

Homeland Security

LEGISLATIVE ANALYST'S OFFICE

Presented To:

Assembly Budget Subcommittee No. 1

Hon. Hector De La Torre, Chair





Significant State Homeland Security Events

1999	State Strategic Committee on Terrorism (SSCOT) created to be responsible for guiding state's preparedness and response to terrorism.
2001	Governor directed SSCOT to evaluate potential terrorist threats, review the state's readiness to respond to terrorism, and develop recommendations for the prevention of and response to terrorist threats.
2002	Department of Health Services (DHS) expanded Emergency Preparedness Office to coordinate bioterrorism preparedness at the state and local levels.
2003	Governor created Office of Homeland Security (OHS) to coordinate state's antiterrorism activities, act as the state's liaison with the federal government on antiterrorism issues, and coordinate the state's antiterrorism intelligence gathering and information sharing.
2004	<p>The <i>2004-05 Budget Act</i> provides:</p> <ul style="list-style-type: none"> • \$2 million in federal funds and 12 permanent positions for OHS. (The funding and positions are included in Office of Emergency Services' budget.) • Ten permanent positions and 19 one-year limited-term positions for DHS. (In total, DHS has 105 positions assigned to bioterrorism.)



Federal Homeland Security Grants

Figure 1			
Federal Homeland Security Grants			
<i>2000 Through 2004</i>			
Grant Program (Federal Grant Year)	Authorized Activities	Administering Agency	Amount (In Millions)
State Domestic Preparedness Grants (2000, 2001, and 2002)	Purchasing personal protective equipment (PPE) and conducting exercises for first responders.	Office of Homeland Security (OHS)	\$39.6
State Homeland Security Grants (2002, 2003, and 2004)	Planning, training, and purchasing PPE for first responder agencies.	OHS	339.8
Urban Area Security Initiative Grants (2003 and 2004)	Planning, training, purchasing PPE, and paying for overtime costs during periods of elevated threat levels for large urban areas.	OHS	203.9
Centers for Disease Control Bioterrorism Preparedness Grants (2000, 2001, 2002, 2003, and 2004)	Planning, training, and purchasing PPE and medical supplies for public health agencies.	Department of Health Services (DHS)	198.5
Health Resources and Services Agency Bioterrorism Preparedness Grants (2002, 2003, and 2004)	Planning, training, and purchasing PPE and medical supplies for the emergency medical services system; hospitals; poison control centers; and health centers.	DHS	87.5
Total			\$869.3



Federal Homeland Security Grants *(Continued)*

- Each grant program has its own set of regulations specifying authorized recipients and use of funds.
- Both DHS and OHS approve grants to state and local entities.
- Except for the Centers for Disease Control (CDC) Bioterrorism Preparedness Grant, the federal government allows states to keep 20 percent of the grant funds and the remaining 80 percent must be provided to local agencies. (The CDC grant does not require a specific split between state and local agencies.)
- All grant programs allow the state's administrative agencies to keep a percentage of the funds to help administer the grants.



Entities Receiving Federal Homeland Security Grant Funds

Figure 2	
Entities Receiving Federal Homeland Security Grant Funds	
<i>(In Thousands)</i>	
Recipients	Total
State Entities	
Air Resources Board	\$350
Business, Transportation and Housing Agency	150
California State University	1,764
Conservation	150
Emergency Medical Services Authority	23,244
Environmental Protection	1,111
Food and Agriculture	1,351
Forestry and Fire Protection	4,822
General Services	492
Health and Human Services Agency Data Center	168
Health Services	43,850
Highway Patrol	32,591
Judicial Council	25
Justice	200
Mental Health	550
Military	20,224
Office of Homeland Security	14,482
Office of Planning and Research	677
Stephen P. Teale Data Center	875
Toxic Substances Control	93
Transportation	624
University of California	779
Water Resources	250
Subtotal	(\$148,842)
Local Agencies	\$676,734
Unencumbered Grant Funds	43,692
Totals	\$869,250



Budget Proposals



Governor's Budget

- \$1.8 million (\$1.7 million in federal funds and \$100,000 from the Antiterrorism Fund) and 19 limited-term positions for OHS to manage its grant programs.
- \$8.2 million in federal funds and extension of 95 DHS positions for two additional years. (The positions are due to expire on June 30, 2005.)



Additional Federal Funds Expected

- OHS expects to receive an additional \$283 million for its grant programs. The January 10 budget does not include these additional federal funds.
- President's proposed 2006 budget includes several significant funding changes. For example, the funding formula for some OHS grants would be changed, resulting in additional federal funds for California. National funding for CDC grants, however, would be somewhat reduced. These changes, if adopted, generally would not affect grants received by the state until the 2006-07 state fiscal year.



LAO Findings



State lacks Unified Strategic Approach

- Homeland security lacks a comprehensive plan.
- No statewide reporting on homeland security grant activities.
- Monitoring and audits have not been performed on homeland security grants.
- Future demand for DHS positions uncertain.



Legislative Direction Needed

- Lack of statutory framework for OHS.
- Legislative funding priorities have not been identified.



Most of the Homeland Security Grant Funds Have Not Been Spent

Figure 3

Federal Homeland Security Grant Expenditures

(Dollars in Millions)

Grant (Federal Grant Year)	Received	Spent	Remaining Balance	Percent Spent
State Domestic Preparedness Grants (2000, 2001, and 2002)	\$39.7	\$36.2	\$3.5	91%
State Homeland Security Grants (2002, 2003, and 2004)	339.7	80.7	259.1	24
Urban Area Security Initiative Grants (2003 and 2004)	203.9	17.9	185.9	9
Centers for Disease Control Bioterrorism Preparedness Grants (2000, 2001, 2002, 2003, and 2004)	198.5	115.7	82.8	58
Health Resources and Services Agency Bioterrorism Preparedness Grants (2002, 2003, and 2004)	87.5	15.8	71.7	18
Totals	\$869.3	\$266.3	\$603.0	31%



LAO Recommendations

Figure 4
LAO Recommendations to Improve Homeland Security

Problem	Recommendation
<p>State lacks unified strategic approach to homeland security.</p>	<ul style="list-style-type: none"> • Require homeland security strategic plan and annual expenditure report. • Approve budget request for increased Office of Homeland Security (OHS) staff. • Direct Department of Health Services (DHS) to expand monitoring efforts. • Withhold recommendation on extension of DHS positions.
<p>Legislative direction needed.</p>	<ul style="list-style-type: none"> • Enact legislation authorizing OHS. • Adopt budget bill language stating legislative funding priorities for the upcoming year. • Reduce Office of Emergency Services' General Fund appropriation by \$284,000 to reflect that the State Strategic Committee on Terrorism is disbanded.
<p>Most of homeland security grant funds have not been spent.</p>	<ul style="list-style-type: none"> • Require OHS and DHS to report at budget hearings on grant expenditure problems.