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STATEMENT FOR THE RECORD

**On behalf of
GHSAC and NEMA**

**Submitted to the Senate Homeland Security and Governmental Affairs Committee
Subcommittee on Emergency Management, Intergovernmental Relations, and
the District of Columbia
United States Senate**

Are We Prepared? Measuring the Impact of Preparedness Grants since September 11

June 25, 2013

Thank you Chairman Begich, Ranking Member Paul, and members of the Subcommittee for holding this hearing today. I appreciate the opportunity to appear before you to provide a state perspective in this important dialogue on measuring the effectiveness of homeland security grant programs. Today I represent both the Governors Homeland Security Advisors Council (GHSAC) of the National Governors Association and the National Emergency Management Association (NEMA). Between GHSAC and NEMA, we represent the state emergency management directors and homeland security advisors of the 55 states and territories and the District of Columbia.

Introduction

As the current president of NEMA and a former executive committee member of GHSAC, I have witnessed a number of efforts over the past decade to measure the effectiveness and performance of homeland security preparedness grants. We are here today because while many of these measurement efforts were well-intentioned they have clearly fallen short as a proven means of assessing the long-term value of these programs. With almost \$40 billion in federal funding allocated to these grant programs since their inception, it is reasonable for Congress and the American people to ask, "What is the return on our investment?"

Unfortunately, we will continue struggling to answer such a question at all levels of government despite clear gains in our nation's level of homeland security preparedness as a result of these grants. At this time, most of those gains can only be proven with anecdotal evidence and piecemeal data. Until recently, state and local grantees have found little federal guidance on strategic baselines by which to measure progress or assess risk overall.

Performance measurement is just one issue in a more pervasive set of challenges across these grant programs. The current homeland security grants structure is a result of the expansion and contraction of up to eighteen different programs, which often overlap in both purpose and administrative requirements. This not only places an unnecessary burden on grantees, but also risks duplicative investments, inhibits coordination between stakeholders, and limits effective prioritization of federal funding. Any effort to establish a better performance measurement system must occur in tandem with a comprehensive effort to address the long-standing structural issues with these programs.

Federal Investment has Improved Preparedness

Since September 11, 2001, billions in federal, state, and local funds have been invested to strengthen homeland security and emergency preparedness. Federal funds have provided critical support to supplement state, local, and territorial efforts to prevent, prepare for, mitigate, respond to, and recover from terrorist attacks and natural disasters. States continue using homeland security grant funds to develop and sustain core capabilities such as intelligence fusion centers, statewide interoperable communications, specialized response teams and citizen preparedness programs.

For example:

- In 2011 and 2012, multi-jurisdiction, multi-agency exercises were conducted through the Boston urban area (UASI) and funded with homeland security grant funds. These full-scale exercises brought together local, regional and state SWAT teams, explosive ordinance detection teams, hazardous materials teams, technical rescue teams, and emergency medical services to test operational coordination, communications, and response capabilities around Mumbai style (active shooter) and improvised explosive device scenarios. These same jurisdictions and resources responded to the Boston Marathon bombings on April 15, 2013, and the massive terrorist manhunt on April 18-19.

- During the Boston Marathon bombing and ensuing manhunt in April, federal homeland security grant funds supported essential equipment for a number of key law enforcement and response capabilities including: law enforcement tactical response team (SWAT) armored vehicles; Forward Looking Infrared Radar (FLIR) cameras for state police helicopters; bomb detection dogs and robots; key upgrades and renovations to the state emergency operations center; and mobile command unit vehicles for enhanced command, control and communications during the marathon and in the bombing response.
- In addition, two Massachusetts fusion centers that have been supported by homeland security grant funds also played a critical role during the Boston Marathon. In advance of the marathon, a joint threat assessment was prepared by the Commonwealth Fusion Center and the Boston Regional Intelligence Center in coordination with DHS and the Federal Bureau of Investigation (FBI). During the response to the bombing, both fusion centers worked with the FBI and the Joint Terrorism Task Force to support the investigation of the attacks. Once suspects were identified, technology systems used by the Commonwealth Fusion Center, including the Statewide Information Sharing System, were queried and provided additional information about the suspects' prior histories in Massachusetts.
- During the response to Hurricane Sandy in October 2012, public safety communications systems that were developed and supported using federal funds quickly issued alerts and warnings to more segments of the population than in previous emergencies.
- Following the deadly tornado in Moore, Oklahoma in May, the local Incident Response Commander called in support from a Regional Response System comprised of specialized technical teams trained in areas such as urban rescue, mass medical, and hazardous materials response. Federal homeland security investments helped build this statewide capability, providing funding for essential training and equipment.
- In my home state of Alaska, we have used homeland security grant funding to dramatically improve interoperable communications, improve resilience and reduce vulnerability of critical infrastructure and the provision of essential services, measurably increase our capabilities and capacities for medical surge and mass casualties resulting from any disaster, and ensure continuity of government and industry under all conditions.

While federal investment in building and sustaining state and local capabilities has clearly improved the incident readiness posture of communities nationwide, a systematic process to determine both the qualitative and quantitative value of federal investments against preparedness priorities and capability gaps has not existed. A survey of state homeland security advisors would likely provide a long list of how preparedness grants have improved capabilities at the local, state, and regional levels. These represent important stories to tell, but only serve to indicate the value of these programs in the context of specific incidents. Such anecdotes do not serve as a means to link investments to national preparedness priorities or measure progress in filling capability gaps over time.

When the current grant program structure was created, the primary purpose was to improve state and local capabilities to prepare for and respond to the emerging terrorist threat after September 11, 2001. Post-Hurricane Katrina, the focus of these grant programs was expanded to include an all-hazards approach to community preparedness to meet the challenges of both terrorist events and natural disasters. As the list of potential threats and hazards expanded, so too did the interpretation of how and where funding should be prioritized. Corresponding statutory changes, such as the *Post-Katrina Emergency Management*

Reform Act of 2006 and the *Implementing the Recommendations of the 9/11 Commission Act of 2007*, attempted to streamline these programs and address performance measurement. While these laws improved certain processes, they also added complexity and increased administrative burdens at the state and local level.

Grant Reform Will Support Performance Measurement

Performance measurement of the preparedness grant program must be conducted as part of a broader package of reform to address current inefficiencies and administrative burdens that inhibit the most effective use of grant funds. The preparedness grants system should be streamlined and based on flexibility and accountability. Such reform will help ensure the most effective use of funds, and facilitate performance measurement by more clearly focusing efforts on those of greatest importance.

The current and continuing fiscal condition of our nation requires us to invest every dollar more wisely than ever before. Federal funding for homeland security grant programs has decreased by more than 75 percent since the program's inception in 2003, yet the structure remains unchanged. The current suite of 18 separate preparedness grant programs discourages collaboration across jurisdictions and limits the ability to sustain core capabilities and address emerging threats such as cybersecurity. Grant allocation should be primarily risk-based and address the most urgent gaps in local, state, and regional capabilities.

In recent years, the Government Accountability Office (GAO) has reported on the Federal Emergency Management Agency's (FEMA) inability to provide a framework to effectively measure grant performance. The lack of a viable set of grant metrics, however, cannot be considered in a vacuum absent broader evaluation of the current grants framework as a whole. GAO consistently identifies areas of duplication and redundancy among the various preparedness grant programs. Grantees at the state and local level have echoed those concerns, pointing out overlapping reporting requirements, burdensome administrative processes, constantly evolving federal grants guidance, and tight turnarounds on document submission.

The multitude of grant programs and administrative requirements of the current structure has limited the effectiveness of past performance measurement efforts. In part, this is why previous attempts to measure grant effectiveness have failed. Early FEMA initiatives to provide tools and a common methodology for grant performance such as the Cost-to-Capability (C2C) initiative demonstrated early promise, but significant challenges emerged in subsequent pilot programs. While C2C initiated a broader discussion of capability measurement, ultimately the program did not provide adequate, measureable, and independent tools and guidelines to properly allocate grant funding. The C2C methodology failed to unify preparedness efforts across jurisdictions and fell short of providing a common, standard operating picture that is critical for a truly "national" system.

Ideas for Improvement

FEMA released the National Preparedness Report (NPR) in early 2012 as part of the new National Preparedness System (NPS) required by Presidential Policy Directive 8. The NPR intends to provide a comprehensive analysis of efforts to build, sustain, and deliver capabilities from the local level through the regional level -- helping establish national priorities for the future. While the NPR is still in its infancy, many states find preparing their corresponding State Preparedness Report (SPR) useful. Some have raised questions, however, regarding the reporting process's link between threat analysis at the state and local level and the broader assessment of preparedness across the entire nation.

Many of these concerns should be addressed with FEMA's most recent grant-related initiative -- the Threat, Hazard Identification, and Risk Assessment process, or THIRA. Combined with the SPR, this

process should enable a means by which capability strengths and weaknesses, mutual aid opportunities, and key threats can all be evaluated based on risk and gaps identified at all levels of government. By their very nature, all threats and hazards are variable. The THIRA can enable a standardized problem solving approach to preparedness which considers complexity and interdependencies. If simply placed atop the current grants structure, states are likely to continue facing significant challenges to fully integrate the THIRA into disaster planning and identify areas of need for federal investment as intended. To further improve the THIRA/SPR process, states encourage FEMA to consider the following recommendations:

1. **Value local decision-making and national assessment:** An examination of preparedness must not consist solely of broad goals and priorities, but must also form the basis for action. FEMA should improve the SPR and THIRA process to ensure they provide value to states and local governments. States must be able to fully integrate core capabilities thoughtfully and systematically into their planning, analysis, and assessment processes.
2. **Ensure realistic timelines and foster a culture of collaboration:** The THIRA guidance for 2012 was released in September and due to FEMA in December of the same year. Such a tight turnaround did not provide enough time for adequate communication and engagement between state and local governments. This situation becomes exacerbated over subsequent years as the guidance for 2013 has yet to be released.
3. **Integrate state and local innovation into the National Preparedness System:** The federal government should leverage state and local innovation in methods, approaches, and products. FEMA should increase its collaboration on the implementation of the NPS with state and local stakeholders and serve as a resource on best practices. The emphasis should be on achieving the ability to prepare for and respond to events of extreme complexity based either on size, duration, or consequence.
4. **Provide consistency and support long-term planning:** Future federal guidance should seek to improve, but not replace, the THIRA and SPR processes. A continuing criticism of FEMA's management of the preparedness grant program is constantly changing guidance and reporting requirements. In only the second year, states are just beginning to use and understand the THIRA process. While FEMA continues to address concerns and challenges to integrate the various parts of the NPS, states are generally willing to give the NPS the benefit of the doubt in the near term -- as long as it remains a part of broader restructuring and consolidation of FEMA grant programs.

A Path Forward

Given the current fiscal environment, establishing a demonstrated methodology for measuring grant performance has never been more urgent. The National Preparedness Grant Program (NPGP) proposed by FEMA is a good first step to addressing many of the challenges with the current suite of grant programs. While not endorsing the NPGP, both NGA and NEMA recently sent a letter to Chairman Thomas Carper and Doctor Tom Coburn to show appreciation of the proposal and offer support for comprehensive grant reform. These letters have been submitted with this testimony for the record. While states continue to have questions and concerns with the NPGP, we remain encouraged to see a proposal providing a forward-thinking process by which grants become more measureable, accountable, and flexible to the states.

Any new grant framework should have consistent methods to measure or assess progress in achieving core capabilities. Measurement in a new grant construct could be realized through a four-step process:

1. **Ensure continuous assessment of risk across all levels of government:** Threat assessment, such as THIRA, must be conducted independent of funding allocations in order to adequately assess the current risk and hazards of a locality, state, and region. This must be a continuous, iterative process and not a yearly snapshot simply for reporting purposes.
2. **Encourage strategic plans versus spending plans:** The planning process must be shifted to focus on setting and achieving strategic goals under changing and uncertain conditions. This is unlike the current system where funding allocations are determined prior to planning.
3. **Base funding allocations on priority needs:** Funding allocations from the federal government should be focused on investments that will fill the most pressing capability gaps identified in the state and regional THIRA and SPR.
4. **Measure progress to fill capability gaps:** The above three steps allow for an effective and meaningful measurement process. As priorities in the state plans are funded, measureable gaps can be identified, addressed and reported back to FEMA and Congress.

Conclusion

When first conceived, the suite of homeland security grants provided a solution for pressing and immediate needs to address capability gaps in the wake of September 11. Over the past decade, these programs have strengthened the nation's ability to detect and prevent terrorist attacks and respond to a range of other incidents. Despite this progress, recent events such as the West, Texas explosion, Oklahoma tornadoes, Boston Marathon bombing, and Hurricane Sandy remind us the threats to our communities continually evolve.

Confronting the dynamic threats of today requires a new construct and a new approach that will unify homeland security partners and be adaptable to uncertainty. Efforts must be integrated to improve agility in confronting threats to the homeland whether natural, technological, or manmade. The nation must effectively build and strengthen capabilities against a range of threats, reduce the consequences of many hazards, and thus reduce the risks to our communities. These goals can only be accomplished, however, when the barriers and stovepipes limiting flexibility and innovation are removed. The restructuring and streamlining of the federal homeland security grant programs is a national priority and must be designed with measurement in mind.

The National Governors Association and NEMA have each offered a set of principles and values to inform grant reform efforts. They include:

- improving flexibility;
- expanding accountability;
- developing performance metrics;
- supporting a skilled cadre of personnel; and
- reaffirming the partnership between federal, state, and local parties.

We encourage our federal partners in FEMA to join the states, nonprofit organizations, and the private sector in better focusing the current patchwork of programs into a streamlined and focused national system. Without addressing these issues in the near term, we risk continuing the failed practices of the past. We offer our experience, insight, and innovation to serve this national need.

Again, I thank you for the opportunity to testify today and look forward to your questions.



Jack Markell
Governor of Delaware
Chair

Mary Fallin
Governor of Oklahoma
Vice Chair

Dan Crippen
Executive Director

June 10, 2013

The Honorable Thomas Carper
Chairman
Committee on Homeland Security and
Governmental Affairs
United States Senate
Washington, DC 20510

The Honorable Tom Coburn
Ranking Member
Committee on Homeland Security and
Governmental Affairs
United States Senate
Washington, DC 20510

The Honorable Michael McCaul
Chairman
Committee on Homeland Security
United States House of Representatives
Washington, DC 20515

The Honorable Bennie Thompson
Ranking Member
Committee on Homeland Security
United States House of Representatives
Washington, DC 20515

Dear Chairman Carper, Ranking Member Coburn, Chairman McCaul and Ranking Member Thompson:

The nation's governors thank you for supporting state and local homeland security preparedness programs. Over the past decade, these programs have strengthened our ability to detect and prevent terrorist attacks and respond to catastrophic emergencies. Despite this progress, recent events such as the Boston Marathon bombing and Hurricane Sandy remind us that threats to our communities continue to evolve. To confront today's dynamic threats, federal homeland security grant programs must be restructured to streamline processes and ensure the most effective use of taxpayer dollars. We urge you to support common-sense reforms and stand ready to work with you to find solutions to our nation's most pressing homeland security challenges.

In the wake of the terrorist attacks of September 11, 2001, nearly 20 programs were established to help state, territorial, tribal and local governments prepare for and respond to terrorist attacks, natural disasters and other emergencies. Together, these programs have invested billions in federal and state funds to build and strengthen critical capabilities such as intelligence information-sharing, interoperable emergency communications, bomb detection and hazardous materials response. By serving as the central point of coordination among multiple jurisdictions and functional areas, states have played a key role in ensuring that scarce resources are used effectively to meet identified national priorities while being tailored for regional needs.

Today, while all levels of government are better equipped to handle a range of emergencies, whether man-made or naturally occurring, we face new emerging threats such as cyber-attacks and homegrown violent extremism. To actively address these new risks, state and local public safety officials require greater flexibility than the current homeland security grant framework allows. The current grants structure does not properly incentivize collaboration between local governments and state agencies, which can lead

to duplication of effort and restricts the dedication of resources to areas of most critical need. Thoughtful reform of these grant programs can ensure the efficient and effective use of taxpayer dollars while protecting our citizens and our way of life.

The Federal Emergency Management Agency (FEMA) has proposed a new National Preparedness Grant Program (NPGP) to replace the current suite of grants. This proposal addresses many of the challenges states face with the current suite of grant programs. While we have concerns about portions of the NPGP, we applaud FEMA for putting forward a comprehensive proposal and believe it is a good first step toward meaningful reform.

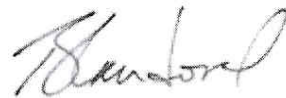
The nation's governors stand ready to work with you to improve these important grant programs and offer the attached set of reform principles to help guide this effort. We look forward to working with you to continue to strengthen the partnership among all levels of government to prepare for and respond to emergencies.

Thank you for your consideration.

Sincerely,



Governor Martin O'Malley
Chair
Health & Homeland Security Committee



Governor Brian Sandoval
Vice Chair
Health & Homeland Security Committee

Enclosure: NGA Grant Reform Principles



Governors' Principles for Homeland Security Grant Reform

The Department of Homeland Security provides state and local governments with preparedness grant funding that provides support for developing and maintaining critical homeland security and emergency management capabilities. Over the last several years, these grant funds have been significantly reduced. With decreased funding expected for the foreseeable future, Congress and the Administration are re-examining the grant programs in order to make them more flexible and effective.

Currently, there are 18 major preparedness grant programs administered by the Department of Homeland Security. Many of these programs often overlap with others, creating unintended inefficiencies and unnecessary administrative burdens. In addition, changing program requirements often make the current structure complex and burdensome to states.

Governors are supportive of efforts to reform these programs. As reform proposals are considered by Congress and the Administration, governors offer the following principles:

Principles:

- Grants should be risk-based but continue to provide each state and territory funding to support critical homeland security and emergency management capabilities, including personnel costs and the sustainment of investments.
- Funding should focus on developing, enhancing and sustaining common core capabilities.
- The federal government should work with states and territories to develop consistent methods to measure or assess progress in achieving common core capabilities.
- Grant funding should be distributed through states and territories to enhance regional response capabilities, avoid duplication of effort, and ensure awareness of gaps in capabilities.
- Consistent with current law, states should be permitted to use a portion of the grant funds for management and administration in order to coordinate the efficient and effective use of grant funds, provide necessary oversight and comply with federal reporting requirements.
- Any reform to the current grant programs should provide states with flexibility to determine which priorities should be funded and where investments should be made within their borders.
- Any grant program should allow flexibility for any state cost-share requirements.
- The federal government should provide clear, timely, and explicit guidelines for conducting threat assessments and how those assessments will be used to determine base-level funding.
- The federal government should be more transparent with states in sharing the data used to populate the funding formula/algorithm. States should be provided with a centralized point of contact and reasonable time to review and inform the data.
- The federal government should ensure that reforms eliminate inefficiencies, do not duplicate efforts, and do not place additional administrative burdens on states.
- Grants should allow for multi-year strategic planning by states and local jurisdictions.



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June 12, 2013

The Honorable Thomas Carper, Chairman
Committee on Homeland Security and Governmental Affairs
United States Senate
Washington, DC 20510

The Honorable Tom Coburn, Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate
Washington, DC 20510

Dear Chairman Carper and Doctor Coburn:

For more than a decade, you have supported state and local preparedness efforts through the Homeland Security Grant Program (HSGP). The National Emergency Management Association (NEMA) applauds your continued efforts, but realizes the time has come to reevaluate the flexibility and accountability of these programs. NEMA represents the state emergency management directors of all 50 states, the Territories, and District of Columbia.

As the National Governors Association recently outlined to your committee in a letter dated June 10, 2013, the threats and hazards facing this nation have evolved in recent years, and the time has come for these programs supported by the Committee to follow suit. After NEMA first proposed significant grant reform in January of last year, the dialogue is fortunately continuing to develop. Your guidance and expertise will be imperative in ensuring these programs remain flexible and accountable in the coming years.

Since the inception of the HSGP, NEMA has maintained support of these grants as critical resources to help state and local governments build and sustain capabilities to address the various threats and hazards they face. But with time comes perspective, and we continue to believe the opportunity and need for reform is upon us. As we stated last year:

The current grants structure is complex and often contradictory. This creates unintended inefficiencies in investments and duplication of efforts. The current and continuing fiscal condition of our nation requires us to invest every dollar more wisely than ever before. We want to gain efficiencies in our grants so that we can increase the effectiveness of our mission.

While we applaud the Federal Emergency Management Agency (FEMA) continuing this dialogue through the administration's fiscal year 2014 recommendation of the National Preparedness Grant Program (NPGP), but several issues must still be addressed:

- NEMA has repeatedly said the existing Threat Hazard Identification and Risk Assessment (THIRA) process is only as good as the information provided to create it and the system it supports and must be partnered with an effective planning effort. NEMA recommended these processes be tied together systematically:

Each state conducts and maintains a comprehensive Threat Hazard Identification



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Risk Assessment (THIRA) in concert with Department of Homeland Security (DHS) and state officials. A comprehensive preparedness strategy is developed to assess current capabilities, determine future requirements, and evaluate recent progress and initiatives.

The NPGP proposal seems to focus heavily on a comprehensive threat/risk assessment and gap analyses. NEMA encourages the implementation within a state to be led by the state and include information from federal partners, private sector, and non-governmental organizations. We do not believe the administration is placing the appropriate emphasis on the THIRA process. NEMA feels strongly that all sub-grantees must participate in the state THIRA process. Furthermore, the federal government must follow suit and utilize those state THIRAs when assembling regional and federal assessments.

- NEMA applauds the requirement for increased involvement by the SAAs; but there remain many variations in state organizational structures. The NEMA proposal offers a good model that considers all the combinations and institutionalizes the participation in the same process to ensure comprehensive review of preparedness efforts. We would continue to encourage a grant reform effort to include this broad governance structure including the broadest coalition of disciplines, jurisdictions, and interests. As we stated in our proposal:

Applicants will apply for funds from the investment grant based upon completed preparedness strategies. Applications are reviewed by a multi-disciplinary advisory committee, and the SAA makes awards as appropriate.

- The NPGP peer review process for all of the grant funding is overly bureaucratic and does not appear to add value to the process. The NEMA proposal placed responsibility at the state level and governance board, working with the applicants, for the review and approval of projects and proposals. The peer review process for just the competitive funding, however, is encouraged.

Much has been accomplished with investments already made through the homeland security suite of grants. Regional and cross-jurisdictional coordination has been greatly enhanced, capabilities have been developed and sustained, and a more robust response and recovery system is in place nationwide as a result of your efforts thus far. In our report of July 2011, we described some of the examples of increased capabilities as evidenced in real events. While these successful outcomes must be recognized, the time has come to focus the nation's attention on a comprehensive "next step" prompted not by an attack but by our thoughtful reflection on lessons learned.

Unfortunately, the status quo can no longer remain viable by catering specifically to select constituencies. When broken down into competing interest groups, the nation is no longer able to adequately address the full range of prevention, protection, mitigation, response, and recovery efforts. As always, NEMA stands ready to continue engaging in this dialogue and hope fiscal year 2014 is finally the time we can honestly address the gaps in these grant programs. We firmly believe that comprehensive reform will bring about the much needed flexibility by grantees, but also necessary accountability to Congress, the administration, and the American taxpayer. Please contact our Director of Government Relations, Matt Cowles, at 202-624-5459 or mcowles@csg.org should you have any questions about NEMA's position or require additional information.

Sincerely,



John W. Madden
President, National Emergency Management Association
Director, Alaska Division of Homeland Security & Emergency Management

cc: Subcommittee Chairman Mark Begich and Ranking Member Rand Paul