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HOMELAND SECURITY

DHS Needs Better Project Information and Coordination among Four Overlapping Grant Programs

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DHS Needs Better Project Information and Coordination among Four Overlapping Grant Programs

Why GAO Did This Study

From fiscal years 2002 through 2011, the Department of Homeland Security's (DHS) Federal Emergency Management Agency (FEMA) distributed approximately $20.3 billion to four grant programs: the State Homeland Security Program, Urban Areas Security Initiative, Port Security Grant Program, and Transit Security Grant Program. These programs are intended to enhance the capacity of state and local first responders to prevent, respond to, and recover from a terrorism incident. GAO was asked to evaluate the extent to which: (1) overlap and other factors among these programs could impact the risk of duplication; (2) mechanisms exist that enhance coordination and reduce the risk of duplication and how they are being implemented; and (3) DHS has implemented performance measures to evaluate the effectiveness of these programs. To address these objectives, GAO reviewed grant guidance and funding allocation methodologies. GAO also interviewed DHS officials, and grant administrators in five urban areas—selected because they receive funding from all four grant programs in this review—about grant processes and program challenges, among other things.

What GAO Recommends

GAO recommends that DHS: (1) collect project information with the level of detail needed to identify any unnecessary duplication; (2) explore opportunities for enhanced internal coordination in grant administration; and (3) revise its plan to ensure the timely implementation of performance measures to assess the effectiveness of these grants. DHS concurred with all recommendations.

View GAO-12-303. For more information, contact David C. Maurer at (202) 512-9627 or MaurerD@gao.gov.

What GAO Found

Multiple factors contribute to the risk of duplication among four FEMA grant programs that GAO studied—the State Homeland Security Program (SHSP), Urban Areas Security Initiative (UASI), Port Security Grant Program, and Transit Security Grant Program. Specifically, these programs share similar goals, fund similar projects, and provide funds in the same geographic regions. Further, DHS's ability to track grant funding, specific funding recipients, and funding purposes varies among the programs, giving FEMA less visibility over some grant programs. Finally, DHS's award process for some programs bases decisions on high-level, rather than specific, project information. Although GAO's analysis identified no cases of duplication among a sample of grant projects, the above factors collectively put FEMA at risk of funding duplicative projects. FEMA officials stated that there is a trade-off between enhancing management visibility and reducing administrative burden, but also recognized that FEMA should use more specific project-level information for award decisions and have taken initial steps towards this goal. For example, FEMA is considering how to better use existing grant information and has also begun to phase in a grants management system that includes an explicit goal of collecting project-level information. However, FEMA has not determined all of its specific data requirements. As FEMA determines these requirements, it will be important to collect the level of information needed to compare projects across grant programs. Given the limitations in currently collected information, FEMA would benefit from collecting information with greater detail as this could help FEMA better position itself to assess applications and ensure that it is using its resources effectively.

FEMA, as well as state and local stakeholders, have taken steps to improve coordination in administering the four programs, but FEMA could take further action. For example, FEMA does not internally coordinate application reviews across the four programs. Specifically, the programs are managed by two separate FEMA divisions which review grant applications for each program separately and there is no process in place to ensure that application information is shared among the programs during this process. Thus, it is difficult for FEMA to identify whether grant monies are being used for the same or similar purposes. FEMA could benefit from further examining its internal grant coordination process, while considering the large volume of grant applications it must process.

FEMA introduced some performance measures for the UASI and SHSP programs in 2011 that add value, but these measures do not assess program effectiveness. FEMA has efforts under way to develop outcome measures—that will focus on program effectiveness—for each of the four grant programs in this review, but has not completed these efforts. Further, the FEMA project plan that guides these efforts does not provide information on what measures will be implemented for each grant program and when this will occur. A revised project plan that includes more specific schedule information and accurate implementation timelines could help guide these efforts. DHS also has several efforts under way to measure the collective effectiveness of its grant programs in achieving shared program goals, but these efforts are recent and ongoing. Thus, it is too soon to evaluate the extent to which these initiatives will provide FEMA with the information it needs to determine whether these grant programs are effectively improving the nation's security.

_____ **United States Government Accountability Office**

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Abbreviations

BSIR	Biannual Strategy Implementation Report
CBRNE	Chemical, biological, radiological, and nuclear detection equipment
DHS	Department of Homeland Security
FA	Fiduciary Agent
FEMA	Federal Emergency Management Agency
GPD	Grant Programs Directorate
HSPD-8	Homeland Security Presidential Directive-8
IJ	Investment Justification
NAPA	National Academy of Public Administration
ND Grants	Non disaster grant management system
NPAD	National Preparedness Assessment Division
NPD	National Preparedness Directorate
OIG	DHS Office of Inspector General
PPD-8	Presidential Policy Directive-8
PSGP	Port Security Grant Program
SAA	State Administrative Agency
SHSP	State Homeland Security Program
THIRA	Threat and Hazard Identification Risk Assessment
TSA	Transportation Security Administration
TSGP	Transit Security Grant Program
UASI	Urban Areas Security Initiative
UAWG	Urban Area Working Group
USCG	U.S. Coast Guard

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Congressional Requesters

More than 10 years after the September 11, 2001, terrorist attacks, the United States remains vulnerable to attack, as evidenced by the attempted Christmas Day bombing of Flight 253 in 2009, the attempted car bombing of Times Square in New York City in 2010, and the disrupted plot to attack the subway system in Washington, D.C., in 2010, among other examples. As noted by the Department of Homeland Security (DHS), terrorist threats continue to evolve and can vary widely in their origin and scope, ranging from a lone U.S. citizen detonating a pipe-bomb to a sophisticated biological attack by an international group. In addition to the vast expansion of federal homeland security measures over the last decade, state, local, tribal, and private sector entities, as well as citizens themselves, have assumed a greater role in protecting the nation from terrorism. To assist states and localities in strengthening the security and resilience of their communities against risks associated with potential terrorist attacks, the federal government has undertaken a variety of initiatives. For example, the government has expanded financial assistance to a wide array of public and private stakeholders for terrorism preparedness activities through various grant programs administered by DHS through its component agency, the Federal Emergency Management Agency (FEMA). For certain grant programs that require a particular subject-matter expertise, FEMA also coordinates with other DHS entities, such as the U.S. Coast Guard (USCG) or the Transportation Security Administration (TSA), to administer the grant program. Through these grant programs, DHS has sought to enhance the capacity of states, localities, and other entities, such as ports or transit agencies, to prevent, respond to, and recover from a terrorism incident.

From fiscal years 2002 through 2011, the federal government appropriated over $37 billion to a variety of DHS homeland security preparedness grant programs.[1] DHS distributed approximately $20.3

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[1]This total is based on Congressional Research Service data and GAO analysis, and includes firefighter assistance grants and emergency management performance grants. See Congressional Research Service, *Department of Homeland Security Assistance to States and Localities: A Summary of Issues for the 111th Congress*, R40246 (Washington, D.C.: Apr. 30, 2010).

billion of this funding to grant recipients through four programs: the State Homeland Security Program (SHSP), the Urban Areas Security Initiative (UASI), the Port Security Grant Program (PSGP), and the Transit Security Grant Program (TSGP). Although these four programs are administered separately, they fund broadly similar activities, such as planning, training, equipment, and exercises. We previously reported on FEMA's full suite of 17 fiscal year 2010 preparedness programs, including these four programs, and noted that FEMA needed to improve oversight and coordination of its grant awards to identify and address any unnecessary overlap and duplication, among other things.[2]

For the purposes of this report and our analysis of the four grant programs, we considered "duplication" to occur when two or more agencies or programs were engaged in the same activities or provided the same services to the same beneficiaries. We used the term "overlap" when multiple agencies or programs had similar goals, engaged in similar activities or strategies to achieve them, or targeted similar beneficiaries. The presence of overlap can suggest the need to look closer at the potential for unnecessary duplication. However, determining whether and to what extent project funding is actually duplicative requires project-level information, which we collected for a sample of grant projects as discussed below.

You requested that we evaluate these four grant programs, including the administrative coordination and effectiveness of these programs. This report addresses the extent to which:

1. overlap, if any, among the four selected grant programs and other factors impact the risk that duplication may occur within and across the programs;
2. federal, state, and local mechanisms exist that enhance coordination and reduce the risk of unnecessary duplication, and how DHS and other stakeholders are implementing these mechanisms; and
3. DHS has implemented performance measures to evaluate the effectiveness of these grant programs.

To determine the extent to which overlap, if any, among the four selected grant programs and other factors impact the risk that duplication may

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[2] GAO, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP (Washington, D.C.: Mar. 1, 2011).

occur within and across the programs, we analyzed FEMA grant guidance and information for each program throughout the grants cycle, including grant recipients, project types, and funding amounts. To determine the eligible recipients, grant program purposes, and allowable projects, we analyzed federal grant guidance. To establish the various methods that DHS used to distribute grant funds, we analyzed the grant guidance and applicable federal statutes. Then, to understand how these various distribution methods affected coordination within and across the grant programs, we interviewed FEMA's federal partners—USCG and TSA—both of which play important roles in program management for PSGP and TSGP, respectively. To determine the extent to which DHS components were involved with the project selection process, we analyzed grant guidance, applicable federal statutes and regulations, state and urban area homeland security strategies, and other documents that describe local project selection processes. We also spoke with federal, state, and local officials and collected documentation on distribution methods during site visits to five urban areas: Houston, Texas; Jersey City/Newark, New Jersey; New York City, New York; San Francisco, California; and Seattle, Washington. We used specific criteria to select these urban areas, including their levels of grant funding for all four grant programs, recommendations from stakeholders familiar with the programs such as FEMA program officials and association groups, and their diversity of terrorism and disaster threats. While the information we obtained from these urban areas and corresponding states cannot be generalized, it provided insights into projects initiated using grant funding across the grant programs we reviewed.

To assess the extent to which SHSP, UASI, PSGP, and TSGP funds could have been allocated to unnecessarily duplicative projects, we reviewed FEMA Investment Justifications (IJ),[3] Biannual Strategy Implementation Reports (BSIR),[4] and other FEMA files, such as

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[3] Investment Justifications (IJ) are one component of SHSP, UASI, PSGP, and TSGP applications for grant funding. They provide narrative information on proposed activities (investments) that will be accomplished with the grant funds and are described in more detail later in this report. The IJ must demonstrate how proposed investments address gaps and deficiencies in current capabilities, and also demonstrate adherence to program guidance.

[4] The Biannual Strategy Implementation Report (BSIR) is a reporting requirement submitted by states to FEMA on the progress of certain grants. These reports are described in more detail later in this report.

spreadsheets related to PSGP and TSGP awards. We also reviewed a DHS Office of Inspector General (OIG) report on DHS preparedness grant funding that reported on each of the programs we reviewed. We reviewed the methodology and findings of this work and determined the findings to be sufficiently reliable to be included in this report. We also analyzed every project submitted by the selected five urban areas for all four programs for fiscal years 2008 through 2010, which totaled 1,957 projects. For our project analysis, we defined overlap as any projects that appeared to have the same purpose, the same project type, or the same entities receiving funds. Projects were defined as unnecessarily duplicative if they overlapped and FEMA had no evidence of coordination between the recipients or in certain cases, between different FEMA divisions. We did not regard projects that used different funding streams for different aspects of a single project to be duplicative. Using this definition, we analyzed FEMA information on grant projects and categorized overlapping projects that had the same or similar project type and description and were within the same jurisdiction. We used BSIR data categories as the foundation for our analysis. Port and transit projects are not included in the BSIR, thus information for these two grant programs was obtained from FEMA spreadsheets and recategorized according to the BSIR for comparison. The accuracy of the categorization of the projects was confirmed independently by two GAO analysts. For the purposes of our report, we concluded that FEMA's project information was sufficiently reliable for each of the programs we reviewed. For projects identified as potentially duplicative, we obtained and analyzed additional information from state officials, including coordination plans, project ledgers, equipment inventory lists, planning and training rosters, and expanded project descriptions, to evaluate the extent to which any funded activities were actually duplicative. To determine if the information maintained by FEMA allowed the agency to meet its goals, we compared the results of our data analysis to *Standards for Internal Control in the Federal Government*.

To determine the extent to which mechanisms exist to enhance coordination and prevent unnecessary duplication within and across the four selected grant programs, we reviewed national planning documents, such as the National Preparedness Guidelines,[5] along with grant

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[5] Among other things, the National Preparedness Guidelines are intended to organize and synchronize national—including federal, state, local, tribal, and territorial—efforts to strengthen national preparedness.

guidance and federal statutes that establish linkages across grant programs. In addition, we interviewed FEMA officials from the grants divisions responsible for administering each of the programs, along with USCG and TSA officials involved with administering PSGP and TSGP. To assess state and local coordination of grant programs in each of the five selected urban areas, we interviewed State Administrative Agency (SAA) officials,[6] various members of Urban Area Working Groups (UAWG),[7] PSGP fiduciary agents (FA), local USCG officials, and transit system officials familiar with the TSGP. We also reviewed state, urban area, port, and regional transit homeland security strategies for the selected areas, along with other state or local guidelines related to the administration of the grants programs, such as membership charters for the UAWGs. We also reviewed FEMA guidance to states and urban areas on aligning their homeland security strategies with national preparedness objectives. We assessed coordination efforts against best practices described in our prior reports.[8]

To determine the extent to which DHS has implemented performance measures to evaluate the effectiveness of these four grant programs, we analyzed DHS and FEMA documents from 2011 related to current performance measures as well as performance measures under development. This analysis included FEMA's Performance Measure Implementation Plan, a document that provides FEMA's general approach to performance measurement including effectiveness measures, as well as a list of key milestones to implement new performance measures and refine existing measures. We interviewed grant officials from FEMA's Grant Programs Directorate (GPD) and FEMA's National Preparedness Directorate (NPD) to determine what

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[6] A designated State Administrative Agency (SAA) is responsible for managing the SHSP and UASI programs at the state level. This management includes processing project applications prior to submitting them to FEMA, "passing though" federal funds to regional or local entities, and ensuring that local grant recipients comply with various statutory and grant requirements.

[7] The Urban Area Working Groups (UAWG), in the UASI regions, develop the methodology for allocating funding and make decisions, based on consensus, on all UASI funding allocations.

[8] See GAO, *Transit Security Grant Program: DHS Allocates Grants Based on Risk, but Its Risk Methodology, Management Controls, and Grant Oversight Can Be Strengthened,* GAO-09-491 (Washington, D.C.: June 8, 2009) and *Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration among Federal Agencies,* GAO-06-15 (Washington, D.C.: Oct. 21, 2005).

grant performance measurement data FEMA had collected or planned to collect in the future. In addition, we compared DHS and FEMA efforts to evaluate the performance of selected grant programs and FEMA's Performance Measure Implementation Plan with guidance on performance measurement contained in our previous reports and standards contained in Project Management Institute best practices.[9]

We conducted this performance audit from October 2010 through February 2012 in accordance with generally accepted government auditing standards.[10] Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Overview of DHS Preparedness Grant Programs

Within DHS, FEMA manages a diverse portfolio of grant programs including a variety of preparedness grants. (See app. I for a diagram of FEMA's grants portfolio.) According to FEMA, the overarching goal of the preparedness grants is to enhance the capacity of state and local emergency responders to prevent, respond to, and recover from a terrorism incident involving chemical, biological, radiological, nuclear, or other explosive devices, or cyber attacks. Responsibility for administering federal preparedness grants has shifted numerous times within DHS.[11] In fiscal year 2003, DHS's Office of Domestic Preparedness administered grant programs; since then, at different times other DHS offices have administered the programs, such as the Office for State and Local Government Coordination and Preparedness and the Office of Grants

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[9] See GAO, *Port Security Grant Program: Risk Model, Grant Management, and Effectiveness Measures Could Be Strengthened,* GAO-12-47 (Washington, D.C.: Nov. 17, 2011) and GAO-09-491; and Project Management Institute, *The Standard for Program Management,* © (2006).

[10] This work was done in conjunction with a separate review of the Port Security Grant Program. See GAO-12-47.

[11] Prior to DHS's formation in 2003, agencies such as the Department of Justice and the Department of Health and Human Services administered various preparedness-related grants.

and Training. However, since its creation in April 2007, FEMA's GPD has been responsible for the program management of DHS's preparedness grants.[12] GPD consolidated the grant business operations, systems, training, policy, and oversight of all FEMA grants and the program management of preparedness grants into a single entity. GPD works closely with other DHS entities to manage several grants, including the USCG for the PSGP and TSA for the TSGP.

Grant Funding for Preparedness Programs

From fiscal years 2002 through 2011, DHS distributed approximately $20.3 billion through four grant programs: SHSP, UASI, PSGP, and TSGP.[13] See table 1 for a breakdown of the funding for these programs.

Table 1: SHSP, UASI, PSGP, and TSGP Funding for Fiscal Years 2002-2011

(Dollars in millions)

Fiscal year	SHSP	UASI	PSGP	TSGP
2002	$316	N/A	$93	N/A
2003	$2,066	$596	$244	N/A
2004	$1,675	$671	$179	N/A
2005	$1,062	$855	$141	$108
2006	$528	$711	$168	$131
2007	$509	$747	$311[a]	$251
2008	$863	$782	$389	$356
2009	$861	$799	$539[b]	$498[c]
2010	$842	$833	$288	$253
2011	$527	$663	$235	$200
Total	**$9,249**	**$6,657**	**$2,587**	**$1,797**

Source: GAO analysis of FEMA grant guidance.

[a]This figure includes $201 million in funding pursuant to the fiscal year 2007 appropriation and an additional $110 million in funding pursuant to the 2007 supplemental appropriation.

[b]This figure includes $389 million in funding pursuant to the fiscal year 2009 appropriation and an additional $150 million in funding pursuant to appropriations in the American Recovery and Reinvestment Act. Pub. L. No. 111-5, 123 Stat. 145, 164 (2009).

[12] The Post-Katrina Emergency Management Reform Act transferred most of the Preparedness Directorate to FEMA, effective on March 31, 2007. Pub. L. No. 109-295, 120 Stat. 1355, 1394 (2006).

[13] In fiscal year 2011, FEMA distributed funds to a total of 16 preparedness grant programs including SHSP, UASI, PSGP, and TSGP.

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Overview of Grant Cycle

Federal grants, including SHSP, UASI, PSGP, and TSGP generally follow the grant life cycle shown in figure 1 of announcement, application, award, postaward, and closeout. A grant program may be established through legislation—which may specify particular objectives, eligibility, and other requirements—and a program may also be further defined by the grantor agency. For competitive grant programs, the public is notified of the grant opportunity through an announcement, and potential grantees must submit applications for agency review. In the application and award stages, the agency identifies successful applicants or legislatively defined grant recipients and awards funding to them. The postaward stage includes payment processing, agency monitoring, and grantee reporting, which may include financial and performance information. The closeout phase includes preparation of final reports and any required accounting for property. Audits may occur multiple times during the life cycle of the grant and after closeout.

Figure 1: General Grant Life Cycle
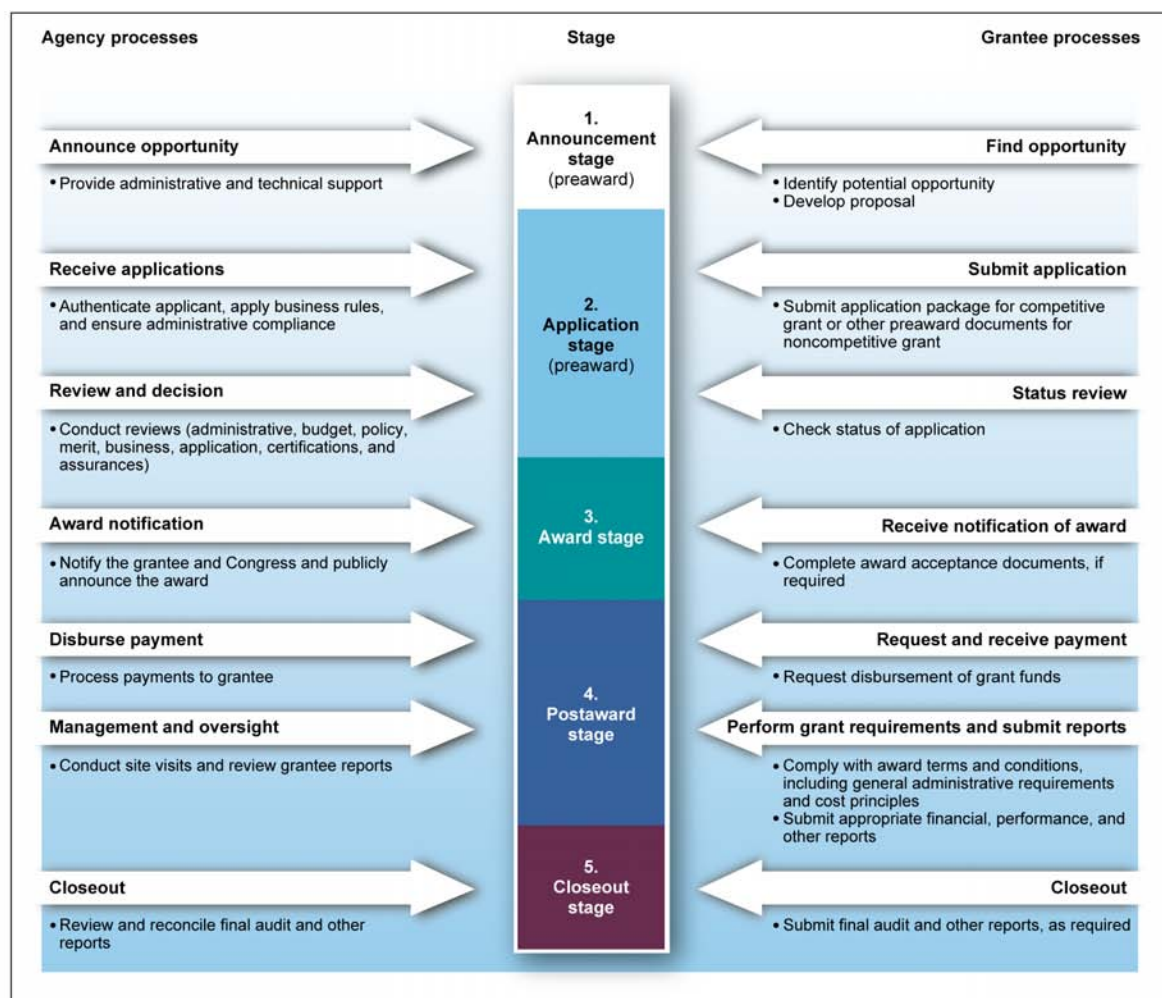
Source: GAO.

Grant Programs Are Tied to Broader National Preparedness Initiatives

SHSP, UASI, PSGP, and TSGP are specific grant programs nested under a larger framework of national preparedness. The broader initiatives described below, some of which are in development, are intended to help determine preparedness goals and the capabilities necessary to achieve these goals. Grants programs such as the four we reviewed can then help facilitate specific investments to close identified capability gaps. The purpose and status of the larger preparedness framework affects SHSP,

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UASI, PSGP, and TSGP in a number of ways, including the development of grant performance metrics to assess the effectiveness of the programs.

- In December 2003, the President issued Homeland Security Presidential Directive-8 (HSPD-8), which called on the Secretary of Homeland Security to coordinate federal preparedness activities and coordinate support for the preparedness of state and local first responders, and directed DHS to establish measurable readiness priorities and targets.

- In October 2006, the Post-Katrina Emergency Management Reform Act was enacted, which requires FEMA to develop specific, flexible, and measurable guidelines to define risk-based target preparedness capabilities and to establish preparedness priorities that reflect an appropriate balance between the relative risks and resources associated with all hazards.[14]

- In September 2007, DHS published the National Preparedness Guidelines. The purposes of the guidelines are to: organize and synchronize national—including federal, state, local, tribal, and territorial—efforts to strengthen national preparedness; guide national investments in national preparedness; incorporate lessons learned from past disasters into national preparedness priorities; facilitate a capability-based and risk-based investment planning process; and establish readiness metrics to measure progress and a system for assessing the nation's overall preparedness capability to respond to major events, especially those involving acts of terrorism. Each of the grant programs in our review has specific strategies that are aligned with the overall federal national preparedness guidelines, as the following examples illustrate.

  - **State and Urban Area Homeland Security Strategies (all four grants):** These strategies are designed to (1) provide a blueprint for comprehensive, enterprise wide planning for homeland security efforts; and (2) provide a strategic plan for the use of related federal, state, local, and private resources within the state and/or urban area before, during, and after threatened or actual domestic terrorist attacks, major disasters, and other emergencies. State and urban area homeland security strategies

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[14] 6 U.S.C. § 746.

are required by FEMA for receiving SHSP and UASI funding.

- **Port-Wide Risk Mitigation Plan (PSGP):** The primary goal of these plans is to provide a port area with a mechanism for considering its entire port system strategically as a whole, and to identify and execute a series of actions designed to effectively mitigate risks to the system's maritime critical infrastructure. FEMA requires a Port-Wide Risk Mitigation Plan for receiving PSGP funding for the high-risk ports, known as Groups I and II, as discussed in table 2.[15]

- **Regional Transit Security Strategy (TSGP):** These strategies serve as the basis on which funding is allocated to address regional transit security priorities, and are the vehicles through which transit agencies may justify and access other funding and available resources. TSA requires a Regional Transit Security Strategy for receiving TSGP funding.

- On March 30, 2011, the President issued Presidential Policy Directive-8 (PPD-8), which directs the development of a national preparedness goal and the identification of the core capabilities necessary for preparedness. PPD-8 replaces HSPD-8.[16] FEMA officials noted that the National Preparedness System affirms the all-hazards risk-based approach to national preparedness.[17] FEMA officials further noted that PPD-8 looks to build on the efforts already in place, including those that supported the Post-Katrina Emergency Management Reform Act and the 2009 National Infrastructure

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[15] Based on risk, each port area is placed into one of three funding groups—Group I, Group II, or Group III. Groups I and II port areas are the highest risk port areas that receive the bulk of the PSGP grant funding.

[16] PPD-8 states, "This directive replaces Homeland Security Presidential Directive (HSPD)-8 (National Preparedness), issued December 17, 2003, and HSPD-8 Annex I (National Planning), issued December 4, 2007, which are hereby rescinded, except for paragraph 44 of HSPD-8 Annex I. Individual plans developed under HSPD-8 and Annex I remain in effect until rescinded or otherwise replaced."

[17] The national preparedness system is designed to help guide the domestic efforts of all levels of government, the private and nonprofit sectors, and the public to build and sustain national capabilities. The national preparedness system is to include guidance for planning, organization, equipment, training, and exercises to build and maintain domestic capabilities. It is intended to provide an all-of-nation approach for building and sustaining a cycle of preparedness activities over time.

Protection Plan.[18] PPD-8 has specific deadlines for deliverables: 180 days for the National Preparedness Goal, 240 days for a description of the National Preparedness System, and 1 year for a National Preparedness Report.[19]

Overlap and Other Factors Increase the Risk of Duplication among Grant Programs

Grant Programs Have Similar Goals, Fund Similar Projects, and Exist in the Same Urban Areas, Which Increases the Risk of Duplication

The four grant programs in our review—SHSP, UASI, PSGP, and TSGP—have overlapping goals, project types, and funding jurisdictions, which increases the risk of duplication among the programs. Although the specifics of the four programs vary, they share the overarching goal of enhancing the capacity of state and local emergency responders to prevent, respond to, and recover from a terrorism incident involving chemical, biological, radiological, nuclear, or other explosive devices, or

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[18] In accordance with the Homeland Security Act and in response to HSPD-7, DHS issued, in June 2006, the first National Infrastructure Protection Plan, which provides the overarching approach for integrating the nation's critical infrastructure and key resource protection initiatives into a single effort. DHS issued a revised Plan in January 2009. The Plan sets forth a risk management framework and details the roles and responsibilities of DHS, sector-specific agencies, and other federal, state, regional, local, tribal, territorial, and private sector partners, including how they should use risk management principles to prioritize protection activities within and across sectors.

[19] In September 2011, DHS issued the National Preparedness Goal as directed by PPD-8. According to DHS, the goal is "A secure and resilient Nation with the capabilities required across the whole community to prevent, protect against, mitigate, respond to, and recover from the threats and hazards that pose the greatest risk." Thirty-two "core capabilities," such as "planning" and "threats and hazard identification," are listed and defined under each of the five broader mission areas named in the goal ("prevent," "protect against," etc.). These capabilities will be the foundation for measuring overall national preparedness and allocating resources to fill preparedness gaps. Additionally, in November 2011, DHS released its description of the National Preparedness System that summarizes the components of the National Preparedness System, which include: identifying and assessing risk, estimating the level of capabilities needed to address those risks, building or sustaining the required levels of capability, developing and implementing plans to deliver those capabilities, validating and monitoring progress, and reviewing and updating efforts to promote continuous improvement.

cyber attacks. More specifically, each program funds similar projects such as training, planning, equipment, and exercises. For example, the four programs have overlapping lists of allowable costs, so certain types of equipment, such as communication radios, may be purchased through each grant program. Further, although the programs target different constituencies, such as states and counties, urban areas, and port or transit stakeholders, there is overlap across recipients. For example, each state and eligible territory receives a legislatively mandated minimum amount of SHSP funding to help ensure that all areas develop a basic level of preparedness, while UASI explicitly targets urban areas most at risk of terrorist attack.[20] However, many jurisdictions within designated UASI areas also apply for and receive SHSP funding. Similarly, a port stakeholder in an urban area could receive funding for patrol boats through both PSGP and UASI funding streams, and a transit agency could purchase surveillance equipment with TSGP or UASI dollars. More broadly, any designated high-risk urban area located near major waterways can receive funding through SHSP, UASI, PSGP, and TSGP sources.

In March 2011, we reported that overlap among government programs or activities can be harbingers of unnecessary duplication. Further, we commented on FEMA's full suite of 17 fiscal year 2010 preparedness programs, including the four programs in this review, and noted that FEMA needed to improve oversight and coordination of its grant awards.[21] Identifying and mitigating the risk of duplication could help ensure that these four grant programs, which distributed over $20 billion dollars in funding to grant recipients from fiscal years 2002 through 2011, are allocating resources effectively. Table 2 below describes the basic purposes, the types of projects funded, and the eligible applicants of the SHSP, UASI, PSGP, and TSGP programs.

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[20] 6 U.S.C. § 605(e); 6 U.S.C. § 604.

[21] GAO-11-318SP.

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Table 2: Purpose, Project Type, and Eligible Applicants of SHSP, UASI, PSGP, and TSGP

	State Homeland Security Grant Program (SHSP)	Urban Areas Security Initiative (UASI)	Port Security Grant Program (PSGP)	Transit Security Grant Program (TSGP)
Purpose of the grant program	SHSP provides funding to support states' implementation of homeland security strategies to address the identified planning, organization, equipment, training, and exercise needs at the state and local levels to prevent, protect against, respond to, and recover from acts of terrorism and other catastrophic events.	UASI provides federal assistance to address the unique needs of high-threat, high-density urban areas, and assists them in building an enhanced and sustainable capacity to prevent, protect, respond to, and recover from acts of terrorism.	PSGP provides federal assistance to strengthen the security of the nation's ports against risks associated with potential terrorist attacks by supporting increased port wide risk management, enhanced domain awareness, training and exercises, and expanded port recovery capabilities.	TSGP provides funds to owners and operators of transit systems (which include intracity bus, commuter bus, ferries, and all forms of passenger rail) to protect critical surface transportation infrastructure and the traveling public from acts of terrorism and to increase the resilience of transit infrastructure.
Types of projects funded	• Planning • Organization • Equipment • Training • Exercises	• Planning • Organization • Equipment • Training • Exercises	• Port resiliency and recovery efforts • Maritime domain awareness efforts • Planning • Equipment • Training • Exercises	• Capital infrastructure projects • Operational activities • Planning • Equipment • Training • Exercises
Eligible applicants	SAA/ 50 states, DC, and territories. • SAA may allocate SHSP funds to Designated Urban Areas	SAA/ 31 Designated Urban Areas (2 Tiers based on risk).[a] • Urban Areas may allocate UASI funds to port and transit stakeholders	Port Areas: Groups I and II (highest risk); Group III and "All Other Port Areas" (lower risk).[b]	Selected transit agencies and ferry systems within high risk urban areas.

Source: FEMA grant guidance.

[a]In fiscal year 2011, Tier I UASI areas included the 11 highest risk urban areas and were allocated about 82 percent of the total UASI funding available; Tier II included the other 20 candidate areas and were allocated the remaining 18 percent funding. Tier I and II Urban Area are determined using a DHS risk model that incorporates threat, vulnerability, and consequence.

[b]A DHS risk model determines the port areas at high risk of a terrorist attack and DHS places them in either Group I (highest risk group), Group II (next highest risk group) or Group III. In fiscal year 2011, there were 7 port areas in Group I and 48 port areas in Group II. Port areas in Group I are considered to be the highest risk port areas in the nation. Ports not identified in Group I, II, or III are eligible to apply for funding as part of the All Other Port Areas Group. For additional information on the PSGP and port area groups, see GAO-12-47.

Differences in Administrative Processes among the Four Grant Programs Result in Varied Levels of Information on Which Award Decisions Are Based

FEMA's ability to track which projects receive funding among the four grant programs is varied because the project-level information FEMA has available to make award decisions—including grant funding amounts, grant recipients, and grant funding purposes—also varies by program. This is due to differences in the grant programs' administrative processes. For example, in some cases, FEMA relies on stakeholders to review and recommend projects for grant funding—adding layers to the review process. Delegating administrative duties to stakeholders reduces FEMA's administrative burden, but also contributes to FEMA having less visibility over some grant applications, specifically those funded via SHSP and UASI. A combination of federal statutes and DHS policy determine specific grant allocation mechanisms and the federal partners involved in grants administration. Figure 2 below describes the federal agencies involved, the path of the grant funds to the final recipient, and the application and award process for each grant, as of fiscal year 2011.

Figure 2: Involved Federal Agencies and Grant Funding Paths and Processes of SHSP, UASI, PSGP, and TSGP

Grant program	SHSP	UASI	PSGP	TSGP
Federal agencies involved	FEMA	FEMA	FEMA/USCG	FEMA/TSA
Path of grant funds from FEMA to final recipient	**3 steps** FEMA ↓ SAA ↓ Local units of government ↓ Final grant recipient	**3 steps** FEMA ↓ SAA ↓ Urban Areas ↓ Final grant recipient	**2 steps** FEMA ↓ Port Area Fiduciary Agent[b] ↓ Final grant recipient	**1 step** FEMA ↓ Final grant recipient
Application and award process	• FEMA announces funding allocation available to each state and opens application period. • FEMA awards funds to the SAA based on the project applications submitted through the SAA by local stakeholders. • The SAA distributes funds to local stakeholders and funds are received by final grant recipients.	• FEMA announces funding allocation available to each eligible urban area and opens application period. • FEMA awards funds to the SAA based on the project applications submitted through the SAA by the Urban Area Working Groups.[a] • The SAA distributes funds to the Urban Area Working Groups and funds are received by final grant recipients.	• FEMA announces funding allocation available to each port area and opens application period. • FEMA awards funds to Groups I and II port area fiduciary agents. • A committee of port stakeholders reviews and ranks project proposals and recommends projects for funding to local USCG leadership. • Group III and "All Other Port Areas" submit projects directly to FEMA for award decisions. A panel of federal subject-matter experts reviews each project for funding decisions. • All projects from all groups are reviewed at the local field level and at the national level.	• FEMA announces funding allocation available to all eligible transit stakeholders for competitive grants and opens application period. • TSA sets the parameters for and approves the transit security strategies and final project selection is based on TSA approval. • FEMA awards funds directly to selected transit stakeholders.

Source: GAO analysis of FEMA grant guidance.

[a]The Urban Area Working Groups develop the methodology for allocating funding and make decisions, based on consensus, on all UASI funding allocations.

[b]For Group I and Group II port areas—the highest risk port areas—money is passed from FEMA to the final grant recipient through the designated fiduciary agent as described in the table. However, for Group III and the All Other Port Areas Group, funding is passed directly from FEMA to the final grant recipient.

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As depicted in figure 2, grant funding follows a different path to final recipients depending on the program's administrative process. For example, grant awards made under SHSP and UASI go through three steps before the money reaches the final grant recipient. First, DHS awards SHSP and UASI funds through FEMA to a designated SAA—typically a state homeland security or emergency management office. The SAA then passes funds to subrecipients, such as county or city governments or designated urban areas. These subrecipients/local governments may then further distribute SHSP and UASI funds to other entities, including individual law enforcement agencies. It is these other entities that will ultimately spend the grant funds to implement security projects. Because state governments are required by the Implementing Recommendations of the 9/11 Commission Act of 2007 (9/11 Commission Act) to have a role in the application process and distribution of SHSP and UASI funding,[22] and because of the thousands of individual projects that comprise these programs, FEMA relies on the SAAs to administer the awards to smaller entities.

In delegating significant grants administration duties to the SAA for the larger SHSP and UASI programs, FEMA officials recognized the trade-off between decreased visibility over grant funding, subrecipients, and specific project-level data in exchange for their reduced administrative burden. For these two programs, the SAA, as the official grant recipient, assumes responsibility for holding subrecipient entities accountable for their use of funding, including ensuring that recipients use grant funds to pay costs that are allowable (e.g., reasonable and necessary for proper performance of the award).[23] However, according to FEMA officials, states' capacities to effectively administer and coordinate their grants vary considerably.

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[22] 6 U.S.C. §§ 604, 605.

[23] Among other requirements, grant funds may only be used for allowable costs. Allowable costs are those that, among other things, are reasonable and necessary for proper and efficient performance and administration of federal awards, and a cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. See 2 C.F.R. pt. 225. In this report, potential "overlap" and "duplication" generally refer to two or more SHSP, UASI, PSGP, or TSGP projects that address the same preparedness need and could be redundant or unnecessary if not coordinated.

In contrast, FEMA receives far fewer applications for TSGP and PSGP funds and awards grant funding more directly to the final grant recipients, with one and two steps, respectively, rather than three steps. As a result, FEMA has a greater ability to track grant funding, specific funding recipients, and funding purposes for these two smaller grant programs. Beginning in fiscal year 2009, appropriations acts required FEMA to award TSGP funds directly to transit authorities instead of through SAAs.[24] Per FEMA policy, the agency distributes PSGP funds to local FAs who then distribute grants to local entities within the port area, but FEMA is directly involved in this process. Due to the legal and departmental policies that establish a more direct award process for PSGP and TSGP, along with the smaller scope of those programs, FEMA has more information and is better able to track these grants through to the end user of the grant monies.

Differences in Administrative Processes Also Affect the Level of Federal Involvement in Award Decisions

Differences in administrative processes among each of the four grant programs also impact the extent to which federal, state and local entities share responsibility for prioritizing and selecting the individual preparedness projects that will ultimately receive funding. Due to its greater involvement with the PSGP and TSGP project selection at the local level, DHS generally has more information on specific PSGP and TSGP projects than SHSP and UASI projects. For example, DHS components—USCG and TSA—are involved with the PSGP and TSGP selection process, which provides DHS with additional information over the use of grant funds. For instance, TSGP projects from fiscal years 2007 through 2010 were selected by regional working groups.[25] The regional groups based their project selection on Regional Transit Security Strategies that each transit region had developed. For this grant program TSA had better information about the funding as well as influence over the project selection because TSA set the parameters for and approved the transit security strategies, and final project selection was based on TSA approval.

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[24] Pub. L. No. 110-329, 122 Stat. 3574, 3671 (2008).

[25] The regional working groups choose projects for the highest risk Tier 1 regions. The remaining transit regions'—Tier 2 regions—projects are fully competitive.

Similarly, the USCG, and in particular the Captain of the Port,[26] exerts influence over the PSGP project selection process, given the agency's maritime security expertise and role in the PSGP award process. PSGP project applications also undergo a second national review facilitated by FEMA that includes the USCG, the Department of Transportation's Maritime Administration,[27] and other stakeholders. Along with federal stakeholders, numerous local stakeholders are involved with the PSGP selection process and in many locations are required to base their grant award decisions largely on FEMA-required port security mitigation strategies. These strategies also require FEMA approval before PSGP grants can be awarded to port areas.[28] Thus, for these projects, FEMA is more involved and has greater information on which to base award decisions.

In contrast, local officials select SHSP and UASI projects with less federal involvement, although the projects must comport with various program rules, such as those related to allowable activities or costs, and address any funding priorities stipulated in the grant guidance. For SHSP, FEMA awards funds to states for certain broad purposes, such as interoperable communications, but federal law and DHS policies allow states to distribute these funds to individual projects or jurisdictions using different mechanisms, given different local conditions and needs. One state may choose to use a consensus-based approach to disburse the funds to counties, for example, while another may distribute funding equally to all of its jurisdictions. For example, in Washington State, SHSP grant applications are reviewed by four distinct entities—the state's homeland security committee, the all-hazards statewide emergency council, the state's domestic security executive group, and the governor's office—

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[26] The Captain of the Port (COTP) is a Coast Guard officer responsible for enforcing port safety, security and marine environmental regulations within a given port area. The COTP also leads the local field-level review of PSGP projects, although the COTP's actual level of involvement in the selection process may vary from port to port depending on local conditions.

[27] Programs of the Maritime Administration promote the development and maintenance of an adequate, well-balanced United States merchant marine capable of service as a naval and military auxiliary in time of war or national emergency. The Maritime Administration also seeks to ensure that the United States maintains adequate shipbuilding and repair services, efficient ports, effective intermodal water and land transportation systems, and reserve shipping capacity for use in time of national emergency.

[28] For more detailed information on PSGP program requirements and processes see GAO-12-47.

prior to the state making risk-informed allocation decisions. In contrast, one regional government council in Texas allocated SHSP funds equally to all eligible jurisdictions within its region regardless of their risk level.

For UASI grants, FEMA requires each region to create its own UAWG, but does not participate in these groups.[29] The UAWGs convene to select individual projects for UASI funding based on the FEMA-identified grant priorities for that grant year that are also consistent with the area's grant application and state and urban area strategic plans. For example, in 2009 the New York City UAWG identified protecting critical infrastructure and key resources as one of eight goals in its homeland security strategic plan, received UASI funding for this purpose, and selected and allocated funds to specific projects in the urban area related to this goal. FEMA approves all applications and strategic plans, which give the agency a broad idea of what grant applicants intend to accomplish at the state and local level. However, selection of specific projects occurs through local-level working groups. As a result of the differing levels of DHS involvement in project selection for each of the grants programs, DHS generally has more project information for specific PSGP and TSGP projects than SHSP and UASI projects.

FEMA Makes Award Decisions Using Varying Levels of Information Which Contributes to the Risk of Funding Duplicative Projects

When making preparedness grant awards, FEMA decisions are based on less specific project-level information for SHSP and UASI programs than for PSGP and TSGP, which puts the agency at greater risk of funding unnecessarily duplicative projects across all programs. In our prior work on overlap and duplication, we identified challenges agencies face in collecting and analyzing the information needed to determine whether unnecessary duplication is occurring. For example, we identified 44 federal employment and training programs that overlap with at least 1 other program in that they provide at least one similar service to a similar population. However, our review of 3 of the largest 44 programs showed

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[29] FEMA directs each UASI region to create its own regional working group, which FEMA's grant guidance refers to as an urban area working group. Grant guidance requires the working group to determine representation from the jurisdictions and response disciplines that comprise the UASI region. Beginning in fiscal year 2008, UASI grant guidance recommended to urban areas that they consider for UASI working group membership those counties within which the cities included in the UASI region reside, contiguous jurisdictions, and jurisdictions within the region's Metropolitan Statistical Area (MSA). An MSA is a geographic entity defined by the Office of Management and Budget that contains an urban core population of 50,000 or more.

Washington State Investment Justification

Washington State's fiscal year 2010 Homeland Security Grant Program (HSGP) Investment Justification (IJ) proposed 11 broad investments, 9 of which used SHSP funding totaling about $18 million. One proposed SHSP investment, $2 million for "Law Enforcement," contained a brief high-level description of the investment's goals and how it supports the state's homeland security strategy. The investment also lists proposed funding to target capabilities and broad solution areas, such as $200,000 for "On-site Incident Management" and about $1.5 million for "Equipment." More specific data on funding or subrecipient projects are not included. According to FEMA, in fiscal year 2008, the average state/territory HSGP IJ encompassed over 250 individual projects, although these specific projects were not detailed in the IJ itself.

Source: GAO analysis of FEMA information.

that the extent to which individuals actually receive the same services from these programs is unknown due to program data limitations.[30] We found similar data limitations in this review as FEMA bases its awards for SHSP, UASI, PSGP, and TSGP in part upon IJs which contain limited information. For the SHSP and UASI programs, states and eligible urban areas submit IJs for each program with up to 15 distinct investment descriptions that contain general proposals to address capability gaps in wide-ranging areas such as interoperability communications or critical infrastructure protection. Each IJ may encompass multiple specific projects to different jurisdictions or entities, but project-level information, such as a detailed list of subrecipients or equipment costs, is not required by FEMA. According to FEMA, data system limitations, the high volume of individual SHSP and UASI projects, and the desire to give states and urban areas increased flexibility to add or modify specific projects after the award period contributed to less detailed IJs.[31]

In contrast, FEMA makes PSGP and TSGP award decisions based on federal reviews of IJs that contain information about specific projects, providing FEMA officials with more detailed knowledge of what is being requested and what is being funded by these programs. Furthermore, before awards are made, FEMA directs PSGP and TSGP applicants to submit detailed budget summaries, but does not call for such information from SHSP and UASI applicants. The 9/11 Commission Act establishes minimum application requirements for SHSP and UASI, such as a description of how funds will be allocated, but the act does not call for specific project data.[32] For example, with SHSP, the statute requires states to include in their grant applications the purpose for the grant funds, a description of how they plan to allocate funds to local governments and Indian tribes, and a budget showing how they intend to expend the funds. FEMA officials stated that the SHSP and UASI IJ

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[30] GAO-11-318SP.

[31] Regarding FEMA's data limitations, FEMA is currently using a grants management system "on-loan" from the Department of Justice. This involves a number of disparate systems and spreadsheets. FEMA is in the process of transitioning to a new system called ND (non disaster) Grants. ND Grants is slated to be a one-stop shop for programmatic and financial information on DHS grants, as well as monitoring and payment. ND Grants was introduced in 2011 but is still several years away from having full functionality, according to FEMA.

[32] 6 U.S.C. §§ 604, 605.

format meet these statutory requirements, albeit at "a high summary level."

FEMA Is Considering Additional Action and Taking Steps to Enhance Grant Information, but Further Efforts Are Needed to Avoid the Risk of Duplication

To improve the level of information that FEMA has available for making grant award decisions, FEMA is considering collecting more detailed information on proposed grant projects. In May 2011, a FEMA report based on the work of a Reporting Requirements Working Group recommended collecting additional project information at the application stage. [33] Specifically, the FEMA report recommended that the agency modify the IJ format for SHSP and UASI applications to include a detailed project list. This project list would contain information that is currently collected through the BSIR later in the grant cycle after FEMA makes grant awards. [34] If this recommendation is implemented, the policy of collecting additional information at the application stage could be initiated in the fiscal year 2013 grant cycle, according to FEMA. Although collecting this additional information may be useful to FEMA, we determined that the level of information contained in the BSIR alone would not provide sufficient project information to identify and prevent potentially unnecessary duplication within or across grant programs.

To make this determination, we reviewed the type of information that FEMA would have available at the application stage if it implemented the report recommendation. Specifically, we reviewed IJ and BSIR information for the 1,957 grant projects awarded through the four grant programs to five urban areas—Houston, Jersey City/Newark, New York City, San Francisco, and Seattle—for fiscal years 2008 through 2010. Our analysis determined that 140 of the projects, or 9.2 percent of the overall funding associated with these projects—about $183 million— lacked sufficient detail to determine whether these projects were unnecessarily duplicative or had involved coordination during the state's

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[33] FEMA, *Redundancy Elimination and Enhanced Performance for Preparedness Grants Act: Initial Report to Congress* (Washington, D.C.: May 23, 2011). In August 2009, FEMA established the Reporting Requirements Working Group to compile a list of select grant reporting activities, collect grant stakeholder feedback, and make recommendations on future data collection policies. The May 2011 Initial Report to Congress is based on the Working Group's research and outlines recommendations and implementation actions related to grant application criteria and data integration, among other things.

[34] BSIRs are submitted electronically by SAAs to FEMA for the life of the award to account for the use of grant funding. All funds provided to the SAA must be accounted for and linked to one or more projects in the BSIR.

planning or selection processes to prevent any unnecessary duplication. Table 3 further illustrates the challenge that FEMA would face in identifying potential duplication using the BSIR data for SHSP and UASI as recommended by the report.[35] For example, table 3 contains SHSP, UASI, and PSGP project information from a single jurisdiction in one of the five urban areas we reviewed and shows the level of detail that FEMA would have available to compare projects. The overlap in the descriptions of the project types and titles suggest that duplication could be occurring among three of the four grant programs, and warranted further analysis.

Table 3: Description of Project Information to Which FEMA Has Access for Four Projects in One Jurisdiction

Grant	Year	Project type	Project title	Recipient	Description
UASI	2009	Critical Infrastructure Protection	Public Safety Video Initiative - assess vulnerability of and/or harden/protect critical infrastructure and key assets	Urban Area Working Group	Beginning with the 2006 UASI Grant period, the City[a] began the development of a public safety video system to improve situational awareness of public venues, critical assets, transportation and commerce corridors, and public safety areas of interest.
SHSP	2009	Critical Infrastructure Protection	Assess vulnerability of and/or harden/protect critical infrastructure and key assets	City/County Governmental Organization	This will support the expansion of the Public Safety Video Program that is currently under development.
SHSP	2009	Critical Infrastructure Protection	Assess vulnerability of and/or harden/protect critical infrastructure and key assets	City/County Governmental Organization	This project will assist the County Sheriff's Office in achieving the goal of reducing vulnerability of a Critical Infrastructure/Key Resource adjacent to a specific critical waterway.
PSGP	2009	Maritime Domain Awareness/Improvised Explosive Device Prevention, Protection, Response, and Recovery Capabilities[b]	CCTV Surveillance Cameras Replacement Program[c]	Port Authority	Many of the CCTV surveillance cameras that have been installed at the Port Authority's facilities are at or near the end of their useful life. This program will initiate the systematic replacement of these CCTV cameras.

Source: FEMA BSIR for UASI and SHSP; FEMA IJ for PSGP.

[35] Port and transit projects are not included in the BSIR, thus information was obtained from spreadsheets which contain IJ data. According to a FEMA section chief, the BSIR system was designed for state-level reporting as opposed to reporting from the variety of different subrecipients that receive PSGP and TSGP funds more directly. TSGP projects were listed in the BSIR prior to fiscal year 2009 when they were administered by state SAAs.

After identifying the projects that appeared to be potentially duplicative, we contacted the SAA and FA for this state, and officials provided us with extended narratives, coordination details, and subrecipient lists. It was not until we reviewed this additional, more detailed information that we could ascertain that these four projects were not duplicative, but rather were part of a larger, coordinated public safety interoperability and video initiative taking place in the region.

Table 4 below contains a second example of project data associated with BSIR and IJ information from a single jurisdiction in one of the five urban areas we reviewed. Again, we identified the potential for duplication because of the similarities in funded projects for both the SHSP and TSGP. Both of the projects identified below are related to the purchase of chemical, biological, radiological, and nuclear detection equipment (CBRNE). However, upon examining additional state-provided information and the TSGP IJ, we had sufficient information to determine that these projects were distinct and involved separate equipment. However, as with the previous example in table 3, FEMA would not be able to make these determinations using only BSIR data.

Table 4: Description of Project Information to Which FEMA Has Access—Example #2

Grant	Year	Project type	Project title	Recipient	Description
SHSP	2009	Enhance capabilities to respond to all-hazards events	Project A – CBRNE Support	City/County Governmental Organization	Purchase of equipment to support response capabilities for CBRNE events.
TSGP	2009	Equipmenta	Install CBRNE in Subway	Transit Agency	Install CBRNE in subway.

Source: FEMA BSIR for SHSP; FEMA IJ for TSGP.

aTSGP project types are not directly comparable to BSIR project type categories.

Based on our analysis using BSIR and IJ project data, we were able to ascertain that over 90 percent of the projects we reviewed had sufficient detail to determine that the projects (1) were substantively different and not likely duplicative, or (2) involved coordination to prevent any unnecessary duplication. Furthermore, our subsequent analysis using additional information from state and local grant recipients indicated that none of these projects were duplicative. Nonetheless, we believe that more detailed project information could be of value to FEMA in its grant review process since, as demonstrated above, the information currently

being considered does not always allow for the necessary differentiation between projects funded by the four grant programs. Moreover, FEMA—through its own internal analysis—and the OIG have both separately concluded in recent years that FEMA should use more specific project-level data in making grant award decisions, especially for SHSP and UASI, in order to identify and mitigate potential duplication. Specifically, in a March 2010 report, the OIG noted that the level of detail in IJs and in other grant program applications was not sufficient for FEMA to identify duplication and redundancy.[36] In its written comments to the OIG, the DHS Office of Infrastructure Protection concurred with this assessment, noting that a SHSP IJ "was little more than a checklist of previous funding with a brief strategy narrative." Further, *Standards for Internal Control in the Federal Government* state that program managers need operational and financial data to determine whether they are meeting their goals for accountability for effective and efficient use of resources.

FEMA has acknowledged the agency's difficulties in effectively using grants data and is taking steps to improve its data collection and utilization through resolving staffing shortages by filling key grants management personnel vacancies, and taking steps to implement a new data management system. As part of this effort, FEMA introduced a new non disaster grant management system (ND Grants) for the fiscal year 2011 grant cycle, and the system is scheduled for completion by fiscal year 2014. Agency officials stated that this system, once completed, will help FEMA to manage all of its preparedness grants, and has an explicit goal of enhancing project-level data collection. In addition, the ND Grants system is anticipated to consolidate data from multiple systems and facilitate greater utilization and sharing of information.[37] However, according to FEMA documentation, FEMA has not yet determined all of its specific data needs for ND Grants. As FEMA continues to develop the ND Grants system it will be important that it collects the level of data needed to compare projects across grant programs to limit the risk of funding duplicative projects.

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[36] DHS, *Efficacy of DHS Grant Programs,* OIG-10-69 (Washington, D.C.: Mar. 22, 2010).

[37] This system will replace the 13 legacy grant data systems and other processes that FEMA inherited from agencies that previously administered homeland security preparedness grants, such as the Department of Justice.

We believe that the recommendation of the FEMA report to better use more specific project-level data through the BSIR,[38] for the SHSP and UASI programs, is a step in the right direction, although our analysis demonstrated BSIR data alone do not include enough detail needed to identify potential duplication. The Director of GPD's Preparedness Grants Division reported in September 2011 that the report recommendations were still under consideration and thus FEMA had not yet determined the specifics of future data requirements. Thus, the agency's goal to improve data collection by collecting project-level information through its ND Grants system is a worthwhile action. This effort could provide the level of detail that FEMA needs to identify possible unnecessary duplication within and across all four grant programs. We recognize that collecting more detailed project information through ND Grants could involve additional costs. However, collecting information with this level of detail could help FEMA better position itself to assess applications and ensure that it is using its resources effectively.

Enhanced Federal Coordination Could Help Reduce the Risk of Duplication

FEMA, as well as state and local stakeholders, have taken steps to improve coordination in selecting and administering the four grant programs, but additional FEMA action could help reduce the risk of duplication among these programs. Federal efforts to improve coordination range from improving visibility across grants to gathering additional information about grant spending. The Director of GPD's Preparedness Grants Division discussed multiple projects that FEMA had initiated to potentially improve coordination in the grants management area. He told us that at the federal level, there is an effort within FEMA to increase planning and training exercises in order to increase its ability to track what projects are being funding by which grants. He added that this FEMA-led initiative is currently assessing public information on grants to reduce the risk of duplication. FEMA has a variety of reporting tools and guidelines that FEMA personnel have recently been working with to improve coordination and linkages between programs. For example, FEMA has started using Threat and Hazard Identification Risk Assessments (THIRA) as a way to increase FEMA's ability to link

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[38] As noted above, FEMA would collect more specific BSIR data at the application stage of the grants cycle instead of higher level "investment" descriptions. This more specific project-level data could include more detailed data elements related to funding; target capabilities addressed; and proposed solution categories, such as planning, organization, training, exercises, equipment, and management and administration.

spending at the local and federal levels.[39] The Director of GPD's Preparedness Grants Division said that the guidance for reporting this linkage to the local level is still being discussed, with NPD taking the lead, as it currently is only required at the state level.

Officials in four of the five states we visited had taken steps to improve coordination across grant programs. State steps to improve coordination range from tracking equipment purchases to enhancing administrative tools. For example, in Texas, jurisdictions must register all deployable equipment purchased through a homeland security grant and costing more than $5,000 on a statewide registry known as the Texas Regional Response Network. The purpose of the network is to raise awareness about the assets that neighboring jurisdictions might have available for use by another jurisdiction during an emergency. According to a Texas official familiar with the initiative, the registry was established with the recognition that sharing deployable equipment would be cost effective since it would be difficult for every jurisdiction to maintain every piece of equipment that might be needed in an emergency. In New Jersey, the SAA's office developed a Grants Tracking System, a web-enabled application to capture and track each subgrantee's state-approved Homeland Security Grant Program–funded projects which includes SHSP and UASI. The Grant Tracking System is the state's primary oversight mechanism to monitor the progress of each county, city, and state agency toward completing or procuring their budgeted projects or equipment. The system permits the SAA to review every program that receives funding, which allows for increased coordination across grants and efficiencies in procurement and helps alleviate the risk of funding duplicative grants. The

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[39] Threat and Hazard Identification Risk Assessments (THIRA) establish a foundation to justify and guide preparedness activities and investments. THIRAs should include the range of threats and hazards faced by an applicant. The assessment should be based on analysis of the relative consequences of the various threats and hazards with consideration of empirical data to the maximum degree possible. An effective THIRA will allow the applicant to compare and prioritize risks, even if they are dissimilar, by identifying possible threats and hazards faced with respective probability estimates of their occurrence. THIRA findings should be incorporated into each applicant's preparedness strategy, planning, Investment Justification, and assessment documentation and address capability gaps identified during the THIRA process.

system was included as a best practice in the OIG's 2011 audit of New Jersey's grant programs.[40]

Officials in all five localities we visited commented that they rely on informal structures to coordinate or identify potential unnecessary duplication—such as having the USCG Captain of the Port involved in a UAWG committee. Additionally, officials from three locations we visited also noted having tried to set up more formal coordination structures. For example, the UAWG in one Texas locality set up a peer-to-peer network with other UASI regions around the state to exchange information. A county official from a UAWG in Washington State reported that they have set up monthly small group meetings with officials from surrounding counties who deal with SHSP and UASI in an effort to exchange information and improve coordination.

While FEMA, states, and local government have taken steps to improve coordination, our review of FEMA's internal coordination showed that the agency lacks a process to coordinate reviews across the four grant programs. GPD has divided the administration of the grant programs into two separate branches: UASI and SHSP are administered by the Homeland Security Grant Program branch while PSGP and TSGP are administered by the Transportation Infrastructure Security branch. The result of this structure is that grant applications are reviewed separately by program but are not compared across each other to determine where possible unnecessary duplication may occur. As we noted earlier, each grant program we reviewed has similar goals, allowable costs, and geographic proximity. Due to this structure, these four programs share applicants as state and local entities seek to maximize grant dollars for their projects. However, since the review process for grant applications falls within each separate branch and grant program—and since there is no process in place to ensure that grant information is exchanged in the review process—FEMA cannot identify whether grant monies are being used for any unnecessary duplicative purposes. Similarly, in 2010, the OIG noted that FEMA does not have an overarching policy to coordinate

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[40] DHS-OIG, *The State of New Jersey's Management of State Homeland Security Program and Urban Areas Security Initiative Grants Awarded During Fiscal Years 2007 through 2009*, OIG-11-112 (Sept. 26, 2011).

grant programs and outline roles and responsibilities for coordinating applications across grant programs.[41]

Standards for Internal Control in the Federal Government call for agencies to have the information necessary to achieve their objectives and determine whether they are meeting their agencies' strategic goals. FEMA's strategic goals for fiscal years 2009 through 2011 included teaming with internal and external stakeholders to build partnerships and increase communication, and to streamline, standardize, and document key processes to promote collaboration and consistency across regions and programs. Because the four grant programs are being reviewed by two separate divisions, yet have similar allowable costs, coordinating the review of grant projects internally could allow FEMA to have more complete information about grant applications across the four different programs. This is necessary to identify overlap and mitigate the risk of duplication across grant applications. One of FEMA's section chiefs noted that the primary reasons for the current lack of coordination across programs are the sheer volume of grant applications that need to be reviewed and FEMA's lack of resources to coordinate the grant review process. She added that FEMA reminds grantees not to duplicate grant projects; however, due to volume and the number of activities associated with grant application reviews, FEMA lacks the capabilities to cross-check for unnecessary duplication. We recognize the challenges associated with reviewing a large volume of grant applications, but to help reduce the risk of funding duplicative projects, FEMA could benefit from exploring opportunities to enhance its coordination of project reviews while also taking into account the large volume of grant applications it must process.

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[41] OIG-10-69.

Some Performance Measures Exist for Individual Grant Programs, but Work Remains to Assess Grant Effectiveness

DHS Has Some Performance Measures, but Until Additional Measures Are Implemented It Cannot Assess Grant Effectiveness

DHS implemented some performance measures for SHSP and UASI in the fiscal year 2011 grant guidance, but has not yet implemented comparable measures for PSGP and TSGP. Moreover, the type of measures DHS published in the SHSP and UASI guidance do not contribute to DHS's ability to assess the effectiveness of these grant programs, but instead provide DHS with information to help it measure completion of tasks or activities. DHS has efforts underway to develop additional measures to help it assess grant program effectiveness; however, until these measures are implemented, it will be difficult for DHS to determine the effectiveness of grant-funded projects, which totaled $20.3 billion from fiscal years 2002 through 2011.

As a part of its risk management framework, the National Infrastructure Protection Plan calls for agencies to measure progress in security improvements against sector goals using both output measures, which track the progression of tasks associated with a program or activity, and outcome measures, which help an agency evaluate the extent to which a program achieves sector goals and objectives—that is, their effectiveness. The measures that DHS implemented for SHSP and UASI through the fiscal year 2011 guidance are output measures. For example, some of the output measures implemented for SHSP and UASI include: (1) the percentage of fusion center[42] analysts that require secret clearances that have them (or have submitted requests for them); (2) the

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[42] Since 2001, all 50 states and some local governments have established fusion centers to address gaps in terrorism-related information sharing that the federal government cannot address alone and to provide a mechanism for information sharing within the state. For more information on fusion centers, see GAO, *Information Sharing: Federal Agencies Are Helping Fusion Centers Build and Sustain Capabilities and Protect Privacy, but Could Measure Results,* GAO-10-972 (Washington, D.C.: Sept. 29, 2010).

percentage of SHSP and UASI funded personnel who are engaged in the Nationwide Suspicious Activity Reporting Initiative[43] and have completed the training; and, (3) the approval of a State Hazard Mitigation Plan that includes a THIRA that has been coordinated with UASI(s) located in the state.

Implementing output measures for the SHSP and UASI grant programs provides value and is a step in the right direction because they allow FEMA to track grant-funded activities. However, outcome measures would be more useful to FEMA in determining the effectiveness of these grant programs. As of February 2012, DHS had not implemented outcome measures for any of the four grant programs in our review. Our previous work has underscored how the absence of outcome measures has negatively impacted DHS's ability to assess the achievement of desired program outcomes to further homeland security preparedness goals.[44] Additionally, the National Infrastructure Protection Plan instructs agencies to track progress towards strategic goals and objectives by measuring results or outcomes, and it states that aligning outcome measures to goals and objectives is the key to performance management. As shown in table 5 below, FEMA had efforts under way in 2010 and 2011 to develop outcome measures for the four grant programs in our review.

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[43] The federal government is working with state, local, and tribal government agencies to implement the Nationwide Suspicious Activity Reporting initiative. This effort is intended to establish a nationwide capability to gather and share information about suspicious incidents to enable rapid identification and mitigation of potential terrorist threats.

[44] GAO, *DHS Improved its Risk-Based Grant Programs' Allocation and Management Methods, But Measuring Programs' Impact on National Capabilities Remains a Challenge*, GAO-08-488T (Washington D.C.: Mar. 11, 2008).

Table 5: Selected DHS Grant Program Initiatives to Develop Outcome-Based Performance Measures

Grant program affected	Initiative name	Initiative description	Expected result	Status
SHSP UASI	National Academy of Public Administration (NAPA) Study	The Redundancy Elimination and Enhanced Performance for Preparedness Grants Act[b] directed the Administrator of FEMA to enter into a contract with NAPA to assist the administrator in studying, developing, and implementing performance measures to assess the effectiveness of SHSP and UASI, among other things.	Three to seven proposed measures and an implementation roadmap.	NAPA began work on this project in January 2011, with performance measure implementation scheduled for December 2011. In October 2011, NAPA provided FEMA with a copy of the final report, according to FEMA officials. As of December 2011, FEMA officials stated that the results of the NAPA study are under review within FEMA and no measures have been implemented.
PSGP[a] TSGP	FEMA Task Force on Performance Measures	In January 2010, GPD formed a task force to develop measures to assess the effectiveness of PSGP and TSGP. In December 2010, this effort was transferred to NPD.	Development of program-specific performance measures for PSGP and TSGP.	As of December 2011, the Director of the National Preparedness Assessment Division (NPAD) within NPD told us that NPD had developed draft performance measures for the PSGP and TSGP and that those measures were undergoing review within FEMA. As a result, the official told us that it is unclear if FEMA would include these measures in its fiscal year 2012 grant guidance.[c]

Source: GAO analysis of FEMA information.

[a] For more information about FEMA's efforts to measure the effectiveness of the PSGP, see GAO-12-47.

[b] Pub. L. No. 111-271, § 2(a), 124 Stat. 2852 (2010) (codified at 6 U.S.C. § 613(d)).

[c] On February 17, 2012, FEMA released the fiscal year 2012 Funding Opportunity Announcement for the PSGP and TSGP. However, this guidance did not contain performance measures.

FEMA has taken steps to develop outcome-based measures through these initiatives; however, as of February 2012, FEMA had not completed its efforts. According to FEMA officials, DHS leadership has identified performance measurement as a high priority issue, and is developing a more quantitative approach for using grant expenditure data to monitor program effectiveness.[45] Further, senior FEMA officials have noted

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[45] GAO-08-488T.

challenges to measuring preparedness. For example, they have noted that SHSP and UASI fund a wide range of different preparedness activities, which makes it difficult to devise applicable measures. Thus, if measures are too broad they are meaningless and if too narrow they may not adequately capture the effectiveness of a range of activities. Senior FEMA officials noted another challenge in that grant program goals are purposefully broad to accommodate a broad constituency. For example, SHSP is administered in all states. However, the security conditions and preparedness needs of a state such as North Dakota are very different from those of New York, yet the grant goals, guidance, and measures would be the same for both locales.

FEMA provided us with its Performance Measure Implementation Plan,[46] an internal plan that FEMA uses for developing measures for all preparedness grants; however, this plan provides insufficient detail to guide these efforts. This plan identifies the output measures that were included in the fiscal year 2011 guidance for SHSP and UASI. Further the plan notes that NPD's National Preparedness Assessment Division (NPAD) has developed new performance measures that seek to better capture the outcomes and overall effectiveness of preparedness grants, rather than the outputs captured by current measures; however, it does not specify what outcome measures were developed.[47] Instead, the implementation plan provides a general approach to performance measurement as well as a list of key milestones to implement the new performance measures and refine existing measures. In addition, the implementation plan notes that it is NPAD's goal to develop one or two measures per grant program that are both output and outcome based. However, the associated activities and milestones listed in the plan do not reference specific grant programs or project details. As a result, it is unclear what grants, or what measures, are being addressed for each milestone. According to FEMA's current implementation plan, all performance measures should have been implemented in December 2011; however, FEMA officials reported in December 2011 that outcome measures for the four programs had not yet been implemented.

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[46] According to FEMA, the Performance Measure Implementation Plan is an internal plan that provides the agency's general approach to performance measurement as well as a key list of milestones for implementing the agency's new performance measures and refining its existing measures related to preparedness grants.

[47] The National Preparedness Assessment Division (NPAD) is responsible for evaluation and assessment of preparedness grant programs, among other things.

According to the Project Management Institute, best practices for project management call for a variety of inputs and outputs when developing a project schedule, including the basis for date estimates, a breakdown of the work to be conducted for each program, resource capabilities and availability, and external and internal dependencies. FEMA's implementation plan does not contain this level of detail and as a result, it remains unclear what measures will be implemented for each grant program and when this implementation will occur. Establishing performance measures for these four programs is important given their relatively large size and scope. We recognize the difficulties inherent in developing outcome-based performance measures to assess the effectiveness of these grant programs. However, DHS should continue to work towards the development of these measures to improve its ability to assess the effectiveness of these grant programs. Until DHS does so it will be difficult for it to determine the extent to which its investment through these programs—$20.3 billion from 2002 through 2011—is effectively enhancing homeland security. A revised implementation plan that includes more specific project schedule information and accurate timelines for implementation could help guide efforts and keep the development of these measures on track for successful and timely implementation.

DHS Has Initiatives under Way to Evaluate Overall Effectiveness across Grant Programs, but Has Not Completed These Efforts

Apart from developing performance measures for each grant program, DHS also has several initiatives under way to measure the collective effectiveness of its grant programs in achieving shared program goals, as shown in table 6 below.

Table 6: FEMA Initiatives to Evaluate Overall Effectiveness across Grant Programs

Action/program	Grants affected (in this review)	Description	Expected result	Status
Revising Preparedness Guidance	SHSP, UASI, PSGP, TSGP	Presidential Policy Directive-8 (PPD-8) replaces HSPD-8 and requires that a new national preparedness system include a comprehensive system to assess national preparedness.	DHS is responsible for measuring the readiness of current national capabilities with clear, objective and quantifiable performance measures. The structure of this measurement system will drive the development of any future performance measures.	In November 2011, FEMA released the National Preparedness System description, which is designed to lay the groundwork for strengthening the nation's resilience against all threats and hazards. The system description is the second deliverable called for by PPD-8. According to a DHS publication, further details on how the National Preparedness System will be implemented will be provided as the remaining PPD-8 deliverables are developed.
Implementing the ND Grants System	SHSP, UASI, PSGP, TSGP	ND Grants is a web-based system intended to provide FEMA and its stakeholders with a system that supports the grants management lifecycle and consolidates grant information.	According to FEMA, the ND Grants system is intended to consolidate FEMA's disparate data systems and improve the ability of FEMA grant managers to track grants through the review and approval process, a capability that will also assist with evaluating grant performance.	In fiscal year 2011, FEMA implemented portions of the ND Grants system. At this time, ND Grants cannot collect or provide comprehensive information across grant programs. According to FEMA, the system is scheduled for completion in fiscal year 2014.
Implementing Threat Hazard Identification Risk Assessment (THIRA)	SHSP, UASI	THIRA requires jurisdictions to add a threat evaluation to the existing Hazard Identification Risk Assessment mitigation process.	The goal of THIRA is to create a standardized system that establishes baseline risks and capabilities at the local level and provides a justification for investments in preparedness.	The THIRA was first called for as part of the fiscal year 2011 Homeland Security Grant Program.

Source: GAO analysis of FEMA information.

As shown above, FEMA'S efforts to measure the collective effectiveness of its grants programs are recent and ongoing and thus it is too soon to evaluate the extent to which these initiatives will provide FEMA with the information it needs to determine whether these grant programs are effectively improving the nation's security. While each grant program strives to identify and mitigate security concerns within its specific authority, improving the nation's overall preparedness is dependent upon collectively addressing capability and security gaps across all programs and authorities. Thus, it is important to evaluate effectiveness across the four grant programs to determine the extent to which the security of the

nation as a whole has improved and to better ensure the effective use of scarce resources.

Conclusions

From fiscal years 2002 through 2011, DHS has distributed about $20.3 billion through four homeland security preparedness grants that specifically target state, urban, port, and transit security. We recognize that even when programs overlap, they may have meaningful differences in their eligibility criteria or objectives, or they may provide similar types of services in different ways. However, because the four DHS programs in our review have similar goals, fund similar types of projects, and are awarded in many of the same urban areas, it will be important for FEMA to take additional measures to help ensure that the risk of duplication is mitigated. FEMA has delegated significant administrative duties to the SAA for the larger SHSP and UASI programs, and FEMA officials recognize the trade-off between decreased visibility over these grants and the reduced administrative burden on FEMA. However, the limited project-level information on how funds are being used and the lack of coordinated reviews of grant applications across programs, increases the risk that FEMA could fund duplicative projects. Additional action could help mitigate this risk. For example, as FEMA develops the ND Grants system, it will be important for the agency to ensure that information collected for all grant programs provides enough detail to allow for project comparisons in order to identify any unnecessary duplication. In addition, while some steps have been taken at the federal, state, and local levels to improve coordination in administering the four grant programs, additional actions could also help reduce the risk of duplication. For example, without a process to coordinate reviews across the four grant programs, FEMA lacks the information necessary to identify whether grant monies are being used for duplicative purposes, especially since all four grant programs are being reviewed separately, yet have similar allowable costs. Thus, to reduce the risk of duplication, FEMA could benefit from exploring opportunities to enhance its coordination of project reviews across grant programs. Additionally, since DHS's existing output-based performance measures for the SHSP and UASI programs do not provide DHS with the information it needs to assess grant effectiveness and FEMA has not yet implemented outcome-based performance measures for any of the four programs, it will be difficult for FEMA to fully assess the effectiveness of these grant programs. Because the project plan FEMA has in place to guide its efforts to develop measures does not provide adequate information to determine what measures will be implemented for each grant program and when this implementation will occur, FEMA does not

have reasonable assurance that these measures will be implemented in a timely way to help assess the programs' effectiveness.

Recommendations for Executive Action

We are making three recommendations for the four grant programs. Two actions are recommended to help reduce the risk of duplication by strengthening DHS's administration and oversight of these programs, and one action is recommended to better assess the effectiveness of these programs.

To better identify and reduce the risk of duplication through improved data collection and coordination, we recommend that the FEMA Administrator:

- take steps, when developing ND Grants and responding to the May 2011 FEMA report recommendations on data requirements, to ensure that FEMA collects project information with the level of detail needed to better position the agency to identify any potential unnecessary duplication within and across the four grant programs, weighing any additional costs of collecting these data; and

- explore opportunities to enhance FEMA's internal coordination and administration of the programs in order to identify and mitigate the potential for any unnecessary duplication.

To better assess the effectiveness of these programs, we recommend that the FEMA Administrator:

- revise the agency's Performance Measure Implementation Plan to include more specific project schedule information and accurate timelines in order to guide the timely completion of ongoing efforts to develop and implement outcome-based performance measures for the SHSP, UASI, PSGP, and TSGP grant programs.

Agency Comments and Our Evaluation

We provided a draft of this report to DHS for comment. We received written comments on the draft report, which are reprinted in appendix II. DHS concurred with all three recommendations, and requested that the first two recommendations be considered resolved and closed. While we believe that DHS's planned actions, if implemented, address the intent of each recommendation, it is too soon to close any recommendation as implemented. Specifically:

- DHS agreed with the recommendation that FEMA take steps to ensure that it collects sufficient project information to better identify any potential unnecessary duplication, and asked that, based on actions currently under way and other proposed changes, the recommendation be closed. DHS cited the elimination of seven programs in fiscal year 2012 and the proposed restructuring of most programs under a single National Preparedness Grant Program in fiscal year 2013 as steps to eliminate unnecessary duplication. DHS also cited modifying one reporting requirement in fiscal year 2012 to better capture program-specific performance measures. While we agree that program restructuring and the cited reporting requirement change could offer FEMA the opportunity to improve its grants data and thus its visibility across programs and projects, it is too soon to assess any positive impact, especially given that the outcome of the proposed fiscal year 2013 program restructuring is uncertain and is reliant on future congressional action. Furthermore, consolidating programs alone will not guarantee that the level of project-level detail collected by FEMA will be sufficient to identify unnecessary duplication of similar efforts in the same geographic areas. We will review the status of these efforts and additional supporting evidence in the future before closing this recommendation.

- DHS agreed with the recommendation that FEMA explore opportunities to enhance internal coordination and administration of the programs to identify and mitigate the potential for any unnecessary duplication, and asked that, based on ongoing actions and plans, the recommendation be closed. For example, DHS stated that FEMA officials participate in an Intra-agency Grants Task Force to provide strategic links among FEMA grant programs, as well as a DHS-level task force to improve grants management across the department. DHS also stated that FEMA has formal memoranda of understanding with partner agencies/offices related to various grants administration roles and responsibilities, and continues to develop additional formal agreements. We view these as positive steps in coordinating grants administration within DHS and FEMA. However, it is not clear at this time that the various groups or formal agreements have specifically addressed preventing potential unnecessary duplication across programs or projects, or that this is a goal of the initiatives. We will review the status of these efforts and additional supporting evidence in the future before closing this recommendation.

- DHS agreed with the recommendation to revise the agency's Performance Measure Implementation Plan and stated that new

performance measures and a plan for data collection are in draft form. DHS also stated it will provide an update to the plan when decisions are finalized, and that these decisions will be informed by the outcome of the agency's proposed changes to the fiscal year 2013 grant programs.

DHS also provided technical comments which we incorporated into the report where appropriate.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the Secretary of Homeland Security, appropriate congressional committees, and other interested parties. In addition, the report will be available at no charge on the GAO website at http://www.gao.gov. If you or your staff have any questions concerning this report, please contact me at (201) 512-9627 or maurerd@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs can be found on the last page of this report. Key contributors to this report are listed in appendix III.

David C. Maurer
Director, Homeland Security and Justice Issues

The Honorable John D Rockefeller IV
Chairman
Committee on Commerce, Science and Transportation
United States Senate

The Honorable Joseph Lieberman
Chairman
The Honorable Susan Collins
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Thomas Coburn
Ranking Member
Permanent Subcommittee on Investigations
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Peter King
Chairman
Committee on Homeland Security
House of Representatives

The Honorable Gus Bilirakis
Chairman
Subcommittee on Emergency Preparedness, Response, and
Communications
Committee on Homeland Security
House of Representatives

Appendix I: FEMA Grants Portfolio
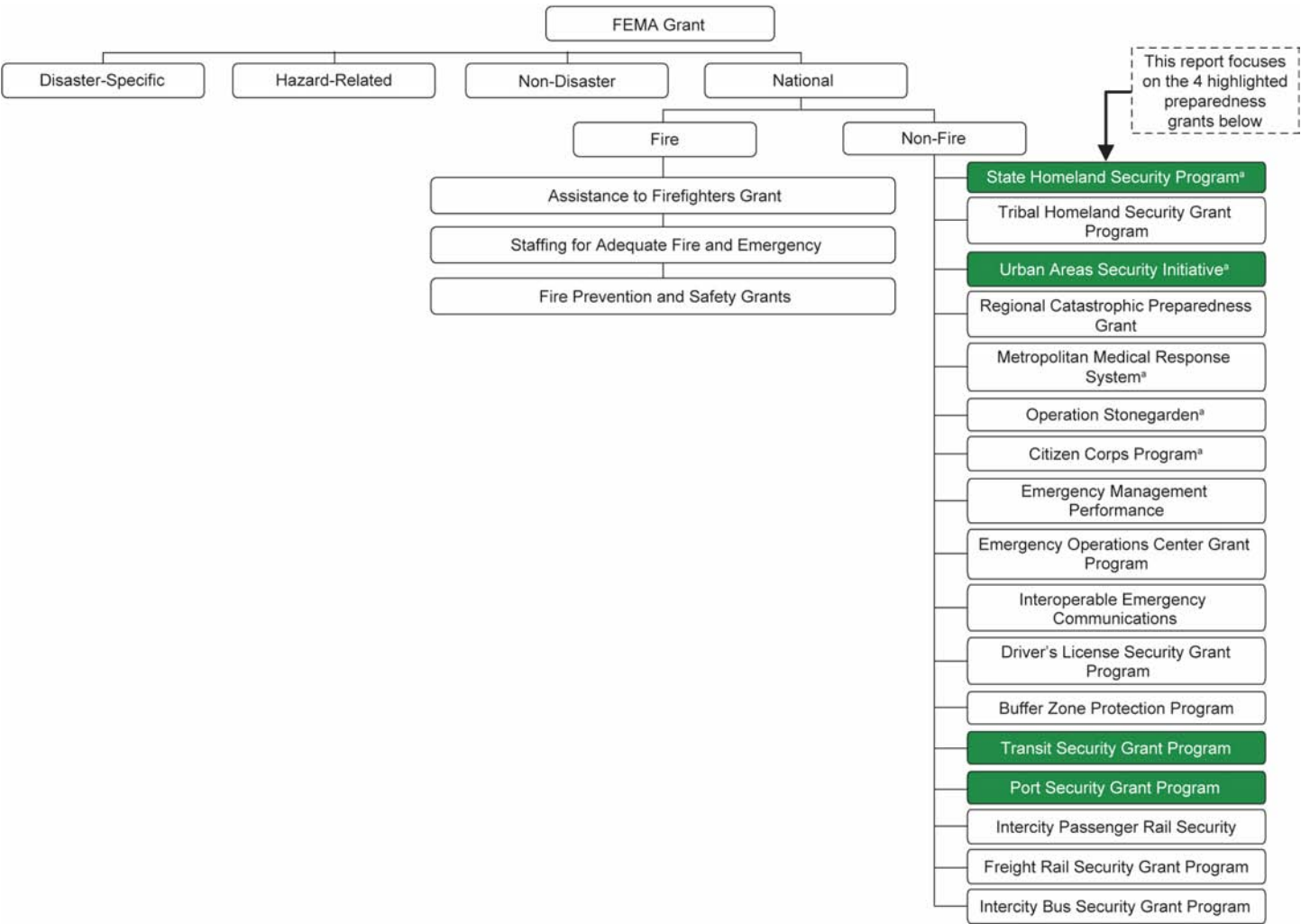
Source: FEMA.

[a] SHSP, UASI, Metropolitan Medical Response System, Operation Stonegarden, and Citizen Corps Program collectively make up what FEMA terms the Homeland Security Grant Program. The 5 interconnected programs shared the same grant guidance in fiscal year 2011, but each program had a separate funding allocation.

Appendix II: Comments from the Department of Homeland Security

U.S. Department of Homeland Security
Washington, D.C. 20528

Homeland Security

February 21, 2011

David C. Maurer
Director, Homeland Security and Justice Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Re: Draft Report GAO-12-303, "HOMELAND SECURITY: DHS Needs Better Project
       Information and Coordination Among Four Overlapping Grant Programs"

Dear Mr. Maurer:

Thank you for the opportunity to review and comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the U.S. Government Accountability Office's (GAO's) work in planning and conducting its review and issuing this report.

The Department is pleased to note that GAO's analysis did not identify any duplication among the grant projects sampled. We also appreciate GAO's positive acknowledgement of actions the Federal Emergency Management Agency (FEMA), as well as state and local stakeholders, have taken to improve coordination in administering the four grant programs reviewed. DHS remains committed to eliminating any potentially duplicative homeland security preparedness grant program investments and working with its partners throughout all levels of government, law enforcement, private industry, and in the public to ensure the safety, security, and resilience of our Nation.

The draft report contained three recommendations, with which the Department concurs. Specifically, GAO recommended that the FEMA Administrator:

Recommendation 1: Take steps, when developing ND Grants and responding to the Working Group recommendations on data requirements to ensure that FEMA collects project information with the level of detail needed to better position the agency to identify any potential unnecessary duplication within and across the four grant programs, weighing any additional costs of collecting this data.

Response: Concur. In Fiscal Year (FY) 2012 the DHS Secretary Napolitano used her discretionary authority in not funding seven programs that were previously funded, either as carve-outs of larger programs or as stand-alone programs. These were the Metropolitan Medical Response System, Citizen Corps Program, Interoperable Emergency Communication Grant Program, Drivers License Security Grant Program, Emergency Operations Centers, Regional Catastrophic Preparedness Grant Program, Freight Security Grant Program, and Intercity Bus

Security Grant Program. At the same time, FEMA expanded allowability for the activities that were previously funded under these eliminated programs within funded programs. FEMA believes that the FY 2012 funding decisions will streamline data collection for applicants.

In addition, annually FEMA reexamines its data collection requirements and looks for opportunities to streamline application and investment justification data collection. In FY 2012, for example, FEMA replaced the requirement to submit the Semi-Annual Assistance Progress Report with the Standard Form-Performance Progress Report (SF-PPR) in order to better capture program-specific performance measures and assess progress toward implementing projects. The SF-PPR offers FEMA the flexibility and the level of detail needed to target performance measures demonstrated through the progress reported by grantees. Through discussions between FEMA's National Preparedness Assessment Division (NPAD) and the Grant Programs Directorate (GPD), performance measure questions that could be answered from other sources were eliminated from the SF-PPR in an effort to ease the burden on grantees.

Looking forward to FY 2013, FEMA proposes significant modifications to the preparedness grant portfolio in order to reduce redundancy and duplication in both the administration and execution of the preparedness grant portfolio. These modifications culminate into the National Preparedness Grant Program (NPGP), a single grant program that supports state, local, and regional preparedness efforts. The proposal seeks to restructure all preparedness grant programs except the Emergency Management Performance Grants and the Assistance to Firefighters Grant under the one program. Again, FEMA expects that the NPGP concept will further reduce or eliminate the potential for duplication and result in meeting the intent of the above recommendation.

On the basis of efforts currently underway for FY 2012, the proposed changes for FY 2013, and the extensive work being undertaken jointly between FEMA's NPAD and GPD, FEMA requests that this recommendation be considered resolved and closed.

Recommendation 2: Explore opportunities to enhance FEMA's internal coordination and administration of the programs in order to identify and mitigate the potential for any unnecessary duplication.

Response: Concur. GPD is an active participant in the Intra-agency Grants Task Force (Task Force). The Task Force was established by FEMA senior leadership to provide a clear and concise strategic connection among the FEMA grant programs, determine common elements, and ensure accountability and credibility with the FEMA stakeholders. It is designed to enhance communication with partners throughout the Agency, while seeking areas for collaboration and partnership. The Task Force is a cross-cutting forum that facilitates the exchange of ideas and information and identifies consistencies and efficiencies, eliminates duplication, and strengthens the organization. The Task Force serves multiple FEMA stakeholders by:

- Providing a forum for collaboration and partnership for the FEMA staff in headquarters and the Regions.

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- Improving customer service by recommending standardized processes to improve support and services provided to grantees.

- Identifying weaknesses in Agency grants management.

- Evaluating and strengthening Agency grant compliance issues.

- Improving communication for internal and external stakeholders through increased transparency of grants information, processes and resources.

GPD is also working with DHS-level task force initiatives to improve grants management across the Department. This task force initiative, titled *The Deputy Secretary's Initiative to Improve the Health of DHS Financial Assistance*, is being conducted to assess and identify high-risk/exposure areas and other issues across the Department in grants management. Four working groups were identified and focus on the following critical areas: (1) Pre-Award and Program Development, (2) Award, (3) Post-Award Administration and Reporting, and (4) Award Closeout. Part of this effort involves looking for ways to reduce redundancies and grantee burden across the Department's grant activities.

Finally, the development, management, and oversight of GPD's preparedness program portfolio are executed in collaboration with a number of partners within FEMA, across DHS, and throughout the Federal Government. GPD has formal written memoranda of understanding (MOU) with partner agencies/offices that communicate the scope, roles, and responsibilities of both agencies in relation to specific grant programs. GPD is committed to expanding these partnerships and developing new ones through formal MOUs, collaborative planning efforts, and joint outreach efforts to the larger grantee and stakeholder community. GPD's relationships with these organizations and our joint commitment to our emergency management and homeland security community strengthen FEMA's programs and the positive impact they have on the Nation. GPD continues to be engaged in developing memoranda of understanding with the various DHS Components for work executed under programs whose success depends on those partnerships.

These activities are all part of GPD's commitment to enhance our internal coordination and administration of the programs in order to identify and mitigate the potential for any unnecessary duplication. On the basis of the scope and current engagement of these partnerships, FEMA requests that this recommendation be considered resolved and closed.

Recommendation 3: Revise the agency's Performance Measure Implementation Plan to include more specific project schedule information and accurate timelines in order to guide the timely completion of ongoing efforts to develop and implement outcome-based performance measures for the SHSP, UASI, PSGP, and TSGP grant programs.

Response: Concur. NPAD in the National Preparedness Directorate, working with GPD, has been making progress on developing measures for FEMA's NPGP programs as described in the Performance Measure Implementation Plan. NPAD has completed the key milestones, including development of the performance measures list. New measures and a plan for collection of the

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data are presently in draft form. NPAD will provide an update to the Performance Measure Implementation Plan once a decision has been finalized. As part of the FY 2013 Budget, the Administration has proposed a new vision for the grant programs designed to develop, sustain, and leverage core capabilities across the Nation. Decisions on measures of grant effectiveness will be informed by alignment with the key objectives outlined in the new vision, as appropriate.

Again, thank you for the opportunity to review and comment on this draft report. We look forward to working with you on future Homeland Security issues.

Sincerely,

Jim H. Crumpacker
Director
Departmental GAO-OIG Liaison Office

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Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact	David C. Maurer, (202) 512-9627 or Maurerd@gao.gov
Staff Acknowledgments	In addition to the contacts above, Dawn Hoff, Assistant Director, and Dan Klabunde, Analyst-in-Charge, managed this assignment. Chuck Bausell, Juli Digate, David Lutter, Sophia Payind, and Katy Trenholme made significant contributions to this report. David Alexander assisted with design, methodology, and data analysis. Linda Miller and Jessica Orr provided assistance with report development, Muriel Brown and Robert Robinson provided graphic support, and Tracey King provided legal assistance.