



**United States Senate**  
**Committee on Homeland Security and Governmental Affairs**  
Senator Susan M. Collins, Chairman  
Senator Joseph I. Lieberman, Ranking Member

**Summary of Collins-Lieberman Homeland Security Grant Enhancement Act of 2005**  
**(S. 21 Substitute)**

Bringing the current State Homeland Security Grant Program, Law Enforcement Terrorism Prevention Program and the Urban Area Security Initiative together into a single program, S. 21, the Homeland Security Grant Enhancement Act of 2005, would help streamline and rationalize the state homeland security grant process. It includes a funding formula that would significantly increase the amount of money distributed based on terrorist threat, while preserving a minimum level of funding for each state. It also adopts new accountability measures to ensure that homeland security grants are spent effectively and appropriately.

**Funding Formula**

Increased Threat-Based Funding. All funds beyond that necessary to cover the baseline allocations are distributed based on the relative threat, vulnerability, and consequences faced by an area from a terrorist attack. In dollar amounts, this means that S. 21 would distribute twice the money based on risk as was the case in FY05. From this funding pool, the Secretary can make threat-based grants to both states and to metropolitan regions. Grants to regions can comprise up to 50% of the total threat-based grant funding.

Sliding-Scale State Baseline. The bill provides a sliding-scale baseline amount to each state, to promote a national level of preparedness and to ensure some predictability for state planning purposes. Each state receives a minimum baseline amount of 0.55% of the total funds appropriated under the bill. States that are larger and/or more densely populated receive a higher baseline amount, based on a formula that combines population and population density.

Regional Grants. Encouraging regional cooperation and a regional perspective on preparedness, S. 21 moves the focus of local funding from individual cities to metropolitan regions. Unlike the current situation under UASI, moreover, where DHS simply announces a list of cities it has selected to fund, S. 21 would establish an application process for metropolitan region funding. In applying for funding, communities are given considerable flexibility in forming regions that make the most sense locally: a region must simply be made up of two or more contiguous municipalities, counties, parishes or Indian tribes, and must include the largest city in the metropolitan area. To place some limits on the number of regional applications DHS would have to review, only regions within the 100 largest metropolitan statistical areas (MSAs) would be automatically eligible to apply, though other regions could apply with the consent of the Governor of the relevant state or states and of the Secretary of DHS. Grants to regions would be prioritized based on threat, vulnerability and consequences from a terrorist attack, with consideration to be given to such factors as population, population density, proximity to international borders and coastlines, and the proportion of the relevant metropolitan area participating in the regional application.

Threat-Based State Grants. All funds beyond the baseline allocations that are not given out in grants to regions would be distributed to states, based on the threat, vulnerability and consequence faced by the state from a terrorist attack. As with regional grants, there would be a competitive application process. 80% of state grant funds would have to be passed through to local governments within 60 days.

Authorization Amount. The bill authorizes \$2.925 billion for grants in FY06 and FY07 and such sums as are necessary thereafter. This is the same level of funding appropriated for the equivalent homeland security grants in FY04.

### **Essential Capabilities**

Building on the national preparedness goal recently issued by DHS, the S. 21 substitute requires that the Secretary establish “essential capabilities” for state and local governments. Essential capabilities are the levels and competence of emergency personnel, planning and equipment that are needed to prevent, prepare for, and respond to acts of terrorism and other catastrophic events. The bill also provides for the creation of a First Responder Task Force, made up of state and local first responders, to advise the Secretary on the establishment and periodic updating of these essential capabilities.

The establishment of essential capabilities will provide important guidance to states and localities trying to improve their terrorism preparedness, as well as benchmarks for measuring both state and national progress in achieving that preparedness. Essential capabilities, moreover, would be intimately tied to the grant decision making process by requiring consideration of how funding decisions will help accomplish key preparedness goals, and thereby providing a basis for prioritizing among needs. The establishment of essential capabilities also creates an important barrier to wasteful and inappropriate spending, as states and regions, in applying for and allocating homeland security grant funds, will have to demonstrate that the funds are being used to achieve specific capabilities.

### **Accountability**

Beyond the establishment and use of essential capabilities – a key tool in preventing wasteful spending – the substitute has a number of other provisions designed to increase accountability and ensure the appropriate use of homeland security grant funds. These include:

Annual Audit. S. 21 requires an annual GAO audit and report to Congress on DHS homeland security grants.

Reporting requirements. S. 21 requires grant recipients to submit an annual report on their use of grant funds and their progress in achieving essential capabilities to the Secretary, and also requires the Secretary to submit an annual report to Congress providing an accounting of how grants to states and localities were spent and an evaluation of their progress in meeting essential capabilities.

Penalties for Non-Compliance. Authorizes the Secretary of Homeland Security to terminate or reduce grant payments if a state or region fails to comply with requirements regarding eligible expenditures.

**Other Provisions**

Equipment and Training Standards. The bill requires that the Secretary support the development of national voluntary consensus standards for first responder equipment and training. Applicants for grant funds who want to use those funds to purchase or upgrade equipment that did not meet these standards would have the burden of explaining why such equipment would better serve their needs than equipment that did meet the standards.

Interagency Coordinating Committee. The bill creates a federal interagency committee to promote the coordination of homeland security grants throughout the federal government. In particular, the interagency committee is to come up with a proposal to eliminate redundant and duplicative application, planning and reporting requirements faced by states, local governments and first responders in applying for various different federal homeland security-related grants.

DHS Organization. S. 21 codifies the Secretary's transfer of DHS's Office of Domestic Preparedness (the primary office that handles state and local grants at DHS) from the Border and Transportation Security Directorate to the Office for State and Local Government Coordination and Preparedness.