



United States Government Accountability Office  
Washington, DC 20548

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May 22, 2006

The Honorable Judd Gregg  
Chairman  
The Honorable Robert C. Byrd  
Ranking Member  
Subcommittee on Homeland Security  
Committee on Appropriations  
United States Senate

The Honorable Harold Rogers  
Chairman  
The Honorable Martin Olav Sabo  
Ranking Member  
Subcommittee on Homeland Security  
Committee on Appropriations  
House of Representatives

*Subject: Homeland Security Assistance for Nonprofits: Department of Homeland Security Delegated Selection of Nonprofits to Selected States and States Used a Variety of Approaches to Determine Awards*

The fiscal year 2005 Department of Homeland Security (DHS) appropriation<sup>1</sup> set aside \$25 million, of the \$885 million appropriated for the Urban Areas Security Initiative (UASI), for grants to eligible nonprofit organizations that the Secretary of Homeland Security determined to be at high risk of international terrorist attack.<sup>2</sup> This letter responds to the conference report that directed GAO to review the validity of the threat and risk factors used by DHS to allocate discretionary grants to nonprofit organizations in fiscal years 2003, 2004, and 2005.<sup>3</sup> Based on our review of DHS's risk methodology for fiscal year 2006, the criteria in the fiscal year 2005 grant application kit, and conversations with your staff about the conference report, we addressed the following objectives: (1) DHS's methodology for determining risk for urban areas and the nonprofit grant program, and DHS implementation of the program; (2) states' efforts to implement the nonprofit grant program in fiscal year 2005, and (3) whether subgrants were made to nonprofits in fiscal years 2003 and 2004, when funds were not specifically set aside for

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<sup>1</sup> Pub. L. No. 108-334, 118 Stat. 1289, 1309 (2004).

<sup>2</sup> Nonprofits are those organizations described by 26 U.S.C. §501(c)(3).

<sup>3</sup> H.R. Conf. Rep. No. 109-241, at 65 (2005).

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nonprofits. On May 3, 2006, and May 8, 2006, we briefed your offices on the results of our review. This letter, and the accompanying slides, transmits information provided during those briefings.

## **Summary**

To implement the fiscal year 2005 nonprofit grant program, DHS used a two-tiered approach, first determining the urban areas in which nonprofits would be eligible to apply for the funds and then providing guidance to the states on how to allocate the funds to applicants. In the first stage, DHS determined that in the absence of information from federal law enforcement about risk to specific nonprofit organizations, those nonprofits that were located in the highest risk urban areas were most at risk of international terrorist attack. DHS used a model based on five factors to determine the urban areas that would receive fiscal year 2005 UASI grants and the grant amount for each area. Using this model, fifty urban areas were determined to be at high risk. Of those 50, the top 18—located in 13 states and the District of Columbia<sup>4</sup>—were selected to receive portions of the \$25 million set aside for nonprofit organizations (nonprofits in urban areas that did not receive a nonprofit allocation could still apply for subgrants from the State Homeland Security and UASI grant programs). The amounts allocated were based upon each area's contribution to the overall risk in the 18 areas. In the second stage of the process, DHS delegated to the states the authority to make subgrants to organizations, but required them to use six risk criteria provided by DHS to determine organizations at high risk of international terrorist attack. According to DHS, it made this delegation because it had no information about credible threats against nonprofits by international terrorist organizations, and it believed that state and local law enforcement might have credible information and that states and urban areas might be in a better position to assess threats within their areas. DHS then provided programmatic guidance to the states along with the six risk criteria that states were to consider in determining eligibility and selecting nonprofits for subgrants. These criteria addressed the three elements of risk—threat, vulnerability, and consequences. The criteria did not require actual threats against facilities within the United States. Individual awards were not to exceed \$100,000 and were for target hardening only. DHS retained responsibility for managing the grant program and for monitoring the awards it made to the states with the nonprofit funding.

The 13 states and the District of Columbia implemented the program using differing approaches. They interpreted the DHS guidance as providing flexibility in implementing the program. They used several approaches in working with their urban areas and required nonprofit applicants to provide varying amounts of risk-related information and organizational capacity information. The threat information provided by the nonprofit applicants varied in specificity and the degree to which it referred to threats from international terrorist groups; none provided reports of threats

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<sup>4</sup> The District of Columbia received funding for the National Capital Region (NCR). The District of Columbia, the counties of Montgomery and Prince George's, Md.; the counties of Arlington, Fairfax, Prince William, and Loudon, Va.; the cities of Falls Church, Manassas, Manassas Park, Fairfax, and Alexandria, Va., comprise the NCR.

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or attacks by international terrorist organizations against the specific facilities of the nonprofit applicants that were located within the United States. The vulnerability information included some professional assessments. Some applicants claimed proximity to critical infrastructure; others cited the presence of particular individuals as indications of vulnerability. Information on potential consequences generally related to the size of the organization and included number of employees or persons served as indicators of potential consequences. The states and urban areas generally relied on law enforcement to assess threat and vulnerability. Some of the states and urban areas developed formal methods for assessing the nonprofit organizations' risk and capacity to implement the proposed projects. About 400 awards were made, out of 600 applications. Most recipients were religious organizations. Medical and social services were the second and third largest categories. The average amount awarded was about \$62,000. State and urban area officials reported a range of views about target hardening for nonprofit organizations. For example, some stated that the subgrants met a need, but that nonprofits, relative to other critical infrastructure, were a comparatively low priority for funding, and most said they had not received inquiries from nonprofits about the availability of funding for target hardening prior to the fiscal year 2005 allocation. Others said that the \$100,000 limit on target hardening subgrants was insufficient to address need. Some officials also noted that target hardening funds were already allowable under the State Homeland Security and UASI grant programs and that a specific allocation for nonprofits constrained their ability to address the security issues of other types of organizations. Finally, officials reported that they generally lacked the capacity to conduct the type of vulnerability assessments needed to determine the relative risk to nonprofit organizations within their areas and that in implementing the nonprofit grant program, they needed additional guidance and support from DHS; implementing the program added additional unreimbursable administrative costs; and they varied in the degree to which they could determine that the program reduced the overall risk of terrorist attack to their area.

About 18 UASI subgrants were made to nonprofits in fiscal years 2003 and 2004. No funding was set aside specifically for nonprofits in the DHS appropriations for those years. Nonprofits were eligible for subgrants, but many states were unaware that they could make subgrants to nonprofits. The subgrants that were made to nonprofits were generally for citizen preparedness and capability enhancement for emergency response organizations. None were for target hardening.

### **Scope and Methodology**

To review the DHS methodology for determining risk for urban areas and the nonprofit grant program and the decision to delegate the selection of nonprofit subgrantees to the states, we interviewed officials and reviewed documentation from DHS. To address the remaining objectives, we interviewed officials from the 18 urban areas that received fiscal year 2005 nonprofit allocations; reviewed solicitations for applications; reviewed copies of applications, where available; interviewed officials from 17 additional urban areas that did not receive fiscal year 2005 nonprofit allocations; and reviewed DHS data and documentation. We assessed the reliability of the data and determined that it was sufficient for our purposes.

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We conducted our work in accordance with generally accepted government auditing standards from February 2006 through April 2006.

We provided the Department of Homeland Security with a draft of this report. It provided technical comments that have been incorporated into this report.

As agreed with your office, we will send copies of this report to relevant congressional committees and subcommittees and to the Secretary of the Department of Homeland Security. Copies of this report will also be made available to others upon request. In addition, this report will be available on GAO's Web site at <http://www.gao.gov>.

If you or your staff have questions regarding this report, please contact me at (202) 512-8757 or by e-mail at [jenkinswo@gao.gov](mailto:jenkinswo@gao.gov) or William Sabol at (202) 512-3464 or by e-mail at [sabolw@gao.gov](mailto:sabolw@gao.gov). Key contributors to this report were David Alexander, Frances Cook, Kathryn Godfrey, Daniel Kaneshiro, Doris Page, and Nettie Richards.

A handwritten signature in black ink, reading "William O. Jenkins Jr.", with a long horizontal flourish underneath.

William O. Jenkins Jr.  
Director, Homeland Security and Justice Issues

Enclosure—2

# Enclosure I: Fiscal Year 2005 UASI Nonprofit Allocations, Number of Applications and Nonprofit Grants Awarded

State	Urban area	Amount allocated to nonprofit organizations	Nonprofit organizations applying, awarded, and not funded				Amount of nonprofit allocation not awarded as of March 31, 2006
			Number of organizations applying	Number funded	Number not funded	Number of solicitations	
California	Anaheim	\$114,490	0	0	0	2	\$114,490
	San Francisco	935,551	7	6	1	2	394,141
	Los Angeles	3,750,000	88	46	42	1	0
	San Diego	320,885	8	6	2	1	0
District of Columbia	National Capital Region	4,500,000	38	37	1	2 <sup>c</sup>	1,706,527
Florida	Miami	402,110	28	18	10	1	0
Georgia	Atlanta	216,068	15 <sup>a</sup>	15	0	NA	0
Illinois	Chicago	3,000,000	41	38	3	2	73,000
Maryland	Baltimore	132,160	45	38 <sup>b</sup>	7	1	0
Massachusetts	Boston	2,075,000	43	25	18	1	0
Michigan	Detroit	516,028	6	6	0	1	0
New Jersey	Newark	181,298	8 <sup>a</sup>	7	1	NA	0
New York	New York City	6,311,701	203	113 <sup>b</sup>	90	1	0
Oregon	Portland	100,000	4	2	2	1	0
Pennsylvania	Philadelphia	1,347,598	76	29	47	1	0
Texas	Dallas	261,148	5	2	3	1	0
	Houston	681,984	13	13	0	1	0
Washington	Seattle	153,978	7	3	4	1	0
<b>Total</b>		<b>\$24,999,999</b>	<b>635</b>	<b>404</b>	<b>231</b>		<b>\$2,288,158</b>

Source: GAO analysis of DHS data and interviews with state and urban area officials.

<sup>a</sup>UASI regions selected applicants and awardees rather than issuing solicitations.

<sup>b</sup>Additional DHS funds were used to supplement the initial UASI nonprofit allocation to enable funding this number of applicants.

<sup>c</sup>Awards for the second solicitation had not been made at the time of our review.

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# Enclosure II: Presentation

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Homeland Security Assistance for Nonprofits: DHS  
Delegated Selection of Nonprofits to Selected States  
and States Used a Variety of Approaches to  
Determine Awards

Briefing to the Subcommittees on  
Homeland Security  
House and Senate Committees on  
Appropriations  
May 3, 2006 and May 8, 2006

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## GAO Directed to Study Risk Factors Used in Nonprofit Grant Program

- FY 2005 DHS appropriations act provided:
  - \$25 million of the \$885 million appropriated for the Urban Areas Security Initiative (UASI) grant program to be set aside for grants to eligible nonprofit organizations.
  - Eligible nonprofit organizations were:
    - Private, nonprofit, and tax-exempt as described by 26 U.S.C. § 501(c)(3).
    - Those the Secretary of Homeland Security determined were at high risk of international terrorist attack.
- No similar provisions for nonprofit organizations in FY 2003 or FY 2004 DHS appropriations.
- Conference Report 109-241 accompanying FY 2006 DHS appropriations directed GAO to study:
  - The validity of the threat and risk factors used to allocate discretionary grants, including a project-by-project analysis of grants to nonprofit organizations, in fiscal years 2003, 2004, and 2005.

## Objectives for This Briefing

- Based on our review of DHS's risk methodology for fiscal year 2006, the criteria in the fiscal year 2005 grant application kit, and conversations with your staff about the conference report, this briefing covers:
  - DHS methodology for determining risk for urban areas and the nonprofit grant program and the decision to delegate the selection of nonprofit subgrantees to the states;
  - States' efforts to implement the nonprofit grant program:
    - how states organized their efforts to identify and fund eligible organizations and what information they required from the applicants;
    - how many nonprofits applied and what information they provided about the risk of international terrorist attack;
    - how states and urban areas assessed the information provided and how many nonprofits were funded; and
    - officials' views about the fiscal year 2005 nonprofit grant program.
  - Whether subgrants were made to nonprofits in fiscal years 2003 and 2004 when funds were not specifically set aside for nonprofits.

Note: A subgrant is an award of financial assistance made under a grant by the grantee to an entity that is eligible to receive some or all of the grant funds.



## Scope and Methodology

- To determine DHS risk methodology and assess the delegation decision, we interviewed officials and reviewed documentation from DHS.
- To address the remaining objectives, we
  - interviewed officials from the 18 urban areas (in 13 states and the District of Columbia) that received fiscal year 2005 nonprofit allocations, including representatives from State Administrative Agencies (SAA), Urban Area Working Groups (UAWG), and the Urban Areas Security Initiative (UASI) program;
  - reviewed solicitations for applications;
  - reviewed copies of applications, where available;
  - interviewed officials from the 17 additional urban areas that received UASI funds in at least 1 fiscal year 2003-2005, but did not receive fiscal year 2005 nonprofit allocations; and
  - reviewed DHS data and documentation.
- We assessed the reliability of the data and determined that it was sufficient for our purposes.
- We conducted our work in accordance with generally accepted government auditing standards from February 2006 to April 2006.

Note: The District of Columbia received funding for the National Capital Region (NCR). The District of Columbia, counties of Montgomery and Prince George's, Md.; the counties of Arlington, Fairfax, Prince William, and Loudon, Va.; the cities of Falls Church, Manassas, Manassas Park, Fairfax, and Alexandria, Va., comprise the NCR.

Note: SAAs are the state administrative agencies responsible for allocating funds to the urban areas. Points of contact from local jurisdictions within the defined urban areas comprise the UAWGS, which are responsible for determining the eligibility and selection criteria for nonprofits in coordination with the SAA. 4

## For FY 2005, DHS Used a Two-Tiered Approach to Determine Risk to Nonprofit Organizations of International Terrorist Attack

- To implement the nonprofit grant program according to the FY 2005 appropriations act, DHS used a two-tiered approach:
  - Tier 1: DHS determined that in the absence of information from federal law enforcement about the risk\* to specific nonprofit organizations, those nonprofits that were located in the highest risk urban areas, as determined by its methodology for determining high-risk urban areas, were most at risk of international terrorist attack.
  - Tier 2: DHS delegated to states the selection of nonprofit organizations for subgrants located in the 18 highest risk urban areas and required that states use six criteria that it provided to them in determining risk to nonprofit organizations.
- DHS viewed its role under the FY 2005 appropriations act as one of allocating the \$25 million nonprofit set aside among urban areas on the basis of the overall risk of attack to these areas and to provide risk-related criteria to guide states in selecting nonprofit subgrantees.
- DHS provided guidance to states and retained responsibility for managing the grant program and for monitoring the awards it made to the states with the nonprofit funding.

\*DHS officials stated that, according to federal law enforcement and the federal intelligence community, there were no known credible threats against 501(c)(3) nonprofit organizations. Credible threat means information or knowledge derived from a source with direct access to sensitive information, having an established reporting record or whose past reporting has been corroborated by other sources and has or is capable of responding to collection taskings for information regarding terrorist plans, activities or intentions regarding an attack against the United States.

## Tier 1: DHS Used a Model Based on Five Variables to Determine FY 2005 UASI Locations and to Allocate the Funding for Nonprofits

- 50 of 303 urban areas were determined to be high-risk urban areas based on a model that used five variables to create an index of risk. Variables were:
  - Credible threat.
  - Law enforcement investigative and enforcement activity.
  - Presence of critical public and private infrastructure weighted by vulnerability of attack and consequences of loss.
  - Population and population density.
  - Existence of formal, written mutual aid agreements.
- Data analyzed included law enforcement data on threats, key assets, vulnerability, and loss assessments.
- Allocation of the \$885 million in UASI funds among the 50 areas was proportionate to each area's contribution to the overall relative risk index.

## Tier 1: Allocations to Nonprofits in 18 Areas

- In absence of information about specific threats to nonprofit organizations, DHS determined that the nonprofits in the highest risk urban areas were most at risk of international terrorist attack.
- 18 urban areas at highest risk of international terrorist attack, based on UASI allocation model, were selected to receive portions of the \$25 million set aside for nonprofit organizations (see encl. I).
- DHS limited the nonprofit funding to 18 areas to increase the dollar amount of awards.
- Nonprofits in urban areas that did not receive a nonprofit allocation could apply for funds from State Homeland Security and UASI grant programs.
- Method to allocate portions of the \$25 million nonprofit set aside among urban areas presumes that the risk to nonprofit organizations in different areas equals the overall risk to the urban areas:
  - Amounts for nonprofit grants allocated to each area were based upon each area's contribution to the overall risk to the 18 areas, as determined by the methodology used to identify the 50 highest risk urban areas in FY 2005.
  - DHS methodology for determining high-risk urban areas did not include specific measures for the presence of or risk to nonprofit organizations within urban areas.

## Tier 2: DHS Delegated to States the Selection of Nonprofit Subgrantees in the 18 Highest Risk Areas and Required States to Use Six Criteria in Determining Risk

- DHS delegated to the states the authority to make subgrants to organizations, but required them to use six criteria provided by DHS to determine organizations at high risk of international terrorist attack.
- DHS reasoned:
  - It had no information from federal law enforcement about credible threats against specific nonprofits by international terrorist organizations.
  - State and local law enforcement might have credible information about threats against nonprofits.
  - States and urban areas may be in a better position to assess threats within their areas because
    - States have their own homeland security strategies.
    - States know their own assets and localized threats better than DHS.
    - States are in a better position to work with state and local law enforcement officials to evaluate local risk to nonprofits.

## Tier 2: DHS Provided Programmatic and Risk-Related Guidance to the States for the Nonprofit Grant Program

- Guidance on the nonprofit grant program to states was in the fiscal year 2005 Homeland Security Grant Program guidelines and application kit, issued in December 2004.
- Programmatic guidance:
  - Funding to be made through the UASI program.
  - States to coordinate with their UAWGs to determine eligibility and selection criteria.
  - States required to issue solicitations within 60 days.
  - Subgrant awards limited to target hardening
    - DHS believed this to be consistent with purpose of the program—to deter and mitigate terrorist attacks.
  - Individual awards were not to exceed \$100,000.

## Tier 2: DHS Risk-Related Guidance (cont.)

- DHS provided six risk criteria that states were to consider in determining eligibility and selecting nonprofits:
  - Threats from U.S. Department of State designated international terrorist organizations against any group of U.S. citizens who operate or are principal beneficiaries or users of the nonprofit organization.
  - Prior attacks, within or outside the U.S., by international terrorist organizations against the nonprofit organization or entities associated with or similarly situated as the nonprofit organization.
  - Symbolic value (highly recognized national cultural or historical institution).
  - Role of the nonprofit organization in response to international terrorist attack.
  - Previously conducted threat and/or vulnerability assessments.
  - Increased threats to specific sectors and/or areas.
- Criteria address threat, vulnerability, and consequences elements of risk
- First two criteria did not require threats against nonprofit facilities within the United States
  - DHS viewed international threats and attacks against similar organizations or people as indicating the possibility of domestic attacks.

## States Used Different Approaches in Implementing the Nonprofit Grant Program

- Most urban area officials we contacted viewed DHS guidance as providing them with flexibility in implementing the program.
- States used several approaches in working with urban areas to develop criteria and make selections, including:
  - SAA and UAWG worked collaboratively in developing criteria and reviewing applications,
  - The UAWG reviewed applications and made funding decisions, or
  - SAA implemented the grant program without major UAWG involvement.
- 16 of 18 urban areas issued general solicitations; 2 solicited applications by invitation to specific organizations
- Some states required nonprofit applicants to provide risk-related information and some organizational capacity information:
  - Risk information requested included threat, vulnerability assessments, role of the nonprofit in responding to attacks, and prior efforts to enhance security.
  - Organizational capacity included project plan, management, and budget information.



## States Requested Varying Amounts of Detail about Risk and Capacity

- Amount of information requested ranged from relatively little to very detailed:
  - Little: Select which of DHS 6 risk criteria best apply to the applicant and provide a short narrative on how the funds would enhance the applicant's overall readiness in the event of a terrorist attack. Five of the 18 urban areas requested this information from nonprofits.
  - Detailed: Extensive description of the applicant's current security capabilities and planned upgrades; description of how each of DHS risk criteria apply, the role of the nonprofit in responding to international terrorist attacks, the potential consequences of an attack, detailed descriptions of threats and prior attacks against the organization, and examples of collaboration with law enforcement. Eleven of the 18 urban areas requested detailed information from nonprofits.

## Nonprofit Applicants Provided a Range of Risk Information: Threats Generally Covered Domestic Threats or Criminal Actions

- About 600 nonprofit organizations applied for target hardening funds:
  - Number of applications ranged from 0 (zero) in Anaheim to 203 in New York City;
  - 4 urban areas had not obligated entire nonprofit allocation, by the time of our review, and each of these areas issued a second solicitation for additional applicants. (See encl. I.)
- Threat information provided by nonprofit organizations varied in specificity and the degree to which it referred to threats from international terrorist groups:
  - Some threat information referred to criminal incidents at facilities, including vandalism and burglary;
  - Other threat information related to threats or attacks by terrorist groups against groups or persons in other countries that were similar or comparable to those served by the nonprofit; and
  - No reports of threats or attacks by international terrorist organizations against the specific facilities of the nonprofit applicants that were located within the United States.
  - Threat assessments generally covered domestic threats.

## Nonprofit Applicants Provided a Range of Risk Information: Vulnerability and Consequences

- Nonprofit organizations provided varying degrees of information about their vulnerability to attack:
  - Some provided professional assessments.
  - Some claimed proximity to critical infrastructure.
  - Some cited the presence of particular individuals as indications of vulnerability.
- Consequences of attack generally related to size and type of organization.
  - The total number of employees or persons served by nonprofits generally was given as an indicator of potential consequences of attack.
  - The type of service provided by the organization, for example, hospitals and other medical services, was also given as an indicator.

## States and Urban Areas Generally Relied on Law Enforcement to Assess Threat and Vulnerability

- Some state and urban area officials reported having limited capacity or limited need to conduct assessments and limited access to threat information:
  - Did not have the resources to conduct assessments of risk to a specific organization within the entire urban area;
  - Some had too few applications to necessitate making choices among applicants based upon their relative risk and funded all applicants with available funds; and
  - Some reported limited access to threat information.
- Officials in all but two states collaborated with law enforcement agencies to assess risk and threat information about nonprofit organizations and:
  - Sought assistance from local or state law enforcement or Joint Terrorism Task Force (JTTF) to assess applicants' threat and vulnerability information;
  - Relied upon independently conducted or ongoing threat assessments by law enforcement to determine organizations at highest risk; and
  - Officials in one state accepted the threat and vulnerability information reported by nonprofits as valid and in another, officials used information about nonprofit organizations' relationship with law enforcement agencies to make their assessment.

## Some States and Urban Areas Developed Formal Methods for Assessing Nonprofit Organizations' Risk and Capacity to Implement Projects

- Ten urban areas developed methods to score applications to be ranked based on their composite score on risk and capacity-related criteria:
  - Number of risk criteria scored varied.
  - Organizational capacity measures included: description of the organization, current efforts; the proposed objectives and project plan; budget and management.
  - Two urban areas funded all applicants and did not use the scoring systems that they developed.
  - Three urban areas used a scoring system to adjust the amount of funds given to applicants rather than to reject applicants who still presented a need.
- Two urban areas performed their own risk assessments to determine eligibility of nonprofit organizations and invited specific groups to request funding based on their assessments.

## Some States and Urban Areas Developed Formal Methods for Assessing Nonprofit Organizations Risk and Capacity to Implement Projects (cont.)

- Officials in other urban areas generally relied upon law enforcement officials to assess nonprofit organizations' risk:
  - In several urban areas, law enforcement agencies used their own information about threats to corroborate applicants' information.
  - In one urban area, the JTTF reviewed applicants and found that while none were at risk of international terrorist attack and none had been attacked, applicants' information about burglary and vandalism incidents was accurate.
  - In one urban area, the SAA planned to utilize the JTTF for assessing risk, but did not due to the low number of applicants.
  - In one urban area, law enforcement officials performed site visits of the applicants' facilities.

## Within Areas that Received an FY 2005 Nonprofit Allocation, about 400 Nonprofits Received Awards

- Within areas that received a nonprofit allocation in FY 2005, about 400 awards were made, ranging from 113 in New York City to 3 in Seattle (encl. I).
- Average amount of award was about \$62,000.
- Categories of recipients:
  - Most recipients were religious organizations.
  - Medical and social services were the second and third largest categories.
- Within the states that did not receive a specific allocation for nonprofit grants in FY 2005, only one (Nebraska) reported awarding subgrants to nonprofit organizations:
  - A total of \$216,779 of FY 2005 UASI funds were used to fund the Red Cross, United Way, and Citizen Corps (this amount is exclusive of the \$13,485,710 that was awarded to all States and territories specifically for the Citizen Corps Program), and these funds were for training, exercises, and medical kits, but not for target hardening.

## Within Areas That Received an FY 2005 Nonprofit Allocation, About 400 Nonprofits Received Awards (cont.)

- In the 10 urban areas that developed formal methods for assessing risk and capacity, 2 did not use their methods to score and rank applicants because they had sufficient funds within their nonprofit allocation to fund all applicants.
- In one urban area that did not develop a formal method for assessing risk and capacity, all applicants received the funds they requested.
- In three urban areas, the results from the scoring of applications were used to determine amounts of funding, as applicants with lower scores generally received less funding.
- In several urban areas, there were more qualified applicants than available funding.



## State Officials Reporting a Range of Views about Target Hardening Grants for Nonprofit Organizations

- Some state and urban area officials made the following comments on the need for target hardening subgrants for nonprofit organizations. Comments included:
  - The subgrants met a need, as some states had more qualified applicants than they could fund;
  - Relative to other critical infrastructure within urban areas, nonprofit organizations were a comparatively low priority for funding;
  - Some nonprofits had inquired about future funding. One official indicated that nonprofits had not expressed a need for target hardening prior to this grant program;
  - In some cases, the \$100,000 limit on target hardening subgrants per organization was insufficient to make improvements that could mitigate a terrorist attack; and
  - Target hardening funds are allowable under other grant programs and a specific allocation for nonprofits limited states' flexibility in addressing security issues of other types of organizations.

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## State Officials Reporting a Range of Views about Target Hardening Grants for Nonprofit Organizations (cont.)

- Officials also reported that they :
  - Needed, requested, but generally did not receive much additional guidance and support from DHS;
  - Implementing the program added additional and high administrative costs, not all of which were reimbursable; and
  - Varied in the degree to which they could conclude that the program reduced the overall risk of terrorist attack to their areas.

## Few UASI Subgrants Made to Nonprofits in Fiscal Years 2003 and 2004

- No funding for nonprofit organizations was set aside in the fiscal year 2003 and 2004 DHS appropriations.
- DHS issued guidance in June 2004 clarifying the eligibility of nongovernmental organizations, which included nonprofit organizations:
  - Many states were unaware that they could make subgrants to nonprofits.
- For fiscal year 2003: 1 state to about 12 hospitals; for fiscal year 2004, 3 states to 6 nonprofits:
  - Subgrants awarded to nonprofits generally were for citizen preparedness and capability enhancement for emergency response organizations.
  - Most subgrants identified as nonprofit in DHS's data system in FY 2004 actually were made to government agencies.
  - None were for target hardening.

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