



To: International Association of Emergency Managers
From: Martha Braddock
Policy Advisor, IAEM
Subject: Update on Appropriations Action on FY 2008 Budget for
Department of Homeland Security (DHS)
Date: June 11, 2007, 2:30 pm

Full House Appropriations Markup

On June 5, I attended the Full House Appropriations Committee markup of the FY 2008 Budget for the Department of Homeland Security. No changes were made to the funding amounts included by the Subcommittee on Homeland Security in their markup.

Rep. Rogers (R-KY) offered an amendment for an across-the-board reduction of all items in the bill of 5.7 percent as a down payment on fiscal discipline. The amendment failed by a vote of 27 to 38.

In his statement on his amendment, Rep. Rogers indicated there has become an annual expectation for state and local grants for terrorism and disaster preparedness and that cash-strapped governments were happy to get the funds and now expected them. He indicated that the programs had become revenue sharing and it had not been set out what was expected from the grants to prepare for terrorism or natural disasters.

Bill Reported

On June 8, the bill was reported and is now H.R. 2638, and the Report is H.Report 110-181.

The bill, report, committee summary, and Chairman Price's statement are available on the IAEM web site at www.iaem.com/committees/governmentaffairs.

The bill has five sections:

- Title I Departmental Management and Operations
- Title II Security, Enforcement and Investigations
- Title III, Protection, Preparedness, Response, and Recovery
- Title IV Research and Development, Training and Services
- Title V General Provisions

Highlights of Bill and Report

This memorandum focuses on the highlights of particular interest to emergency managers in the bill and report, most of which are in Title III.

There is extensive report language—too much to include in this memo. I would suggest that those interested in particular programs refer to the complete report. The page numbers referenced are in the report.

Priorities of the Committee

Pages 5-12 of the report include information on the committee's concerns and priorities.

- The report states that FEMA, the primary emergency response agency, was left to disintegrate. (p. 5)
- Witnesses testified that homeland security investments should serve dual purposes, instead of being focused on terrorism alone, and that risk analysis must be significantly improved and should address all hazards. (p. 5)
- Included on p. 12 is the following regarding FEMA: “There is a consensus that FEMA must be restored to the strong role it had in the 1990s to avoid a repeat of its inept response to Hurricane Katrina. The Nation must properly prepare for and respond to disasters of every kind because they are going to occur. While a hurricane or tornado cannot be prevented, this country can ensure that strict building codes are enforced, that strong mitigation programs are utilized around the country to prevent repetitive loss, and that our first responders are well-equipped and well trained. Among FEMA's biggest continuing challenges are inadequate staffing and poorly functioning information technology, grants and financial management systems. The Committee provides \$100,000,000 in the bill to address these deficiencies.”

TITLE III Protection, Preparedness, Response and Recovery

FEDERAL EMERGENCY MANAGEMENT AGENCY

Emergency Management Performance Grants, \$300,000,000 (pp. 106-107)

- The President requested \$200 million, the appropriated amount in FY 2007.
- Maintains EMPG as a separate account.
- Limits administrative costs to 3 percent.
- Does not agree to transfer EMPG to State and Local Programs as requested in the budget.
- Report language states “EMPG is the one true all-hazard source of funding for emergency managers. While EMPG is a 50-50 matching program, the latest estimate is that State and local governments are overmatching by \$96,000,000 each year. Report language further states “The Committee includes bill language directing FEMA to continue EMPG grant practices used in fiscal year 2007, including a continued emphasis on all hazards activities and permitting the use of funds for personnel expenses.”

Management and Administration \$686,000,000. \$17,400,000 above the request and \$149,800,000 above the adjusted amount in FY 2007.

- Of this \$35,000,000 for Urban Search and Rescue, \$10,000,000 more than requested and no less than \$6,000,000 for Office of National Capital Region Coordination.
- Will support additional 275 staff.
- \$1,000,000 provided for FEMA to enter into a grant or contract with the national Academy of Public Administration (NAPA) to review the integration of preparedness and response programs with a focus on organizational structure, hiring plans and goals, coordination, and integration mechanisms, and other areas FEMA may identify. Work is to be completed by end of FY 2008. (p. 94)
- Sole source contracts. Committee expresses concern about FEMA relying on sole source contracts. FEMA recently submitted to the Committee a list of 3,982 contracts that were never competitively bid. (p. 95)
- Delay in NRP and NIMS updates. Committee finds delay on updating National Response Plan and National Incident Management System unacceptable. Committee directs GAO to evaluate the process, used to update, identify barriers, evaluate process for including key stakeholders and other Federal agencies. Report is due 9 months after enactment. (p. 95)
- Toxic Pollutants and Katrina. Directs FEMA to report by January 31, 2008 on work of Federal On-Scene Coordinator (OCS) following Hurricane Katrina regarding toxic pollutants. (p. 95)
- \$61,553,000 for disaster logistics and directs FEMA to build partnerships with the Defense Logistics Agency and other organizations to avoid recreating systems that already exist. (p. 96)
- Disaster communication challenges. Committee is concerned about the Emergency Alert System being inadequate and that individuals with limited English proficiency (LEP) may be underserved. FEMA is directed to report in six months after enactment on plans to address GAO recommendation that DHS and FCC develop a plan to address EAS shortcomings and is urged to coordinate with members of LEP populations to provide sufficient translators and interpreters. (p. 96)
- Levee certification. Committee urges property owners to carefully evaluate the flood risk associated with property and purchase flood insurance accordingly and urges FEMA to consult with stakeholder communities on current wording of FEMA warning on flood maps for property behind provisionally certified levees. (p. 96)
- FEMA Trailers and Homeless Veterans. Committee directs FEMA to work with Department of Veterans Affairs and other relevant agencies on feasibility study to determine how unused surplus FEMA trailers could be used to house homeless veterans. Report is due 6 months after enactment. (p.97)

State and Local Programs-- \$3,101,000,000. \$1,405,000,000 above the request and \$575,500,000 above the FY 2007 amount.

- **All Hazards.** Report contains the following: “Homeland Security Presidential Directive-8 `establishes policies to strengthen the preparedness of the United States to

prevent and respond to threatened or actual domestic terrorist attacks, major disasters, and other emergencies by requiring a national domestic all-hazards preparedness goal, establishing mechanisms for improved delivery of Federal preparedness assistance to State and local governments, and outlining actions to strengthen preparedness capabilities of Federal, State, and local entities.' Unfortunately, the Inspector General review of FEMA's disaster management activities in response to Hurricane Katrina noted that 'DHS' prevention and preparedness for terrorism have overshadowed that for natural hazards, both in perception and in application.' FEMA is directed to work with the National Protection and Programs Directorate (NPPD) as it evaluates how to incorporate the risk of natural disasters within the risk models used for grant-making. The Committee recognizes this may require multiple risk methodologies and has directed NPPD to commission a study by the National Academy of Sciences (NAS) to review the feasibility of combining terrorist threats and natural disasters within a single risk analysis. FEMA is directed to utilize the results from the NAS study to work toward the goal of ensuring that all hazards are appropriately addressed in grant allocations." (p. 98)

- **State Formula Grants**
 - **\$550,000,000 for State Homeland Security Grants.** (p. 99)
 - **None of the funds may be used for construction, except for emergency operations centers.**
 - Committee recommendation does not change current law which awards states and territories a base level of .75 percent (.25% for territories). While the Department continues to have discretion in awarding the remainder of the funds based on risk methodology, the Committee encourages the Department to ensure that such the State Homeland Security Grant funds are utilized for **all-hazards purposes**.
 - Applications are to be available to States within 45 days of enactment; States are to submit applications within 90 days of the grant announcement and FEMA is to act within 90 days of receipt of an application. 80% to be made available by the State or Puerto Rico to local governments within 60 days after receipt of funds.
 - Committee is concerned about lack of coordination between DHS and Department of Justice. FEMA is directed to begin a dialogue with DOJ to ensure the Federal government is speaking with a coordinated voice on funding for first responders.
 - **\$400,000,000 for law enforcement terrorism prevention grants.** (pp. 99-100)
 - Law enforcement grants may be available for operational costs, including personnel overtime and overtime associated with certified training.
 - Same application time table as above.
 - \$15,000,000 of these funds is for Operation Stonegarden (competitive grants for units of local government on southwest border).
- **\$1,858,000,000 for discretionary grants as determined by Secretary of DHS**

- **\$800,000,000 for Urban Area Security Initiative Grants** (pp. 100-101)
 - May be available for operational costs, including personnel overtime and overtime associated with certified training.
 - Applications are to be available to States within 45 days of enactment; States are to submit applications within 90 days of the grant announcement and FEMA is to act within 90 days of receipt of an application.
 - 80% to be made available by the State or Puerto Rico to local governments within 60 days after receipt of funds.
 - Funds are to be distributed based on risk methodologies.
 - Committee encourages the Department to ensure such funds are used for all-hazards purposes.
 - Indicates the 25% usage of UASI and LETPP for hiring new staff and/or contractor positions to serve as intelligence analysts is allowable for only two years.
 - Expects the Capital Wireless Integrated Network program to develop an interoperable first responder data communication and information sharing network to continue to be supported by the National Capital Region UASI.

Applications for the following discretionary grants are to be made available for competitive award not later than 75 days after enactment; eligible applicants shall submit applications not later than 45 days after grant announcement, and FEMA shall act not later than 60 days after application is received.

- **\$400,000,000 for port security.**
- **\$10,000,000 for trucking industry.**
- **\$11,000,000 for intercity bus security.**
- **\$400,000,000 for intercity rail passenger transportation, freight rail, and transit security grants.**
- **\$50,000,000 for buffer zone protection.**
- **\$20,000,000 for Commercial Equipment Direct Assistance grants.**
- Eligibility is limited to law enforcement, firefighter and other emergency responder organizations. Jurisdictions not receiving UASI funds are eligible. FEMA is directed to issue grants funds directly to local jurisdictions for equipment purchases and develop a list of equipment acceptable for purchase. (pp. 103-104.)
- **\$50,000,000 for Metropolitan Medical Response System Grants.**
 - Committee directs FEMA to work with the Office of Health Affairs to develop guidelines for the program and to competitively award funding to applicants based on preparedness needs. (p. 102)
- **\$17,000,000 for Citizen Corps grants.**
- **\$50,000,000 for interoperable communications grants.**
 - Funds should be prioritized for State and local efforts to adopt SAFETY Interoperability COMMUNICATIONS (SAFECOM) standard

operating procedures, technology standards, and best practices for training, exercises, and usage.

- **\$50,000,000 for Real ID grants.**
- **\$293,000,000 for National Programs**
 - **\$88,000,000 for National Domestic Preparedness Consortium.**
 - **\$57,000,000 for Center for Domestic Preparedness (Nobel Training Center is funded as part of this).**
 - **\$50,000,000 for the National Exercise Program.**
 - **\$18,000,000 for technical assistance.**
 - **\$61,000,000 for training grants.**
 - FEMA is to give priority to training efforts that benefit nation-wide initiatives including those that identify and disseminate preparedness and response best practices to States and local communities and are conducted at or in cooperation with universities, colleges, and community colleges. This shall include efforts related to information, integration, communication, and interagency coordination. (p. 104-105)
 - **\$19,000,000 for Evaluations and Assessments.**
- **Additional Report Language**
 - **Animal Response Capabilities.** Urges FEMA to assist States, in consultation with Office of Health Affairs, in developing local capabilities to address small and large animal response needs. (p. 105)
 - **Emergency Medical Services.** (p. 105)
 - The Committee supports capability assessment efforts but is concerned that current funding levels for the EMS community for training and equipment for disaster preparedness may be insufficient to meet capability requirements.
 - Directs FEMA, in conjunction with the Office of Health Affairs, to report to the Committee no later than January 23, 2008, on the current state of disaster preparedness capabilities of emergency medical services and the capabilities required to meet future preparedness goals.
 - Directs FEMA, in conjunction with the Office of Health Affairs, to review the amount of first responder grant funding emergency medical service providers are currently receiving and evaluate whether these funding levels are sufficient to meet capability requirements for disaster preparedness.

Firefighter Assistance Grants, \$800,000,000

- \$570,000,000 for section 33 of Federal Fire Prevention and Control Act.
- \$230,000,000 for section 34 (SAFER).

- FEMA is directed to maintain an all-hazards focus and not limit the list of eligible activities.
- Committee is concerned that large number of applications never reach the peer review stage and directs GAO to review the applications and award process. Directs FEMA to peer review all applications that meet basic eligibility requirements. (p. 105)

United States Fire Administration, \$43,300,000

Disaster Relief, \$1,700,000

- Does not approve transfer of \$48,000,000 to convert temporary disaster employees into permanent positions because there is a large backlog of such conversions. FEMA is to report on status of conversion effort 30 days after enactment.

Flood Map Modernization Fund, \$230,000,000 (p. 110)

- \$35,119,000 above amount requested.
- Encourages FEMA to prioritize as criteria the number of streams, rivers, and coastal miles within a State and the participation of State in leveraging non-federal contributions.
- Directs FEMA to dedicate at least 15 percent to maintaining flood maps at least three years beyond effective date. Priority should be given to cooperating technical partners who offer significant funding matches.
- Recipients may use 3 percent for administrative expenses

National Flood Insurance Fund (p. 110-111)

- **\$34,000,000 for flood mitigation expenses under section 1366** of the National Flood Insurance Act to be transferred to National Flood Mitigation Fund.
- **\$90,000,000 for flood mitigation actions with respect to severe repetitive loss** properties under section 1361 A and repetitive insurance claims properties under section 1323.

National Pre-Disaster Mitigation Fund, \$120,000,000 (p. 112)

- \$19,947,000 above amount requested. Grants are made on competitive basis subject to criteria in section 203(g) of Stafford Act.
- Committee is pleased that risk is a factor in award selection and directs FEMA to brief Committee on risk methodology within 45 days of enactment.

Emergency Food and Shelter, \$153,000,000

Additional Report Language

- **Comments on Underutilization of Post-Disaster Mitigation Program (pp. 112-113)**

- Of the \$1.47 billion currently available for this purpose in Louisiana, only \$18,038,177 has been expended; in Mississippi, \$24,301,967 of a possible \$433,895,495 has been expended.
- Committee directs FEMA to report within 30 days of the enactment of this Act on its analysis of this failure to employ post-disaster mitigation and plans for getting the program seriously underway.
- Report should also contain an analysis of any flaws in current law or FEMA's administration that, in the agency's view, hinder the effective implementation of the program.

NATIONAL PROTECTION AND PROGRAMS DIRECTORATE

Management and Administration \$40, 346,000

- Includes the Office of the Under Secretary, the National Protections Planning Office, support for operations, information technology, and Risk Management and Analysis.
- Risk Management and Analysis will provide assistance in risk analysis to other DHS Departments. Committee is concerned about the approach DHS takes to quantify risk, particularly how the Department incorporates the risk of natural disasters into the risk models it uses for grant-making purposes. The Committee also questions whether it is wise or even possible for the Department to develop a 'unified' risk model that could meet the needs of every DHS agency and component.
- Committee recommends that up to \$1,000,000 be used by the National Academy of Sciences to: (1) evaluate the quality of the current DHS approach to measuring risk; (2) assess the significance accorded to the risk of natural disasters by such methodologies; (3) review the feasibility of combining terrorist threats and natural disasters within a single risk analysis; and (4) recommend how the risk models currently used by DHS can be improved and validated using empirical scientific standards.

Infrastructure Protection and Information Security (IPIS), \$532,881,000

- Includes \$271,584,000 for infrastructure protection, \$87,073,000 for Cyber Security, \$45,700,000 for Office of Emergency Communications, \$128,524,000 for National Security and Emergency Preparedness Telecommunications.
- Committee report expresses concerns in numerous areas, including budget justification. (p. 85-90)

OFFICE OF HEALTH AFFAIRS (OHA)

- \$117,933,000. \$25,750,000 for salaries and \$92,183,000 for bio-surveillance, BioWatch, medical readiness planning, chemical response, and other activities.
- Provided \$2,000,000 for OHA to enter into a grant or contract with the National Academy of Sciences to evaluate effectiveness of BioWatch. Report due by end of FY 2008. (pp. 91-92)
- FEMA Trailers and Formaldehyde emissions. (p. 92)

- The Committee is concerned by reports that trailers FEMA purchased to house disaster victims have high levels of formaldehyde emissions, possibly leading to adverse health effects, especially in children.
- Office of Health Affairs is directed to evaluate possible health effects associated with the presence of formaldehyde gas in these trailers.
- The evaluation should include statistical information on the types of illness associated with formaldehyde exposure found in the FEMA trailer residents, the prevalence of such health effects, and suggested ways to mitigate these effects. The findings shall be reported to the Committees on Appropriations within 6 months of the date of enactment of this Act.
- OHA should closely coordinate with HHS to avoid duplication of effort.

TITLE V—General Provisions

Sec. 541. Principal Federal Official

- Bill language states “None of the funds provided by this or previous appropriation Acts shall be used to fund any position designated as a Principal Federal Official during any declared disasters or emergencies.”

Sec. 537 Competition for grants and contracts

- Bill language states “None of the funds appropriated in this Act may be obligated for a grant or contract awarded by any means other than full and open competition, other than a grant distributed by a formula or other mechanism than is required by statute. The Secretary may waive the application of this subsection during a national emergency.” Secretary is to establish objective of awarding at least 3 percent of total value of all contracts to small business concerns.

Sec. 532. Chemical Facility Security Regulations

- Includes bill language requiring that Federal regulations for chemical facility security not preempt stronger State and local regulations.

TITLE I DEPARTMENTAL MANAGEMENT AND ADMINISTRATION

Office of the Federal Coordinator for Gulf Coast Rebuilding (pp. 24-25)

- \$3,000,000. \$1,000,000 withheld until expenditure plan for FY 08 is received.
- Expects the Office to continue to work with HUD and FEMA, including transitioning the management of FEMA’s housing assistance to HUD.

Other Language

- **Homeland Security Operations Center**
 - “The Committee has been informed that the Department is planning to request a reprogramming of funds to move the Homeland Security Operations Center (HSOC) from its current location at the Nebraska Avenue Complex to a new location, possibly at the Transportation Security Operations Center (TSOC), only to subsequently relocate the HSOC and potentially the TSOC as well to the St. Elizabeth’s campus once that facility is constructed.
 - The Committee notes that over \$137,000,000 has been appropriated for improvements at the Nebraska Avenue Complex since 2004, and a large portion of these funds have gone toward upgrades to the HSOC specifically requested by the Department.
 - The Committee is concerned by the apparent DHS attitude that costly capital investments are disposable, and will provide no further appropriations for HSOC capital improvements or relocation away from the NAC until the Department submits a coherent and cost-effective plan for consolidating its operations centers.

NEXT CONGRESSIONAL ACTIONS

Schedule as of June 11.

House

- **Floor Consideration, June 12.**

Senate

- **Appropriations Subcommittee on Homeland Security markup, June 13.**
- **Appropriations Full Committee markup, June 14.**