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Homeland Security's Subcommittee Emergency Communications,
Preparedness and Response Hearing

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**“Preparedness: What has \$29 billion in homeland security grants
bought and how do we know?”**

The Cost to Capability (C2C) Initiative

The Cost to Capability (C2C) program supports a capability based planning and decision making process. It identifies a weighted score to prioritize investments to maximize capability gain and validate sustainment costs while clearly indicating investments that would not be cost efficient increasing or maintaining capability. The C2C initiative supports the states and urban areas in maximizing the development, funding, and implementation of preparedness projects. C2C also supports programs to build, enhance and sustain the target capabilities necessary for an effective state of preparedness.

When utilized as a decision making tool, the positive elements that C2C offers are:

- Reduction in jurisdictional and disciplinary bias in Urban Area Working Group
- Defined Return on Investment (R.O.I.)
- Clear target capability gains and cost of sustainment
- Identified geo-based gaps in preparedness
- Delivery of data-driven prioritized funding options with allowance for state and local override to meet evolving trends and conditions
- Collation of multiple funding streams (including non- FEMA/DHS) to support a single project
- Clear and concise corollary of tasks to the development and sustainment of target capabilities
- Data-driven reporting that clearly conveys level and cost of capability gain and sustainment

As with any assessment and evaluation tool, C2C can be modified and should be enhanced with system capabilities that are risk/threat specific to each state/urban area. The current underpinning of the C2C initiative is the National Scenarios. The National Scenarios provide a broad based preparedness assessment country -wide, however, they do not prioritize target capabilities identified by the state/urban area as addressed in their respective strategies. The Grants Program Directorate (GPD) can refine the C2C system capabilities to reflect the respective user's threat, risk, and need by incorporating the state/urban area strategy with assigned values as part of the base formula behind the program. Non-transparent algorithms that drive C2C must be supported by user selected priority target capability values based on the threat and risk identified by the state/urban area and not as identified by the National Scenarios.

Suggested capabilities that a C2C enhancement must address include:

- Assigned value to each target capability based on individual state/Urban Area Strategy
- Data collection to support a comprehensive strategy for moving forward based on historical progress
- Ability to provide a clear state and local preparedness position through collective and shared data for capability gains and sustainment

- Integrated position and performance reporting to Grants Program Directorate (GPD) and National Preparedness Directorate

The Comprehensive Assessment System (CAS) developed and implemented by the National Preparedness Directorate (NPD) is intended to continually assess overall preparedness as required by congress. Within the CAS is the State Preparedness Report (SPR). The SPR is to be completed by all states/urban areas as the foundation for C2C which is under the Grants Program Directorate (GPD) and contained within a separate system. Integration of assessment, evaluation, and reporting functions between NPD and GPD must be built into C2C to eliminate redundancy and greatly reduce ineffective time burdens placed on the grantees. Projected C2C system capabilities and enhancement can maximize state and local grantee's time, reduce cost, and eliminate redundancy in reporting.

Potential time/cost savings resulting from integration and implementation of C2C:

- Elimination of expensive, subjective Peer Review process
- Elimination of the narrative based Investment Justifications
- Reduction in reporting requirements through enhanced NPD and GPD collaboration
- Increased value through objective data-based reporting
- Reduced and/or eliminated opinion based (guess work) assessment and evaluation of state and local preparedness

Use of FEMA/DHS Funds for Sustainment Costs

The clarification below was received in email form on September 22, 2009 by all states and urban area Points of Contact. In preparation to testify before the congressional committee, I contacted the National Association of Counties (NACo) to ascertain their position on the sustainment issue. NACo is in full agreement that this FEMA/Grants Program Directorate (GPD) policy is contrary to past practice, phased planning and implementation and most importantly to protecting the foundation of preparedness that we have built across the nation.

GPD Clarification Statement:

**** Sent on behalf of C. Gary Rogers, Director, Grants Program Directorate/Grants Development & Administration Division****

Below is a clarification of the FEMA/Grant Programs Directorate policy regarding the use of preparedness grant funding for sustainment costs:

Grantees may use FEMA preparedness grant funding to pay for maintenance agreements, user fees, and other sustainment costs as long as the equipment was purchased with FEMA preparedness grant funding and the sustainment costs fall within the performance period of the grant that was used to purchase the equipment. These sustainment costs are eligible under the equipment category unless the equipment is M&A related (grants management equipment). Grantees may not use future year preparedness grant funding to pay for additional agreements and user fees. These ongoing sustainment costs are the responsibility of the grantee. For example, the purchase of 2-way devices to provide connectivity and interoperability between local and interagency organizations to coordinate CBRNE response operations is allowable. Grant funds may be used to cover only those services provided during the grant performance period in which the device was purchased. All ongoing expenses after the performance period has expired may not be paid for with FEMA preparedness grant funding. Devices purchased for those individuals involved in coordinating response operations or for eligible planning activities are eligible under the "equipment" category. If purchasing devices for those individuals involved with the grants management portion of these programs, then the costs are eligible under M&A. Please ensure that these costs do not supplant previously budgeted line items."

GPD has consistently addressed the building and sustaining of capabilities in grant guidance, planning, training, and exercising. The Investment Justification template includes a section specific to Sustainability and asks, "What is the long term approach to sustaining the capabilities developed by this investment?" Having participated in Peer Review two of the past three years, I can testify that most states and urban areas answered the question stating that they would rely on federal funding to continue to sustain the investment.

Examples of State (Ohio) and Urban Area (Columbus) projects adversely impacted:

- Information Sharing – Ohio Law Enforcement Information Network: this statewide system connects every law enforcement agency in the state with the States Attorney General's Office. It requires monthly air cards for all users for connectivity through their respective wireless provider as well as maintenance agreements for the mobile data terminals.

- Intelligence Gathering – Rap ID (digital fingerprint identification scanners), Livescan (digital fingerprint entry system) and Automated License Plate Reader Technology: local, regional and statewide systems developed and implemented to capture data, shared with three F.B.I. data bases and requiring maintenance agreements and monthly air cards for all users for connectivity through their respective wireless provider. Additionally, geospatial mapping capabilities at the primary state fusion center is under an annual maintenance contract agreement. This intelligence gathering is critical to the success of Ohio’s fusion centers.
- Interoperable Communications – Shared systems, new towers, ACU 1000 mobile bridges, mobile and portable radios and communications vehicles have been purchased to ensure voice and data interoperability for incident command and control. Every piece of equipment requires ongoing maintenance, user fees, licenses, upgrades to technology, and/or batteries.
- Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE) Detection – The meters and monitors required to detect CBRNE are extremely sensitive and must be tested and calibrated on an ongoing basis to ensure reliability. Personal Protection Equipment (PPE) required by NFPA and OSHA is constantly being tested and upgraded to enhance the level of protection resulting in repair, replacement parts, and additional equipment being certified and recommended.
- Technology & Training – Each upgrade of technology and equipment requires users to be trained on that technology and/or equipment capability. In addition costs for seat licenses, user fees, software upgrades, program integration and data storage are ongoing capital expenditures.

Columbus Urban Area Supports Sustainment Funding

Billions of dollars have been expended nationwide to build capabilities to prepare and protect our critical infrastructure and key resources across the country. The National Association of Counties (NACo) has stated that every county in the country will be adversely affected by this policy. Tens of millions of dollars have been spent in the Columbus Urban Area and throughout the State of Ohio on equipment and training critical to building our priority target capabilities to strengthen our preparedness. The sustainment of these capabilities is an ongoing cost that requires homeland security funding to support in full or in part augment state and local funds. The Columbus Urban Area needs FEMA preparedness grant funding to support sustainment costs and requests that the policy of GPD be reversed.

Follow-Up Address:

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Summary of Comments and Recommendations:

A. C2C Initiative

- 1.) Positive Elements of C2C
- 2.) Capabilities C2C enhancement must address
- 3.) Potential time and cost savings of C2C

B. Use of FEMA/DHS Grant Funds for Sustainment Costs

- 1.) GPD clarification statement
- 2.) Ohio (State) and Columbus Urban Area (local) project impact examples
- 3.) Urban Area support position for sustainment funding