



## Senators Feinstein and Cornyn Offer Measure That Would Ensure that More Homeland Security Grants are Based on Risk

March 5, 2007

**Washington, DC** – U.S. Senators Dianne Feinstein (D-Calif.) and John Cornyn (R-TX) today introduced an amendment that would dramatically boost the percentage of homeland security grants allocated based on risk of terrorist attack.

Under the current system, each state receives .75 percent of the state terrorism preparedness grant money appropriated by the Department of Homeland Security. This system means that nearly 40 percent of homeland security grant money is allocated without regard to risk analysis.

The Feinstein-Cornyn amendment would reduce the “state minimum” to .25 percent. This will reduce the percentage of grant monies distributed to all states to 12.5 percent, boosting to 87.5 percent the portion allocated based purely on threat of terrorist attack.

**“This amendment will ensure that homeland security grants are allocated based upon risk and threat analysis,”** Senator Feinstein said. **“This will give the Department of Homeland Security the flexibility to put more dollars into places that face serious threats – places where dollars can do the most good.”**

**“Under the current allocation system, many areas at risk are short-changed. Last year, for example, only 60 percent of the roughly \$912 million in grant funds – under the State Homeland Security Grant Program and the Law Enforcement and Terrorism Prevention Program -- were distributed to state and local homeland-security activities based on risk.**

**“If the Feinstein-Cornyn amendment had been in force last year, \$791 million – nearly 90 percent – of this grant money would have been allocated based on risk. That is why we need this legislation.”**

The current funding system uses formulas that distribute more money per person to low-risk areas, at the expense of areas at higher risk.

For example, California – the most-populous state in the nation – received only \$2.50 per person of these homeland security grants last year, and Texas received only \$2.25 per person. But Wyoming – a largely rural state – received nearly \$14.75 per person.

**“California has roughly 37 million residents and is home to the nation’s largest port, iconic bridges, and skyscrapers and the busiest border crossing in the world,”** Senator Feinstein said.

**“It makes no sense that a state as big as California – or that other states with high risk profiles -- should receive less than their fair share of homeland security grant dollars. This amendment is intended to correct these imbalances.”**

This legislation would benefit 35 states by ensuring that more dollars go to smaller states with higher threat profiles. It also simplifies the Urban Areas Security Initiative by ensuring that all previously eligible areas are certified.

The Feinstein-Cornyn amendment has 10 other co-sponsors: Senators Barbara Boxer (D-Calif.), Bob Casey (D-Pa.), Hilary Rodham Clinton (D-N.Y.), Tom Coburn (R-OK), Kay Bailey Hutchison (R-TX), John Kerry (D-Mass.), Frank Lautenberg (D-N.J.), Robert Menendez (D-N.J.), Barack Obama (D-Ill.) and Charles Schumer (D-N.Y.).

### **Summary**

The Feinstein-Cornyn bill would:

- **Direct the Secretary of Homeland Security to allocate funding to homeland security grants based on risk analysis.** This direction covers the four major first-responder grant programs administered by Department of Homeland Security in addition to some grants for seaport and airport security - called “covered grants” in the bill, including:
  - 1) The State Homeland Security Grant Program;
  - 2) The Urban Area Security Initiative;
  - 3) The Law Enforcement Terrorism Prevention Program; and
  - 4) The Citizens Corps Program.
- **Reduce the “small state minimum” to .25% per state.** Current practice requires each state to get .75% of much of the grant funding. That means roughly 38% of the funds are marked for distribution before any risk analysis.
- **Require grants be designed to meet “essential capabilities.”** Essential capabilities refer to the ability of jurisdictions to address risks by reducing vulnerability to attack and diminishing the consequences of such an attack by effective response. This bill ensures that grant funds are properly accounted for and utilized within an integrated framework to enhance security.
- **Ensure that States quickly and effectively pass on Federal funds** to where they are needed so that Federal funds are not held back and the process moves forward in a timely, efficient manner.

**States that would receive additional funding using risk-based approach:**

<b>State</b>	<b>S.4, as amended</b>	<b>Feinstein/Cornyn Amendment</b>	<b>Added Funds under Feinstein/Cornyn Amendment</b>
Alabama	\$11,988,972	\$12,319,320	<b>\$330,348</b>
Arizona	\$12,961,248	\$13,336,170	<b>\$374,922</b>
California	\$130,575,288	\$136,342,240	<b>\$5,766,952</b>
Colorado	\$14,106,024	\$14,533,429	<b>\$427,405</b>
Connecticut	\$9,918,964	\$10,154,413	<b>\$235,449</b>
Delaware	\$5,386,903	\$5,414,579	<b>\$27,676</b>
Florida	\$58,830,723	\$61,308,537	<b>\$2,477,814</b>
Georgia	\$28,392,210	\$29,474,566	<b>\$1,082,356</b>
Idaho	\$7,645,093	\$7,776,296	<b>\$131,203</b>
Illinois	\$47,978,868	\$49,959,177	<b>\$1,980,309</b>
Indiana	\$14,466,707	\$14,910,648	<b>\$443,941</b>
Iowa	\$9,887,601	\$10,121,611	<b>\$234,010</b>
Kansas	\$10,781,467	\$11,056,458	<b>\$274,991</b>
Kentucky	\$12,773,065	\$13,139,360	<b>\$366,295</b>
Louisiana	\$22,072,415	\$22,865,040	<b>\$792,625</b>
Maryland	\$11,518,515	\$11,827,296	<b>\$308,781</b>
Massachusetts	\$23,938,558	\$24,816,737	<b>\$878,179</b>
Michigan	\$31,920,631	\$33,164,749	<b>\$1,244,118</b>
Missouri	\$26,510,385	\$27,506,469	<b>\$996,084</b>
Nebraska	\$9,495,554	\$9,711,591	<b>\$216,037</b>
Nevada	\$8,789,870	\$8,973,555	<b>\$183,685</b>
New Jersey	\$15,721,257	\$16,222,713	<b>\$501,456</b>
New York	\$73,367,819	\$76,512,088	<b>\$3,144,269</b>
North Carolina	\$21,413,777	\$22,176,206	<b>\$762,429</b>
North Dakota	\$6,170,997	\$6,234,620	<b>\$63,623</b>
Ohio	\$23,719,012	\$24,587,125	<b>\$868,113</b>
Oklahoma	\$12,490,791	\$12,844,146	<b>\$353,355</b>
Pennsylvania	\$26,933,796	\$27,949,291	<b>\$1,015,495</b>
South Carolina	\$11,691,016	\$12,007,705	<b>\$316,689</b>
Texas	\$69,306,214	\$72,264,278	<b>\$2,958,064</b>
Vermont	\$6,359,179	\$6,431,429	<b>\$72,250</b>
Virginia	\$13,133,748	\$13,516,579	<b>\$382,831</b>
Washington	\$24,001,285	\$24,882,340	<b>\$881,055</b>
West Virginia	\$10,028,738	\$10,269,219	<b>\$240,481</b>
Wisconsin	\$13,102,384	\$13,483,777	<b>\$381,393</b>

*Source: CRS Projections, Assuming \$913,180,500 Authorization for SHSGP and LETPP, 2/27/07*

**Here is the text of Senator Feinstein's speech:**

MR. PRESIDENT, I rise today to offer an amendment which ensures that critical homeland security resources are allocated predominantly on the basis of risk, threat, and vulnerabilities. I am pleased to be joined by my colleague from Texas, Senator John Cornyn, as well as Senators Lautenberg, Hutchison, Boxer, Schumer, Clinton, Obama, Menendez, Kerry, Coburn, and Casey.

Our amendment provides an alternative that is consistent with the recommendations of the 9/11 Commission and Bush Administration—that federal homeland security grants be allocated based on the greatest risk of terrorist attack.

This amendment would:

- Allocate homeland security grant funds based upon risk and threat analysis. This covers most grants for interoperable communications, seaport and airport security, as well as:
- The State Homeland Security Grant Program;
- The Law Enforcement Terrorism Prevention Program;
- The Urban Area Security Initiative (UASI); and,
- The Citizen Corps Program.

We accomplish this by reducing the “state minimum” formula.

Currently, each state receives .75 percent of the state terrorism preparedness grant money appropriated to the Department of Homeland Security.

This means that nearly 40 percent of the grant funds must be allocated **regardless of** risk analysis.

This amendment will reduce the “state minimum” to .25 percent. Lowering the minimum ensures that only 12.5 percent of the grant funds are set aside for all states. So, 87.5 percent is allocated based purely upon risk and threat assessment.

This would give the Department of Homeland Security the flexibility necessary to put the money where it is needed most.

This means that more dollars will go to the places that face serious threats – and where dollars can do the most good.

And it is consistent with the 9/11 Commission recommendation that: “Federal homeland security assistance should not remain a program for general revenue sharing.”

So what does this mean in real terms?

Last year, roughly \$912 million in grant funds were distributed to homeland security-related planning, equipment, training, and law-enforcement support needs related to terrorism prevention.

It broke down like this:

- Only 60 percent, or \$547 million, was allocated based upon risk.
- 40 percent, or \$365 million, went to satisfy the guaranteed minimum for all states.

If the Feinstein-Cornyn amendment were in place, an additional \$426 million would have been distributed based strictly on risk, threat, and vulnerabilities. That would have brought the total to \$791 million -- nearly 90 percent of the funds.

This would have been the right thing to do.

Instead, the places where the most funding is required are being short-changed.

Let me give you an example.

Last year, the breakdown of funds distributed through the State Homeland Security Grant Program and the Law Enforcement Terrorism Prevention Program, meant that some states with relatively low risk were receiving more funds per person than states with higher risk.

Among them:

- California's share of this grant funding amounted to \$2.50 per person;
- Texas received \$2.25 per person;
- Yet, Wyoming received \$14.75 per person.

California is the most-populous state in the Union, with more than 36 million residents. We have the nation's largest port, iconic bridges, towering skyscrapers, enormous infrastructure and the busiest border crossing in the world.

Texas, with 23.5 million residents, has great cities, towering skyscrapers, vital industries and a vast international border.

Wyoming, with 515,000 residents, is a largely rural state.

As a member of the Intelligence Committee, I pay close attention to the classified intelligence on terrorist threats.

Regrettably, for those living in states with higher threat profiles, there is reason for concern.

Major cities like Los Angeles have been an elusive al Qaeda target for years. A public example outlining the severity of this post 9/11 threat was acknowledged by President Bush in his State of the Union address earlier this year. The President said: “We stopped an al Qaeda plot to fly a hijacked airplane into the tallest building on the West Coast.”

This plot involved crashing an airliner into the Library Tower in Los Angeles, the tallest office building west of the Mississippi, which is home to more than 3,000 people during a typical workday.

Al Qaeda and its allies do not attack based upon an obscure formula to spend money evenly.

They attack by prominence, number of people they can kill, and the psychological value of taking out America’s great landmarks.

Homeland security money must correlate with this threat and risk; otherwise, it is quite simply wasted.

This is the reality of the world we live in. We can never predict when, or where, the next major attack will occur. We must apply a tough-minded discipline to use our finite financial resources effectively.

Allocating our critical resources effectively is built upon a three-pronged approach:

- Risks of potential terrorist attacks must be accurately assessed.
- The vulnerability of critical infrastructure, and potential targets, must be measured.
- And, resources must be distributed based upon these assessments.

The Department of Homeland Security was created to accomplish these goals and this amendment provides the flexibility and resources for the professionals to do so.

I would prefer to allocate 100 percent of homeland security grants based on risk and threat and believe that eliminating mandatory outlays to states is good public policy.

But, I understand the realities of the Senate. So, this amendment is a compromise which makes us all safer, thus benefiting all 50 states.

There are some who say that small states would be put at a disadvantage by this amendment. This is simply not true.

Thirty-five states—70 percent of the Nation—would actually receive **increased** grant money for terrorism preparedness under this amendment. States as diverse as Connecticut, South Carolina, and Colorado will benefit.

Risk-based funding will bring more federal dollars to many smaller states with high threat profiles.

Some in this body make the argument that this funding should be used to prepare all states for all conceivable hazards. The truth is, this bill does not even impact the primary all-hazards grant programs such as Emergency Management Performance Grants and the Assistance to Firefighters Program.

In fact, under current law, nearly 40 percent of these funds are set-aside for small-state all hazards preparedness. This adds up to at least \$7 million per state based upon the authorization for Emergency Management Performance Grants in the underlying bill.

There are those who will make the argument that recipients of homeland security grant funds are not held accountable, as money is often wasted. This amendment increases the efficiency of federal dollars by ensuring that these critical funds actually go towards programs and efforts that prevent acts of terror.

This amendment requires entities receiving Homeland Security funds to undergo periodical audits conducted by the Department of Homeland Security Inspector General and mandates that the appropriate performance standards are met.

Finally, the amendment ensures that states quickly distribute federal dollars to localities where they are needed, and not hold them back.

Four years ago, the President signed Homeland Security Presidential Directive 8, requiring the Department of Homeland Security to allocate grant money “based on national priorities.”

Four years later—despite this Presidential directive—this remains an elusive target.

The 9/11 Commission report makes clear that there are imbalances, and offers sensible advice, which our amendment seeks to follow.

Among the Commission’s observations and conclusions:

- “Homeland security assistance should be based strictly on an assessment of risks and vulnerabilities.”
- “Congress should not use this money as a pork barrel.

- “In a free-for-all over money, it is understandable that representatives will work to protect the interests of their home states or districts. But this issue is too important for politics as usual to prevail.”

The 9/11 Commission got it right. The national interest must trump geographical interests when it comes to national security.

I commend Senators Lieberman and Collins for their dedication and leadership. I am encouraged that their approach has been modified and they have acknowledged that funds should be allocated more along the lines of risk and threat.

Nevertheless, their proposal to set-aside 25 percent of funds for all states is still too much.

This amendment offers a reasonable alternative that takes a significant step toward improving our nation’s homeland security.

I ask my colleagues to join me in supporting this amendment and implementing this critical 9/11 Commission recommendation. It is simple and straightforward. It will distribute our national resources more effectively. And it will help make America more secure.

Thank you, Mr. President.

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