



Redundancy Elimination and Enhanced Performance for Preparedness Grants Act (Public Law 111-271)

Report on the Grants Program Measurement Study

Date



Homeland
Security

MESSAGE FROM THE ADMINISTRATOR OF FEMA



The State Homeland Security Grant Program (SHSGP) and the Urban Areas Security Initiative (UASI) continue to play a vital role in increasing national preparedness to prevent, protect against, mitigate the effects of, respond to, and recover from incidents of terrorism. Because of the importance of that mission, it is imperative that we are able to measure the programs' ongoing effectiveness. Performance measurement enables us to emphasize current goals and objectives, make improvements to these programs, and drive decisions about future investments.

The *Redundancy Elimination and Enhanced Performance for Preparedness Grants Act (REEPPG Act)* provides for both the identification and elimination of redundant reporting requirements and the development of meaningful and quantifiable performance metrics to assess the effectiveness of grants administered by the Department of Homeland Security. As required by the *REEPPG Act*, the Federal Emergency Management Agency (FEMA) entered into a contract with the National Academy of Public Administration (NAPA) for assistance in developing performance measures for both the SHSGP and UASI programs. This report summarizes the findings and recommendations provided by NAPA in the report entitled "Improving the National Preparedness System: Developing More Meaningful Grant Performance Measures". It represents a valuable step forward in the challenging and ongoing effort to measure preparedness grant program effectiveness.

Pursuant to Congressional requirements, this report is being provided to the following members of Congress:

The Honorable John Boehner
Speaker of the House of Representatives

The Honorable Joseph I. Lieberman
Chairman, Senate Committee on Homeland Security and Governmental Affairs

The Honorable Susan M. Collins
Ranking Member, Senate Committee on Homeland Security and Governmental Affairs

I am happy to answer any questions you may have, at (202) 646-3900.

Sincerely,

Craig Fugate
Administrator
Federal Emergency Management Agency

Executive Summary

This report describes the findings and recommendations of the grants program measurement study by the National Academy of Public Administration (NAPA). Congress requested that NAPA assist FEMA in studying, developing, and implementing quantifiable performance measures and metrics to assess the effectiveness of the State Homeland Security Grant Program (SHSGP) and the Urban Areas Security Initiative (UASI). The focus of the study was to determine how to quantitatively measure the outcomes of these grants. This summary report is submitted per the requirements of the *Redundancy Elimination and Enhanced Performance for Preparedness Grants Act (REEPPG Act)*, Public Law 111-271.

The study acknowledges two challenges of quantitatively measuring the outcomes of these grant programs. Foremost among these is the tradeoff between measuring the performance of SHSGP and UASI specifically and recognizing the integrated preparedness efforts that blend resources from multiple sources. The other challenge is linking the contributions of these grant programs to standards for preparedness. Although recent efforts such as the National Preparedness Goal and the Threat and Hazard Identification and Risk Assessment (THIRA) guidance make strides in this direction, the study recommends FEMA develop more specific or additional capability targets that states and urban areas should strive to achieve and measure progress against.

Despite the difficulties, the study recommends performance measures that broadly validate FEMA's current approaches to preparedness and to performance assessment. The underlying themes of the performance measures align well with current FEMA activities. However, a variety of implementation issues would need to be addressed before FEMA can implement many of the recommended measures. Some measures proposed in the NAPA study would likely place excessive burden on grant recipients, some are based on data that is currently unavailable, and some need to be modified so that the results can be interpreted in a meaningful way.

The NAPA study represents a valuable step forward in the effort to measure preparedness grant program effectiveness. FEMA is analyzing the study and developing a strategy to implement some of the recommended measures.

Table of Contents

I. Legislative Language.....	6
II. Introduction.....	6
III. Summary of Study Results	7
The NAPA Panel and Background Material.....	7
Performance Measures and Recommendations for Implementation	7
Additional Recommendations	11
The Challenges of Assessing Grant Program Effectiveness.....	11
IV. FEMA Response to the NAPA Report.....	12
Alignment with FEMA’s Current Approach.....	12
Implementation Considerations	14
V. Path forward.....	15

I. Legislative Language

This document has been compiled pursuant to language set forth in section 2023(d) of the Homeland Security Act of 2002 (6 U.S.C. § 601 et seq.), as amended by the *Redundancy Elimination and Enhanced Performance for Preparedness Grants Act* (Pub. L. 111-271):

(d) Grants Program Measurement Study-

(1) IN GENERAL- Not later than 30 days after the enactment of Redundancy Elimination and Enhanced Performance for Preparedness Grants Act, the Administrator shall enter into a contract with the National Academy of Public Administration under which the National Academy of Public Administration shall assist the Administrator in studying, developing, and implementing--

(A) quantifiable performance measures and metrics to assess the effectiveness of grants administered by the Department, as required under this section and section 649 of the Post-Katrina Emergency Management Reform Act of 2006 (6 U.S.C. 749); and

(B) the plan required under subsection (b)(3).

(2) REPORT- Not later than 1 year after the date on which the contract described in paragraph (1) is awarded, the Administrator shall submit to the appropriate committees of Congress a report that describes the findings and recommendations of the study conducted under paragraph (1).

(3) AUTHORIZATION OF APPROPRIATIONS- There are authorized to be appropriated to the Administrator such sums as may be necessary to carry out this subsection.

II. Introduction

The Redundancy Elimination and Enhanced Performance for Preparedness Grants Act (*REEPPG Act*) provides for both the identification and elimination of redundant reporting requirements and the development of meaningful and quantifiable performance measures and metrics to assess the effectiveness of grants administered by the Department of Homeland Security (DHS). As required by the *REEPPG Act*, the Federal Emergency Management Agency (FEMA) entered into a contract with the National Academy of Public Administration (NAPA) for assistance in developing performance measures for both the SHSGP and UASI programs. NAPA subsequently conducted an independent assessment to develop 3-7 quantitative effectiveness measures that demonstrate the outcomes of these programs, and to provide advice on how to implement those measures. NAPA's detailed final report on the study, *Improving the National Preparedness System: Developing More Meaningful Grant Performance Measures*, provides the results of this assessment. The *REEPPG Act* requires the FEMA Administrator to submit to Congress a report summarizing the findings and recommendations of NAPA's study. This report is delivered in fulfillment of that requirement.

III. Summary of Study Results

The NAPA Panel and Background Material

NAPA is a non-profit, independent organization of top public management and organizational leaders. The Academy convened an eight-member, independent Panel of experts to guide the Academy's professional staff through this engagement. Panel members were selected for their personal and professional expertise in public administration, performance measurement, and homeland security preparedness. Seven members were identified from the Academy's Fellowship, and one additional member was identified by FEMA. The Panel worked collaboratively with the study team to execute the scope of work; however, the final recommendations are those of the Panel.

The NAPA report begins by providing a number of foundational elements, including a summary of the scope, approach, and methodology for the study. Other elements include overviews of the SHSGP and UASI programs, as well as background on the key concepts and effective practices for performance measurement.

Performance Measures and Recommendations for Implementation

NAPA developed 16 quantitative performance measures to assess the effectiveness and outcomes of the SHSGP and UASI programs. These measures fell into two categories. The first—effective and targeted grant investments—focused on measures that would indicate movement toward desired preparedness outcomes. The second—context measures—focused on the administration and execution of grant programs. For many of these, the NAPA Panel also provided recommendations for implementation. Table 1 lists these measures and highlights the issues for implementation NAPA indicated should be considered.

The study also emphasized the need for a third category of performance measures—collaboration measures. The NAPA Panel did not develop such measures, considering it outside the scope of this study, but recommended that FEMA conduct such an assessment in the future.

The study recommended that FEMA implement the set of measures and additional recommendations to improve the performance of the State Homeland Security Grant Program and the Urban Area Security Initiative. Further, the study recommended that FEMA evaluate its performance measurement efforts periodically and continually adapt them as programs and priorities mature and new performance challenges emerge.

Table 1 Proposed Performance Measures and Implementation Recommendations

Part I: Effective and Targeted Grant Investments	
<i>Foundational Activities</i>	
Measure 1	<p>Number of current, FEMA-approved state and UASI risk assessments</p> <p><i>Considerations for implementation</i></p> <ul style="list-style-type: none"> • The Panel recommends that UASIs be required to complete risk assessments beginning in Fiscal Year 2012. • The Panel recommends that additional [forthcoming] guidance [on the production of risk assessments] be very clear about the responsibilities and expectations for the risk assessment.
Measure 2	<p>Number of state and UASI homeland security strategies in compliance with update requirements</p> <p><i>Considerations for implementation</i></p> <ul style="list-style-type: none"> • The Panel recommends that FEMA update this [homeland security strategy] guidance to require that states and UASIs incorporate information from their most recent risk assessments, capability assessments, lessons learned from exercises and incidents, and changes in funding profiles into the measurable objectives and priorities of their homeland security strategies.
<i>Strengthening Preparedness: Strategies, Investments, and Capabilities</i>	
Measure 3	Percentage and number of measurable homeland security strategy objectives achieved by SHSGP or UASI grantees
Measure 4	The percentage and number of proposed grant outcomes achieved by SHSGP or UASI grantees
Measure 5[†]	<p>Level and change in each core capability demonstrated by the states and UASIs</p> <p><i>Considerations for implementation</i></p> <ul style="list-style-type: none"> • The Panel recommends that USAs be required to complete capability assessments and report on the results beginning in FY2012. • The Panel strongly recommends that at least random samples of the capability assessments be independently reviewed through a process coordinated by FEMA. • The Panel recommends that FEMA use the information gained through the assessments to analyze and communicate national and regional trends that can help better focus homeland security strategies and prioritize grant investments.

Preventing Terrorist Incidents	
Measure 6[†]	<p>Percentage of achievement of each critical operational capability^{††} by the fusion centers</p> <p><i>Considerations for implementation</i></p> <ul style="list-style-type: none"> • The Panel recommends that this [annual Fusion Center] assessment process include a validation component as was included in the 2010 Baseline Capability Assessment. • The Panel recommends that DHS, in coordination with federal partners, include measures that capture end outcomes [for the prevention mission area] regardless of funding source or responsible government entity in the annual reporting efforts required under PPD-8.
Demonstrating Preparedness Outcomes	
Measure 7a[†]	<p>Scoring of state and UASI preparedness capabilities based on performance during incidents</p> <p><i>Considerations for implementation</i></p> <ul style="list-style-type: none"> • The Panel recommends that FEMA require grantees to [score and] report on a [high-priority] subset of capabilities [used during incidents]. • The Panel recommends that FEMA require grantees to also report on a reasonable subset of incidents. [<i>Reasonable subset is defined as: all federally declared disasters/emergencies and National Special Security Events, as well as some number of more routine incidents.</i>] • The Panel recommends that FEMA work with the grantees to identify a reasonable number and the type of incidents on which to report • The Panel recommends that FEMA and grantees compare their incident performance against the capability targets and performance measures that are being defined for each core capability developed under PPD-8.
Measure 7b[†]	<p>Scoring of state and UASI preparedness capabilities based on performance during exercises</p> <p><i>Considerations for implementation</i></p> <ul style="list-style-type: none"> • The Panel recommends that grantees design exercises to stress their capabilities in order to truly understand how people, plans, and systems operate when stressed. • The Panel recommends that FEMA require grantees to [score and] report on a [high-priority] subset of capabilities [used during exercises]. • The Panel recommends that FEMA and grantees compare their exercise performance against the capability targets and performance measures that are being defined for each core capability developed under PPD-8.
Measure 8a[†]	<p>Number of critical task corrective actions identified and completed following grant-funded exercises</p> <p><i>Considerations for implementation</i></p> <ul style="list-style-type: none"> • The Panel recommends that FEMA take a more systematic approach and establish minimum reporting elements for the AAR/IP. • The Panel recommends that FEMA require an independent review, of at least one exercise or incident, for each state and UASI, each year.

Measure 8b[†]	<p>Number of critical task corrective actions identified and completed following incidents</p> <p><i>Considerations for implementation</i></p> <ul style="list-style-type: none"> • The Panel recommends that grantees also report to FEMA on completed, critical task corrective actions for a reasonable subset of incidents and highlight recurring problems that may require additional attention. • The Panel recommends that FEMA require grantees to report on [completed, critical task corrective actions for] a reasonable subset of incidents. [<i>Reasonable subset is defined as: all federally declared disasters/emergencies and National Special Security Events, as well as some number of more routine incidents.</i>] • The Panel recommends that FEMA work with grantees to identify a reasonable number and the type of incidents on which to report.
Measure 8c[†]	Number of recurring, critical task failures identified following incidents in the past three years
Part II: Context Measures	
Grant Execution	
Measure 9a	Number of program improvements identified during programmatic monitoring, agreed upon by FEMA and grantee, corrected within the specified timeframe
Measure 9b	Number of financial deficiencies identified during financial monitoring corrected within the specified timeframe
Expenditure of Grant Funds	
Measure 10	Amount and percentage of SHSGP and UASI grant funds reverted
Grant Funding profile	
Measure 11a	<p>Amount and percentage of SHSGP and UASI funding spent by states and UASIs to build each core capability</p> <p><i>Considerations for implementation</i></p> <ul style="list-style-type: none"> • The Panel recommends that <i>build</i> be defined by FEMA in guidance.
Measure 11b	<p>Amount and percentage of SHSGP and UASI funding spent by states and UASIs to sustain each core capability</p> <p><i>Considerations for implementation</i></p> <ul style="list-style-type: none"> • The Panel recommends that <i>sustain</i> be defined by FEMA in guidance.

Part II: Collaboration Measures	
No measures developed	<p><i>Considerations for implementation</i></p> <ul style="list-style-type: none"> • The Panel recommends that FEMA conduct an assessment of collaborative approaches, in coordination with local jurisdictions, states, regions, and urban areas, and use the results to develop a scoring system for future quantitative or qualitative performance measures on collaboration and to assist program participants to strengthen their performance on this critical issue.

† Identified as a “priority” performance measure by the NAPA panel

†† The five critical operational capabilities are: receive, analyze, gather, disseminate, and protection of privacy, civil rights, and civil liberties.

Additional Recommendations

In addition to developing quantitative performance measures in accordance with their mandate and study plan, the NAPA Panel also drew upon its experience to offer several additional opportunities to strengthen performance. These represent recommendations that are broader in scope:

- Continue to use both quantitative and qualitative information to effectively capture the performance of its grant programs.
- Issue grant guidance in advance of appropriations and make it subject to availability of appropriations.
- Share performance results more broadly in a manner tailored to specific audiences, including Congress, government officials at the federal, state, tribal, territorial, and local levels, and the general public.
- Institutionalize the Nationwide Plan Review.
- Conduct an assessment of how states and urban areas adapt to the decrease in number of federally funded UASIs and its impact on preparedness collaboration and capabilities.

The Challenges of Assessing Grant Program Effectiveness

The study acknowledges the challenges associated with quantitatively measuring the outcomes of these grants. Foremost is evaluating the performance of specific grant programs and recognizing that the preparedness system is best developed in an integrated fashion that blends resources from multiple sources. Because this tradeoff often makes it difficult to associate specific outcomes to any specific grant program—or, importantly, to a grant program rather than local expenditures—the study recognizes the need to use proxy measures that represent blended outcomes from multiple preparedness efforts; such proxy measures appear frequently in the recommended performance measures. Notwithstanding these difficulties, the report emphasizes the importance of developing meaningful performance measures and measuring performance.

IV. FEMA Response to the NAPA Report

Alignment with FEMA's Current Approach

Despite the difficulties associated with assessing the effectiveness of the grant programs, the study recommendations broadly validate FEMA's current approaches to increasing preparedness and conducting performance assessments. Many of the underlying themes are strongly reflected in current FEMA initiatives and policies:

- First, the study stresses the importance of starting with a thorough understanding of a grantee's risk profile. FEMA has been emphasizing this importance for many years and, through the grant application, has consistently asked grantees to explain how this understanding has influenced their investment justifications. This is also consistent with FEMA's current approach to assessing preparedness, as exemplified in the Strategic National Risk Assessment, the development of Threat and Hazard Identification and Risk Assessment (THIRA) guidance, and the hazard-based State Preparedness Report (SPR) survey.
- Second, the study strongly emphasizes evaluation during exercises and incidents as the most direct way to assess preparedness. This is echoed in FEMA's long-standing requirements that grant recipients conduct exercises, submit after-action reports (AARs), track corrective actions, and implement improvement plans. All states now provide a self-assessment of exercise performance for each capability through the SPR survey.
- Third, the study describes a feedback loop whereby assessments and measures serve four purposes: track progress over time, inform the direction of ongoing efforts, allow updates to plans and strategies, and identify areas with contradictory indicators. The FEMA Preparedness Cycle precisely describes this critical feedback loop and aligns with the integrated elements of the National Preparedness System. It also aligns with current grant guidance that encourages frequently updated homeland security strategies to "reflect an ongoing process of review and refinement."¹
- Fourth, the study highlights the critical importance of collaboration and recommends studying the lessons learned for successful collaborations. DHS has stressed this in the past by explicitly prioritizing regional collaboration and FEMA has placed numerous collaboration requirements² in the SHSGP and UASI grant programs. The Whole Community approach to Emergency Management embraces the concept of

¹US Department of Homeland Security, Fiscal Year 2011 Homeland Security Grant Program, *Guidance and Application Kit Section I – Application and Review Information*; May 2011, pg 11.

² Examples include: the SHSGP interagency Senior Advisory Committee requirement, UASI governance requirements, UASI Working Group membership requirements, and recommendations for Tribal integration, among others.

wider collaboration and, over the last eighteen months, FEMA has engaged many of our partners, including tribal, state, territorial, local, and Federal representatives, the academic sector, the private sector, nonprofits, faith-based organizations, the disability community, and the public in a national dialogue.

- Finally, the study placed significant focus on “context measures” that reflect the administrative management of the grant programs, and acknowledged that current approaches represent “a good practice that FEMA should continue.”³

Both NAPA’s performance measures and recommended measures reinforce several of FEMA’s current activities. In several cases, the recommended measures are either already in place or require only documentation of current requirements. Twelve measures recommended by the panel that fall into these categories:

- **Measure 1:** The number of FEMA-approved state and UASI risk assessments – in both *FY 2011 and FY 2012 HSGP grant guidance requires that all grantees develop and maintain a THIRA.*
- **Measure 2:** The number of state and UASI homeland security strategies in compliance with FEMA’s update requirements – in both *FY 2011 and FY 2012 HSGP grant guidance requires that investments must be consistent with the strategies, encourages that strategies are updated every two years, and encourages that strategies are submitted as part of the HSGP application.*
- **Measure 3:** Percentage and number of measurable homeland security strategy objectives achieved by SHSGP or UASI grantees – *FEMA currently collects homeland security strategy objectives, which broadly address preparedness and reflect several considerations other than grants effectiveness, such as other funding sources, jurisdictional priorities, and other factors.*
- **Measure 4:** The percentage and number of proposed grant outcomes achieved by SHSGP or UASI grantees – *FEMA currently collects this information.*
- **Measure 5:** The level and change in each core capability demonstrated by the states and UASIs – *the SPR survey collects core capability self-assessment ratings for planning, organization, equipment, training, and exercises.*
- **Measure 6:** The percentage of achievement of each critical operational capability by the fusion centers – *In October 2011, the DHS Office of Intelligence and Analysis (I&A)—in collaboration with interagency partners—concluded an assessment of the National Network of Fusion Centers to evaluate the maturity of their capabilities.*
- **Measure 8a:** Number of critical task corrective actions identified and completed following grant-funded exercises – *FEMA has collected this information in the past. However, this measure does not address grant effectiveness, as an exercise tests*

³ National Academy of Public Administration, *Improving the National Preparedness System: Developing More Meaningful Grant Performance Measures*; October 2011, pg. 46.

capabilities developed through numerous funding sources, of which grants are typically a small component.

- **Measure 9a:** Number of program improvements identified during programmatic monitoring, agreed upon by FEMA and grantee, corrected within the specified timeframe – *FEMA currently collects this information.*
- **Measure 9b:** Number of financial deficiencies identified during financial monitoring corrected within the specified timeframe – *FEMA currently collects this information.*
- **Measure 10:** Amount and percentage of SHSGP and UASI grant funds reverted – *FEMA currently collects this information.*
- **Measure 11a:** Amount and percentage of SHSGP and UASI funding spent by states and UASIs to build each core capability – in both *FY2011 and FY 2012 HSGP grant guidance requires investment justifications to characterize each investment as either a build or sustain effort.*
- **Measure 11b:** Amount and percentage of SHSGP and UASI funding spent by states and UASIs to sustain each core capability – in both *FY2011 and FY 2012 HSGP grant guidance requires investment justifications to characterize each investment as either a build or sustain effort.*

Implementation Considerations

FEMA plans to adopt several of the measures, including reporting information currently collected, and will carefully evaluate a variety of challenges associated with several of the measures. As previously discussed, a number of the recommended performance measures are already in use and can be easily documented. However, there are several proposed measures that are currently unsupported by any existing data collection, present serious implementation challenges, and could add significant burden to the grantees. The measures for exercise and incident performance fall into this category.

Quantitatively evaluating both exercises and real-world incidents is laudable. While such measures can provide insight into preparedness there is no way to correlate grant expenditures to performance in exercises and events precisely because the objective is only to provide support to other local and state efforts. Because grant funds are but one contributor to overall performance, performance scores—whether in exercises or incidents—do not indicate the effectiveness of the grant programs. The report states:

That SHSGP and UASI funds are co-mingled with other sources makes it difficult to discern the outcomes that result explicitly from these grants. Trying to isolate the impacts of these two grants on the desired preparedness end outcomes by segregating the funding would fracture the integrated system that is needed for success.

The notion of “scoring” performance is complex and may be costly. Doing so would require a defensible set of criteria that would be appropriate across a range of exercise types (e.g., discussion-based, functional, full-scale), jurisdictional levels (e.g. state, local, tribal, federal), and stakeholder groups (e.g., emergency management, public health, private sector, NGOs) while eliminating as much subjectivity as possible. Any scoring would have to be done not only by experts in a given capability, but by personnel that are

also experienced in the diverse plans, policies, and procedures of the individual jurisdiction conducting the exercise.

Several additional factors add to this challenge. While a quantitative score reflects the desire to directly score performance, it is at odds with the way in which jurisdictions typically use exercise results. For exercise participants, evaluation through an after-action report (AAR) is useful only if it generates corrective actions and an improvement plan. A quantitative score does not focus on vital details in favor of a summary score. In addition, the purpose of exercise design is typically to stress capabilities to the breaking point. To score performance and publicize results serves as a disincentive to test capabilities to the breaking point. FEMA will consider the report's recommendations as it establishes new guidance for how exercise objectives are formulated, corrective actions are tracked, and evaluations are conducted, and the NAPA measures will be used along with other inputs to help inform this guidance.

V. Path forward

The NAPA study represents a valuable step forward in the effort to measure preparedness grant program effectiveness. FEMA is reviewing the recommendations and developing an implementation timeline for some of the recommendation measures. FEMA will coordinate work on these measures with current preparedness activities and initiatives, such as Presidential Policy Directive 8 implementation, implementation of the NEP, and the continued development of the Whole Community concept. FEMA will also coordinate the development and implementation of performance measures with the grant recipients, including sub-grantees, to ensure that the measures reflect their values and priorities.

While the *REEEPG Act* included the mandate to develop performance measures, the greater context dictated the reduction of overall burden on grantees. FEMA has already developed performance measures that make use of existing data to reflect upon the effectiveness of these grants. While the NAPA study developed a number of methods to measure preparedness gains as a result of grant investment, these need to be balanced with the goal to reduce the aggregate volume of reporting requirements. Therefore, evaluating any impact is critical before implementation of these measures can occur and FEMA will continue that evaluation. The NAPA Panel clearly recognizes this complexity and notes that implementation would require extensive consultation and collaboration with grantees.