

DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY

STATEMENT OF

R. DAVID PAULISON
ADMINISTRATOR

ON THE

FISCAL YEAR 2009 PRESIDENT'S BUDGET

BEFORE THE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON HOMELAND SECURITY
U.S. HOUSE OF REPRESENTATIVES

MARCH 11, 2008

Good afternoon Chairman Price, Ranking Member Rogers and members of the committee.

When I was asked to lead FEMA my mission was clear: rebuild and strengthen FEMA's ability to plan, prepare and respond to disasters in the light of the national man-made and natural disasters that had struck our country. The new leadership at FEMA brought in experts to conduct assessments and incorporated these lessons learned into a new vision

for the agency. The President, Secretary Chertoff and you in Congress supported this effort and provided resources and other tools to make these improvements.

In my first appearance before this committee, together we began repairing the damage to what was, frankly, a challenged agency. Last year, we implemented our New FEMA with its Vision Initiative, and you provided the tools we needed to get back on our feet, use the lessons learned to set a new course, and begin that journey. Today I am here to tell you that with the President and Secretary's backing, and your continued support, we are laying the groundwork for a better tomorrow. Our goal is to leave FEMA stronger than we found it. It is for this reason that my testimony today is titled: The Way Forward.

This is not the FEMA of two years ago, as our response to recent disasters has demonstrated. We have made major changes over the past year as we integrated the Preparedness and Grants Programs Directorates into the FEMA fold and added their capabilities and strengths to our existing preparedness and assistance programs. We have a way forward that uses the tools and resources you have previously provided with those proposed this year to continue this transformation.

In particular, FEMA's new Grants Program Directorate is working within the greater emergency management framework to make sure we are getting the best value for the investment. We are truly leveraging funds to improve their effectiveness. We have transitioned the former Office of Grants and Training into FEMA and augmented the grants staff with additional grants experts from FEMA's legacy programs. We have also brought on board an outstanding Assistant Administrator, Ross Ashley, who has extensive grant and financial management experience from both the commercial and non profit sectors. He knows the programs, knows the business and is building an outstanding staff that has done a tremendous job of integrating into FEMA and to begin to provide solid and timely support to grant applicants.

Through the appropriation for State and Local Programs, FEMA fulfills its role as the principal component of the Department of Homeland Security (DHS) responsible for preparing state and local governments to prevent, protect against, respond to and recover from incidents of terrorism and other catastrophic events. The appropriation provides for grants, training, exercises and other support to assist federal agencies, states, territories, tribal, and local jurisdictions to prepare for terrorism and major disasters. State and Local Program funds are administered by two different organizations within FEMA, both created in 2007 – the Grant Programs Directorate (GPD) and the National Preparedness Directorate (NPD).

Across the agency, our regional leaders and senior officials stand ready to help all of our partners to use these resources to reach their full potential. In addition to our Assistant Administrator for Grants Programs our Deputy Administrator for Preparedness, Dennis Schrader, came from state government in Maryland. We have brought other communities

into the fold to make sure their voices are heard, such as the law enforcement community with Chief Rick Dinse now serving as my Law Enforcement Advisor and senior leaders focused on small and rural states and on the disabled community.

In support of the National Preparedness Guidelines and the National Strategy for Homeland Security of 2007, FEMA's Fiscal Year (FY) 2009 budget for State and Local Programs divides a portfolio of nine homeland security grant programs into two focus areas: Prevention and Protection Programs; and Response and Recovery Programs. A third category, Other State and Local Support Programs, covers exercises, training, technical assistance and evaluations.

The Budget requests \$2.2 billion to support FEMA's State and Local Programs and Assistance to Firefighters Grants, the same amount as in the President's FY 2008 Budget Request. These important grant programs help prepare state and local governments to prevent or respond to threats or incidents of terrorism and other catastrophic events. The Budget will support the existing Homeland Security Grant Program, Port and Rail Security Grants, and Emergency Management Performance Grants, and also proposes a new discretionary grant program targeted towards high priority security initiatives including REAL ID implementation.

The Department is requesting the same level as the FY 2008 request. The budget requests \$200 million for the State Homeland Security Grants and increases funding for the Urban Area Security Initiative to \$825 million. The \$300 million funding request for the Fire grants is identical to the President's FY 2008 Budget Request.

Since 2003, the Department of Homeland Security has invested over \$23.7 billion in critical funding to our nation's first responder community. These grant programs have increased our nation's capability to prevent and if necessary respond to acts of terrorism. Just last week the President spoke at the DHS Fifth Anniversary celebration and mentioned that in the last five years we have prevented attacks from occurring on the homeland. This could not have been achieved without our strong ties to our State and local partners.

Prevention & Protection Programs -- \$1,540 million

The first major grant category is the Prevention & Protection Programs, which include seven grant programs that provide resources to support preparedness projects that build state and local capabilities to support the Prevention and Protection mission areas as outlined in the National Preparedness Guidelines, the Target Capabilities List, and National Strategy for Homeland Security of 2007. In FY 2009, FEMA requests \$1,540 million for Homeland Security Prevention and Protection Programs, which includes Urban Area Security Initiative (UASI) Grants, the State Homeland Security Program (SHSP), the National Security and Terrorism Prevention Grant Program, and a suite of Transportation and Port Security Grants.

Urban Area Security Initiative Grants (UASI) - \$825 million

The Urban Area Security Initiative (UASI) addresses the unique multi-disciplinary planning, operations, equipment, training, and exercise needs of high-threat, high-density urban areas, and assists them in building and sustaining capabilities to prevent, protect against, respond to, and recover from threats or acts of terrorism. This program provides funding to high-risk urban areas based on risk and effectiveness. In FY 2008, program participants may use UASI funding to achieve or enhance all of the 37 capabilities outlined in National Preparedness Guidelines and Target Capabilities List, as long as they enhance the capability to prevent, protect against, respond to, or recover from acts of terrorism. Proposed Investments under the UASI program should focus on the National Priorities and the most urgent state/local priorities.

State Homeland Security Program (SHSP) - \$200 million

The State Homeland Security Program (SHSP) is a primary funding source for building homeland security capabilities that align with the National Preparedness Guidelines (NPG) at the state and local levels. States and localities use SHSP funds to build a wide range of homeland security capabilities. Most capabilities specific to terrorism are also applicable to large-scale natural disasters and public health emergencies. Grant allocations are based on an analysis of risk and effectiveness but each state is assured a minimum allocation. Projects funded under SHSP support building and sustaining capabilities at the state and local levels through planning, equipment, training, and exercise activities and helps states to implement the strategic goals and objectives included in state homeland security strategies.

In support of these efforts, there is also a suite of four targeted grant programs which support Transportation Infrastructure Protection. These programs are designed to enhance prevention and protection capabilities at the Nation's critical economic and transportation assets. Funding is allocated on the basis of DHS' assessment of the risk of terrorist attacks at key mass transit systems, port assets, and other key transportation infrastructure sites.

National Security and Terrorism Prevention -- \$110 million

The National Security and Terrorism Prevention program provides competitive grants that will support both capital projects and operational staffing proposals. Rather than rely on formulaic allocation and pass-through mechanisms, this program provides competitive grants to specific state and local agencies to support proposals which address national vulnerabilities identified by the Secretary as priorities. In 2009, the Secretary will invite states to submit project proposals to support REAL ID implementation and buffer zone protection for critical infrastructure. Final grant allocations will be determined competitively by the Secretary on the basis of how well proposals address these identified national vulnerabilities.

Transportation Infrastructure Protection Programs (IPP) -- \$405 million

Together, the IPP grants fund a range of preparedness activities, including strengthening infrastructure against explosive attacks, preparedness, planning, equipment purchase, training, exercises, security management, and administration costs. IPP programs support objectives outlined in the National Preparedness Guidelines and related national preparedness doctrine, such as the National Incident Management System (NIMS), National Response Framework (NRF), and the National Infrastructure Protection Plan (NIPP) and include:

The Port Security Grant Program (PSGP) at \$210 million provides grant funding to port areas for the protection of critical port infrastructure from terrorism. PSGP funds are primarily intended to assist ports in enhancing port-wide risk management capabilities, enhanced domain awareness, capabilities to prevent, detect, respond to and recover from attacks involving improvised explosive devices (IEDs) and other non-conventional weapons, as well as training and exercises. PSGP funds are allocated to the Nation's highest risk port areas to address priorities identified in NPG, the NIPP and the National Strategy for Maritime Security. The pool of eligible port applicants has been expanded to reflect the changes required by the SAFE Port Act, which states that all entities covered by an Area Maritime Security Plan may submit an application for consideration. PSGP funds support the development of an integrated risk-based decision-making process for each port area patterned after the risk management framework articulated in the NIPP. At the recommendation of the U.S. Coast Guard, in several cases, multiple port areas have been grouped together to reflect geographic proximity, shared risk and a common waterway.

The Public Transportation Security Grants Program (TSGP) request of \$175 million provides grant funding to support mass transit agencies within the Nation's key high-threat urban areas in their efforts to enhance security measures for critical transit infrastructure including bus, rail and ferry systems. This program also provides funding to Amtrak for continued security enhancements for intercity rail operations between key, high-risk urban areas throughout the United States. A risk-based approach is used to allocate TSGP funding to eligible mass transit and intra-city bus systems on a regional basis to address priorities identified in the National Preparedness Guidelines, the NIPP and the National Strategy for Transportation Security (NSTS), with particular focus on high-risk and high consequence transit systems.

The Over-the-Road Bus Security Grant Program request is for \$12 million and the purpose of this program is to create a sustainable program for the protection of intercity bus systems and the traveling public from terrorism, especially explosives and non-conventional threats that would cause major loss of life and severe disruption. Grants awarded under this program go directly to the owners and operators of fixed route intercity and/or charter bus services using over-the-road buses to address priorities identified in the NPG, NIPP, and NSTS. Grants are used to improve facility security in defined UASI jurisdictions, passenger and baggage screening, driver and vehicle security

along with enhancing emergency communication technology, coordination with local police and emergency responders, and training and exercises. Each of these funding priorities seeks to further enhance prevention and protection against terrorist activities and will greatly serve to assist with response and recovery efforts in the event of an attack.

The Trucking Security Program (TSP) request is for \$8 million and continues the Highway Watch® Program as a sustainable national program to enhance security and overall preparedness on the Nation's highways. TSP provides competitive grant funds for continued operations of Highway Watch® Program activities which include identifying and recruiting program

Response & Recovery Programs --\$215 million

The second major category of grants is the Response & Recovery Programs which includes two additional grant programs which provide resources to support preparedness projects that build state and local capabilities to support the Response and Recovery mission area as outlined in the National Preparedness Guidelines, the Target Capabilities List, and National Strategy for Homeland Security of 2007. In FY 2009, FEMA requests \$215 million for Homeland Security Response and Recovery Programs, which includes Emergency Management Performance Grants (EMPG), and the Citizen Corps Program (CCP). The EMPG Program provides funds to support emergency management initiatives at the state and local level, and improve mitigation, preparedness, response, and recovery capabilities for all hazards. The Citizen Corps Grant Program (CCP) is the Department's grass-roots initiative to actively involve all citizens in hometown preparedness through personal readiness, training, and volunteer service.

The EMPG request of \$200 million helps states and urban areas achieve target levels of capability to sustain and enhance the effectiveness of their emergency management programs. The EMPG Program provides critical planning and staffing assistance to sustain and enhance state and local emergency management capabilities.

FEMA is requesting \$15 million for the Citizen Corps. This funding supports Citizen Corps Councils with efforts to engage citizens in personal preparedness, exercises, ongoing volunteer programs, and surge capacity response, in order to better prepare citizens to be fully aware, trained, and practiced on how to prevent, protect/mitigate, prepare for, and respond to all threats and hazards. This program provides funding by formula basis to all 50 states and 6 territories. Five years after 9/11, there are over 2,000 Citizen Corps Councils reaching 73 percent of the population and operating in all 50 states and six U.S. territories.

In addition to these two programs, the Grant Programs Directorate also supports state and local response and recovery capabilities by administering direct grants to the Nation's fire departments for equipment, training, and fire prevention activities through the Assistance

to Firefighters Grant Program (AFG). AFG is detailed separately under the Assistance to Firefighters Grants request justification.

Assistance to Firefighters

The Assistance to Firefighters Grant (AFG) Program is requesting \$300 million and awards these grants directly to fire departments and non-affiliated emergency medical services (EMS) organizations throughout the United States to support one-year projects improving the effectiveness of the Nation's first-responders in homeland security, firefighting, and EMS operations. FEMA's Grant Programs Directorate administers the program, in cooperation with the U.S. Fire Administration. The entire AFG process is fully automated in an e-grant system which will in FY08 and FY09 become the single E-Grants platform for all FEMA non-disaster grants. Applicants apply on-line; grants are awarded electronically; grantees manage their grants (payment requests, amendments, etc.) on-line; and grants are monitored and closed out electronically.

In FY 2007, the Department received approximately 23,000 applications under the AFG program. Funding priorities for each of the funding activities are announced by DHS, based on the Department's National Preparedness Guidelines as well as recommendations from the Nation's fire service, as represented by nine major fire service organizations. In their applications, applicants have to demonstrate financial need, articulate the benefits to be derived from the grant funds, and provide details regarding the effect the grant would have on the applicant's daily operations. The grants are intended to supplement a fire department's or EMS organization's current budget rather than supplant it. To this end, grantees must agree to maintain expenditures in the selected grant category at the organization's average spending rate as determined by the previous two years.

SAFER

No funds are requested for the SAFER grant program in FY 2009. This request represents a decrease of \$190,000,000 from the FY 2008 enacted level. Staffing is one of the most significant issues a local department faces, but such staffing requires long term sustained support. The commitment to staffing must be long term at the local level because a firefighter's career can last 20 or 30 years. Short term, three years or less of federal grant dollars does not provide the long term stability required and fosters a dependence that is not in the best interest of the local community should the funding support ends. These are decisions each community in the nation makes every year. The Administration provides billions of dollars in annual support to train, exercise, and equip state and local public safety personnel, including firefighters, so that they are adequately prepared to respond to a terrorist attack or other major incident. A federally funded hiring program for firefighters risks replacing state and local funding for general purpose public safety staffing with federal resources, and therefore does not forward the common goal of enhancing national preparedness capabilities.

Other State and Local Support Programs -- \$145 million

FEMA also provides direct training, exercise and technical assistance support to our nation's first responders. In FY 2009, FEMA requests \$145 million for Other State and Local Support Programs, which includes the National Exercise Programs, Technical Assistance Program, Evaluations and Assessments, and State and Local Training Programs. This funding is in addition to the training support provided by the Emergency Management Institute, the National Fire Academy, and programs that are funded in the FEMA operating budget. These programs fall into the following categories of support.

Exercises -- \$40 million

Exercise programs continue to be a vital part of our nation's preparedness. The National Exercise Program oversees the Department's federal, state and local exercise programs, which includes the Top Officials (TOPOFF) exercise series. It is responsible for testing the capacity, at all levels of government, to effectively implement best practices, take corrective action on lessons learned, and deploy response plans and assets efficiently and effectively.

State and Local Training Programs -- \$79 million

FEMA, through its National Emergency Training Center campus in Emmitsburg, Maryland, the Center for Domestic Preparedness in Anniston, Alabama, the Naval Postgraduate School in Monterey, California, and the National Domestic Preparedness Consortium, our state and local training partners are training more and more first responders, healthcare officials and emergency managers each year. The State and Local Training Program manages part of the development of, and approves training to prepare emergency responders for a Weapon of Mass Destruction (WMD) terrorism event. This program identifies and addresses training needs of state and local communities and prioritizes those needs to facilitate the identification of existing and new funding for course development. This program also includes the Center for Domestic Preparedness—the only WMD training facility that provides hands-on training to civilian emergency responders in a toxic chemical agent environment—and the National Domestic Preparedness Consortium, which includes four training institutions which specialize in delivering CBRNE-related training to America's first responders. The request for these programs is \$79 million.

Technical Assistance (TA) Program -- \$10 million

The TA program request is for \$10 million and provides direct assistance to state, regional, local, and tribal jurisdictions to improve their ability to enhance their capabilities to prevent, protect against, respond to, and recover from major events, including threats or acts of terrorism. A primary objective of the program is to enhance the capacity of state and local jurisdictions, as well as special needs jurisdictions (e.g., port authorities and mass transit agencies) to develop, plan, and implement effective preparedness strategies for chemical, biological, radiological, nuclear, and explosive (CBRNE) incidents and other major events.

Evaluations and National Assessments -- \$16 million

Through Evaluations and Assessments, FEMA is working to implement a comprehensive system to measure the effectiveness of DHS programs, including HSPD-8 and the impact on our national readiness. Many of the measures in the National Preparedness Guidelines (NPG) will gauge the accomplishment of key milestones and events that will contribute to improved performance. The measures in the NPG all contribute to critical outcomes, and are most appropriately described as indicator measures of national preparedness. This program gathers, analyzes, and interprets national and program specific data. As the focal point for information collection and evaluation, this program reviews and assesses the execution of State Strategies against the supporting threat, vulnerability, and needs assessment data. This process requires close collaboration between our Preparedness and Grants Directorates. Our Assistant Administrator for the Grants Programs Directorate is developing the measurement process for determining grant programs return on investment and ensuring that the Preparedness Directorate can utilize the results for determination of overall preparedness.

End-to-End Capabilities-Based Analysis

Since 2003, the Department of Homeland Security has invested over \$23.7 billion dollars in funding to our state and local partners. There are many anecdotal pieces of evidence where this funding has provided much needed capabilities in our overall ability to prevent and protect against acts of terrorism. Many of our States have utilized this funding to build out and provide initial capabilities for fusion centers or to purchase area-wide port security systems.

The time has come to move beyond anecdotal evidence and to begin to assess the overall impact grant programs have. Starting this month FEMA is launching an initial effort to do just this task. Utilizing the Target Capabilities List (TCL) as a baseline unit of measurement we are beginning to look at the contribution individual investments in capabilities have had. As you might imagine, this is no small task, but one that must be accomplished in order to show the taxpayer a return on investment, and to ensure that we continue to invest in areas of greatest return. In the next couple of weeks, Ross Ashley will be briefing your staff on our plans.

FEMA is committed to continuing meeting our statutory deadlines within our grant programs. On February 1, 2008, for the first time, Secretary Chertoff and I announced over \$3 billion in first responder and preparedness grants within the statutory deadlines. FEMA is committed to continuing meeting our deadlines and continuing to streamline process across all of our grant programs to ensure this vital funding reaches our State and local partners in a timely manner.

How we administer these programs has undergone improvement as well with a focus being returned to core missions of preparedness and also grants management. In response to the Post-Katrina Emergency Management Reform Act of 2006 (PKEMRA), Preparedness transitioned into FEMA, resulting in the establishment of two new

directorates, the Grant Programs Directorate (GPD) and the National Preparedness Directorate (NPD) to allow that focus to be honed. The two directorates, along with all other directorates in FEMA, work together to support and guide the focus of the grants and to measure their effectiveness at meeting the national goals. Toward that end, we have focused on transitioning key grant programs and functions to the regions to establish the FEMA regions as primary liaisons to state and local partners. We now manage the financial and programmatic grant management functions for 49 grant programs constituting over 20 billion dollars in total grant funds. We support states/territories in creating more informative State Preparedness Reports with a focus on increased specificity in reporting enhanced levels of preparedness.

The establishment of FEMA's Grants Program Directorate will provide a one-stop shop for grants. The new office will help us to enhance fiduciary management as we standardize grants management policies, processes, reporting, and accountability across all FEMA grant programs.

We are releasing grant guidance earlier to allow applicants more time to plan and apply for funding, so we can award the funds sooner. We are continuing to emphasize customer service and interaction throughout the process, including providing a mid-term review. Funds are being directed to enhance specific outcomes in areas such as strengthening preparedness planning and IED attack deterrence, prevention, and protection capabilities.

Based on the Post Katrina Emergency Management Reform Act, the Department's regional offices will have an enhanced role in administering grant programs. This year alone, we are transitioning the grants management functions of three key programs to the regions. We have also stood up a grants management branch in all of our ten FEMA regions. As we move into 2009, grants management functions across more of our programs will transition to the ten FEMA regions.

When Congress passed PKEMRA, together we set a vision for what FEMA could become. But as the author and innovator Joel Barker said: "Vision without action is merely a dream. Action without vision just passes the time. Vision with action can change the world."

The budget we propose shows that President Bush, Secretary Chertoff and I are committed to vision with action. I know that you are committed, too. I look forward to working with you as we make the vision of New FEMA a reality.