

DATE ISSUED: September 17, 2003

REPORT NO. 03-190

ATTENTION: Honorable Mayor and City Council

SUBJECT: Homeland Security Funding Strategy

SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE CITY COUNCIL.

BACKGROUND

Questions regarding Homeland Security grant funding strategy have surfaced at recent meetings of the Public Safety and Neighborhood Services Committee, Rules Committee and full City Council. The questions center on the below themes:

- What is the status of Homeland Security grants?
- What is the strategy to obtain the City's fair share of funding?
- How can the Mayor & City Council help promote the above objective?

City Council provided direction to report back its findings on questions raised during the discussion of Item 105 Homeland Security Funding Strategy on July 14, 2003. Since the questions raised in the other Committees are related, this memorandum consolidates the response to those questions. Staff will coordinate with the respective Committee Consultants to docket this topic for discussion as required.

DISCUSSION

STATUS OF HOMELAND SECURITY GRANTS

There are 3 main grant programs:

- The Domestic Preparedness Equipment Support Program
- The State Homeland Security Grant Program
- The Urban Areas Security Initiative

The following sections provide detail around how much funding the City can expect to receive from each program and a status of the program.

The Domestic Preparedness Equipment Support Program (DPESP)

DPESP provided funding only for first responder equipment. The type of equipment eligible for procurement was specified on an authorized equipment list. The City received a total of \$408,760, which was distributed in two parts: FY01 and FY02.

- **FY01.** The San Diego Operational Area¹ received \$711,760, of which the City was allocated \$180,000 on March 24, 2003. The City has received its requested equipment.
- **FY02.** The San Diego Operational Area received \$1,187,908, of which the City was allocated \$228,760. Spending of the funds was authorized on a reimbursement basis on August 22, 2003. A process is in place to allow procurement of items as submitted in our grant application.

The State Homeland Security Grant Program (SHSGP)

SHSGP is focused on providing states with funding for first responder *planning, training, equipment, and exercising*. It is being administered in 3 parts:

- SHSGP – Part I: California received \$45 million in March 2003, of which the San Diego Operational Area received \$2.8 million. The City of San Diego received \$680,490. Spending of the funds was authorized on a reimbursement basis on August 22, 2003. A process is in place to allow procurement of items as submitted in our grant application.
- SHSGP – Part II: California received \$119 million in May 2003. Of this amount, \$15.9 million was set aside for the Critical Infrastructure Protection program (see below) and the remaining \$103.2 million was focused on first responder

¹ *Operational Area* is defined as the county and the incorporated cities within a county.

readiness. The San Diego Operational Area received \$6.7 million. Allocation for the City of San Diego is pending completion of a needs assessment and development of a regional security strategy, which is due October 15, 2003.

- Critical Infrastructure Protection (CIP) program: Part of SHSGP-II, California received \$15.9 million. The program provides financial assistance for costs associated with increased security measures at critical infrastructure sites during the Iraq War (March 17, 2003 through April 16, 2003). The City of San Diego Police Department and the Water Department applied for reimbursement and were awarded \$104,873 and \$113,574 respectively, for a total of \$218,447. Reimbursement is expected within 60 to 90 days.

Urban Areas Security Initiatives – Part II (UASI-II)

UASI-II provides funding to address the unique equipment, training, planning and exercise needs of large, high-threat urban areas. The San Diego region was awarded up to \$11.36 million in June 2003.²

Unlike SHSGP where the Operational Area (County) is responsible to apply for and manage the grant, the City of San Diego as the *core city* is responsible for managing the UASI-II program for the *urban area*, which includes the 18 incorporated cities and San Diego County. Up to 25% of the award is available to conduct a needs assessment and to develop an Urban Area Homeland Security Strategy, both of which are required to be completed prior to being awarded the remaining 75% of the grant. The City Office of Homeland Security (OHS) has requested authorization to spend up to the 25% for the assessment and strategy development phase. It is not yet determined whether the State of California will take a percentage of the grant funds identified for the San Diego urban area.

Council questions have arisen in regard to whether the City is considering a region-wide plan in order to be eligible for the grant program; the following information is provided. Currently, the needs assessment³ is underway, with a deadline of September 15, 2003. State OHS guidance requires the assessment be conducted from two perspectives: one for the City alone, and a separate one for the rest of the Urban Area. Additionally, City OHS is in the process of conducting a request for quotation to engage a consultant to assist with the development of the Urban Area Homeland Security Strategy, which is due October 15, 2003.

The strategy will provide a framework to address the shortcomings identified during the assessment phases and serve as a prioritized work plan for the Urban Area to increase its terrorism preparedness. Specific goals, objectives, implementation steps and metrics to measure success of the activities will be included in the strategy. The strategy will be a

² By way of background, UASI-I resulted in \$100 million being directly awarded to 7 major cities (including Los Angeles and San Francisco) in April 2003. San Diego did not receive funding under this program.

³ The overall “needs” assessment includes a threat assessment, vulnerability assessment, and a capability assessment.

dynamic document that will be reviewed and updated on an annual basis. The strategy will serve as a plan for the allocation of grant funds from the Urban Area Security Initiative – Part II, FY03 State Homeland Security Grant Program – Part II and future grant programs and ensure that the City of San Diego’s needs are appropriately prioritized with the rest of the Urban Area jurisdictions.

City OHS is also preparing the appropriate documentation to bring on staff in a limited status to assist in the management of the grant. UASI-II provides funding for such administrative purposes. Because it is likely that Homeland Security grants will continue to be available for at least the next two years, and the fact that the Urban Area Homeland Security Strategy developed under UASI-II and other grants will create programs that will require ongoing administration, the intent is to make the OHS staff positions permanent in the FY05 budget cycle.

SHORT TERM STRATEGY TO OBTAIN FAIR SHARE OF FUNDS

Distribution of grant funding is generally determined on a “base plus population” calculation. This occurs at the three levels of government: from federal to the states; from the state to its operational areas; and within the operational area to its member jurisdictions. The challenge is to set a base allocation that provides a meaningful level of resources to smaller jurisdictions without significantly detracting from larger ones. Setting too large a base or making special allocations that take away from the pool of funds used for per capita calculations leads to comparisons as was seen in the distribution for State Homeland Security Grant Program where Wyoming received \$9.78 per capita while California only received \$1.33 per capita.

Council questions have arisen regarding whether enabling legislation allows the City to go through the San Diego Association of Governments (SANDAG) to put a regional plan in place; the following information is provided. As mentioned earlier, the UASI-II program requires development of an Urban Area Homeland Security Strategy, which will include the County and the 18 incorporated cities. A review of applicable legislation does not preclude the involvement of SANDAG. The Office of Domestic Preparedness (ODP) guidance requires the establishment of an Urban Area Working Group (UAWG) that includes a representative from the jurisdictions within the defined Urban Area. ODP strongly encourages that, wherever possible, previously established local working groups be leveraged for this purpose. Members from the Unified Disaster Council⁴ (UDC) have been identified to serve on the UAWG since the member jurisdictions are identical.

The UDC uses a “one city, one vote” process as specified in their joint powers agreement. An outcome of this voting model is that it tends to favor the smaller jurisdictions. As it relates to grant funding distribution, the UDC tends to set a higher base as well as set an amount or percentage of available funds for other uses before making a per capita distribution. In order to provide for fairer representation of larger jurisdictions when deciding these matters, the City’s

⁴ The Unified Disaster Council is the governing body of the San Diego County Unified Emergency Services Organization, a joint powers agency formed in 1961 to address emergency preparedness on a regional basis. The City of San Diego is a member.

representative on the UDC (D. P. Lee) has initiated a motion that the voting process be changed to the SANDAG process of a combined “one city, one vote” with a weighted vote. This item is to be decided on September 18, 2003. A straw poll of the UDC members indicates that there is support to adopt the SANDAG model. If approved, County staff would be directed to rewrite the JPA agreement to include the new voting model and provide it to the member jurisdictions for review and adoption.

Additionally, as part of the UASI-II process, an “Approval Authority” was created that has final approval on funding allocations recommended by the UAWG. The Approval Authority members are:

- Harold Tuck, Deputy Chief Administrative Officer, Public Safety Group, San Diego County
- Rey Arellano, Deputy City Manager & CIO, City of San Diego

LONG TERM STRATEGY FOR HOMELAND SECURITY GRANTS

To this point, staff has not asked Council to weigh in on the grant programs described above because either the guidance was already set, or – in the case of the weighted vote issue – staff has been working with the UDC members to modify the existing vote process.

What follows is a description of efforts underway to influence future grant opportunities for the Federal FY04 period.

The Governmental Relations Department (GRD) continues to work in partnership with the Mayor, the City Manager’s Office, City Department representatives and the City’s lobbyists to ensure a clear and consistent message of need is communicated to and understood by congressional leadership, the local congressional delegation and the administration. The basis of both the City’s and Urban Area’s needs will be a product of the assessment and strategy development processes described earlier. Some of the planned and ongoing activities include:

- Established communications and advocacy to congressional leaders of the City’s position that homeland security funds should be allocated to regions based on vulnerable assets of international, national, state, local and economic significance, not the current base + population method. The current distribution method is creating disproportionate per capita funding amount for smaller states (e.g., California is receiving only \$1.33 per capita while Wyoming receives \$9.78 per capita).
 - The Mayor submitted testimony supporting vulnerability based funding to both the Senate Government Affairs Committee and the House Select Committee on Homeland Security (each of these committees are responsible for oversight of the Department of Homeland Security).
 - GRD had the opportunity to discuss San Diego’s uniqueness and the need for a change in the federal distribution of funds with Congressman Hal Rogers, Chair

of the House Appropriations Subcommittee on Homeland Security. The Congressman acknowledged there are deficiencies in the current distribution and also recognizes the region's unusual combination of a major metropolitan center, a heavily utilized border, multiple military installations, an international airport, full time maritime port and a nuclear plant.

- In addition to advocating for the City, GRD has established a collaboration with other UASI grantees in California (Los Angeles, San Francisco, Sacramento and Long Beach) to influence the guidelines from the State Office of Homeland Security ensuring the UASI core cities have a substantial role in the distribution of UASI funds.
- For federal issues, the collaboration has been expanded to include other UASI grantee cities across the country in efforts to better influence the congressional leadership on issues related to funding and authorizing legislation.
- Continue to pursue amendments to S. 1245, the Homeland Security Grant Enhancement Act of 2003, which will coordinate and streamline Homeland Security Grant Programs. Amendments the City is seeking:
 - Increase in Urban Area Security Initiative program funding.
 - Deletion of local match requirements.
 - Lower the base percentage to each state from 0.75% to 0.50%.
 - Increase in the 5% funding cap on overtime expenses.

The Mayor has taken a leadership role in advocating for the City in the above activities. As GRD continues to work the issues, they will contact Council members directly if additional opportunities arise for Councilmember support, individually or as a group.

Respectfully submitted,

D.P. Lee
Director, Office of Homeland Security

Brent Eidson
Assistant Director, Governmental Relations
Department

Approved: Rey Arellano
Deputy City Manager & CIO