



Senators Feinstein and Cornyn Offer Amendment to Ensure that Homeland Security Funding is Based on Risk

July 11, 2005

Washington, DC – U.S. Senators Dianne Feinstein (D-Calif.) and John Cornyn (R-TX) today offered an amendment to the FY 2006 Homeland Security Appropriations bill that would ensure that homeland security grants are allocated based on where the threat of terrorist attack is greatest.

“Last week’s attacks in London are a brutal reminder that the terrorists can strike anywhere, anytime,” Senator Feinstein said. **“We have scarce resources to combat the threat. That’s why it is absolutely critical that our dollars go to where the threat is greatest and where resources can do the most good. This is our ports, our transit systems, our bridges, our critical infrastructure, and our landmarks. In my view, we’ve got to move to a system where the grants follow the threat and are distributed primarily based on risk and threat – not on geographic or political factors.”**

“This legislation is guided by the 9/11 commission's recommendations that homeland security assistance should be based on an assessment of risks and vulnerabilities, and substantially increases the amount of risk-based funding from current levels,” said Senator Cornyn, Chairman of the Emerging Threats and Capabilities subcommittee. **“It is critical that we more effectively protect our most vulnerable population centers, and the critical infrastructure and vital components of our economy.”**

The Feinstein-Cornyn amendment is cosponsored by Senators Barbara Boxer (D-Calif.), Kay Bailey Hutchison (R-TX), John Kerry (D-MA), Mel Martinez (R-FL), Charles Schumer (D-NY), Hillary Clinton (D-NY), Jon Corzine (D-NJ), Edward M. Kennedy (D-MA), Frank Lautenberg (D-NJ), and Bill Nelson (D-FL). Following is a summary of the Feinstein-Cornyn legislation and a comparison of the Feinstein-Cornyn bill and the Collins-Lieberman bill.

Summary

Specifically the Feinstein-Cornyn amendment 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 37.5% of the funds are marked for distribution before any risk analysis.
- **Require grants be designed to meet “essential capabilities.”** Essential capabilities are what we get for the money spent – the ability to address the risk by reducing vulnerability to attack and by diminishing the consequences of such an attack by effective response.
- **Ensure that States quickly and effectively pass on Federal funds** to where they are needed so that Federal funds are not held back.

Comparison of Feinstein-Cornyn with Collins-Lieberman:

Senators Collins and Lieberman have offered their first responder grant authorization bill (S. 21) as an amendment to the FY2006 Homeland Security Appropriations bill. In response, Senators Feinstein and Cornyn have offered their bill (S. 1013) as an alternative amendment.

S. 21 SHIFTS FUNDS AWAY FROM HIGH-THREAT STATES AND LOCALITIES.

- **contradicts the risk-based approaches to homeland security funding advocated in 9/11 Commission recommendations, Administration policy, and current and prior Congressional appropriations;**
- **increases the proportion of funding not subject to risk-based distribution;**
- **cuts and limits funding available to the high-threat regions identified in more than 30 States.**

S. 1013 FOCUSES FUNDS ON BASELINE CAPABILITIES AND GREATEST RISK.

- more consistent with 9/11 Commission recommendations to distribute homeland security assistance targeting potential for greatest casualties and economic harm;
- implements latest Administration proposals to increase risk-based funding;
- preserves flexibility to fund high-threat regions at whatever level is deemed appropriate.

S. 21 provides the LEAST risk-based funding among the options being considered by the Senate.

▪ Congressional Research Service assessment (July 8, 2005) –		
S. 21	40% not risk-based	60% on risk
Senate FY2006 Appropriations	30% not risk-based	70% on risk
S. 1013	13% not risk-based	87% on risk

S. 21 actually INCREASES funding distributed under guaranteed minimums over prior year levels, but S. 1013 increases allocations based on risk.

- S. 21 increases by 56.4% the amount of guaranteed funding distributed without consideration

of risk, using FY2005 appropriations levels as the baseline for comparison (*CRS - April 13, 2005*).

- Although S. 21 purports to reduce non-risk-based funding by lowering guaranteed minimums from 0.75% to at least 0.55%, it applies that percentage across a wider funding base of additional programs. Including those programs nearly doubles the amount of funding subject to a minimum. Therefore, S. 21 actually distributes more money under a guarantee and blind to risk.
- S. 21 also allocates risk-based funding after the guaranteed minimum already is distributed, making the difference between the two unnecessary and wasteful.
- S. 1013 lowers the guaranteed minimum to a flat 0.25%, conforming to the President's Budget proposal and Statement of Administration Policy (May 12, 2005), and makes risk-based allocations before the guaranteed minimum is distributed to achieve a true minimum.

Example: Under S. 21, a low-risk State might receive a \$10 million minimum distribution, then qualify for \$8 million in risk funding to total \$18 million. Under S. 1013, that low-risk State would receive \$10 million – the \$8 million risk-based allocation, plus an additional \$2 million allocation to reach the \$10 million minimum. Thus, S. 21 would require distribution of an extra \$8 million in wasteful homeland security funding.

S. 21 cuts and limits funding to High-Threat Urban Regions designated in 30+ States, the most likely terrorist targets, but S. 1013 preserves flexibility to fund at higher levels.

- As the 9/11 Commission report stated and attacks in London again demonstrated, major urban centers (not rural or smaller communities) are the primary terrorist focus, with concentrations of population, transit systems, critical infrastructure, and high-profile targets for maximum impact.
- The Urban Area Security Initiative (UASI) has organized and funded preparedness and prevention efforts in 56 of the most likely target regions, encompassing hundreds of local jurisdictions and more than 75 million people. UASI regions now are implementing comprehensive cross-jurisdiction anti-terror plans with shared long-term project investments.
- S. 21 cuts authorization of funding for UASI to 30% of the total homeland security funds (*at most half of the amount available after having allocated the guaranteed minimum*).
 - This limit in S. 21 is a 1/3 cut from the amount actually provided in FY2005 appropriations, and 50% cut from the President's FY2006 Budget request.
 - The Senate FY2006 appropriations bill currently leaves the UASI allocation to Department of Homeland Security discretion.
 - Setting an arbitrary limit on the amount available for risk-based funding to the most threatened urban areas is counter to recommendations by the 9/11 Commission and terrorism experts.
- S. 1013 preserves the UASI program and flexibility to target funds as needed.

Risk-based funding will benefit many smaller States with high-threat profiles, not just large States.

- Risk-based allocations will not simply redirect funds from small States to large States.
- Several less populous States have high-threat profiles that rank higher than larger States, as indicated by the amount of distributions through current risk-based programs, including the Urban Area Security Initiative and the Buffer Zone Protection / Critical Infrastructure programs.

- In some cases the UASI program alone represents 15% - 30% of first responder grant funding to less populous States, indicating a strong likelihood for more funding under a more risk-based distribution approach.

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