warning against this danger.<sup>8</sup> By crafting legislative grant formulas that guarantee every state and city some federal dole for homeland security, Congress ensures that it spends a little on everything and does nothing well. This approach might be acceptable for some federal grant programs, but it is not acceptable in matters of national security.

### Transforming a Broken System

If homeland security grants were based solely on the TCL, Congress could discontinue the formulaic allocation of grants. One of the key benefits of moving to a TCL-based system is that it would enable the DHS to build an effective national system by allowing the department to guide investments, better gauge where the most significant shortfalls exist, and determine how best to compensate for any gaps in state and local capabilities.

A TCL-based system would allow the DHS to cease simply doling out federal dollars to states and

cities. After receiving millions in federal funds to build the appropriate level of TCL capabilities, a jurisdiction could then use a robust exercise program to test the competency of its capabilities. Such a system would allow the DHS to report the state of the nation's preparedness with a high degree of accuracy to the President, Congress, and—most important—the American people. With this increased awareness, taxpayers could pressure their respective political leaders to ensure that their jurisdictions are doing all that they can to be prepared. The DHS and Congress could use the system to create incentives and disincentives for compliance and noncompliance with timelines and requirements.

The DHS could then focus all grant funding to build only those capabilities on the TCL and only to the levels appropriate for each eligible jurisdiction. For example, New York City clearly needs a top-level urban search and rescue capability, while Des Moines, Iowa, may only need a third-level or fourth-level urban search and rescue capability. Conversely, as an urban jurisdiction, New York City likely does not need a top-level food and agriculture safety and defense capability, whereas Des Moines likely should have a top-level food and agriculture safety and defense capability, given the large numbers of animals and quantities of agriculture products that enter the U.S. food supply from Iowa. The key is to create a robust system that can accommodate the particular needs of each jurisdiction.

Using a common objective (defined in this case as a set of capabilities identified after thousands and thousands of comments, multiple national reviews, and many meetings and conferences involving thousands of experts from across the country and from all levels of government, NGOs, and the private sector) allows the DHS to review a request based on the answers to four questions:

- 1. Would the request build a capability on the TCL?**

7. James Jay Carafano, Ph.D., "Homeland Security Spending for the Long War," Heritage Foundation *Lecture* No. 989, February 2, 2007, at [www.heritage.org/Research/HomelandDefense/upload/hl\\_989.pdf](http://www.heritage.org/Research/HomelandDefense/upload/hl_989.pdf).

8. National Commission on Terrorist Attacks Upon the United States, *The 9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks Upon the United States* (New York: W.W. Norton and Company, 2004), at [www.9-11commission.gov/report/911Report.pdf](http://www.9-11commission.gov/report/911Report.pdf) (April 5, 2007).

2. Does the requesting jurisdiction need that capability?
3. Would the request close an existing gap?
4. Is closing this capability gap in this jurisdiction important enough relative to other needs to justify using limited grant funds to grant the request?

If the answer to any of these questions is “No,” the DHS should deny the request and give the explanation that matches the question:

1. The capability is not on the TCL,
2. The jurisdiction does not need the capability,
3. The jurisdiction already has already built that capability up to a sufficient level, or
4. The funding is needed to close capability gaps that have higher priorities.

Such a system would provide jurisdictions with clear and concrete explanations of why their requests were rejected and indicate possible avenues for appealing the decision or avoiding the same mistake in future grant requests.

With the transparency and objectivity provided by using the TCL to allocate resources, the finite funds could be sent to the highest-risk jurisdictions with the most pressing capability gaps. Under this structure, if New York City and Omaha, Nebraska, were seeking funds to build allowable and needed capabilities, New York City’s higher overall risk score would favor giving the grant to New York City.

A TCL-based approach would also allow applicants to engage in meaningful, concrete strategic planning focused on building the right suite of capabilities. Applicants have legitimately complained that past and current DHS grant requirements necessitate a considerable amount of work that adds little value, as noted by the Government Accountability Office:

Reports by GAO and DHS’s Office of Inspector General, as well as by the House Homeland Security Committee, have identified the need for clear national guidance in defining the appropriate level of preparedness and setting pri-

orities to achieve it. The lack of such guidance has in the past been identified as hindering state and local efforts to prioritize their needs and plan how best to allocate their homeland security funding. We have reported that national preparedness standards that can be used to assess existing first responder capacities, identify gaps in those capacities, and measure progress in achieving specific performance goals are essential to effectively managing federal first responder grant funds as well as to the ability to measure progress and provide accountability for the use of public funds.<sup>9</sup>

One senior DHS official who has reviewed thousands of pages of those unfunded mandates has remarked that it is impossible to ascertain any consistent quantitative and qualitative pattern or result within and across jurisdictions. With the TCL, a long-term effort can then become the structural basis for future investment justifications, enabling applicants to stay ahead of the curve rather than fall behind, which necessarily happens when the decision-making process is opaque and unpredictable.

Because of intense congressional oversight of the grants, nothing less than a fully transparent and objective system will satisfy Congress, the media, and the applicants. It would certainly be better than the current subjective system that invites speculation and leads to greater politicization of the grants.

### Building a Better System

Based on the national disaster preparedness and response standards that have been defined by the Department of Homeland Security, the Administration and Congress should work together to build a better grant system.

Specifically, the DHS should:

- **Conduct** a national capabilities assessment involving all federal, state, and local partners to establish a baseline for the level of national preparedness and
- **Allocate** funds strictly, based on risk and the TCL.

9. U.S. Government Accountability Office, *Homeland Security: Management of First Responder Grant Programs and Efforts to Improve Accountability Continue to Evolve*, GAO-05-530T, April 2005, p. 14, at [www.gao.gov/new.items/d05530t.pdf](http://www.gao.gov/new.items/d05530t.pdf) (April 5, 2007).

For its part, Congress should:

- **Refocus** its time and attention on ensuring that the DHS builds a national system and allocates funds solely on risk and the TCL.
- **Eliminate** the formulaic minimum grants to states, which would enable applicants to demonstrate their need based on objective requirements so that even smaller states with existing capability needs receive funding; and
- **Eliminate** specific functional grants, such as assistance for firefighters, ports, and interoperable communications, all of which should be pooled together and focused on the highest federal priorities.

### Conclusion

It is past time to build a national disaster preparedness and response system grounded on the Target Capabilities List and to allocate funds based

strictly on whether or not the funding requests would build the right capabilities in the right places at the right level. This would minimize or eliminate underinvestment in some areas and overinvestment in others.

Spending smarter makes fiscal sense. More important, spending federal dollars in a sensible way will save lives.

—James Jay Carafano, Ph.D., is Assistant Director of the Kathryn and Shelby Cullom Davis Institute for International Studies and Senior Research Fellow for National Security and Homeland Security in the Douglas and Sarah Allison Center for Foreign Policy Studies at The Heritage Foundation. Matt A. Mayer is President and CEO of Provisum Strategies LLC and Adjunct Professor at Ohio State University. He has served as Counselor to the Deputy Secretary of the U.S. Department of Homeland Security and head of the DHS Office of Grants and Training.