

DEPARTMENT OF HOMELAND SECURITY

Office of Inspector General

A Review of the Assistance to Firefighters
Grant Program



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Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the Homeland Security Act of 2002 (Public Law 107-296) by amendment to the Inspector General Act of 1978. This is one of a series of audit, inspection, investigative, and special reports prepared by the OIG periodically as part of its oversight responsibility with respect to DHS to identify and prevent fraud, waste, abuse, and mismanagement.

This report is the result of an assessment of the strengths and weaknesses of the program, operation, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations, and a review of applicable documents.

The recommendations herein, if any, have been developed on the basis of the best knowledge available to the OIG, and have been discussed in draft with those responsible for implementation. It is my hope that this report will result in more effective, efficient, and/or economical operations. I express my appreciation to all of those who contributed to the preparation of this report.



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Abbreviations

AFG	Assistance to Firefighters Grant Program
CBRNE	Chemical, Biological, Radiological, Nuclear, and Explosive
CDC	Center for Disease Control, U.S. Department of Health and Human Services
DHS	Department of Homeland Security
EMS	Emergency Medical Services
FEMA	Federal Emergency Management Agency
FY	Fiscal Year
NFIRS	National Fire Incident Reporting System
NFPA	National Fire Protection Association
NOFA	Notice of Funds Availability
ODP	Office for Domestic Preparedness
OIG	Office of Inspector General
OSHA	Occupational Safety and Health Administration, U.S. Department of Labor
PA	Public Assistance
PPE	Personal Protective Equipment
U.S.C.	United States Code
USDA	United States Department of Agriculture
USFA	United States Fire Administration
SCBA	Self-Contained Breathing Apparatus
SHSGP	State Homeland Security Grant Program
TEP	Technical Evaluation Panel
WMD	Weapons of Mass Destruction

*Department of Homeland Security
Office of Inspector General*

Introduction

The Assistance to Firefighters Grant (AFG) program identifies fire departments that lack the tools and resources necessary to protect the health and safety of firefighting personnel and the public they serve, and provides direct financial assistance to meet these needs. Grants are awarded annually to eligible fire departments that most closely address the program's priorities, demonstrate financial need, and maximize the benefits to be derived from the grant funds. Under the Department of Homeland Security (DHS), the United States Fire Administration (USFA), a component of the Federal Emergency Management Agency (FEMA), administers the AFG program. In fiscal year (FY) 2003, Congress appropriated \$750 million for the program's implementation.

Results in Brief

USFA has taken prudent steps to determine basic needs to enhance fire service capabilities, establish program priorities, and develop specific eligibility and rating criteria. In addition, USFA has used many methods to inform, solicit, and educate eligible applicants about the AFG program, succeeded in achieving a balanced distribution of funding through a competitive grant process, and established an application review process that is equitable and dynamic.

There are opportunities, however, to enhance the program's overall effectiveness. Specifically, USFA, in coordination with FEMA's grants management office, needs to: (1) require greater detail to determine a fire department's financial need; (2) require applicants to declare other federal funding sources to avoid potential duplication of assistance; (3) promote mutual aid and regional approaches to enhance interoperability; (4) improve monitoring of grant recipients to ensure expectations and responsibilities are met; (5) develop performance measures to assess the program's long-term effect; (6) use needs assessment findings as an additional tool to define program priorities and eligibility criteria; and (7) clarify the distinction between the Fire Prevention and Safety program and the Fire Prevention program category of the AFG program.

A summary of USFA’s written comments in their entirety is included as appendix F. USFA accepted three of our recommendations, is taking initial steps towards implementing three additional recommendations, disagreed with three other recommendations, and deferred one recommendation to FEMA’s grants management office for resolution. The OIG evaluation of USFA’s written comments is included as appendix G.

Background

In 2001, FEMA, through USFA, was authorized under the Federal Fire Protection and Control Act of 1974 (the Act),¹ to administer the Assistance to Firefighters Grant (AFG) program. This program provides one-year grants directly to local fire departments to protect the health and safety of the public and firefighting personnel against fire and fire-related hazards. In addition, the Act gave USFA discretion to make grants to organizations that are recognized for their experience and expertise with respect to fire prevention or fire safety programs and activities, and to give priority to those programs that focus on the prevention of injuries to children.

The Act directed USFA to establish an office to administer the AFG program and set up criteria for the selection of grant recipients. Categories for which funding can be provided include the hiring and training of additional firefighting personnel, establishing wellness and fitness programs for firefighting personnel, modifying fire stations and fire training facilities, and funding emergency medical services provided by fire departments. At least five percent of funds are to be used for fire prevention, and the amount that can be spent on firefighting vehicles is limited to a maximum of 25 percent of appropriated funds. Also, volunteer and combination² fire departments are to receive a proportion of the total grant funding that is not less than the proportion of the United States population they protect.

Eligible applicants for the AFG program are limited to paid, volunteer, and combination fire departments that have a formal arrangement with a state, local, or tribal authority to provide fire suppression for a population within a fixed geographical area. A municipality or fire district may submit an application on behalf of a fire department when the fire department lacks the legal status to do so, such as where the fire department falls within the auspices of the municipality or district. When a municipality or fire district submits an application on behalf of a fire department, the fire department is precluded

¹ 15 U.S.C. 2201 et seq., as amended.

² “Combination” fire departments are fire departments that have both volunteer and paid firefighter personnel.

from submitting an application on its own. In addition, a fire department can apply for assistance for its emergency medical services unit, provided the unit falls organizationally under the auspices of the fire department.

Once submitted, all eligible applications are ranked using a scoring methodology based on AFG program priorities established annually by USFA. Applicants that best address the program's priorities score higher than applicants that do not address the established priorities. Applications that score the highest are deemed in the "competitive range" and receive a second level of technical review. Panelists evaluate the narrative portion of the application for the clarity of the proposed project, the financial need of the applicant, and the benefits that would result if the grant were awarded.

The Act mandates the distribution of funds between career applicants and combination career/volunteer applicants. USFA has developed procedures to ensure that either all volunteer firefighting personnel or combined volunteer and career firefighting personnel receive a portion of the total grant funding available that is not less than the proportion of the United States population they protect and serve. Throughout the evaluation process conducted by panelists, career applicants compete against other career applicants, while volunteer and combination applicants compete among each other for available funding. The maximum federal share for grant awards is \$750,000.

USFA, based on the recommendation of evaluation panelists, recommends applicants to be contacted by the FEMA grants management office. Grants management officials review the applications and use a standard checklist to ensure that each is reviewed in every critical area, such as cost reasonableness. Once completed, the grants management officials conduct a pre-award contact with the applicant to review requirements of the proposed grant and then make the formal award.

If selected, applicants must agree to:

- a 30 percent cost-share, if serving a jurisdiction with a population over 50,000, or ten percent, if serving a jurisdiction with a population less than 50,000;
- maintain operating expenditures for the one-year grant period in the area funded by the grant at a level equal to or greater than the average of the applicant's operating expenditures in the two fiscal years preceding the year in which the grant is received;
- ensure that all procurement actions are conducted in a manner that provides open and free competition;

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- submit six-month and close-out financial and performance reports; and
 - provide information to USFA's National Fire Incident Reporting System (NFIRS).³

Once grants are awarded, FEMA grants management officials assist USFA in the implementation of the AFG program by distributing awards, monitoring grant recipients, and facilitating award closeouts.

In FY 2001, approximately 1,855 grants were awarded in six grant categories totaling approximately \$92 million; Congress appropriated \$100 million. In FY 2002, approximately 5,314 grants were awarded in four grant categories totaling approximately \$334 million; Congress appropriated \$360 million. Congress appropriated a total of \$750 million to the AFG program for distribution in FY 2003 as well as in FY 2004.⁴

Purpose, Scope, and Methodology

Our review of the AFG program was designed to determine whether protocols and eligibility criteria have been established and observed in the evaluation and assessment of an applicant's basic needs to enhance the capabilities of the fire service as a whole. The OIG analyzed the following:

- Documentation pertinent to the AFG program, including program guidance, policy memorandums, grant criteria development meeting notes, Federal Register notices, grant applications and instructions, plans for application evaluations, technical evaluation protocols, Internet websites, and various news articles;
- Federal Fire Protection and Control Act of 1974 (15 United States Code 2201 et seq.);
- National Defense Authorization Act, Fiscal Years 2001, 2002, and 2003;
- Code of Federal Regulations Title 44—Emergency Management and Assistance, Part 152—Assistance to Firefighters Grant Program;
- *"A Needs Assessment of the U.S. Fire Service,"* a cooperative study by FEMA and the National Fire Protection Association, December 2002;
- *Protecting Our Nation - The Immediate Needs of America's Fire Service*, Annex to Third Annual Report to the President and the Congress of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction (Gilmore Commission Report), December 15, 2001;

³ NFIRS has two objectives: (1) to help state and local governments develop fire reporting and analysis capability for their use; and (2) to obtain data that can be used to assess more accurately and subsequently combat the fire problem at a national level.

⁴ Each fiscal year, USFA has been provided between three and five percent of appropriated funding to administer the AFG program.

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- Information contained in the Assistance to Firefighters Grant program computer system;
 - FY 2003 State Homeland Security Grant Program Guidance;
 - *Office of Justice Programs State and Local Domestic Preparedness Grant Programs*, Department of Justice, Office of Inspector General report, March 2002.

The OIG interviewed FEMA and USFA officials, including the USFA Deputy Administrator, and staff of USFA's National Fire Programs Division and FEMA's Financial and Acquisition Management Division. The OIG conducted telephone conference calls with nine of the ten USFA Regional Fire Program Specialists as well as with representatives from the International Association of Fire Chiefs, the National Volunteer Fire Council, the National Fire Protection Association, the International Association of Arson Investigators, the International Society of Fire Service Instructors, the North American Fire Training Directors, and the Congressional Fire Service Institute. The OIG obtained information from a representative of the International Association of Fire Fighters. The OIG also interviewed officials at the U.S. Department of Homeland Security, Office for Domestic Preparedness.

The OIG attended one AFG workshop for applicants for FY 2003, where USFA presented information on the program and the application process, and the OIG observed the first week of the FY 2003 technical evaluation of grant applications. The OIG did not conduct site visits of grant recipients. Our fieldwork was conducted from February 2003 to May 2003. This inspection was conducted under the authority of the Inspector General Act of 1978, as amended, and according to the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency, the association of presidentially appointed Inspectors General.

Program Goals, Priorities, and Grant Criteria are Prudently Developed

In FY 2001, USFA developed and implemented the AFG program within nine months. During this abbreviated period, in partnership with fire service organizations,⁵ USFA established grant evaluation criteria meeting legislative requirements; identified the highest needs of the fire service as a whole; marketed awareness, priorities, and goals of the program to the fire service; created, solicited, processed, and evaluated applications;

⁵ The following organizations participated in the development of the AFG program: International Association of Fire Chiefs; International Association of Fire Fighters; National Volunteer Fire Council; National Fire Protection Association; National Association of State Fire Marshals; International Association of Arson Investigators; International Society of Fire Service Instructors; North American Fire Training Directors; and Congressional Fire Service Institute.

and obligated funding. The Act allows discretion in funding eligible categories. Rather than attempt to fund all 14 eligible categories established by the Act, USFA initially selected six categories representing the highest needs of the fire service as program priorities. Fire departments, referred to as “applicants,” could submit applications for two of the following six program priority categories:

➤ **Training**

Training firefighting personnel in firefighting, emergency response, supervision and safety, arson prevention and detection, handling of hazardous materials, or training firefighting personnel to provide training in any of these areas. Training funds may be used to purchase training curricula, training equipment and props, training services, or to pay for attendance at formal training forums.

➤ **Wellness and Fitness**

Establishing and/or equipping wellness and fitness programs for firefighting personnel, including the procurement of medical services to ensure that the firefighting personnel are physically able to carry out their duties (purchase of medical equipment is not eligible under this category).

➤ **Firefighting Vehicles**

Acquiring additional firefighting vehicles, including fire apparatus or refurbishing apparatus currently owned.

➤ **Firefighting Equipment**

Acquiring additional firefighting equipment, including equipment for individual communications and monitoring (integrated communications systems are not eligible).

➤ **Personal Protective Equipment**

Acquiring personal protective equipment required for firefighting personnel by OSHA and other equipment needed by firefighting personnel.

➤ **Fire Prevention**

Establishing or enhancing a fire prevention program.

For each of the six grant program categories, USFA developed specific priorities and rating criteria in consultation with members of the fire service and representatives of fire service organizations. Applications, only available in paper for FY 2001, required applicants to answer general as well as activity-specific questions. The application narrative included a project description, an explanation of any budgetary expenses for

each category selected, a statement of information that demonstrated financial need for the assistance, and a brief analysis of the benefits to be derived from the funding request.

All applications were manually entered into a database and scored by computer using numeric rank order based on applicant responses to category specific questions. This scoring was used to determine which applications qualified for the “competitive range” and warranted a second level of review by a panel of peer evaluators.⁶ Applicants that best addressed the category specific questions in relation to the established program priorities had a significantly higher probability of having their application deemed in the competitive range. There were two factors that determined whether applications were deemed in the competitive range: numeric rank order and available funding. USFA attempted to panel applications for approximately double the amount of available funding.

Scores were based on proposed uses that would result in the greatest benefit. For example, in the Training category, a higher program priority was given to the direct delivery of training than to the purchase of training materials and equipment. Applicants that focused on direct delivery of training, therefore, received a higher competitive rating. In addition, the funding of basic firefighting training was believed to have a greater cost benefit than funding more specialized training. Applicants that focused on basic firefighting training, accordingly, received a higher competitive rating. Applicants that focused on statutorily required training also received a higher rating than non-mandatory or strictly voluntary training. Finally, applicants that focused on projects that benefit the highest percentage of personnel within their fire department or that would be open to other departments in their region were rated higher than those that did not. (A complete list of FY 2001 program priorities and rating criteria is presented in Appendix A.)

USFA, in FY 2001, targeted allocated funding to each of the selected program categories in order to expedite processing and make the full implementation of the new AFG program possible within the nine month period. As a result of declaring specific funding levels for each category, USFA made awards to fulfill the targeted funding levels for categories with fewer submitted applications at the expense of other more compelling applications for other categories with a higher number of submitted applications. Recognizing this deficiency, USFA decided not to target allocated funding to AFG program categories after FY 2001.

⁶ Panels that evaluate the merits of AFG program applications are comprised of members from the fire service and representatives of fire service organizations.

In FY 2001, USFA received 31,295 grant applications from 18,915 applicants. The total funding requested was approximately \$3 billion. Of the 7,500 highest scoring applications that were deemed in the competitive range, 1,855 grants totaling approximately \$92 million were awarded.⁷ The awards made by grant program category for FY 2001 are summarized below.⁸

Categories	Number of Awards	Percentage of Total Awards	Amount of Awards
Training	160	6%	\$5,199,356.48
Wellness & Fitness	168	9%	\$8,256,720.15
Vehicles	208	22%	\$20,412,605.57
Fire Prevention	209	10%	\$9,071,484.60
Fire Fighting Equipment	404	16%	\$14,919,463.89
Personal Protective Equipment	706	37%	\$34,136,809.27
TOTAL	1,855	100%	\$91,996,439.96

USFA, in consultation with members of the fire service and representatives of fire service organizations, assessed the program’s implementation, the application, and the evaluation processes at the end of FY 2001. As a result, some perceived program barriers were changed. For FY 2002, in addition to USFA’s no longer targeting allocated funding, applicants were: (1) afforded only one application; (2) limited to four eligible program priority categories, instead of the six of FY 2001; and (3) allowed to apply for a number of related “activities” to address needs within one of the program priority categories.

In FY 2002, applicants could submit only one grant application for one of the four following program priority categories:

- **Fire Operations and Firefighter Safety Program**
Eligible activities are training, wellness and fitness, firefighting equipment, and personal protective equipment.
- **Fire Prevention Program**
Eligible activities include public education and awareness activities, fire codes enforcement activities, fire inspector certifications, purchase and installation of smoke alarms and fire suppression systems, and arson prevention and detection activities.

⁷ Report on Assistance to Firefighters Grant Program for FY 2001, October 9, 2001.

⁸ Data provided by USFA AFG program office, of FY 2001 grant recipients, excludes data from the Fire Prevention and Safety program.

➤ **Emergency Medical Services Program**

Eligible activities, for fire-based EMS units, are equipment and training. Vehicles, such as ambulances, are not eligible in this category.

➤ **Firefighting Vehicles Acquisition Program**

Eligible apparatus include, but are not limited to, pumpers, brush trucks, tankers, rescue vehicles, ambulances, quints, aerials, foam units, and boats.

Program priorities and specific rating criteria for each grant category were similar to FY 2001. Applicants submitted electronic applications via USFA's Internet website and answered a series of questions designed to provide general information about themselves and their community. Depending on the program and activities requested, applicants also answered a series of activity-specific questions. The applications were numerically ranked based on their responses to these questions. When applying for more than one activity in a selected program category, each activity was scored separately, and prorated based on requested funding levels. For example, if an applicant applied under the Fire Operations and Firefighter Safety program category for \$8,000 in training and \$2,000 in firefighting equipment, the training portion of the proposal represented 80 percent of the score and the firefighting equipment acquisition represented 20 percent of the score. The number of activities included in an application did not provide applicants with either an advantage or disadvantage in the evaluation process.

Applicants who addressed program priorities scored higher than applicants who did not address the priorities. Applications scoring the highest were determined to be in the competitive range and qualified for review by technical evaluation panelists.⁹ These panelists evaluated the narrative of each application, as well as the responses to the general and activity-specific questions. Applicants provided details on activities proposed for funding and a budget detailing each activity in the narrative portion of the application. The narrative also described the financial need of the applicant, and elaborated on the benefits derived by the applicant and the community.

For FY 2002, of 19,595 applications totaling approximately \$2.2 billion in total project costs, 9,200 were determined to be in the competitive range and were reviewed by technical evaluation panelists. As of January 27, 2003, 5,314 grants totaling approximately \$335 million had been awarded. The number of applications received and awards made per grant program category are illustrated below.¹⁰

⁹ USFA examines the applications that were determined to be in the competitive range before the technical evaluation panelists evaluate them in order to ensure the likelihood of achieving funding parameters established by the Act.

¹⁰ FY 2003 Assistance to Firefighters Grant Program Workshop at the National Emergency Management Training Center, March 26, 2003, for applications, and USFA AFG program office, March 2003, for awards and award amounts, excludes data from the Fire Prevention and Safety program.

Categories	Number of Applications	Number of Awards	Percentage of Total Awards	Amount of Awards
Fire Operations & Firefighter Safety Program	11,527	4,732	89%	\$281,523,796
Fire Prevention Program	504	215	4%	\$10,927,059
Firefighting Vehicles Acquisition Program	7,165	314	6%	\$39,099,565
Emergency Medical Services Program	398	53	1%	\$3,069,736
TOTAL	19,595	5,314	100%	\$334,620,156

USFA assessed the application and evaluation processes at the end of FY 2002. As a result of integrating lessons learned from FY 2001, the FY 2003 program mirrors that of FY 2002 with only minor changes. All the program areas and activities available in FY 2002 are eligible for funding in FY 2003 under the same four categories. In addition, Modifications to Fire Stations and Facilities were incorporated in Fire Operations and Firefighter Safety program category, and the Wellness and Fitness Activity was added under the Emergency Medical Services program category.

In addition, feedback from fire service members and representatives of fire service organizations on previous AFG programs suggested realistic priorities for funding should be based on the type of applicant and community served. As a result, with the FY 2003 program, USFA classifies applicants as rural, suburban, or urban. This designation allows for a better comparison of needs, especially in the Firefighting Vehicles Acquisition program category and, to a lesser extent, in the Fire Operations and Firefighter Safety program category.

In FY 2003, 20,131 applications were received requesting approximately \$2.5 billion in funding.¹¹ Of these, 15,000 were determined to be in the competitive range and were evaluated by technical evaluation panelists. The number of applications received by program category and the total funds requested is summarized below.

Categories	Number of Applications	Percentage of Total Applications	Total Funding Requested
Fire Operations & Firefighter Safety Program	13,884	69%	\$1,405,918,614
Fire Prevention Program	429	2%	\$30,343,798
Firefighting Vehicles Acquisition Program	5,602	28%	\$1,053,373,989
Emergency Medical Services Program	216	1%	\$17,132,832
TOTAL	20,131	100%	\$2,506,769,233

The AFG program is only in its third year. Based on the actions discussed above and our interviews and review of source documents, the OIG concludes that USFA succeeded

¹¹ Data provided by USFA AFG program office, May 28, 2003.

in its efforts to determine the basic needs to enhance fire service capabilities, establish program priorities, and develop specific eligibility and rating criteria. During the course of our review, the OIG found the program staff to be dedicated and enthusiastic about the program. The OIG makes no recommendations regarding these features of the AFG program.

Application Solicitation is Adequate, Grant Process is Competitive, and Application Review is Equitable

USFA has used many methods to inform, solicit, and educate eligible applicants; succeeded in achieving a balanced distribution of funding through a competitive grant process; and, established an application review process that is equitable and dynamic.

Application Solicitation is Adequate

USFA, in FY 2001 and FY 2002, published a notice of interim final rule making in the Federal Register establishing guidance and outlining the goals and priorities of the AFG program. Regulations and program guidance have been developed to inform applicants of the application process, program priorities, and criteria used in making awards. Also, USFA disseminated information regarding the program and availability of funds through numerous press releases to the public, broadcasts on the Emergency Education NETwork,¹² e-mails to those subscribed to the USFA e-mail list, and made announcements to members of the fire service and fire service organizations.

Until FY 2003, USFA could publish only an interim final rule and implementing regulations because the program was in development. For FY 2003, however, USFA published a final rule that provided program guidance. In addition, the program's priorities were restated in a Notice of Funds Availability (NOFA) published in the Federal Register. Officials anticipate publishing a NOFA in subsequent years while the final rule will remain in effect.

In addition, before and during the application period, USFA offered a toll-free telephone number for technical assistance manned by knowledgeable personnel. USFA established an Internet based e-mail capability to answer questions and address concerns about the program, application, and eligibility criteria. Also, AFG program specialists conducted

¹² The Emergency Education NETwork is a satellite-based distance learning system used by FEMA to bring interactive training programs and information to communities nationwide.

approximately 316 applicant workshops throughout the United States for FY 2003. A workshop presentation was available over the Internet for applicants unable to attend in person.

For FY 2002 and FY 2003, eligible applicants were able and encouraged to make application for the AFG program grant funds online using USFA's "e-grants" application process, which is accessible from the USFA Internet website. The AFG system was designed and developed as a two way grants and program management interface to handle every phase of grants and program management from application intake, application processing, obligation of grant funds, monitoring and reporting, to grant closeout. Although paper applications were allowed, fewer than 70 paper applications were submitted for both years.

The AFG system allows an applicant to log in, create a user name, password, and prepare an application. The online application includes general questions about each applicant, the community served, proposed grant project, and includes an electronic version of various federally approved grant forms. The application can be saved and retrieved as needed during the preparation process. Once the application has been submitted, however, it cannot be changed.

In FY 2002 and FY 2003, automated applications with built-in "help screens" and "drop-down menus" were used to assist applicants throughout the application process. Another feature of the 2002 and 2003 AFG system is that it does not allow an applicant to submit an incomplete application, as the system alerts the applicant when required information has not been provided. Additionally, by submitting applications online, the applicant is automatically notified, via e-mail by USFA, when the application is received.

The OIG believes USFA has used many avenues to inform, solicit, and educate eligible applicants about the availability of the AFG program and that program goals, priorities, and eligibility criteria are clearly stipulated. In our assessment, applicants have sufficient information to understand the expectations necessary to prepare a grant application.

Grant Process is Competitive

The AFG program is a competitive grant process open to all applicants who meet USFA's definition of an eligible paid, volunteer, or combination fire department. The grants are awarded to applicants who best address program priorities, demonstrate financial need, and maximize the benefits to be derived from the grant funds.

Each year, applicants may apply for funding even if they received previous AFG program awards. USFA officials said the rationale for allowing applicants to apply each year is that needs may not have been addressed adequately with previous funding. For example, in FY 2001, an applicant may have applied for two grants, one in the Personal Protective Equipment program category to purchase “turnout gear” and another in the Training program category to learn basic firefighting techniques. However, USFA may have awarded only one grant for the actual purchase of the equipment. USFA will consider new requests by previous grant recipients and will take into account performance on prior grant awards when making final funding decisions on current applications.

Throughout the panelist evaluation process, career applicants compete against other career applicants, and volunteer and combination applicants compete among each other for the available funding. Even though there are three different types of applicants, there are two applicant categories: (1) career; and (2) volunteer and combination. Program legislation mandates a minimum funding level for combination/volunteer departments. Although the Act does not mandate minimum funding of career departments, USFA has developed procedures to ensure that either all volunteer and combined firefighting personnel or career firefighting personnel receive a portion of the total grant funding available that is not less than the proportion of the United States population they protect and serve. These proportions are derived each year from most recent survey data conducted by the National Fire Protection Association. In FY 2002, the proportion was up to 45 percent for career applicants and at least 55 percent for volunteer and combination applicants. In FY 2003, it is up to 46 percent for career applicants and at least 54 percent for volunteer and combination applicants.

The primary basis for award decisions is competitive using rank order.¹³ USFA might deviate from rank order, however, to ensure adequate distribution of awards among the three types of applicants and communities with different characteristics (urban, suburban, or rural), as well as an equitable geographic distribution.¹⁴ In addition to USFA’s discretionary decision to use rank order, the Act mandates that USFA devote at least five percent of the available funding to fire prevention grants. It may be necessary to modify rank order to select a sufficient number of awards to comply with this requirement. In addition, USFA may not award grants for vehicles in excess of 25 percent of available funding. Once this limit is reached, USFA must deviate from rank order with respect to the remaining requests to fund vehicles.

The OIG analyzed information on all FY 2002 grant applications and awards to determine the amount of funding requested, funding awarded, type of applicant, type of program,

¹³ Applications are ranked from highest to lowest according to their average score awarded by technical evaluation panels.

¹⁴ USFA uses a state as the basic geographic unit or boundary.

and the geographic distribution of funds awarded and grant recipients. (See Appendices B and C.) Our analysis shows that there was a balanced distribution of funding to volunteer and combination applicants or career applicants. The demographic distribution of funding did not appear to favor any state or type of applicant.

Two Levels of Application Evaluation Is Equitable

In selecting applications for award, each application is evaluated for eligibility based on the program priorities. During this first level of review, applications are evaluated electronically based upon responses to activity-specific questions and assigned a numeric score. Applications that address program priorities and are deemed in the competitive range advance to a second level of review. Applications that are not deemed in the competitive range do not advance.

The second level of review is conducted using technical evaluation panels (TEPs), comprised of members from the fire service and representatives of fire service organizations, who manually assess and evaluate the merits of each application.¹⁵ The involvement of these organizations during this level of review as well as during the development, evaluation, and modification of the AFG program eligibility criteria and program priorities is an inherent strength of the program. The knowledge of the members of these fire service organizations not only benefits USFA in the effective and efficient administration of the program, but also affords applicants an impartial review of the merits of their applications by the collective experiences of peers in assessing and addressing their needs and capabilities.

By the end of April each year, USFA convenes TEPs to review applications that are deemed to be competitive. Each member of the TEPs must sign and affirm a conflict of interest statement and agree to withdraw from the evaluation of an applicant with which the member might have affiliation. TEPs review the entire application, with particular attention to the narrative section, to determine whether the application demonstrates effectiveness in achieving the protection of the health and safety of the public and firefighting personnel against fire and fire related hazards.

TEPS are provided guidelines to use when evaluating the following three elements of each application narrative: clarity of the proposed project, including budget detail;

¹⁵ Each fiscal year, USFA uses a portion of program administrative costs to cover the travel and lodging expenses incurred by TEPs. TEPs volunteer their time and services to review AFG program applications.

financial need; and, the benefits that would result if the grant were awarded.¹⁶ The TEPs consider all expenses budgeted, including administrative and/or indirect, as part of their cost benefit review. Each application is reviewed in its entirety and compared against established evaluation criteria, not against other applications. At least three members of the TEPs independently score the three elements of each narrative, consider answers to the general and activity-specific application questions, and discuss the merits/shortcomings of the application in order to reconcile any major discrepancies; however, a consensus on the score is not required. The scores of the TEPs are added together, then divided by the number of members evaluating the application to arrive at the final score.

Applications are ranked, starting with the highest numeric score. The highest scoring applications are then reviewed by USFA to resolve any questions or outstanding issues the TEPs might have raised. After reviewing the applications, USFA takes into account the Act's legislative requirements, funding for specific program categories, and the geographic distribution of funds. This process is traditionally completed by early June each year.

The OIG observed the TEP review process for the FY 2003 grant applications and believe reasonable efforts are made to conduct the evaluation of applications without bias or favoritism and that the process appears fair, consistent, and, most importantly, responsive to the particular needs of the applicant in relation to program priorities. The approach applied to develop and implement the AFG program offers the potential to enhance the program's overall effectiveness because members of the firefighting community conduct the application evaluation.

Opportunities Exist to Enhance Program Effectiveness and Capabilities

Even though the AFG program has been prudently developed and directed, and appears to be addressing the basic needs and capabilities of the fire service as a whole, there are ways to enhance the program's overall effectiveness.

¹⁶ Each element carries equal weight when factored into the final application score.

Greater Detail is Required to Demonstrate Financial Need

According to the program guidance, the narrative of the application should not only provide the details of activities that an applicant proposes and the benefits that will be realized from the expenditure of grant funds, but should also describe financial need.

The FY 2002 and FY 2003 AFG program guidance and applications instruct applicants that the program narrative must demonstrate their financial need for assistance and explain why the proposed project cannot be funded solely through local funding or their own resources. No further instructions, details, or examples are provided in the program guidance and applications. As a result, applicants present a varying level of detail when attempting to demonstrate adequately their financial need. In the narrative statements of the FY 2002 applications, some applicants demonstrated financial need by discussing components of their annual operating budgets. For example, one applicant wrote, “The budget for our fire department is \$2.7 million, of which 93 percent is for personnel services. The remaining 7 percent (\$189,000) is used for all other operating expenses, including vehicle repair and repairs and maintenance of two fire stations, utilities, and fire equipment. The town is also very reluctant to fund any items not specifically required by law.” Many other applicants, however, provided limited financial information, if any at all, when demonstrating financial need. For example, one applicant wrote, “State and local funds are few and far between.”

Currently, TEPs assess an applicant’s financial need based on a comparison of responses to specific application questions pertaining to the applicant’s budget against demonstration of financial need provided in the narrative. In both the FY 2002 and FY 2003 AFG program applications, there are two required questions that address an applicant’s operating budget: “*What is the percentage of your annual operating budget that is dedicated to personnel costs?*” and “*What percentage of your annual operating budget is derived from: Taxes? Grants? Donations? Fund Drives?*” An additional question was added to the FY 2003 program application: “*What was your department’s estimated average operating budget over the last three years?*” While the answers to these three questions might give some indication of an applicant’s financial need, additional budget information is required to enable the TEPs to conduct a more complete analysis of financial need.

For example, by answering these three questions, an applicant might report that its average operating budget from a combination of taxes and donations is \$400,000 and 75 percent (\$300,000) is dedicated to personnel costs. To score the application equitably, however, TEPs need an understanding as to the use of the remaining 25 percent (\$100,000). The lack of specific details about an applicant’s budget invites interpretive

speculation and can result in inequities in scoring. As an illustration, while two separate TEPs may both agree that an applicant's narrative statement like, "*Our fire department can't afford this piece of equipment,*" does not adequately demonstrate financial need, one TEP group might give the application a score of "0" for demonstration of financial need, while another TEP group might give a score of "60." Both TEPs score the application at a level they believe reflects the applicant's inability to demonstrate financial need adequately; however, the differences in scoring causes the overall scores to differ significantly.

USFA officials stated that when developing the AFG program they debated what information applicants should be required to supply to demonstrate financial need. Although they considered collecting the past two budgets of applicants, USFA and FEMA grants management officials rejected the idea because they wanted to keep the application process as simple as possible. Currently, however, unless applicants give specific details about their operating budgets in the application narrative, it is difficult for TEPs to obtain a true sense of an applicant's financial need. If future applicants are required to submit details about the components of their operating budgets from the past two years, a better demonstration of financial need will be presented and the TEPs could complete a more detailed analysis resulting in less subjectivity during the scoring process.

In addition to a better demonstration of financial need, collecting detailed information on operating budgets will provide USFA and FEMA grants management officials with the necessary information to ensure that grant recipients are complying with the Act's "maintenance of operating expenditures" requirement upon receiving a grant. Under this requirement, applicants must agree to maintain operating expenditures for the one-year grant period in the areas funded at a level equal to or greater than the average of their operating expenditures in the two fiscal years preceding the year in which the assistance is received. Because applicants are not required to provide their past two-year budgets, USFA is unable to determine whether grant recipients are maintaining operating expenditures and complying with the statute. USFA and FEMA grants management officials recognize that this is a deficient area and, as a result, have drafted a statement of work for the purpose of accomplishing the following tasks through an independent contractor:

- A clarification description will be developed to define the meaning of "maintenance of operating expenditures" and how to apply it to meet Congressional intent;
- USFA and FEMA grants management officials will assess a statistically representative sample of FY 2001 and FY 2002 grant recipients in order to ascertain and document

grant recipient abilities to adhere to the maintenance of operating expenditures requirement;

- Using the results of the audit, USFA and FEMA grants management officials will develop monitoring questions and/or a questionnaire to provide the necessary monitoring tools for future desk reviews and site visits specifically to address the maintenance of operating expenditures requirement.

Successful completion of the tasks described above coupled with requiring greater budgetary detail on the applications should afford USFA and FEMA grants management officials the means to validate compliance with the “maintenance of operating expenditures” requirement.

Recommendation

The OIG recommends that the Administrator of the U.S. Fire Administration:

1. Require AFG program applicants to provide detailed information on their operating budgets from the previous two years. This would allow TEPs to conduct a more complete analysis of financial need and would provide the means to validate grant recipients’ compliance with the Act’s “maintenance of operating expenditures” requirement.

Declaration of Other Federal Funding Sources is Essential

USFA will not provide assistance under the AFG program for activities for which another federal agency has provided assistance. In addition, when providing assistance, USFA must ensure that duplication of benefits does not occur between its assistance programs and assistance programs provided by other federal agencies. Currently, there are several other federal grant programs that have the potential to duplicate activities and items funded under the AFG program. For example, there are 113 distinct items authorized for funding under DHS Office for Domestic Preparedness (ODP), State Homeland Security Grant program¹⁷ that are also authorized for funding under the AFG program. These items are in the areas of personal protective equipment, interoperable communications equipment, detection equipment, and decontamination equipment. A complete list of equipment is shown in Appendix D.

¹⁷ The State Homeland Security Grant Program provides funds for specialized equipment to help fire departments, law enforcement agencies, emergency medical services, hazardous materials response units, and other emergency response agencies in all 50 states and U.S. territories to better respond to incidents of domestic terrorism.

When completing the AFG program application, applicants have the option to answer the following question that would indicate potential duplicate benefits: *“This fiscal year, are you receiving federal funding from any other grant program for the same purpose for which you are applying for this grant?”* If an applicant chooses to answer this question, they have the option of answering “yes” or “no.” While most applicants answer “no,” some applicants choose not to answer the question. Of the FY 2002 AFG program applicants, 84 chose not to answer the question. Of these 84 applicants, 17 (20 percent) were awarded grants totaling approximately \$634,500 and potentially were recipients of duplicate benefits. In addition, some applicants answered “yes.” Of the FY 2002 applicants 83 that answered “yes,” 27 (33 percent) were awarded grants totaling approximately \$2,400,000. Each of these 27 grant recipients, with the exception of one, was awarded the full amount requested in their application. Using a Completeness Review Checklist, FEMA grants management officials review applications for completeness. While they may follow up on applicants who answer “yes” during the completeness review, there is no specific question on the Completeness Review Checklist that requires FEMA grants management officials to obtain more information from applicants about other federal funds received. Therefore, those 27 grant recipients that answered “yes” may also be recipients of funds that potentially duplicate AFG program grants. While these statistics might appear insignificant, the OIG believes the potential for duplication will grow as funding from other first responder grant programs increases.

As a result of the Federal Financial Assistance Management Improvement Act of 1999, the Office of Management and Budget proposed a policy requiring all federal agencies to use a common identifying number for all federal grant applicants and grantees. The process of using a common unique identifying number would allow all federal agencies to track an applicant or a particular grant or grantee throughout the entire lifecycle of an award. In addition, a universal identifier would make it easier to identify potential duplicate benefits. Until such a process is developed and successfully implemented, however, applicants should be required to answer the question, now only optional, that seeks to identify a possible duplication of benefits. In addition, a question needs to be added to the Completeness Review Checklist to ensure the collection of detailed information about other federal funding from applicants answering “yes.” These two changes could aid in the determination of whether there is a duplication of benefits.

Recommendations

The OIG recommends that the Administrator of the U.S. Fire Administration:

2. Require AFG program applicants to answer the following question: *“This fiscal year, are you receiving federal funding from any other grant program for the same purpose for which you are applying for this grant?”*

The OIG recommends that the Under Secretary of the Emergency Preparedness and Response Directorate:

3. Add a mandatory question on the Completeness Review Checklist that will ensure FEMA grants management specialists validate other federal funding sources to ensure that those funds are not for the same purpose as the funds requested under the AFG program.

Mutual Aid Agreements and Regional Approaches Promote Interoperability

“Interoperability” within the fire service means having communications and related systems and firefighting equipment that are compatible with those of other departments. Having the ability to communicate and work together is a critical safety issue for the fire service and a significant factor in overall effectiveness.

According to the FY 2003 program guidance, applicants can demonstrate cost benefit in their narratives by describing how the grant award would (1) fit in with a regional approach, i.e., is consistent with the current capabilities and requests of neighboring fire departments or otherwise benefits other fire departments in the region; and (2) promote interoperability of equipment and technology with other fire departments and federal, state, and local first responders. In addition, during the FY 2003 program workshops, USFA informed applicants that projects promoting interoperability would be given priority.

Mutual aid agreements between fire departments contribute to the safety of emergency personnel and citizens by providing an opportunity for neighboring jurisdictions to assist in providing personnel and resources to overwhelmed counterparts during emergency situations. In addition to defining response team personnel and resources, creating and updating mutual aid agreements requires participating departments to have an awareness of one another’s personnel, equipment, and technological resources. As a result, mutual aid agreements can be an important mechanism to address equipment and communications interoperability.

Although some fire departments do not participate in mutual aid agreements, perhaps for territorial reasons, it is common knowledge among members of the fire service and representatives of fire service organizations that many fire departments have mutual aid agreements. Most of those agreements, however, are verbal. According to a small audience and limited study done by a USFA Regional Fire Program Specialist, of 99 surveyed fire departments in Delaware, Pennsylvania, Virginia, and West Virginia, 39

(39 percent) of fire departments do not have written mutual agreements.¹⁸ In addition, according to a survey conducted by USFA and the National Fire Protection Association (NFPA), most fire departments do not have written agreements to direct use of non-local response resources.¹⁹

The absence of a written mutual aid agreement may result in a lack of adequate planning and communication, which can prevent interoperability. Written mutual aid agreements between cooperating neighboring fire departments are devices to share information and plan and coordinate comprehensive resource interoperability.

The participation in written mutual aid agreements also allows for fire departments to receive federal disaster assistance from FEMA when the President declares a federal disaster. FEMA's Public Assistance (PA) program reimburses mutual aid agreement costs associated with emergency or disaster assistance only when the mutual aid agreement is in written form and signed by authorized officials of the agreeing parties prior to the disaster.

DHS is starting an initiative that will develop a National Incident Management System. This system emphasizes mutual aid across jurisdictional and geographic lines, centered on an incident command system across the nation. Regional written mutual aid agreements are the foundation of an integrated national incident response network that enables local, state, federal, and volunteer organizations to operate together without interruption. It stands to reason, therefore, that the AFG program should stress participation in written mutual aid agreements in concert with its priority on funding interoperable communications and firefighting equipment requests. Also, written mutual aid agreements would provide the foundation for assistance from FEMA.

Recommendation

The OIG recommends that the Administrator of the U.S. Fire Administration:

4. Give additional weight to AFG program applicants that have regional written mutual aid agreements.

¹⁸ "Mutual Aid Agreements: An All Hazards Tool to Community Risk Reduction," FEMA Region III Fire Program Specialist, March 2003.

¹⁹ USFA Website, *FEMA, USFA, and NFPA National Study Identifies Service Gaps in America's Fire Departments*, January 22, 2003.

AFG Monitoring of Grant Recipients Should be Enhanced

Both the USFA program and FEMA grants management officials have separate monitoring plans in place, make contact with grant recipients, and make limited site visits. These plans and efforts, however, can be improved to ensure that a greater number of AFG grant recipients meet grant terms and conditions.

FEMA Grants Monitoring

After USFA has approved an application for award, FEMA's grants management office contacts the applicant by telephone to verify information on the application. Using a Completeness Review Checklist, FEMA grants managers: (1) confirm the applicant still wants the grant award; (2) affirm the applicant has the required cost share or that a plan exists for obtaining the cost share; (3) confirm the applicant will report to NFIRS; (4) verify the point of contact; and (5) verify there is no history of suspensions or debarments and noncompliance with the Single Audit Act of 1984. Additional questions may be asked of the applicant based on comments provided by TEPs or USFA officials.

During the review process, grants management officials evaluate the entire application (using program guidance, Federal Register notices, regulations, etc.) and review the narrative and budget for vague, unsupported, or excessive costs that require documentation or further discussion. Should problems arise, FEMA grants management officials work with the applicant to obtain resolution. Once all outstanding issues have been satisfactorily resolved, applicants are informed of the grant award. After announcement, grant recipients must complete and return to FEMA Form 1199A (Direct Deposit), to facilitate the deposit of funds into the applicants' accounts. Once direct deposit is approved, grant recipients may request payment using the AFG system.²⁰ Prior to payment, the system verifies that grant recipients do not request more funding than authorized. Grant recipients are required to spend funds within 30 days of request.

Six months after award, recipients complete a semiannual financial performance report and explain the current status and progress made on the award, irrespective of whether funds have been requested or spent. An award must be used within one year of approval. Closeout may be accomplished at anytime after funds have been disbursed. To closeout the grant award, recipients send their final financial status report and performance report through the AFG system. These reports are reviewed to ensure conformity with the

²⁰ The AFG system, USFA's "e-grants" system, is a two-way grants and program management interface to handle every phase of grants and program management from application intake, application processing, obligation of grant funds, monitoring and reporting, to grant closeout.

original intent of the award and statement of work. Finally, AFG program officials will send a letter and e-mail to the recipient informing them that the award is closed.

Grants management officials are able to query the AFG system and run reports on recipients that have not submitted semiannual financial and performance reports. Internet e-mails are sent to applicants prior to the due date informing recipients of this requirement. Without timely submission of reports, USFA would not have the opportunity of using this report as an additional tool to assess whether funds are being used as intended by the grant award. The OIG analyzed FY 2002 data from the AFG system for all grant recipients in two grant tiers: (I) awards of \$200,000 and above, and (II) awards between \$30,000 and \$50,000. The OIG assessed whether recipients' semiannual performance reports were timely and if not, whether funds were drawn down. In total, as of April 30, 2003, 45 (23 percent) out of 194 recipients in tier I and 77 (11 percent) out of 708 recipients in tier II did not submit timely semiannual performance reports. In addition, 21 (11 percent) out of 194 recipients in tier I, totaling \$5,471,925 in funding, had not submitted semiannual performance reports but had drawn down funds (15 due in February 2003 and six due in March 2003). As of April 30, 2003, 54 (8 percent) out of 708 recipients in tier II, totaling \$2,317,754, had not submitted semiannual performance reports but had drawn down funds (six due in January 2003, 32 due in February 2003, and 16 due in March 2003). Currently, USFA allows grant recipients to withdraw funds without submitting timely semiannual performance reports.

USFA Grants Monitoring

In FY 2002, USFA developed a monitoring plan to provide: (1) feedback on the implementation of the AFG program; (2) definition of programmatic issues, and (3) assistance to grant recipients with respect to an efficient and effective expenditure of grant funds. In addition, the objective of USFA's monitoring effort is to establish and maintain contact with as many grant recipients as practicable and to determine compliance with grant responsibilities. In order to achieve this, USFA uses Regional Fire Program Specialists, sometimes accompanied by FEMA grants management staff, to contact as many grant recipients as possible and conduct a limited number of site visits.

Contacts based on the following regimen and rationales are made and documented online in the AFG system:

1. Introduction – Contact with as many grant recipients as possible is made, via telephone or e-mail, following the grant award. Each grant recipient contacted is encouraged to implement its program and offered assistance with any grant implementation problems that arise.

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2. Six-Month Evaluation – Grant recipients are notified, via e-mail, five months after the grant award date that a performance report is due prior to the seventh month of the grant award date. Regional Fire Program Specialists contact grant recipients that do not submit this report.
 3. Telephone Review – Regional Fire Program Specialists facilitate a telephone review with 30 percent of the grant recipients in their region. A simplified version of the site visit checklist is used in contacts with grant recipients while reviewing grant expectations and procedures over the telephone. Telephone contact with a balance of rural, urban, and suburban grant recipients is attempted.

After a purchase is made or program(s) implemented by a recipient, limited site visits are made to the following recipients:

- ✓ Any recipient that is recommended by AFG program officials for a site visit;
- ✓ Recipients of an award in both FY 2001 and FY 2002 that did not receive a site visit in FY 2001;
- ✓ Recipients that received an award exceeding \$300,000;
- ✓ Four to seven percent of the total recipients in each region, selected randomly, for each fiscal year (site visits from the above are included within these percentages). These visits reflect a balance of the rural, urban, and suburban grant recipients, as well as a balance of program areas.

Site visits include an examination of grant files for completeness of the following items: application, award letter, 76-10a (obligation document), grant agreement, approvals, bids and quotes, ledgers, documentation of expenditures, copies of cancelled checks, paid invoices, payrolls, time and attendance records, contract records, etc. In addition, an examination is typically conducted of vehicles, equipment, and/or services purchased.

Several Regional Fire Program Specialists stated that they have the goal of performing more site visits than the minimum four to seven percent required by the monitoring plan, as they believe the percentage is too low to ensure adequate monitoring of grant recipients. Several other Regional Fire Program Specialists advised us that they are already performing more telephone contacts and site visits than required by the current plan. If each Regional Fire Program Specialist made the required minimum four percent site visits of the total grant recipients within their region, only 213 of the 5,314 recipients in FY 2002 would be visited. This threshold, in our opinion, is too low to ensure the efficient and effective expenditure of funds. By increasing the minimum number of site visits required of the Regional Fire Program Specialists, the integrity of the program would be enhanced through improved performance and fiscal responsibility.

Recommendations

The OIG recommends that the Administrator of the U.S. Fire Administration:

5. Enforce the timely submission of semiannual financial and performance reports by suspending the draw down of funds until the required reports have been submitted in according to program guidance.
6. Increase, to the extent that staffing capability permits, the minimum AFG program grant recipient site visits performed by USFA Regional Fire Program Specialists.

Development of Performance Measures is Necessary

According to USFA officials and fire service organization representatives, the AFG program is administered well and program funds are dedicated to the basic needs of the nation's fire service. In addition, as a part of a baseline assessment of the results of the FY 2001 program, USFA joined the U.S. Department of Agriculture (USDA) to assess the quality and effectiveness of the AFG program's grant process. As part of the assessment, a team from USDA's 2002-2003 Leadership Development Academy Executive Potential Program conducted a survey of FY 2001 grant recipients. Overall, the results of the survey reflect that the AFG program is highly effective in improving the readiness and capabilities of firefighters across the nation. (Appendix E is a summary of comments from the survey on the AFG program's value and success.)

Based on the results of the survey, the AFG program appears to be addressing the basic needs of the fire service. The long-term effect that the AFG program has had upon fire departments as well as communities, however, needs to be studied and measured. Quantifiable performance measures, such as life and economic losses due to fire and related emergencies, frequency and severity of fires, length of time when responding to emergencies, and the number of fire prevention educational initiatives, need to be gauged. With the development and implementation of performance measures, USFA should be able to evaluate the AFG program's success in achieving strategic goals and objectives, ensure continuous program improvement, and supply Congress with critical information needed to support appropriation decisions.

The U.S. Department of Health and Human Services' Center for Disease Control (CDC), National Center for Injury Prevention and Control, Unintentional Injury Prevention Division, monitors trends in unintentional home and recreation injuries, including those caused by residential fires. USFA officials, in collaboration with CDC, are developing a

statement of work that will establish an interagency agreement to examine how the fire prevention activities supported by the AFG program are affecting communities with fire departments that received AFG program grants. In addition to collecting measurable fire loss data in communities across the nation, plans for this multi-year effort also include assessing whether the outreach focus of fire prevention methodologies and activities are positively affecting those communities, causing a change of attitude of the communities' population with respect to fire and fire related hazards.

This collaborative effort between USFA and CDC is a step in the right direction. With well-defined performance measures, USFA will have the tools to assess the AFG program's effectiveness in addressing the basic needs and capabilities of the fire service and its effect on communities throughout the nation.

Recommendation

The OIG recommends that the Administrator of the U.S. Fire Administration:

7. Continue efforts to develop, formalize, and implement short and long term performance measures to ensure that the AFG program is addressing the needs and capabilities of the fire service as a whole and is affecting recipient communities in a positive manner.

Needs Assessment Findings Should be Used to Define Program Priorities

The FY 2001 National Defense Authorization Act²¹ requires the Director of FEMA to conduct a study in conjunction with the NFPA to define the current role and activities associated with the fire service; determine the adequacy of current levels of funding; and, provide a needs assessment to identify shortfalls. As a result, in December 2002, USFA and NFPA issued the report, "*A Needs Assessment of the U.S. Fire Service.*" Based on survey results of approximately 8,416 fire departments, the assessment identifies specific areas where additional resources and capabilities are needed to enhance more effectively the fire service, both in traditional response and in the new arena of challenges involving homeland security. USFA interpreted the *assessment and* found:

- Many of the nation's fire departments do not have enough fire stations to achieve widely recognized response time guidelines and lack key equipment, prevention programs, and a wide range of training;

²¹ P.L.106-398, Section 1701, Sec 33 (b).

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- Approximately a third of all firefighters per shift are not equipped with self-contained breathing apparatus (SCBA);
 - Most fire departments do not have the ability to handle unusually challenging incidents with local specialized resources and do not have written agreements to ensure availability of use of non-local response resources;
 - In general, fire departments do not have enough portable radios to equip more than about half of the emergency responders on a shift and most radios lack intrinsic safety features for use in an explosive atmosphere and are and not water-resistant.²²

The use of fire service organization representatives to establish AFG program priorities and grant evaluation criteria already has resulted in AFG program funds being used to address some of the needs identified in the assessment. Because the needs assessment is based on survey responses from a larger universe of fire service members and representatives of fire service organizations, USFA could use it as an additional tool to identify deficiencies in basic fire service capabilities. The needs assessment might also be used to define AFG program priorities and evaluation criteria that will enhance fire service capabilities and firefighter safety. This would further ensure that funds are being used to address the most pressing needs of the nation's fire service.

For example, according to the needs assessment, some of the greatest deficiencies of fire departments are in activities that prevent fires and other emergencies from occurring or that moderate their severity when they do occur. Of the estimated 26,354 fire departments across the nation,²³ 20,656 or 78 percent that protect approximately 49 percent of the population do not perform routine testing of active prevention systems (e.g., sprinkler, detection/alarm, smoke control). In addition, 21,877 or 83 percent that protect approximately 48 percent of the population do not have a Juvenile Firesetter²⁴ program.²⁵ While each of these shortfalls would be addressed under the current AFG program category of "Fire Prevention," USFA officials should consider these and other activities and items identified in the needs assessment when annually establishing the AFG program priorities and a scoring methodology by assigning a higher rating to applications proposing funding for these specific activities and items.

²² USFA Website, *FEMA, USFA, and NFPA National Study Identifies Service Gaps in America's Fire Departments*, January 22, 2003.

²³ From the National Fire Protection Association's list of local fire departments in the United States used in the December 2002 needs assessment.

²⁴ A Juvenile Firesetter program focuses on developing prevention education resources, providing training on early identification of firesetters, and intervention and treatment resources for troubled firesetters. The program works in partnership with fire service, law enforcement, and social service agencies in servicing the needs of children and youth in local communities..

²⁵ "A Needs Assessment of the U.S. Fire Service," a cooperative study authorized by U.S. Public Law 106-398 and conducted by FEMA and NFPA, December 2002.

Recommendation

The OIG recommends that the Administrator of the U.S. Fire Administration:

8. Use “*A Needs Assessment of the U.S. Fire Service*” as an additional tool when defining AFG program priorities and evaluation criteria.

Possible Confusion Exists Between the Fire Prevention and Safety Program and the AFG Program

The Act requires that grants for fire prevention programs total at least five percent of appropriated funds each year the program is authorized. In addition to the Fire Prevention program category of the AFG program, USFA has discretion to fulfill this requirement, with the Fire Prevention and Safety program, by funding grants to “organizations that are recognized for their experience and expertise in fire prevention and fire safety programs with priority given to organizations that focus on prevention of injuries to children.”²⁶ USFA counts funding from both the Fire Prevention and Safety program and the Fire Prevention program category to meet the Act’s five percent requirement. Having two programs provides USFA flexibility in making fire prevention awards to both fire departments and organizations.

Under the Fire Prevention and Safety program, USFA sets aside a portion of AFG program funds to make awards to, or enter into contracts or cooperative agreements with, national, state, local or community organizations or agencies, including fire departments, for the purpose of carrying out fire prevention and injury prevention programs. The program focuses on the prevention of injuries to certain high risk populations, i.e., children under 14, seniors over 65, and firefighters.

Even though there is a separate application, application period, and audience for the Fire Prevention and Safety program, greater distinction needs to be made between this program and the Fire Prevention program category eligible for funding under the AFG program. Federal Register notices, program guidance, media announcements, and workshop presentations fail to make clear that two separate programs exist to fund fire prevention activities and initiatives. The relationship between the programs is further clouded because fire departments are eligible to apply for both programs, while other organizations may apply only to the Fire Prevention and Safety program.

²⁶ Federal Emergency Management Agency’s United States Fire Administration Report on the Assistance to Firefighters Grant Program for FY 2001, October 9, 2001.

Recommendation

The OIG recommends that the Administrator of the U.S. Fire Administration:

9. Expressly advise all potential AFG program applicants that there is a separate application, application period, and set of eligibility criteria for the Fire Prevention and Safety program.

Coordination Between Other Federal First Responder Grant Programs and the AFG Program is Necessary to Maximize Available Funding

In the aftermath of September 11, 2001, the importance of the first responder community, of which the fire service plays an integral and paramount role, became even more apparent to the American public. The needs and capabilities of the first responder have never before been as fully appreciated. The levels of appropriations for the AFG program made by Congress—\$100 million in FY 2001, \$360 million in FY 2002, \$750 million in FY 2003, and a proposed \$750 million in FY 2004—illustrate Congress' commitment to the fire service community to enhance its basic needs and capabilities.

There are several other federal grants programs that fund first responder training, activities, and equipment to prepare states and local communities better for responding to terrorism incidents, natural disasters, and other emergencies. Close coordination between those programs and the AFG program is essential to ensure that: (1) duplication does not occur; (2) maximum effectiveness of available funding is realized; and (3) minimum confusion exists at state and local levels of government. In the future, enhanced coordination is particularly important as first responder funding is expected to increase.

A post-September 11, 2001, amendment to the Act allows AFG program funding to be used for equipment and training for response to terrorism incidents or weapons of mass destruction. However, according to USFA officials, fire service members, and representatives of fire service organizations, the fire service should first use this funding to enhance basic response capability. Once basic firefighting capability is established throughout the fire service, additional and more specialized response capabilities would be pursued. Until then, USFA, in cooperation and collaboration with the fire service, expects to continue to establish AFG program funding priorities that focus on addressing basic firefighting needs to enhance overall capability.

Another major federal funding source for the first responder community is DHS ODP State Homeland Security Grant program (SHSGP) that funds specialized equipment

and training to assist law enforcement agencies, fire departments, emergency medical services, hazardous materials response units, and other emergency response agencies for better response to incidents of domestic terrorism. Congress appropriated \$600 million to the SHSGP for FY 2003. SHSGP funding is awarded to states, which, in turn, sub-grant the funds to local first responders. Receipt of these funds is contingent upon DHS approval of states' domestic preparedness strategies. Grants are based on current census data and provided annually to each state and territory; DHS ODP awards approximately 56 grants each year and funds are allocated within each state according to a required statewide needs assessment.

The goal of the SHSGP is to provide funding to enhance the capacity of state and local jurisdictions to respond to, and mitigate the consequences of, incidents of domestic terrorism involving the use of a chemical, biological, radiological, nuclear, or explosive (CBRNE) weapon. ODP officials said that, while some items are authorized by both programs, the program is not intended to fund equipment and training to establish basic capabilities for firefighters or the fire service. For example, SHSGP would not fund basic "turnout gear" or firefighting apparatus. Instead, SHSGP funds specialized equipment and training for terrorism response and CBRNE associated capabilities.

There are four funding categories for SHSGP grants: Equipment; Exercise; Training, and Planning. In the Equipment category, funds may be used to enhance capabilities of state and local first responders through the acquisition of: (1) personal protective equipment; (2) explosive device mitigation and remediation equipment; (3) CBRNE search & rescue equipment; (4) interoperable communications equipment; (5) detection equipment; (6) decontamination equipment; (7) physical security enhancement equipment; (8) terrorism incident prevention equipment; (9) CBRNE logistical support equipment; (10) CBRNE incident response vehicles; (11) medical supplies and limited types of pharmaceuticals; and (12) CBRNE reference materials.²⁷ This equipment may be used by a state to enhance capabilities in the areas of law enforcement, fire, emergency medical services, hazardous materials, public works, public health, emergency management and hospitals (public and private) at the state and local levels of government according to the goals and objectives identified in a state's domestic preparedness strategy.

While the USFA and ODP program reflect different objectives, the potential exists that certain items, eligible for funding from both programs, may be provided to the same applicant. There is a potential overlap of 113 distinct items in the areas of personal protective equipment, interoperable communications equipment, detection equipment, and decontamination equipment. Coordination is necessary to realize the separate, yet

²⁷ FY 2003 DHS Office of Domestic Preparedness SHSGP Guidance.

common, goals of each program in addressing the basic versus specialized response capability of the first responder. The creation of DHS affords officials of both programs the opportunity to share, educate, and appreciate the uniqueness of each program and to enhance coordination that maximizes efforts and resources in addressing the basic and specialized needs of the first responder.

The following were USFA's priorities and rating criteria as specified in the FY 2001 AFG program guidance:

Training

We (USFA) believe that more benefit is derived from the direct delivery of training than from the purchase of training materials and equipment. Therefore, applications focused on direct delivery of training, including train-the-trainer initiatives, will receive a higher competitive rating. We also believe that funding of basic firefighting training (i.e., training in basic firefighting duties or operating fire apparatus) has greater cost benefit than funding of officer or safety officer training, which in turn has a higher rating than specialized training. We will also accord higher rating to applicants seeking to implement statutorily required training rather than non-mandatory or strictly voluntary training. Finally, we will rate more highly those proposed programs that benefit the highest percentage of targeted personnel within a fire department or those proposed programs that will be open to other departments in their region.

Wellness and Fitness Programs

We believe that in order to have an effective wellness/fitness program, fire departments must offer both an entry physical examination and an immunization program. Accordingly, applicants for grants in this category must currently offer both benefits, or must propose to initiate both a physical examination and an immunization program with these grant funds in order to receive additional funding for either of these purposes. We believe the greatest benefit will be realized by supporting new wellness and fitness programs, and therefore, we will accord higher competitive ratings to those applicants lacking wellness/fitness programs over those applicants that already possess a wellness/fitness program. Finally, since participation is critical to achieving any benefits from a wellness or fitness program, we will give higher competitive rating to departments whose wellness and fitness programs mandate participation as well as programs that provide incentives for participation.

Vehicles

We believe that more benefit will be realized by funding fire departments that own few or no firefighting apparatus than by providing funding to a department with numerous vehicles. Therefore, we will give higher competitive rating in the apparatus category to fire departments that own few or no firefighting vehicles. We will also give higher competitive rating to departments that have not recently purchased a new firefighting vehicle, and departments that wish to replace an old, high-mileage vehicle or a vehicle

that has sustained a high number of responses. We do not believe that there is sufficient cost benefit from expenditures for vehicles with ladder or aerial apparatus and will not accord positive competitive standing to applications proposing such purchases.

Firefighting Equipment

We believe that this grant program will achieve the greatest benefits if we provide funds to fire departments purchasing basic firefighting equipment (never owned prior to grant) to bring their departments up to the applicable minimum (i.e., as required by statute, regulation, or professional firefighting guidance), rather than to the department that is replacing equipment or enhancing capabilities. Because of the obvious benefits, we will also give higher competitive rating to departments that are mainly purchasing firefighting equipment with design feature intended to protect the safety of the firefighters.

Personal Protective Equipment

We believe that we must fund those applicants needing to provide personal protective equipment (PPE) to a high percentage of their personnel. Accordingly, we will give a high competitive rating in this category to fire departments in which a large percentage of active firefighting staff do not have any personal protective equipment and to departments that wish to purchase enough PPE to equip 100 percent of their active firefighting staff. We will also give a higher competitive rating to departments that are purchasing the equipment for the first time as opposed to departments replacing obsolete or substandard equipment (i.e., equipment that does not meet current NFPA and OSHA standards), or purchasing equipment for a new mission.

Fire Prevention Programs

We believe that the public as a whole will receive greatest benefit from fire prevention funds channeled to fire departments that currently do not have a prevention program. Also, we believe the public will benefit greatly from long-term fire prevention programs as opposed to limited efforts. Therefore, we will give a higher competitive rating to programs that will be self-sustaining after the grant period. Because of the benefits to be attained, we will give a higher competitive rating to programs that target one or more of USFA's identified high-risk populations (i.e., children under fourteen years of age, seniors over sixty-five and firefighters), and programs whose impact is/will be periodically evaluated. We believe public education programs and community-based, participatory programs that purchase and install residential and public detection and suppression systems achieve greater benefits than do programs that develop and enforce codes and standards. Public information materials and presentation aids and equipment achieve the

least benefit, therefore, these types of activities will be accorded the lowest competitive rating.

Appendix B

FY2002 AFG Program - Total Applications, Funds Requested, Awards, and Funds Awarded (data provided by USFA AFG program office on January 27, 2003)

STATE	Total Applications FY 2002	Total Awards FY 2002	Percentage of Applications Receiving Awards FY 2002	Total Funds Requested in Applications FY 2002	Total Funds Awarded FY 2002	Percentage of Requested Funds Awarded FY 2002
Alabama	591	201	34.0%	\$56,946,949	\$12,503,330	22.0%
Alaska	82	34	41.5%	\$11,386,757	\$2,641,900	23.2%
Arizona	150	51	34.0%	\$16,698,924	\$3,600,777	21.6%
Arkansas	466	117	25.1%	\$30,446,138	\$4,635,754	15.2%
California	574	187	32.6%	\$87,370,314	\$19,062,926	21.8%
Colorado	242	76	31.4%	\$24,451,695	\$3,968,992	16.2%
Connecticut	222	52	23.4%	\$30,256,812	\$4,675,754	15.5%
Delaware	32	4	12.5%	\$4,903,430	\$372,374	7.6%
Florida	376	129	34.3%	\$53,950,080	\$10,160,177	18.8%
Georgia	397	87	21.9%	\$49,689,679	\$6,079,220	12.2%
Hawaii	5	3	60.0%	\$1,779,392	\$1,182,263	66.4%
Idaho	140	41	29.3%	\$14,169,968	\$2,744,800	19.4%
Illinois	840	223	26.5%	\$96,321,795	\$13,398,989	13.9%
Indiana	547	135	24.7%	\$72,844,811	\$8,739,068	12.0%
Iowa	516	157	30.4%	\$44,527,479	\$7,284,492	16.4%
Kansas	331	108	32.6%	\$27,093,981	\$5,118,460	18.9%
Kentucky	527	114	21.6%	\$59,394,227	\$7,896,329	13.3%
Louisiana	342	146	42.7%	\$31,923,412	\$10,084,578	31.6%
Maine	276	79	28.6%	\$31,454,132	\$4,319,684	13.7%
Maryland	155	41	26.5%	\$29,695,253	\$4,171,142	14.0%
Massachusetts	310	102	32.9%	\$44,139,261	\$8,386,846	19.0%
Michigan	662	166	25.1%	\$97,662,800	\$8,948,447	9.2%
Minnesota	507	139	27.4%	\$50,772,818	\$8,149,475	16.1%
Mississippi	450	137	30.4%	\$41,294,464	\$6,755,656	16.4%
Missouri	580	175	30.2%	\$60,316,710	\$10,291,616	17.1%
Montana	234	75	32.1%	\$20,429,960	\$3,726,809	18.2%
Nebraska	222	52	23.4%	\$19,827,877	\$2,392,162	12.1%
Nevada	60	16	26.7%	\$11,029,495	\$1,446,808	13.1%
New Hampshire	151	36	23.8%	\$14,641,597	\$1,887,542	12.9%
New Jersey	483	96	19.9%	\$59,591,387	\$6,339,290	10.6%
New Mexico	171	54	31.6%	\$20,608,044	\$3,463,021	16.8%
New York	1167	271	23.2%	\$121,786,948	\$14,728,985	12.1%
North Carolina	682	146	21.4%	\$82,374,498	\$10,239,565	12.4%
North Dakota	154	48	31.2%	\$12,627,414	\$2,613,060	20.7%
Ohio	846	200	23.6%	\$100,578,869	\$13,742,908	13.7%
Oklahoma	416	116	27.9%	\$29,173,415	\$4,939,240	16.9%
Oregon	230	78	33.9%	\$22,641,115	\$4,892,474	21.6%
Pennsylvania	1586	313	19.7%	\$198,335,409	\$16,970,079	8.6%
Rhode Island	59	15	25.4%	\$7,957,632	\$1,507,188	18.9%
South Carolina	325	78	24.0%	\$34,087,880	\$5,257,960	15.4%
South Dakota	214	65	30.4%	\$19,064,970	\$3,142,886	16.5%

Appendix B

FY2002 AFG Program - Total Applications, Funds Requested, Awards, and Funds Awarded (data provided by USFA AFG program office on January 27, 2003)

Tennessee	499	186	37.3%	\$48,281,426	\$11,509,571	23.8%
Texas	870	248	28.5%	\$94,005,350	\$15,644,321	16.6%
Utah	148	52	35.1%	\$13,097,321	\$2,754,142	21.0%
Vermont	143	49	34.3%	\$12,582,130	\$1,971,671	15.7%
Virginia	337	99	29.4%	\$45,405,152	\$8,790,202	19.4%
Washington	334	97	29.0%	\$40,095,037	\$7,544,087	18.8%
Washington, DC	2	1	50.0%	\$415,000	\$220,500	53.1%
West Virginia	255	56	22.0%	\$32,818,135	\$3,966,831	12.1%
Wisconsin	538	132	24.5%	\$53,580,071	\$7,518,731	14.0%
Wyoming	97	26	26.8%	\$12,813,875	\$1,612,810	12.6%
American Samoa	1	0	0.0%	\$585,000	\$0	0.0%
Guam	2	1	50.0%	\$127,407	\$16,764	13.2%
Puerto Rico	42	3	7.1%	\$8,878,550	\$382,500	4.3%
Northern Marianas	3	1	33.3%	\$812,916	\$225,000	27.7%
Virgin Islands	4	0	0.0%	\$2,160,354	\$0	0.0%
	19,595	5,314		\$2,209,905,515	\$334,620,156	

Appendix C
 FY2002 AFG Program Application and Award Statistics

STATE	Total Apps FY 2002*	Number of Paid Dept. Apps	Number of Volunteer Dept. Apps	Number of Combination Dept. Apps	Total Awards FY 2002**	Number of Paid Dept. Awards	Number of Volunteer Dept. Awards	Number of Combination Dept. Awards
Alabama	591	43 (7%)	480 (81%)	68 (12%)	201	28 (14%)	152 (76%)	21 (10%)
Alaska	82	4 (5%)	45 (55%)	33 (40%)	34	1 (3%)	21 (62%)	12 (35%)
Arizona	150	31 (21%)	45 (30%)	74 (49%)	51	15 (29%)	16 (31%)	20 (39%)
Arkansas	466	18 (4%)	401 (86%)	47 (10%)	117	8 (7%)	101 (86%)	8 (7%)
California	574	152 (26%)	164 (29%)	258 (45%)	188	63 (34%)	44 (23%)	81 (43%)
Colorado	242	21 (9%)	139 (57%)	82 (34%)	76	6 (8%)	50 (66%)	20 (26%)
Connecticut	222	25 (11%)	143 (64%)	54 (24%)	53	9 (17%)	32 (60%)	12 (23%)
Delaware	32	1 (3%)	13 (41%)	18 (56%)	4	1 (25%)	1 (25%)	2 (50%)
Florida	376	109 (29%)	149 (40%)	118 (31%)	129	47 (36%)	49 (38%)	33 (26%)
Georgia	397	45 (11%)	223 (56%)	129 (32%)	87	14 (16%)	46 (53%)	27 (31%)
Hawaii	5	3 (60%)	1 (20%)	1 (20%)	3	2 (67%)	0 (0%)	1 (33%)
Idaho	140	6 (4%)	96 (69%)	38 (27%)	41	4 (10%)	22 (54%)	15 (37%)
Illinois	840	100 (12%)	538 (64%)	202 (24%)	224	41 (18%)	131 (58%)	52 (23%)
Indiana	547	46 (8%)	414 (76%)	87 (16%)	135	18 (13%)	94 (70%)	23 (17%)
Iowa	516	18 (3%)	463 (90%)	35 (7%)	157	8 (5%)	135 (86%)	14 (9%)
Kansas	331	22 (7%)	252 (76%)	57 (17%)	108	5 (5%)	83 (77%)	20 (19%)
Kentucky	527	33 (6%)	414 (79%)	80 (15%)	114	10 (9%)	89 (78%)	15 (13%)
Louisiana	342	31 (9%)	217 (63%)	94 (27%)	146	19 (13%)	91 (62%)	36 (25%)
Maine	276	11 (4%)	192 (70%)	73 (26%)	79	4 (5%)	54 (68%)	21 (27%)
Maryland	155	4 (3%)	101 (65%)	50 (32%)	42	2 (5%)	26 (62%)	14 (33%)
Massachusetts	310	103 (33%)	75 (24%)	132 (43%)	102	48 (47%)	16 (16%)	38 (37%)
Michigan	662	98 (15%)	378 (57%)	186 (28%)	166	32 (19%)	87 (52%)	47 (28%)
Minnesota	507	14 (3%)	449 (89%)	44 (9%)	139	9 (6%)	118 (85%)	12 (9%)
Mississippi	450	31 (7%)	372 (83%)	47 (10%)	138	9 (7%)	116 (84%)	13 (9%)
Missouri	580	60 (10%)	415 (72%)	105 (18%)	176	19 (11%)	121 (69%)	36 (20%)
Montana	234	8 (3%)	209 (89%)	17 (7%)	75	6 (8%)	65 (87%)	4 (5%)
Nebraska	222	6 (3%)	204 (92%)	12 (5%)	52	4 (8%)	46 (88%)	2 (4%)
Nevada	60	5 (8%)	37 (62%)	18 (30%)	16	2 (13%)	7 (44%)	7 (44%)
New Hampshire	151	13 (9%)	84 (56%)	54 (36%)	36	4 (11%)	20 (56%)	12 (33%)
New Jersey	483	37 (8%)	365 (76%)	81 (17%)	96	17 (18%)	55 (57%)	24 (25%)
New Mexico	171	14 (8%)	133 (78%)	24 (14%)	54	7 (13%)	39 (72%)	8 (15%)
New York	1,167	47 (4%)	1059 (91%)	61 (5%)	271	14 (5%)	240 (89%)	17 (6%)
North Carolina	682	38 (6%)	457 (67%)	187 (27%)	146	23 (16%)	80 (55%)	43 (29%)
North Dakota	154	4 (3%)	141 (92%)	9 (6%)	48	2 (4%)	43 (90%)	3 (6%)
Ohio	846	122 (14%)	491 (58%)	233 (28%)	200	49 (25%)	91 (46%)	60 (30%)
Oklahoma	416	32 (8%)	318 (76%)	66 (16%)	116	12 (10%)	92 (79%)	12 (10%)
Oregon	230	7 (3%)	109 (47%)	114 (50%)	79	4 (5%)	33 (42%)	42 (53%)
Pennsylvania	1,586	34 (2%)	1452 (92%)	100 (6%)	315	11 (3%)	284 (90%)	20 (6%)
Rhode Island	59	15 (25%)	23 (39%)	21 (36%)	15	6 (40%)	4 (27%)	5 (33%)
South Carolina	325	22 (7%)	188 (58%)	115 (35%)	78	8 (10%)	44 (56%)	26 (33%)
South Dakota	214	4 (2%)	204 (95%)	6 (3%)	65	2 (3%)	60 (92%)	3 (5%)
Tennessee	499	34 (7%)	382 (77%)	83 (17%)	186	16 (9%)	140 (75%)	30 (16%)
Texas	870	98 (11%)	601 (69%)	171 (20%)	250	38 (15%)	173 (69%)	39 (16%)
Utah	148	11 (7%)	102 (69%)	35 (24%)	52	7 (13%)	30 (58%)	15 (29%)
Vermont	143	1 (1%)	124 (87%)	18 (13%)	49	1 (2%)	43 (88%)	5 (10%)
Virginia	337	16 (5%)	251 (74%)	70 (21%)	99	10 (10%)	70 (71%)	19 (19%)
Washington	334	31 (9%)	156 (47%)	147 (44%)	97	16 (16%)	41 (42%)	40 (41%)
Washington, DC	2	2 (100%)	0 (0%)	0 (0%)	1	1 (100%)	0 (0%)	0 (0%)
West Virginia	255	12 (5%)	226 (89%)	17 (7%)	57	4 (7%)	49 (86%)	4 (7%)
Wisconsin	538	45 (8%)	413 (77%)	80 (15%)	132	15 (11%)	101 (77%)	16 (12%)
Wyoming	97	6 (6%)	78 (80%)	13 (13%)	26	5 (19%)	17 (65%)	4 (15%)
American Samoa	1	1 (100%)	0 (0%)	0 (0%)	0			
Guam	2	2 (100%)	0 (0%)	0 (0%)	1	1 (100%)	0 (0%)	0 (0%)
Puerto Rico	42	40 (95%)	1 (2%)	1 (2%)	3	2 (67%)	1 (33%)	0 (0%)
Northern Marianas	3	3 (100%)	0 (0%)	0 (0%)	1	1 (100%)	0 (0%)	0 (0%)
Virgin Islands	4	4 (100%)	0 (0%)	0 (0%)	0			
Total	19,595	1,743 (9%)	13,987 (71%)	3,865 (20%)	5,326	710 (13%)	3,563 (67%)	1,053 (20%)

*Data provided on FY 2002 AFG program applicants by USFA AFG program office, January 27, 2003

**Data provided on FY 2002 AFG program grant recipients by USFA AFG program office, February 13, 2003

Appendix D

Items Authorized Under the AFG Program that are also Authorized Under the State Homeland Security Grant Program

Categories of Authorized Equipment Purchase Under SHSGP	Items Authorized for Purchase Under SHSGP	Authorized and Funded under AFG Program	Authorized and Occasionally Funded under AFG Program	Not Authorized Under AFG Program
<i>#1—Personal Protective Equipment</i>				
(Level A-Fully encapsulated, liquid, vapor protective ensemble)	Fully Encapsulated Liquid and Vapor Protection Ensemble		X	
	Fully Encapsulated Training Suits		X	
	Closed-Circuit Rebreather (SCBA)	X		
	Spare Cylinders/Bottles for Rebreathers (SCBA)	X		
	Chemical Resistant Gloves		X	
	Personal Cooling System		X	
	Hardhat/Helmet		X	
	Chemical/Biological Protective Undergarment		X	
	Inner Gloves		X	
	Chemical Resistant Tape		X	
	Chemical Resistant Boots		X	
	Chemical Resistant Outer Booties		X	
(Level B-Liquid Splash Resistant Ensemble)	Liquid Splash Resistant Chemical Clothing		X	
	Liquid Splash Resistant Hood		X	
	Closed-Circuit Rebreather (SCBA)		X	
	Spare Cylinders/Bottles for Rebreathers (SCBA)		X	
	Chemical Resistant Gloves		X	
	Personal Cooling System			X
	Hardhat/helmet		X	
	Chemical/Biological Protective Undergarment		X	
	Inner Gloves		X	
	Chemical Resistant Tape		X	
	Chemical Resistant Boots		X	
	Chemical Resistant Outer Booties		X	
(Level C-Liquid Splash Resistance Ensemble-used when airborne substances are known)	Liquid Splash Resistant Chemical Clothing		X	
	Liquid Splash Resistant Hood		X	
	Negative Pressure Air Purifying Respirator		X	

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Items Authorized Under the AFG Program that are also Authorized Under the State Homeland Security Grant Program

	Powered Air Purifying Respirator		X	
	Equipment or System Batteries	X		
	Chemical Resistant Gloves		X	
	Personal Cooling System			X
	Hardhat		X	
	Inner Chemical/Biological Resistance Garment			X
	Inner Gloves		X	
	Chemical Resistant Tape		X	
	Chemical Resistant Boots		X	
	Chemical Resistant Outer Booties		X	
(Level D-No respiratory protection and minimal skin protection is required)	Escape Mask for Self-Rescue			X
#2—Explosive Device Mitigation and Remediation	Bomb Search Protective Ensemble			X
	Chemical/Biological Undergarment for Bomb Search Protective Ensemble			X
	Cooling Garments			X
	Ballistic Threat Body Armor			X
	Ballistic Threat Helmet			X
	Blast/Ballistic Threat Eye Protection			X
	Blast/overpressure Threat Ear Protection			X
	Fire Resistant Gloves	X		
	Dearmer/Disrupter			X
	Real Time X-Ray Unit; Portable X-Ray Unit			X
	CBRNE Compatible Total Containment Vessel (TCV)			X
	CBRNE Upgrades for Existing TCV			X
	Robot; Robot Upgrades			X
	Fiber Optic Kit			X
	Tents-standard or air inflatable for chemical/biological protection		X	
	Inspection Mirrors			X
	Ion Track Explosive Detector			X
#3—CBRNE Search and Rescue Equipment	Hydraulic tools; Hydraulic Power Unit	X		
	Listening Devices; hearing protection		X	
	Search Cameras		X	

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Items Authorized Under the AFG Program that are also Authorized Under the State Homeland Security Grant Program

	Breaking Devices	X		
	Lifting Devices	X		
	Blocking and Bracing Materials	X		
	Evacuation Chairs (for disabled)		X	
	Ventilation Fans	X		
#4—Interoperable Communications Equipment	Land Mobile, Two-Way In-Suit Communications		X	
	Antenna Systems		X	
	Personnel Alert System (PASS)	X		
	Personal Accountability Systems	X		
	Individual Portable Radios, Software Radios, Portable Repeaters, Radio Interconnect Systems, Satellite Phones, Batteries, Chargers and Battery Conditioning Systems	X		
	Computer Systems (designated for use in an integrated system to assist with detection and communication efforts)		X	
	Portable Meteorological System		X	
	Computer Aided Dispatch System	X		
	Commercially Available Crisis Management Software		X	
	Mobile Display Terminals	X		
#5—Detection Equipment (Chemical)				
	M-8 Detection Paper		X	
	M-9 Detection Paper		X	
	M-256 Detection Kit		X	
	M-256 Training Kit		X	
	M-18 Detection Kit		X	
	Hazard Categorizing (HAZCAT) Kit		X	
	Photo-Ionization (PID)		X	
	Flame Ionization Detector (FID)		X	
	Surface Acoustic Wave Detector			X
	Gas Chromatograph/Mass Spectrometer	X		
	Ion Mobility		X	
	Stand-Off Chemical Detector			X
	M-272 Water Test Kit			X
	Colormetric Tube/Chip Kit		X	
	Multi-gas Meter with Minimum of O2 and LEL		X	

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Items Authorized Under the AFG Program that are also Authorized Under the State Homeland Security Grant Program

	Leak Detectors		X	
	pH Paper/pH Meter		X	
	Waste Water Classifier Kit		X	
	Oxidizing Paper		X	
	Protective Cases for Sensitive Detection Equipment Storage and Transport		X	
(Biological)	Point Detection Systems/Kits			X
(Radiological/Nuclear)	Radiation Detection Equipment		X	
	Personal Dosimeter		X	
	Scintillation Fluid		X	
	Radiation Monitors		X	
(Explosive)	Canines			X
#6—Decontamination Equipment				
(Chemical)	Decontamination System for Individual and Mass Application with Environmental Controls, Water Heating System, Showers, Lighting, and Transportation		X	
	Decon Litters/Roller Systems		X	
	Extraction Litters, Rollable		X	
	Runoff Containment Bladders, Decontamination Shower Waste Collection With Intrinsically-safe Evacuation Pumps, Hoses, Connectors, Scrub Brushes, Nozzles			X
	Spill Containment Devices		X	
	Overpak Drums		X	
	Non-Transparent Cadaver Bags		X	
	Hand Carts		X	
	Waste Water Classification kits/strips		X	
(Biological)	HEPA Vacuum			X
#7—Physical Security Enhancement Equipment				
(Surveillance, Warning, Access/Intrusion Control)				
(Ground)	Motion Detector Systems: Acoustic; Infrared; Seismic; Magnetometers			X
	Barriers: Fences; Jersey Walls			X
	Impact Resistant Doors and gates			X
	Portal Systems; Locking Devices for Access Control			X

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Items Authorized Under the AFG Program that are also Authorized Under the State Homeland Security Grant Program

	Alarm Systems			X
	Video Assessment/Cameras: Standard, Low Light, IR, Automated Detection			X
	Personnel Identification: Visual; Electronic; Acoustic; Laser; Scanners; Cyphers/Codes			X
	X-ray Units			X
	Magnetometers			X
	Vehicle Identification: Visual, Electronic, Acoustic; Laser; Radar			X
(Waterfront)	Radar Systems			X
	Video Assessment System/ Cameras: Standard, Low Light, IR, Automated Detection			X
	Diver/Swimmer Detection Systems; Sonar			X
	Impact Resistant Doors and Gates			X
	Portal Systems			X
	Hull Scanning Equipment			X
	Motion Detector Systems: Acoustic; Infrared; Seismic; Magnetometers			X
	Barriers: Fences; Jersey Walls			X
	Alarm Systems			X
	Video Assessment/Cameras: Standard, Low Light, IR, Automated Detection			X
	Personnel Identification: Visual; Electronic; Acoustic; Laser; Scanners; Cyphers/Codes			X
	X-Ray Units			X
	Magnetometers			X
	Vehicle Identification: Visual; Electronic; Acoustic; Laser; Radar			X
(Sensors-Agent/ Explosives Detection)	Chemical: Active/Passive; Mobile/ Fixed; Handheld		X	
	Biological: Active/Passive; Mobile/Fixed; Handheld		X	
	Radiological		X	
	Nuclear			X
	Ground/Wall Penetrating Radar			X
(Inspection/Detection Systems)	Vehicle & Cargo Inspection System - Gamma-Ray			X
	Mobile Search & Inspection System - X-Ray			X

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Items Authorized Under the AFG Program that are also Authorized Under the State Homeland Security Grant Program

	Non-Invasive Radiological/Chem/Bio/Explosives System - Pulsed Neutron Activation			X
(Explosion Protection)	Blast/Shock/Impact Resistant Systems			X
	Protective Clothing			X
	Column and Surface Wraps; Breakage/Shatter Resistant Glass; Window Wraps			X
	Robotic Disarm/Disable Systems			X
#8—Terrorism Incident Prevention Equipment	Data collection/information Gathering Software			X
	Data Synthesis Software			X
	Geographic Information System Information Technology and Software		X	
	Law Enforcement Surveillance Equipment			X
#9—CBRNE Logistical Support Equipment	Equipment Trailers		X	
	Weather-tight Containers for Equipment Storage			X
	Software for Equipment Tracking and Inventory		X	
	Handheld Computers for Emergency Response Applications		X	
	Small Hand Tools	X		
	Binoculars, Head-lamps, Range Finders and Spotting Scopes	X		
	Small Generators to Operate Light Sets, Water Pumps for Decontamination Sets	X		
	Light Sets for Nighttime Operations/Security	X		
	Electrical Current Detectors			X
	Equipment Harnesses, Belts, and Vests	X		
	Isolation Containers for Suspected Chemical/Biological Samples		X	
	Bull-horns		X	
	Water Pumps for Decontamination Systems	X		
	Bar Code Scanner/Reader for Equipment Inventory Control		X	
	Badging System Equipment and Supplies			X
	Cascade System for Refilling SCBA Oxygen Bottles	X		

Appendix D

Items Authorized Under the AFG Program that are also Authorized Under the State Homeland Security Grant Program

	SCBA Fit Test Equipment and Software to Conduct Flow Testing	X		
	Testing Equipment for Fully Encapsulated Suits		X	
	Cooling/Heating/Ventilation Fans			X
	HAZMAT Gear Bag/Box		X	
#10—CBRNE Incident Response Vehicles	Mobile Command Post Vehicles		X	
	Hazardous Materials (HazMat) Response Vehicles	X		
	Bomb Response Vehicles			X
	Prime Movers for Equipment Trailers		X	
	2-wheel Personal Transport Vehicles for Transporting Fully Suited Bomb Technicians, Level A/B Suited Technicians to the Hot Zone			X
	Multi-wheeled All Terrain Vehicles for Transporting Personnel and Equipment to and from the Hot Zone		X	
#11—Medical Supplies and Pharmaceuticals	Automatic Biphasic External Defibrillators and Carry Bags	X		
	Equipment and supplies for establishing and maintaining a patient airway at the advanced life support level	X		
	Blood Pressure Cuffs	X		
	IV Administration Sets (Macro and Micro) and Pressure Infusing Bags	X		
	IV Catheters (14, 16, 18, 20, and 22 gauge)	X		
	IV Catheters (Butterfly 22, 24 and 26 gauge)	X		
	Manual Biphasic Defibrillators (defibrillator, pacemaker, 12 lead) and carry bags	X		
	Eye Lense for Lavage or Continuous Medication	X		
	Morgan Eye Shields	X		
	Nasogastric Tubes	X		
	Oxygen Administration Equipment and Supplies	X		
	Portable Ventilator	X		
	Pulmonary Fit Tester		X	
	Syringes (3cc and 10cc)	X		
	26 ga «« needles (for syringes)	X		

Appendix D

Items Authorized Under the AFG Program that are also Authorized Under the State Homeland Security Grant Program

	21 ga. 1 1/2" needles (for syringes)	X		
	Triage Tags and Tarps	X		
	Sterile and Non-Sterile Dressings, All Forms and Sizes	X		
	Gauze, all sizes	X		
#12—CBRNE Reference Materials	NFPA Guide to Hazardous Materials	X		
	NIOSH Hazardous Materials Pocket Guide	X		
	North American Emergency Response Guide	X		
	Jane's Chem-Bio Handbook	X		
	First Responder Job Aids	X		

Of 999 fire departments that received an AFG program grant and responded to the survey questions:

- 99 percent were extremely satisfied or satisfied with the FY 2001 AFG program's ability to meet their fire related needs;
- 97 percent said the AFG program grants have had a significant or moderate positive impact on their department's ability to handle a fire or fire-related incident.

Of 116 fire departments that received AFG program funding for wellness and fitness programs and responded to wellness and fitness program survey questions:

- 95 percent implemented fitness programs as a result of the funds provided;
- 85 percent indicated their firefighters were enthusiastic about the wellness/fitness program.

Of 103 fire departments that received AFG program funding for training purposes and responded to training survey questions:

- 99 percent said the AFG program funding allows their department to present initial and/or regular in service training to firefighters;
- 90 percent believed their fire department operates more efficiently and more safely.

Of those fire departments that received AFG program funding for firefighting equipment and responded to firefighting equipment survey questions:

- 98 percent reported a significant or marginal improvement in the operational capacity for firefighting;
- 99 percent reported a significant or marginal improvement in the safety of their firefighters during emergency operations.

Of those fire departments that received AFG program funding for personal protective equipment and responded to personal protective equipment survey questions:

- 62 percent reported a reduction of injuries during firefighting operations

Of 139 fire departments that received AFG program funding for vehicles and responded to vehicle survey questions:

- 91 percent reported an improvement in firefighting capability;
- 88 percent reported an increase in firefighter safety;
- 62 percent reported a reduction in response time.²⁸

²⁸ “*Survey, Assessment, and Recommendations for the Assistance to Firefighters Grant Program*,” prepared by the 2002-2003 U.S. Department of Agriculture’s Leadership Development Academy Executive Potential Program, January 31, 2003.



Federal Emergency Management Agency

United States Fire Administration

Emmitsburg, Maryland 21727

SEP 23 2003



MEMORANDUM FOR: Clark Kent Ervin
Acting Inspector General

FROM: R. David Paulison 
Administrator
U.S. Fire Administration

SUBJECT: Draft Inspection Report on the Review of the Assistance to
Firefighters Grant Program

Thank you for providing us with an opportunity to comment on the draft inspection report on the Review of the Assistance to Firefighters Grant Program. Your inspectors have clearly placed significant effort into their work and this draft and we appreciate their evident support of the process and procedures we have implemented to carry out the program. I would also add that my staff reports to me that the inspectors conducted themselves professionally and in a manner that reflects well on your organization.

General Observations

We provided your draft report to the grants management staff for review and comment. They thought the report should highlight the best practice, often cited by the GAO, of using non-Federal, independent panelists as our technical peer reviewers. We don't have to do this, but we should be commended for doing it this way. Also, the report slights the work of the Grant Management Specialist. On page 5 and 6, the report gives the impression that the program office awards the grants. It should be clarified that the program office, based on the panelist recommendation and the technical review by subject matter specialists, recommends the applicants to be contacted by the grants office. The grants staff reviews the files in some detail, and use a standard checklist to make sure that each file receives review in every critical area. The grants staff reviews issues of cost reasonableness, excessive grant writer fees, Single Audit issues, to name a few. The grants staff conducts a pre-award contact with the applicant to go over requirements of the proposed grant, and finally the grants office makes the formal award of the funds.

The inspection report contains several recommendations that are worthy of implementing and a few that have already been implemented. The "**Results in Brief**" section itemizes eight separate recommendations but includes recommendations that are not separately delineated in the body of the report. Similarly, the body of the report contains recommendations that are not in the **Results in Brief** section. Therefore, rather than address the report recommendation-by-recommendation, we will address the draft report in these comments section-by-section.

Introduction

In this section and again in the **Results in Brief**, the report makes reference to the program being focused on "basic" needs and lack of "basic" tools. While this reference may be representative of a good portion of our applicants and grantees it is not necessarily representative of all. We believe that removal of the term "basic" here and elsewhere in the report would be a better representation of our goals and customer base.

Background

In the last paragraph of this section, the report's statistics regarding the number of grants and amounts do not reflect our efforts in the Fire Prevention and Safety Program. While this was not a huge program given the numbers of grants given to fire departments, saying we made over \$96.5 million in grants in FY 2001 from a \$100 million appropriation is a more accurate representation than saying \$92 million in grants. The same comment would apply for the FY 2002 program. Also, the \$745.125 million (this amount reflects the "across-the-board" rescission of .65 percent that the Congress enacted) appropriated for FY 2003 is eligible for distribution through FY 2004.

Program Goals, Priorities, and Grant Criteria are Prudently Developed

In this section when describing the characteristics of the FY 2001 program, it would be important to relate that we target allocated funding to each of the selected categories. This artificiality, and the decision to fund only six of the fourteen categories delineated in the law, were established for FY 2001 specifically to enable expedited processing, and thus make possible the full implementation of the new program within the nine-month timeframe. As a result of declaring funding levels for each category, we were compelled to make what one might characterize as mediocre awards in categories with diminished competition in an effort to fulfill the targeted level at the expense of awards to potentially more compelling applications in other, more competitive categories. Recognizing this deficiency, we have since not targeted funds. Rather, we make awards to the best applications regardless of what the applicant is seeking, provided of course that statutory minimums and maximums for funds are met.

Later in this section, the report indicates that there were 31,295 applications in FY 2001. This fact may need to be clarified, via footnote, that we allowed any fire department to apply for one or two categories with one application for each category. For FY 2001, approximately 18,988 fire departments applied and 12,307 of those submitted two applications.

In the table in this section, the third column's heading is awkward, i.e., Percentage of Awards Funded. This heading is awkward because we funded 100 percent of the 160 training awards and 100 percent of the 208 vehicle awards, etc. We believe the column should be labeled "Percentage of Total Dollars Awarded." We also believe that this table

should include our efforts in the Fire Prevention and Safety Grant Program. You may also want to consider adding the target allocation for each category.

In the paragraph immediately following the bullets that lay out the FY 2002 program, the scoring was prorated based on the “requested” funding levels contained in the grant application, not the “available” funding levels.

In the next paragraph (that starts with: “Applicants who addressed program priorities scored higher . . .”) there is a caveat. In general terms, the highest scoring applications do make up the competitive range, we examine the applications that constitute the preliminary competitive range in order to ensure that achieving the funding parameters of the statute after peer review is likely. For example, if the preliminary competitive range has an insufficient number of applications to achieve the statutory requirements for fire prevention, we may add other applications to the peer review process from outside the competitive range. Similarly, we may remove vehicle applications from the competitive range if there are so many that the 25 percent cap is likely to be easily breached by the natural order of peer review scores.

The references to the billions of dollars in applications we received in FY 2002 and 2003 should be footnoted as total project costs for clarification. The table that details the FY 2002 program has the same issue with the column heading as the table for the FY 2001 program and we again request that you include the efforts extended in the Fire Prevention and Safety Grant Program.

Finally, we paneled 15,000 applications for FY 2003. These applications did not “score” in the competitive range as there is no established scoring range. The applications were merely the 15,000 highest scoring applications, the sum Federal dollars requested for which equals the planned percentage of available funds to be peer reviewed – in the FY 2002 instance, the percentage was 200%. We call this grouping of high scoring applications the “competitive range.”

Application Solicitation is Adequate

In the first paragraph there is an error regarding our rule. In FY 2001 and 2002, we published an Interim Final Rule. In FY 2003, we published a Final Rule and a Notice of Funds Availability (NOFA). With respect to dissemination of program information, we request that you add EENET broadcasts and contacts via USFA's subscription email list to the list of methods of information dissemination. In the second paragraph of this section, the report correctly states that we anticipate publishing NOFAs in subsequent years, but the Final Rule will remain in effect (we recommend you delete the phrase: “. . . rather than a final rule.”).

The report states that we “scheduled” approximately 300 applicant workshops prior to the FY 2003 application period. We feel that the term “scheduled” does not accurately reflect the point that the inspectors want to make. In fact, we probably scheduled 400 or 500 workshops, many of which were canceled and/or rescheduled due to the delay in our

appropriation and other various conflicts. In actuality, we "conducted" 316 workshops and over 100 web-casts and teleconferences. We did establish a target goal of three workshops per State, which clearly was met and well surpassed.

In the paragraph that reports "lessons learned," there are a few errors. We had help-screens and drop-down menus throughout both the FY 2002 and 2003 automated applications. The 2003 features were improved between the first and second years, but we had them in both. Additionally, both years' applications had the feature that would not allow an applicant to submit an incomplete application.

Grant Process is Competitive

In the third paragraph of this section there is a minor error. Career departments' applications are only segregated from combination and volunteer departments' applications during the peer review process, not throughout the process. Additionally, the legislation does not mandate a distribution of funding between career and combination/volunteer departments – it mandates a minimum funding level for combination/volunteer departments, i.e., we do not have to fund career departments.

We do not understand the report's reference to USFA's discretionary decision to use rank order (fourth paragraph of this section). In a competitive grant framework, one would expect there to be a rank order selection of awards once competition had assigned to an application a "score".

Two Levels of Application Evaluation is Equitable

As stated above, we do not deem an application "competitive" or "not competitive". All applications are competitive (see the first paragraph in this section). Unfortunately, we do not have the resources to review every single application. We therefore narrow the number that go to the panel based on a percentage of the available funding and the funding priorities for each activity. There are some very competitive applications that fall outside this mark.

Greater Detail is Required to Demonstrate Financial Need

The report states that we only provide cursory instructions regarding demonstrating financial need in our program guidance and in the application. They go on to state, "No further instructions, details, or examples are provided." We disagree. We provide a great deal of instructions in our applicant workshops. In two years we have conducted over 500 workshops attended by over 25,000 individuals. Additionally, our workshop's PowerPoint presentation is posted on the FEMA/USFA website for those that cannot attend. The same instruction is provided to any of the thousands and thousands of applicants that reach us via our toll-free telephone line or email.

We also believe that if we were to require more financial information than that mentioned above, i.e., provide specific examples of financial need; the result would be more

counterproductive than productive. We believe that if we provided applicants with specific examples, they would merely “parrot” our examples in their application rather than formulating their own statements of financial need.

We are concerned about the recommendation that we should require applicants “to provide detailed information on their operating budgets from the previous two years.” This recommendation assumes that all of our applicants formulate budgets and/or have details of expenditures readily available. The reality is that much of the AFG customer-base is using less structured budgetary systems. Some volunteer departments rely on their checkbook for accounting and control purposes. What information could we obtain from departments whose financial statements are their checkbook balances? As the report points out, we ask each applicant to provide us with their operating budget net of personnel costs. It is our contention that a technical evaluation panelist that is familiar with fire and fire operations can take this figure and compare it to the number of firefighters in the department, the numbers and types of apparatus, the number of stations or facilities, the level of fire and rescue activity, the population served, and size of the area protected and determine if the fire department can operate effectively or if the department has financial needs. We cannot presume these same technical evaluation panelists would be able to interpret an income statement or a balance sheet and determine financial need as effectively.

With respect to the recommendation for more financial information to assess the maintenance of expenditures, we do not believe it is appropriate to collect such information from applicants. We only have to validate the requirement for grantees. All applicants are aware of the requirement since it is in the Rule, in the program guidance, and relayed during our applicant workshops. Grantees are further put on notice of the requirement via the articles of agreement to which they certify compliance. It is the program office’s and the grants management office’s joint responsibility to obtain reasonable assurance that the clause is adhered to. This assurance is accomplished by way of our site visits and we have sought assistance in establishing a method to effectively assess this issue during site visits.

Declaration of Other Federal Funding Sources is Essential

We agree with the recommendation concerning the question “Are you receiving Federal funding from any other program . . . ?” The fact that an answer to this question was optional was an oversight. We will require an answer if we have a program in FY 2004.

The recommendation regarding adding a mandatory question on the Completeness Review Checklist cannot be implemented. As the Administrator for the U.S. Fire Administration, I cannot direct the grants management specialists since they are not organizationally under my control. You may need to redirect this recommendation, though, I understand that this recommendation may already have been implemented.

Mutual Aid Agreements and Regional Approaches Promote Interoperability

Regarding the recommendation to provide additional weight to applications from applicants with written mutual aid agreements we must be cautious. This may, if implemented, adversely affect a large portion of our constituents because these written agreements, certainly the type suggested by the report, requires a certain level of sophistication and/or effort that many fire departments do not possess. Additionally, according to the source quoted by the report, a standardized agreement would have to be developed to truly accomplish the goals of regional, State or national interoperability. Unfortunately, the development of such an agreement is years away. Therefore, if we implemented this recommendation, we may give unfair competitive advantage to the more sophisticated applicants and/or generate “written agreements” that are created to obtain the credit allotted by the program but are worthless with respect to achieving the desired goals. Nevertheless, we will put this idea in front of our criteria development group for our FY 2004 program to see if they find merit.

AFG Monitoring of Grant Recipients Should be Enhanced

The report infers that we should improve our monitoring efforts “. . . to ensure that a greater number of AFG grant recipients meet grant terms and conditions.” This implies that there is a problem with grantees meeting the grant terms and conditions yet the report did not articulate such problems.

This section greatly understates the current monitoring effort. The report should note that this program operates with a formal monitoring plan that has the following elements:

- a) Full and effective cooperation between the program and grants offices,
- b) A network of specially trained, dedicated staff that conduct site visits,
- c) Additional site visits by the grants office (sometimes done in conjunction with regional staff), and
- d) An electronic system that records each transaction related to the grant, from amendment requests to payment requests, and allows for electronic reports. This is unusual in the Federal sector and a best practice.

FEMA Grants Monitoring

In this section the report states that the grantees are “required” to spend drawn funds within 30 days, when they are merely “advised” to do such. Also, there is a statement that indicates the award must be used within one year of approval, but it is actually the scope of work that must be completed within one year. Finally, closeout can be accomplished at anytime, not just after funding has been disbursed. We are, however, requesting that grantees not closeout until the twelfth month of their performance period in order that they might be able to relate more results or benefits from the receipt of the grant.

There is a long paragraph that details concerns about payment requests and their relationship with performance reports. In this section the report points out that several grantees (13 percent of the 902 grantees sampled) were late in the submission of their semi-annual performance report and that many of the late grantees (10 percent of the 902) had not submitted a report but had drawn down grant funds. The report does not inform us when the funds were drawn. Before we can ascertain whether this may be a problem, we would need to know how many of the draws were taken after the report was deemed late versus how much was drawn before the performance report was due. It is very conceivable that all of the funds were drawn prior to the reports' due dates in which case, there is no problem.

There is a statement within this paragraph that declares: "Without timely submission of reports, USFA is unable to assess whether funds are being used as intended by the grant award." While the reports would help us assess, we absolutely disagree that we are unable to assess without the reports. With the automated payment system, grantees have a text-field whereby they can inform us of the purpose of any payment request. We often challenge a request based on the information contained in this field. In other FEMA grant programs that rely on paper forms (SF-270, Request for Advance or Reimbursement), this field does not exist, so there the statement may be true, but not so in our automated system.

We will, however, agree to deny any payment requests for grantees whose performance report is over 30-days past due and we have implemented such a procedure.

USFA Grants Monitoring

The report states that our target level of monitoring visits is ". . . too low to ensure the efficient and effective expenditure of funds." Again, this infers that there is a problem with the expenditures of funds but there is no data in the report to support this finding. We conducted over 400 site visits in the last year and those visits turned up no systemic problems much less any problems with the efficient and effective expenditure of funds.

As the report points out, the human resources dedicated to this program are scarce and it is this scarce resource that is necessary to conduct these very time-consuming tasks. As such, we will have to decline implementation of the recommendation to increase the minimum number of site visits particularly since there is no guarantee that an increase in site monitoring will result in improved performance. We would point out, however, that we are substantially increasing our regional monitoring capacity by hiring more staff for each of our regional offices. We will be directing this new capacity toward the conduct of increased desk monitoring activities already performed by the regional staff.

Development of Performance Measures is Necessary

May we suggest that you remove the word "basic" from the recommendation? With that change, we would be willing to comply with the recommendation.

Needs Assessment Findings Should be Used to Define Priorities

The report is recommending that we use the needs assessment to define the AFG Program's priorities and evaluation criteria. While we believe the needs assessment to be a valuable resource, we do not agree that we should use the needs assessment to define the program's goals and direction. The assessment, which was issued after the development of the program guidance for each of the first three years of the program, validates the program's focus, i.e., the program's priorities are consistent with the needs assessment's findings. But, the usefulness of the needs assessment, which was conducted in 2001, as a guide for setting program policy and program priorities for 2004 or 2005 pales in comparison to our current process, i.e., using active fire-service representatives to identify more immediate priorities. The current process (detailed earlier in the report under the section entitled: **Programs Goals, Priorities, and Grant Criteria are Prudently Developed**) also allows the us to take new initiatives into consideration such as focusing funding on preparedness for events involving weapons of mass destruction.

Possible Confusion Exists Between the Special Fire Prevention and Safety Program and the AFG Program

May we request that you remove the word "special" from this section? The program's correct title is Fire Prevention and Safety Program.

With respect to the recommendation to "Expressly advise all potential AFG Program applicants that there is a separate application, application period, and set of eligibility criteria for the Special Fire Prevention and Safety Program," we do not know how we would be expected to implement this. In the Interim Final Rule published in the Federal Register in 2002, in our Final Rule also published in the Federal Register in 2003, in our program guidance published on the FEMA websites, in our applicant workshops, etc., we "expressly advise all" that we have two separate fire prevention programs. As such, we believe we have done about as much as we can to make this clear.

That being said, this recommendation may be overtaken by events as we are seeking comments from our criteria development panel for FY 2004 on our proposal to remove the fire prevention program as one of the four eligible program areas under the AFG Program. The result would be one sole program for fire prevention, separate and apart from the firefighting segment.

Coordination Between the Federal First Responder Grant Programs and the AFG Program is Necessary to Maximize Available Funding

A few minor points of clarification under this section: 1) Congress has proposed \$750 million for FY 2004, not \$500 million, which was the President's proposal. 2) We believe that the fire service "should" first use the funding to enhance basic capabilities, rather than "must" use the funding for this. 3) We "expect" to continue to establish priorities, rather than "plan" on continuing. 4) There is no formalized recommendation in

this section, but there is a relative recommendation for this section delineated in the **Results in Brief** section on page 3.

The draft report should recognize that we have an MOU in place with other Federal agencies that highlight our efforts to avoid duplication of effort. This MOU is with the Bureau of Land Management, the Bureau of Indian Affairs, the Fish and Wildlife Service, the National Park Service, and the USDA Forest Service. We believe this agreement was provided the inspectors.

On pages 21 and 22 of the draft inspection report, there is a discussion of ideas on how to identify potential duplication of effort without any indication of the degree that there is a problem. Here again, the report does not identify specific examples of duplication or otherwise quantify findings in this area. Such information would be valuable to use in determining how strident we need to be in our pursuit of this issue. The report goes to great lengths about how many “things” we fund that are also available via the SHSGP (Appendix D). But being eligible for purchase and being purchased are two completely different matters. It would have been helpful, for example, if the report had identified how much of the \$600 million appropriated to the SHSGP has been provided to fire departments by the States, or at least how much has been allocated to fire departments so we can assess the potential for duplication. If the States have provided or allocated little or no funding to fire departments our potential for duplication of efforts would be correspondingly low and our efforts to stem duplication would be much different than if a large portion of the funding were going to fire departments.

I would like to take this time to thank you again for the opportunity to respond to your draft inspection report. If you have any questions about our response, please contact Brian Cowan, Director, Grants Program Office, on 202-646-2821.

The OIG evaluated USFA's written comments and has made changes to the draft report where deemed appropriate. A summary of their written comments and our analysis regarding the recommendations made in the report is as follows:

Recommendations

1. Require AFG program applicants to provide detailed information on their operating budgets from the previous two years. This would allow TEPs to conduct a more complete analysis of financial need and would provide the means to validate grant recipients' compliance with the Act's "maintenance of operating expenditures" requirement.

USFA disagrees with both parts of this recommendation. USFA believes this recommendation assumes that all applicants formulate budgets and/or have details of expenditures readily available and in reality much of the AFG customer-base is using less structured budgetary systems. It is USFA's contention that a technical evaluation panelist who is familiar with fire and fire operations can take this figure and compare it to the number of firefighters in the department, the numbers and types of apparatus, the number of stations or facilities, the level of fire and rescue activity, the population served, and size of the area protected and determine whether the fire department can operate effectively or whether the department has financial needs. USFA believes the presumption cannot be made that technical evaluation panelists would be able to interpret an income statement or a balance sheet and determine financial need as effectively.

In addition, USFA commented that the "maintenance of operating expenditures" requirement has to be validated for grant recipients only and, therefore, it is not necessary to collect this information from all applicants. USFA further commented that it is the joint responsibility of the program and grants management offices to validate that this requirement had been met by grant recipients. This validation is currently accomplished by way of site visits and additional assistance has been sought by USFA in establishing a method to assess the maintenance of operating expenditures issue more effectively during site visits.

The OIG believes that, even if an applicant uses a less structured method of budgeting, it is a reasonable expectation for applicants to provide some details on their operating budgets of the past two years, such as income and expenses. While it may be more labor intensive, the OIG maintains that collecting this information will assist technical evaluation panelists to conduct a more complete analysis of financial need of applicants. In addition, while we are encouraged that USFA has sought assistance in establishing a method to assess the maintenance of needs requirement more effectively during site

visits, site visits are not made to 100 percent of the grant recipients. Therefore, by collecting this information upfront from all applicants, USFA, in coordination with FEMA's grants management office, would have the necessary information to validate that the maintenance of operating expenditures requirement has been met by *every* grant recipient.

2. Require AFG program applicants to answer the following question: “*This fiscal year, are you receiving federal funding from any other grant program for the same purpose for which you are applying for this grant?*”

USFA agrees with this recommendation and will *require* applicants to answer this question if the AFG program exists in FY 2004.

The OIG concurs with USFA's response.

3. Add a mandatory question on the Completeness Review Checklist that will ensure FEMA grants management specialists validate other federal funding sources to ensure that those funds are not for the same purpose as the funds requested under the AFG program.

USFA suggested that the OIG redirect this recommendation to the FEMA grant management office as this office is not organizationally structured under USFA's control and is responsible for completing the checklist with grant recipients.

The OIG has redirected this recommendation to FEMA's grants management office.

4. Give additional weight to AFG program applicants that have regional written mutual aid agreements.

USFA believes this recommendation may adversely affect a large portion of its constituents because these written agreements require a certain level of sophistication and/or effort that many fire departments do not possess. If implemented, USFA believes unfair competitive advantage may be given to the more sophisticated applicants and/or generate “written agreements” that are created to obtain the credit allotted by the program but are worthless with respect to achieving the desired goals. Additionally, USFA believes that a standardized agreement would have to be developed to accomplish the goals of regional, state or national interoperability and that the development of such an agreement is years away. Nevertheless, USFA commented that they would put this idea in front of its criteria development group for their FY 2004 program to see whether they find merit in the recommendation.

The OIG maintains that some additional weight should be afforded to AFG program applicants that have regional written mutual aid agreements. The OIG believes that placing this recommendation under consideration of the AFG program criteria development group is a step in the right direction.

5. Enforce the timely submission of semiannual financial and performance reports by suspending the draw down of funds until the required reports have been submitted in according to program guidance.

USFA personnel commented that the report does not inform them when the funds were drawn. Before they can ascertain whether this may be a problem, USFA would need to know how many of the draws were taken after the report was deemed late, versus how much was drawn before the performance report was due. USFA disagrees that they are unable to assess whether funds are being used as intended by the grant award without the reports. With the automated payment system, grantees have a text field whereby they can inform USFA of the purpose of any payment request. USFA personnel said they often challenge a request based on the information contained in this field. USFA will agree, however, to deny any payment requests for grantees whose performance report is over 30 days past due, and USFA has implemented such a procedure.

The OIG did not intend to determine whether or not funding had been drawn down within the initial reporting period. Rather, our analysis was intended to illustrate that grant recipients were not submitting their performance and financial reports in a timely manner. In addition, the OIG acknowledges that USFA's has other methods to assess whether funds are being used as intended by the grant award. This report, however, is an additional tool to make that assessment. The OIG is encouraged that USFA will deny payment requests for grant recipients whose performance report is over 30 days past due.

6. Increase, to the extent that staffing capability permits, the minimum AFG program grant recipient site visits performed by USFA Regional Fire Program Specialists.

USFA believes the report implies that there is a problem with the expenditures of funds but there is no data in the report to support this finding. USFA conducted over 400 site visits in the last year and those visits turned up no systemic problems much less any problems with the efficient and effective expenditure of funds. In addition, USFA acknowledges the human resources dedicated to this program are scarce and it is this scarce resource that is necessary to conduct these very time-consuming tasks. As such, USFA commented that they would have to decline implementation of the recommendation to increase the minimum number of site visits. USFA points out,

however, that they are substantially increasing their regional monitoring capacity by hiring more staff for each of the regional offices and will be directing this new capacity toward the conduct of increased desk monitoring activities already performed by the regional staff.

The OIG believes, with the current minimum number of site visits conducted, USFA has established a low assurance that the expenditure of funds is efficient and effective. The OIG still maintains, to the extent that staffing capability permits, that USFA increase the minimum AFG program grant recipient site visits performed. The OIG acknowledges that the hiring of more staff for each regional office and directing this capacity toward conducting more desk monitoring activities is a positive step. However, unless some staff resources are directed to conduct actual site visits, the assurance will remain low and will not contribute to the accomplishment of our recommendation.

7. Continue efforts to develop, formalize, and implement short and long term performance measures to ensure that the AFG program is addressing the needs and capabilities of the fire service as a whole and is affecting recipient communities in a positive manner.

USFA commented that they would comply provided that the OIG remove the word “basic” from this recommendation.

The OIG removed the word “basic” from this recommendation and concurs with USFA’s response.

8. Use “*A Needs Assessment of the U.S. Fire Service*” as an additional tool when defining AFG program priorities and evaluation criteria.

While USFA believes the needs assessment is a valuable resource, they do not agree it should be used to define the program’s goals and direction. USFA further commented that the usefulness of the needs assessment, which was conducted in 2001, as a guide for setting program policy and program priorities for 2004 or 2005 pales in comparison to their current process, i.e., using active fire service representatives to identify more immediate priorities. The current process also allows USFA to take new initiatives into consideration such as focusing funding on preparedness for events involving weapons of mass destruction.

The OIG believes the report, *A Needs Assessment of the U.S. Fire Service*, is an additional tool for use by USFA when defining AFG program priorities and evaluation criteria. We maintain that the report should be used in concert with the existing process.

9. Expressly advise all potential AFG program applicants that there is a separate application, application period, and set of eligibility criteria for the Fire Prevention and Safety program.

USFA commented they do not know how they would be expected to implement this recommendation. In their Interim Final Rule published in the Federal Register in 2002, the Final Rule also published in the Federal Register in 2003, program guidance published on the FEMA websites, applicant workshops, etc., they have “expressly advise all” that they have two separate fire prevention programs. USFA believes they have done about as much as they can to make this distinction clear.

USFA indicated, however, this recommendation may be overtaken by events as they are seeking comments from their criteria development panel for FY 2004 on their proposal to remove the fire prevention program as one of the four eligible program areas under the AFG Program. The result would be one sole program for fire prevention, separate and apart from the firefighting segment.

The OIG acknowledges the efforts made by USFA to distinguish one program from the other. Throughout our review, however, we observed and were told that confusion remains that these two programs are separate. The OIG, however, is encouraged by USFA’s proposal to combine the programs into one program for fire prevention, separate and apart from the firefighting segment. This course of action, if accepted, would comply with the intent of our recommendation.

1. Require AFG program applicants to provide detailed information on their operating budgets from the previous two years. This would allow TEPs to conduct a more complete analysis of financial need and would provide the means to validate grant recipients' compliance with the Act's "maintenance of operating expenditures" requirement.
2. Require AFG program applicants to answer the following question: "*This fiscal year, are you receiving federal funding from any other grant program for the same purpose for which you are applying for this grant?*"
3. Add a mandatory question on the Completeness Review Checklist that will ensure FEMA grants management specialists validate other federal funding sources to ensure that those funds are not for the same purpose as the funds requested under the AFG program.
4. Give additional weight to AFG program applicants that have regional written mutual aid agreements.
5. Enforce the timely submission of semiannual financial and performance reports by suspending the draw down of funds until the required reports have been submitted in according to program guidance.
6. Increase, to the extent that staffing capability permits, the minimum AFG program grant recipient site visits performed by USFA Regional Fire Program Specialists.
7. Continue efforts to develop, formalize, and implement short and long term performance measures to ensure that the AFG program is addressing the needs and capabilities of the fire service as a whole and is affecting recipient communities in a positive manner.
8. Use "*A Needs Assessment of the U.S. Fire Service*" as an additional tool when defining AFG program priorities and evaluation criteria.
9. Expressly advise all potential AFG program applicants that there is a separate application, application period, and set of eligibility criteria for the Fire Prevention and Safety program.

Appendix I
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