

**Joint Legislative Audit and Review Commission
of the Virginia General Assembly**



**Review of Homeland Security Funding
and Preparedness in Virginia**

**Staff Briefing
September 12, 2005**

Staff for This Study

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Study Mandate

- **JLARC approved study December 2004**

- **Directed staff to determine:**
 - **The extent and sufficiency of homeland security funding**
 - **The adequacy of coordination and direction of federal grants going to State agencies and localities**
 - **Whether security improvements are appropriately implemented**
 - **Authority and resources of the Office of Commonwealth Preparedness**

Presentation Outline

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- Overview of Homeland Security & Preparedness**
- **Allocation and Use of Homeland Security Grants**
- **Planning and Organization for Homeland Security and Preparedness**

Overview of Homeland Security and Preparedness - National Response

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- **Department of Homeland Security (DHS) established in 2002**
 - **Pulled together 180,000 personnel from 22 federal agencies**
 - **Includes traditional emergency response (FEMA) and entities newly defined as providing homeland security:**
 - **Secret Service**
 - **Coast Guard**
 - **Transportation Security Agency**
 - **Immigration and Naturalization Service**

- **Federal funding of \$138 billion provided nationwide from 2001 through 2004 - State and local grant programs totaled \$10.1 billion**

Overview of Homeland Security and Preparedness - National Response

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- **DHS has established a National Preparedness Goal:**
 - **To engage federal, State, local, private, and nongovernmental partners and the general public to achieve and sustain risk-based target levels of capability to prevent, protect against, respond to, and recover from major events in order to minimize the impact on lives, property, and the economy**
- **States and localities will be asked to analyze their homeland security programs and capabilities**
- **Key concern is the amount of federal funding that will be available in future years**
- **GAO noted “it is still too early to determine how well the complete framework will function in coordinating an effective response”**

Overview of Homeland Security and Preparedness in Virginia

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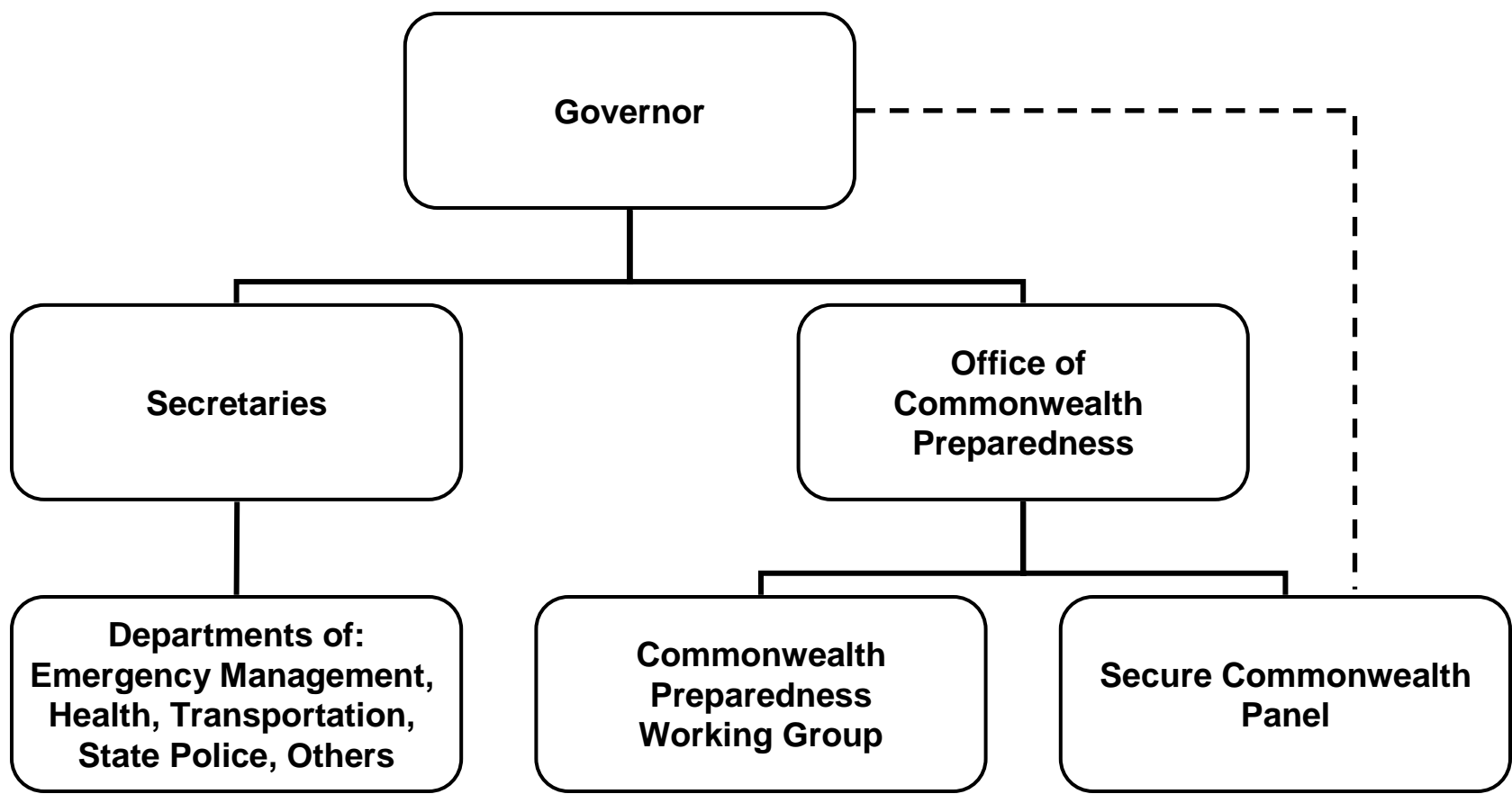
- **Virginia’s emergency response policy stresses a comprehensive “all hazards” approach**
 - ***Code of Virginia* §44-146.14 requires establishment of the Department of Emergency Management to protect the public peace, health, and safety, and to preserve the lives, property and economic well-being of the people, due to “the ever present possibility” of:**
 - **Disasters**
 - **Resource shortage**
 - **Any other natural cause**
 - **Enemy attack, sabotage, or other hostile action**
 - **Fire, flood, earthquake**

Overview of Homeland Security and Preparedness in Virginia

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- **After the 9/11 attacks, State and local governments took numerous actions**
 - **Virginia Preparedness and Security Panel established, now the Secure Commonwealth Panel**
 - **Identifies priorities, develops strategic plan, ensures coordination of federal grants**
 - **Office of Commonwealth Preparedness established**
 - **Legislative actions**
 - **Facility protection**
 - **Funding for first responders**
 - **Many localities reorganized to emphasize emergency management**

Commonwealth Preparedness Structure



Sources: Executive Order 69 (2004), Office of Commonwealth Preparedness.

Secure Commonwealth Panel

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- **Chaired by Assistant to the Governor for Commonwealth Preparedness**

- **29 members, including:**
 - **Lieutenant Governor**
 - **Attorney General**
 - **Four Cabinet Secretaries**
 - **City Manager, Norfolk**
 - **Five Private Sector Representatives**
 - **Chief Justice**
 - **Six Legislators**
 - **Henrico Police Chief**
 - **Fairfax Fire Chief**
 - **Two Former Local Elected Officials**

Members of the Commonwealth Preparedness Working Group

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- Office of Commonwealth Preparedness
- Emergency Management
- Health
- Military Affairs
- Environmental Quality
- Fire Programs
- VITA
- Agriculture & Consumer Services
- Secretary of Public Safety
- Transportation
- State Police
- Virginia Port Authority
- Forestry
- Game & Inland Fisheries
- Capitol Police
- Criminal Justice Services

Legislative Actions

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- **Significant legislation and additional State funding have been approved for a variety of initiatives**
 - **Expanded the list of successors to the Office of the Governor, in case emergency prevents House of Delegates from meeting to elect a governor, as provided in the *Virginia Constitution***
 - **Authorized and funded a terrorism intelligence (fusion) center within the Department of State Police**
 - **Authorized and funded Statewide Agencies Radio System (STARS)**
 - **Made it easier for State and localities to conduct background checks on prospective employees in sensitive positions**
 - **Provided that the Health Commissioner may require quarantine, isolation, decontamination, or vaccination in certain emergency situations**
 - **Required all State agencies and localities to comply with State interoperability plan to remain eligible for State or federal funding**

Facility Protection

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Facility Protection (continued)

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Facility Protection (continued)

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Facility Protection (continued)



Threats Exist Statewide

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- **“Virginia Jihadists” training at paintball facility in Spotsylvania County**
- **People on terrorist watch list apprehended at Lake Anna near nuclear power plant**
- **Suspicious individuals spotted photographing bridge structures in Hampton Roads**
- **Federally designated “critical infrastructure” located in 36 localities**
- **Of 56 Executive Orders issued since 2003, 22 were for weather-related emergencies**
 - **Multiple declarations involved hurricanes, flooding, winter storms affecting many localities statewide**

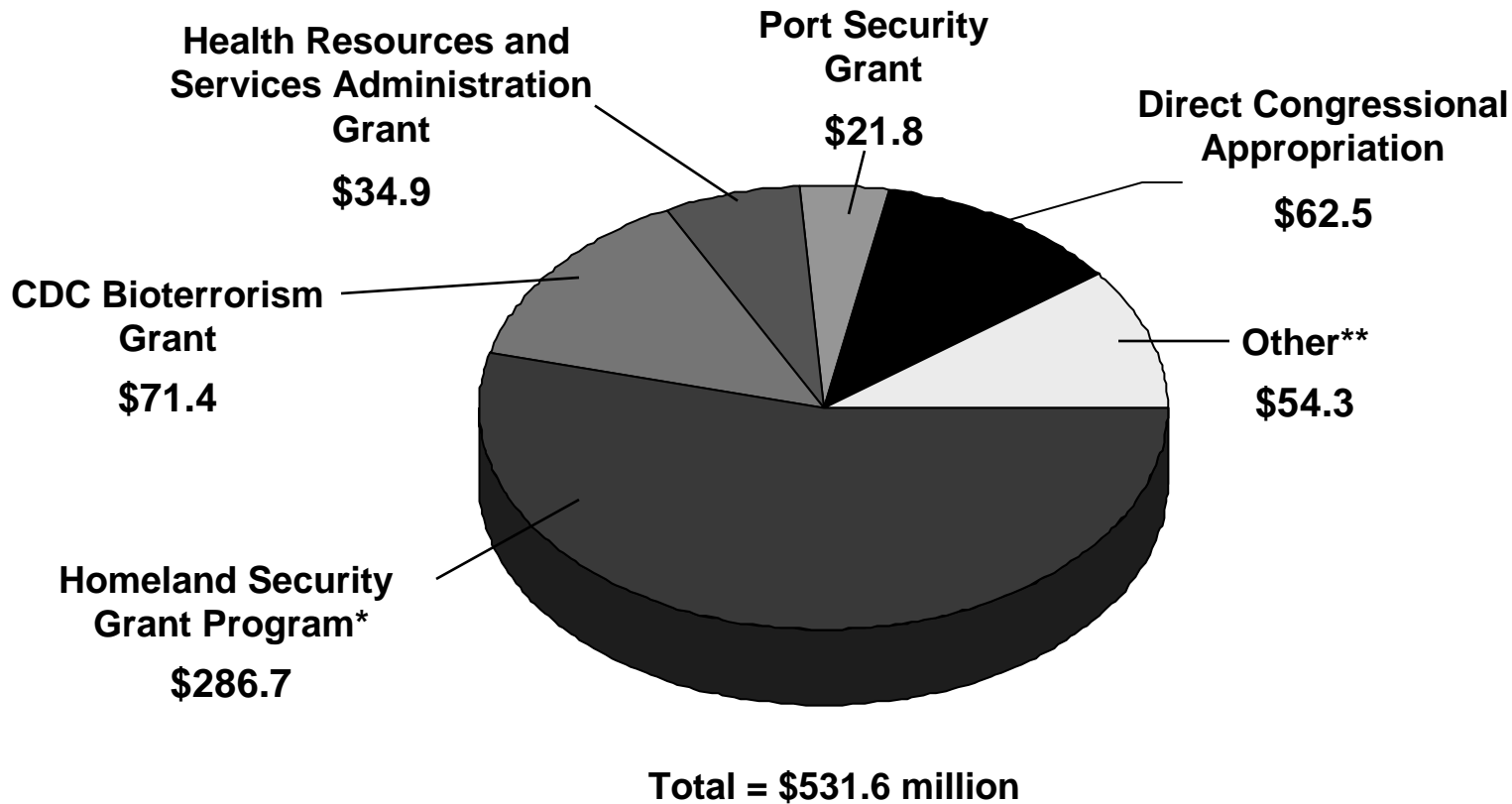
Presentation Outline

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- Planning and Organization for Homeland Security and Preparedness

Federal Homeland Security Grants to Virginia

(Since 1999, \$ in millions)



* Includes estimate of 2005 Urban Areas Security Initiative funds to Northern Virginia.

** Includes \$33.1 million from Assistance to Firefighters Grant and \$11.8 million from 1999-2002 State Equipment Grant.

Federal Homeland Security and Preparedness Grants to Virginia

(Since 1999, \$ in millions)

<u>Grant Source</u>	<u>FFY 2005</u>	<u>Cumulative</u>
State Homeland Security Grant Program:		
State Homeland Security Program	\$ 23.9	\$ 107.9
Urban Areas Security Initiative	27.3	124.4
Law Enforcement Terrorism Prevention Program	8.7	19.9
Emergency Management Performance Grant	3.9	23.2
Citizens Corps Program	0.3	2.0
Metropolitan Medical Response System	<u>1.4</u>	<u>9.4</u>
Subtotal	65.5	286.7
2002 Direct Congressional Appropriation	0	62.5
Port Security Grant	NA	21.8
Buffer Zone Protection Program	2.1	4.4
CDC Bioterrorism Preparedness Program	20.0	71.4
HRSA Bioterrorism Hospital Preparedness Program	11.7	33.1
Assistance to Firefighters Grant	NA	33.1
State Equipment Grant (1999-2002)	0	11.8
Other	<u>0</u>	<u>4.9</u>
Total	\$ 99.3	\$ 531.6

Majority of Grant Funds Used for Response

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- **Virginia localities received \$273.6 million in federal homeland security grants through 2004**

- **Common theme: 16 localities visited by JLARC staff spent most of their funds on improving capabilities of fire, police, and emergency medical services and emergency response**
 - **JLARC sample included large, medium-size, and small localities, as well as urban, suburban, and rural**
 - **Each locality indicated it takes an “all hazards” approach to emergency planning and response**
 - **This approach requires coordination among fire and rescue, law enforcement, emergency medical services, emergency management, others**

Major Homeland Security Purchases by Localities

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- **Interoperable communications equipment**
- **Personal protective equipment**
- **Incident response vehicles**
 - **Mobile command centers**
 - **SWAT vehicles**
 - **Hazmat trucks**
 - **Patrol boats**
- **Search and rescue equipment**

Personal Protective Equipment

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Incident Response Vehicles



Specialized Equipment

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Key Obstacles Facing Localities

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- **Federal restrictions on use of funds**
 - Cannot be used to hire staff
 - Equipment must be purchased from federally-approved list
- **Short timeframes for localities to apply**
- **Complexity of some projects**
- **Vendor backlogs on ordered equipment**
- **Local and State procedures**
 - Chief administrative officer approval
 - Local board approval
 - Procurement Act process

Short Timeframe Hampers Localities

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- **Local spending plans must be compatible with State strategic plan**
 - **Goal is to ensure local spending addresses gaps in overall preparedness**
 - **Localities were given about two weeks to develop their plans in FY 2004 & 2005**
 - **Local spending procedures require approval by chief administrative officer plus the local board**
 - **Short timeframe means hasty choices among identified projects that are then fitted in to the statewide strategy, making the State plan more of a hurdle than helpful guidance**

Short Timeframe Hampers Localities

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- **DHS gives VDEM 60 days from date it is notified of the federal grant to the time Virginia's completed submission must be turned in**
 - **For 2005 grants, VDEM took 32 days to determine local allocations and notify localities**
 - **VDEM required localities to submit proposals by day number 50**
 - **Thus localities had just 18 days to prepare proposal and get necessary local approvals**
 - **If the State's allocation (80% localities, 20% state agencies) had been in place when DHS notified VDEM, localities could have been more promptly notified**

Impact of These Obstacles

- **9 of 134 localities and 6 of 19 State agencies have spent less than 30% of their 2003 federal homeland security grants, as of August 2005**
 - **Spending deadline has been extended several times, and is now October 31, 2005**
 - **Information technology projects take longer to complete than equipment procurement**
 - **Vendor backlogs on equipment orders are a nationwide problem**
 - **VDEM has stated that once obligated to a project, funds will not be revoked**

Recommendation

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The Office of Commonwealth Preparedness and the Department of Emergency Management should develop a percentage-based allocation formula for State Homeland Security Program grants prior to the DHS notification of award.

Homeland Security Program Grants Are Allocated to Localities Based on Population

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- Grants from this federal program totaled \$23.9 million in FY 2005, \$107.9 million cumulatively
- Virginia allocates 80% of SHSP funds to localities, 20% to State agencies
 - Localities' 80% share: \$19.1 million in FY 2005
 - State agencies' 20% share: \$4.8 million in FY 2005
- State follows federal example of allocating most grant funds to localities based on population
 - Ensures that each locality receives at least a base amount
 - Funds low-risk areas on same basis as areas with known targets
 - Local allocations included in report appendix
- Allocation of grants using risk-based formulas would improve the probability that Virginia will be prepared for terrorist attack scenarios
 - 9/11 Commission supported this approach

Factors Omitted from a Population-Based Allocation Formula

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- **Local response capabilities**
 - Localities vary in staffing, equipment, training
- **Economic impact**
- **The presence of potential targets**
 - Small city with several chemical facilities
 - Hopewell population of 22,277
- **Daily fluctuations in population**
 - High-employment central cities
 - Richmond population of 197,790; 2003 employment of 180,000
 - Tourism
 - Williamsburg population of 11,998; Colonial Williamsburg Foundation reported 720,000 tickets sold in 2004
 - Virginia Beach population of 425,257; VB Convention & Tourism Bureau estimated 2.7 million visitors in 2003

Recommendation

The Office of Commonwealth Preparedness should develop a formula for allocating State Homeland Security Program Grant funds based on risk. OCP should also consider population density, transient populations, economic impact, identified targets, local capabilities, and funding from other sources.

Competitive Basis Is Problematic for State Agency Grants

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- **20% of SHSP funds, or \$4.8 million in FY 2005, is allocated to State agencies through competition:**
 - **Agencies present funding requests to the Working Group**
 - **Each agency votes for up to 3 projects believed to be “most vital” to the State’s security needs (can’t vote on own projects)**
 - **Projects with most votes are recommended for funding**
 - **OCP then determines final allocation**

Competitive Basis Is Problematic for State Agency Grants

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- **The process informs many agencies of the security needs of each, and promotes “buy-in,” but has several deficiencies**
 - **Linkage between this process and State strategic plan is weak**
 - **No scoring mechanism is used to evaluate technical merits or assess relevance to State plan**
 - **The process also is vulnerable to agencies colluding to get projects funded**
 - **Some agencies may have more staff present to “work the room” and campaign for their projects**

Recommendation

The Office of Commonwealth Preparedness should develop a criteria-based approach to allocating State Homeland Security Grant Program funding to State agencies. Criteria should include alignment with the goals of the statewide strategic plan and a priority ranking of identified risks.

Only One Region Receives UASI Funds

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- **Urban Area Security Initiative (UASI) directs federal homeland security funds to densely populated metropolitan areas**
 - **DHS allocation formula has not been disclosed, but thought to use population, population density, identified targets, presence of terrorist activity**
- **Northern Virginia has received \$124 million 2003-2005**
- **Richmond region received \$6 million in 2003**
- **Hampton Roads region has received no UASI funding**

UASI Program Issues

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- **Emergency managers from several northern Virginia localities indicated they are not adequately consulted about project priorities**

- **Although DHS makes the determination, Hampton Roads appears to warrant inclusion in the federal UASI program**
 - **Presence of major port facilities, military bases and military dependents**
 - **Population and population density of Hampton Roads exceeds several areas in the program**

Selected Urban Areas Receiving FFY 2005 UASI Funds

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<u>Urban Area</u>	<u>Population</u>	<u>Population Density</u>	<u>UASI Award</u>
Sacramento	1,628,000	399	\$6,085,663
Indianapolis	1,607,000	456	5,664,822
<i>Hampton Roads</i>	<i>1,570,000</i>	<i>668</i>	<i>--</i>
Columbus	1,540,000	444	5,479,243
Charlotte	1,499,000	444	5,479,243
Buffalo	1,170,000	747	7,207,995
Jacksonville	1,100,000	418	6,882,493

Recommendation

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Virginia's members of the National Capital Region senior policy group should regularly meet with emergency response and other local officials concerning local funding priorities for the National Capital Region urban area security initiative.

Presentation Outline

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Statewide Strategy

- **State and local homeland security response strategy is driven by federal requirements, which continue to evolve**
 - **A coordinated and regional response is a core objective**
 - **Many local and State agencies have important roles**
 - **In a disaster, no one agency or locality is likely to be self-sufficient**
 - **Coordination must take into account the independence of Virginia's cities and counties, and historical separation of response agencies (police, fire, health)**
 - **Key concern is the amount of federal funding available in the future**
 - **A local official noted the overall national strategy is “top-down” in approach, while emergency response is “bottom-up”**

National Priorities

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■ Department of Homeland Security requires State plans to:

- Address four mission areas: prevention, protection, response, recovery
- Reflect seven national priorities
 - Implement national incident management system and national response plan
 - Expand regional collaboration
 - Implement interim national infrastructure protection plan
 - Strengthen information sharing and collaboration capabilities
 - Strengthen interoperable communications capabilities
 - Strengthen chemical, biological, radiological, nuclear, and explosive (CBRNE) detection, response, and decontamination capabilities
 - Strengthen medical surge and mass prophylaxis capabilities

New State Strategic Plan Should Address Weaknesses of Current Plan

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- **Initial State strategic plan (2003) identified 19 goals**
 - **The plan focuses narrowly on State agencies, although localities must show compliance with State plan to qualify for federal funds**
 - **The plan does not identify funding priorities**
 - **8 goals reference weapons of mass destruction; none reference weather-driven events**
 - **Several goals call for regional response capabilities, but the State has done little to implement regional working groups**

- **OCP now revising Virginia's strategic plan for Commonwealth preparedness**

Regional Working Groups Should Be Implemented

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- **Regional working groups were proposed in the 2003 plan, but not implemented**
 - **Would mirror Commonwealth Preparedness Working Group**

- **Regional cooperation varies around the State. Indicators of cooperation include:**
 - **Monthly meetings of local emergency managers – neighboring localities know each other's capabilities**
 - **Written mutual aid agreements to back-fill for neighboring jurisdictions**
 - **Filing joint grant applications**

Recommendations

The State strategic plan should re-emphasize establishment of local and regional preparedness working groups, consisting of local emergency managers, police, fire, health, emergency medical service providers, public transportation, and others.

The Office of Commonwealth Preparedness should take the lead in establishing regional working groups. These groups should meet regularly and focus on regional initiatives in training, equipment, and strategy, and work toward ensuring all localities in the regions have access to specialized response teams.

Statewide Assessment of Capabilities Should Be Basis for State Strategy

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- **Wide variation in response capability of localities in Virginia, although overall capabilities have improved due to federal funds**
- **Having access to specialized resources can be key to effective emergency response**
 - **Specialized resources include search and rescue teams, hazardous materials teams, hazardous device removal technicians (bomb squads), swift water rescue teams, building collapse and technical rescue teams**
- **An assessment of risk and response capability would provide solid base of information to allocate homeland security grants to areas with greatest risk**

Access to Specialized Resources Should be Improved

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- All localities need access to specialized resources, although not all localities need to own them

- Personnel in several localities questioned state-wide availability of specialized teams
 - Search and rescue
 - Building collapse
 - Hazardous materials
 - Bomb squads

Problematic Access to Specialized Resources

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- **Norfolk is concerned about access to specialized teams in Hampton (regional hazardous materials team, bomb squad) due to potential for problems at the Hampton Roads Bridge Tunnel**
 - **Now forming a bomb squad**
 - **Used homeland security funding to purchase equipment**
 - **Applied to FBI for specialized training, was denied**
 - **Now rely on State Police and Virginia Beach assistance**
 - **Hampton has a squad, but Norfolk is concerned about access due to traffic and potential for problems**

Problematic Access to Specialized Resources

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- **Ability of personnel to communicate across disciplines (police, fire, health, emergency management) is key to effective response**
 - **Complex and expensive**
 - **STARS is \$329 million, multi-year State project**

- **Several localities told JLARC staff they felt they were “on their own” in determining communications needs and in working toward interoperability**
 - **Some were unaware of any State-level activity other than STARS**
 - **Other local staff concerned about vendor-driven equipment purchases**

- **Commonwealth Interoperability Coordinator established in 2003, under Secretary of Public Safety**

Recommendations

The Department of Emergency Management should conduct a statewide assessment of local and regional capabilities, including equipment, training, personnel, response times, and other factors. Regional working groups could assist in assessing local response capabilities.

The revised State strategic plan should indicate how the assessment will be used in the future allocation of funding.

Recommendations

- **The State interoperability coordinator should review all communications-related grant requests from State agencies and localities. Key concern should be using the grants to enhance interoperability.**
- **The General Assembly may wish to consider relocating the interoperability coordinator's position to the Office of Commonwealth Preparedness, and provide a permanent source of funding.**
- **The Office of Commonwealth Preparedness should ensure that the technical expertise of State agencies is publicized and made available to localities. Regional working groups should serve as forums for identifying the needs and publicizing the resources.**

Virginia's Homeland Security Initiative Needs a Statutory Basis

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- **Current structure established by Executive Order**
 - Executive Order appropriate for short-term activities
 - Function has become a long-term governmental function

- **High-level reporting relationship is appropriate**
 - Provides quick access to State decision makers
 - Facilitates working relationship with federal and local agencies, and in other states

- **Permanent funding is needed to assure continuity**
 - Funded from a Justice Department grant, expiring December 31, 2005

Recommendation

- **The General Assembly may wish to consider adopting legislation establishing the Office of Commonwealth Preparedness as an office within the Governor's Office. A sunset clause would ensure timely review of the arrangement. Necessary permanent funding should also be provided.**

Summary

- **Virginia and localities are better prepared**
 - **Response capabilities have been strengthened**
 - **\$532 million in federal funds, with additional State and local funds, have been allocated to homeland security**
 - **Checks and balances help ensure appropriateness of spending**
 - **Long-term sustainability will be costly**

- **Steps remain to be taken**
 - **Federal funds should be distributed based on assessments of risk, local capabilities, and other factors**
 - **VDEM should provide more time to localities to prepare spending plans**
 - **Regional working groups need to be established**
 - **Office of Commonwealth Preparedness should be established in statute with permanent funding**

Staff Report

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- Full JLARC Staff Report is available on the website:
 - <http://jlarc.state.va.us>