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TESTIMONY
Before the

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on
Emergency Communications, Preparedness and Response

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Introduction

Thank you Chairman Cuellar, Mr. Rogers (Ranking Member) and Honorable members of this Subcommittee for your invitation to speak today on the FEMA Cost-to-Capability Pilot I. I am David Maxwell, Director and Homeland Security Adviser for the Arkansas Department of Emergency Management. I am testifying today on behalf of the State of Arkansas. My staff participated in the C2C Pilot I in July here in Washington, DC.

Cost-to-Capability Review

Members of my staff, as well as a staff member from the Arkansas Department of Information Systems, traveled to Washington to participate in the Pilot of the Cost-to-Capability project. After spending a week testing the program and providing feedback to the FEMA program staff, they came back to the state to test the program using Arkansas specific information from the FY08 and FY09 Homeland Security Grant Program. They found the concept of the tool innovative and a step in the right direction in regards to providing a clear connection between dollars spent towards homeland

security goals and the capabilities that are produced as a result of those dollars. Arkansas, as a recipient of these funds is committed to and supports building and measuring our capability. However, the tool does not distinguish between actual dollars spent and its correlation to an actual increase or decrease on the capability of a state or local jurisdiction. I'm not comfortable with the tool being able to take so many factors into account and it result in an accurate reflection of our capability and preparedness levels. I am also concerned that the tool requires a subjective judgment of our base capabilities and perhaps more importantly how much an investment has increased a capability. As a State Director, I do not want this tool to be used as a "report card" to publish our preparedness efforts. This tool should be used as a macro level planning piece to help determine the nation's preparedness levels. Arkansas is committed to the openness of our business practices but the potential exists to highlight perceived potential weaknesses in our preparedness efforts and this only gives terrorists an additional area to exploit. The C2C tool relies on State Preparedness Report data, a ranking of National Planning Scenarios and the states assertion of its own capability as the baseline data to determine a relationship between dollars spent and a capability gain. I am not convinced that this tool can accurately measure these disparate pieces of data.

As I stated in my response to the House Committee on Homeland Security's questions about this project, my hesitation and concern come from the calibration of the data used to determine a final capability score and portfolio ranking.

Much of the tool is dependent on data determined solely by the states. The State Preparedness Report is the basis for much of the tool's baseline data. While a great

deal of effort goes into producing an accurate SPR, without a carefully detailed set of standards, such as those used by the Emergency Management Accreditation Program (EMAP) process, we cannot be assured that the tool correctly analyzes that data. Thus, the results of the C2C tool *could* produce an inaccurate picture of the state's true capability level. Currently, no such standards exist to measure capability or sustainment gains in the C2C tool.

The issue of sustainability also concerns me with regards to the C2C tool. After the SPR data is entered into the tool, one of the next steps is to assign a dollar figure to each project and Target Capability or Capabilities that are associated with that project. These dollar figures are assigned to gain capability or to sustain a capability. Without some objective measure, the states are using a "best guess" method to determine preparedness and capability levels as they assign these allocations. Arkansas currently awards its HSGP dollars on a population formula basis. When you distribute the volume of projects and Target Capabilities that these projects are associated with, it becomes almost impossible to determine that \$1500 of a \$6 million award equals a .005% increase in the Interoperable Communications Target Capability. The user burden with this tool is extensive.

The tool asks for two complete "percentage" gains. One determines the overall gain in capability. For example, a Fusion Center project may be rated by the C2C tool at a current 30% capability. The state then has to determine how much of an increase this project and its new funding gives the state. If the project only gives the state a 5% gain, the state then must determine the dollar amount associated with that 5% gain.

To follow up with sustainment issues, with the addition of this tool, there become two definitions of sustainment used within the grant allocation process. Dollars used to sustain a capability are extremely difficult to measure. Dollars used to sustain current equipment can be measured. For the 10 years of the grant program, substantial investments have been made with assistance from these Federal grants. Current equipment and future purchases are in jeopardy if funds cannot be used to sustain equipment beyond the initial grant performance period.

Sustainment is an important part of the grant process. Investments, a core principle of the grant application process, are the backbone of the equipment acquisition process for both the SAA and the sub-grantees. If we truly want to be effective, efficient and prudent with our grant dollars, we cannot be forced to purchase new, replacement equipment solely because we are not allowed to spend money to keep our current equipment in working order. For example, Arkansas and our local jurisdictions have purchased expensive bomb handling equipment. If we are not allowed to expend sustainment dollars out of future grant programs, the cost of maintenance would quickly exceed local budgets. This equipment is vital to the mission of the Homeland Security Grant Program. Sustainment is an issue that we care deeply about and more should be done to ensure that it is an allowable cost in each grant program and can be used on equipment purchased in any of the prior grant programs under the HSGP.

Conclusion

As we study C2C further, we – as an Emergency Response Community – must realize that no matter what tools we have at our disposal, the people responsible for this program must be taken into account. These teams of people at a state level are vital to

continued success of this tool. Their judgments and experience help to shape this program. No tool will ever completely override this judgment and experience. As long as this program remains the State's responsibility to execute and administer, deference should be given as to the allocation and distribution of the funds. This tool should always remain a "decision-support" tool. If it does, our state, as well as others, can continue to evaluate all relevant data to ensure we continue to fulfill the mission of the HSGP and continue protecting our states from future terrorist attacks.

I appreciate this subcommittee's attention to this matter. I also want to thank the full committee for its study of the C2C tool. FEMA has done good work, but the work is never done. We must continue to work to protect our cities and states and the nation.