

Homeland Security

Eliminate Fire Grants

RECOMMENDATION

Eliminate the fire grant program administered by the Federal Emergency Management Agency (FEMA). This proposal saves \$715 million in FY 2018.

RATIONALE

Fire grants encompass a number of programs: The Assistance to Firefighters Grant (AFG) program subsidizes the routine activities of local fire departments and emergency management organizations; the Fire Prevention and Safety (FP&S) grants fund projects to improve the safety of firefighters and protect the public from fire and related hazards; and the Staffing for Adequate Fire and Emergency Response (SAFER) grants are intended to increase staffing levels by funding the salaries of career firefighters and paying for the recruitment activities of volunteer fire departments.

The Heritage Foundation's Center for Data Analysis evaluated the effectiveness of fire grants by matching fire grant award data to the National Fire Incident Reporting System, an incident-based database of fire-related emergencies reported by

fire departments. Using panel data from 1999 to 2006 for more than 10,000 fire departments, the evaluation assessed the impact of fire grants on four different measures of fire casualties: (1) firefighter deaths, (2) firefighter injuries, (3) civilian deaths, and (4) civilian injuries. The evaluation compared fire departments that received grants to fire departments that did not receive grants. In addition, the evaluation compared the impact of the grants before and after grant-funded fire departments received federal assistance.

The evaluation showed that AFG, FP&S, and SAFER grants failed to reduce firefighter deaths, firefighter injuries, civilian deaths, and civilian injuries. Without receiving fire grants, comparison fire departments were just as successful at preventing fire casualties as grant-funded fire departments.

ADDITIONAL READING

- David B. Muhlhausen, "Do DHS Fire Grants Reduce Fire Casualties?" Heritage Foundation *Center for Data Analysis Report* No. 09-05, September 23, 2009.
- David B. Muhlhausen, "Fire Grants: Do Not Reauthorize an Ineffective Program," Heritage Foundation *Issue Brief* No. 3788, November 29, 2012.

CALCULATIONS

Savings are expressed as budget authority as projected for FY 2018 in the Congressional Budget Office's (CBO's) August 2016 baseline spending projections.

Reduce Funding for FEMA's Disaster Relief Fund

RECOMMENDATION

Reduce funding for FEMA's Disaster Relief Fund (DRF). This proposal saves \$2 billion in FY 2018.

RATIONALE

Throughout most of U.S. history, state and local governments were responsible for responding to nearly all disasters, regardless of the cause. Under President Ronald Reagan, FEMA averaged 28 federal disaster declarations a year. After the passage of the amended Stafford Act in 1988, this number dramatically changed, with federal disaster declarations rising significantly, so that under President George W. Bush the U.S. averaged around 130 federal disaster declarations a year, and under President Obama around 120 disasters a year.

The Stafford Act has two provisions that are to blame: one that shifts most of the costs of a federalized disaster to the federal government, and another that makes it relatively easy for a regional or localized disaster to qualify as a federal disaster. This combination of easy-to-acquire federal assistance and the substantial monetary benefit from federal involvement puts FEMA in high demand, leaving it unprepared—in terms of readiness and money—for truly catastrophic disasters where it is most needed.

In FY 2016, FEMA's DRF received \$7.375 billion in budget authority. This spending can be reduced by at least \$2 billion by reforming the Stafford Act to return more responsibility for disasters to state and local governments. First, Congress should increase the Stafford Act threshold to require \$3 per capita in damages with a \$5 million minimum threshold (under which a federal disaster is never declared), and a \$50 million maximum threshold (over which a disaster declaration is usually issued).

Second, the FEMA cost share should be reduced from between 75 percent and 100 percent to 25 percent, with a greater cost share for large catastrophes. This system of funding will require states to take responsibility for more localized disasters. It will also ensure that FEMA is able to respond to disasters more effectively, and that it can save funds for catastrophic disasters. For disasters that top \$5 billion, the cost-share provision should gradually increase as the cost of the disaster increases. This gradual increase in cost sharing should be capped at 75 percent once a disaster tops \$20 billion.

ADDITIONAL READING

- David Inserra, "FEMA Reform Needed: Congress Must Act," Heritage Foundation *Issue Brief* No. 4342, February 4, 2015.

CALCULATIONS

Savings represent an estimate of potential savings based on current programs and their budget authority as authorized and found in the Consolidated Appropriations Act, 2016, Public Law 114-113, pp. 263-268.

Refocus Science and Technology on Meeting DHS Needs and Using Private-Sector Developments

RECOMMENDATION

Refocus the Science & Technology Directorate (S&T) on meeting Department of Homeland Security (DHS) needs and using private-sector developments. This proposal saves \$34 million in FY 2018.

RATIONALE

According to the Government Accountability Office, DHS components that were surveyed “consistently said they were aware of few or no products that S&T had transitioned from one of S&T’s R&D projects to their respective components.”¹ Poor coordination of research activities not only harms the usefulness of end products in meeting mission needs, but also “makes it difficult to oversee activities across the department” and to appropriately allocate resources.²

S&T must do more to ensure that it does not duplicate the work of the private sector. The U.S. private sector is constantly striving to develop new products that are of interest to DHS personnel or state and local officials. From private cybersecurity and technology innovations to disaster response equipment, the U.S. private sector is the most powerful

force for innovation in the world. S&T, however, may not always know of technologies or products available in the private sector that could meet DHS’s general needs or specific requirements. As a result, S&T’s office of Research and Development Partnerships has begun focusing on what it calls “technology foraging,” which seeks out existing or emerging technologies that could be adapted to meet DHS needs. This effort should be expanded as it costs the government less and will likely be faster than brand-new research and development. Together with the expansion of the SAFETY Act, DHS can make greater use of private-sector R&D to meet mission needs. Congress should trim S&T to about \$750 million and mandate that it refocus its efforts on delivering technologies needed by DHS components.

ADDITIONAL READING

- David Inserra, “Congress Must Re-Set Department of Homeland Security Priorities: American Lives Depend on It,” Heritage Foundation *Special Report* No. 175, January 3, 2017.

CALCULATIONS

Savings are based on budget authority of \$787 million for FY 2016 as authorized and found in the Consolidated Appropriations Act, 2016, Public Law 114-113, p. 269. Heritage assumes that the FY 2017 spending holds steady at its FY 2016 level and then decreases at the same rate as discretionary spending in FY 2018 (–0.32 percent) as projected by the CBO in its most recent August 2016 baseline spending projections. Savings equal the difference of this estimated FY 2018 figure (\$784 million) and the proposed \$750 million level.

Streamline FEMA Grant Programs

RECOMMENDATION

Streamline FEMA grant programs. This proposal saves \$300 million in FY 2018.

RATIONALE

While federal grants to state and local partners may be of value in some cases, the current structure does not adequately prioritize grants based on the risks they are trying to reduce. To the Obama Administration's credit, it recommended consolidating many of these grants into a new National Preparedness Grant Program that would allot grants in a more risk-based fashion.

Congress should revisit grant consolidation and expand it to cover more grant programs. Grants that meet the greatest need in areas of high risk should be prioritized. These grant dollars should not be viewed as another entitlement to send back to each congressional district, but as limited homeland security funding that will alleviate the greatest

risks. Failure to prioritize grants weakens security and preparedness, and continues waste and abuse. In this process of moving DHS grants to a more risk-based allocation system, the grant programs must be evaluated to see which needs they are meeting and how well they are doing so.

Grant programs that are found to be ineffective or unnecessary should be cancelled, such as the SAFER and Fire Prevention and Safety (FP&S) grants, as well as the Assistance to Firefighter Grants (AFG), mentioned under "Eliminate Fire Grants" in this section. Applying similar prioritization and elimination to other grant programs could save around \$300 million in FY 2018.

ADDITIONAL READING

- David Inserra, "Congress Must Re-Set Department of Homeland Security Priorities: American Lives Depend on It," Heritage Foundation *Special Report* No. 175, January 3, 2017.

CALCULATIONS

Savings are based on estimated spending reductions that would result from implementing a risk-based system to prioritize grants based on national preparedness needs. Compared to the current system that grants significant amounts to unnecessary and ineffective programs, this proposal could save about \$300 million per year (on top of savings from eliminating already listed grant programs).

ENDNOTES

1. Senator Tom Coburn, "A Review of the Department of Homeland Security's Missions and Performance," Committee on Homeland Security and Governmental Affairs, U.S. Senate, January 2015, p. 137.
2. "Strategy and Mission of the DHS Science and Technology Directorate," joint hearing before the Subcommittee on Cybersecurity, Infrastructure Protection, and Security Technologies, Committee on Homeland Security, U.S. House of Representatives, and Subcommittee on Research and Technology, Committee on Science, Space, and Technology, U.S. House of Representatives, 113th Cong., 2nd Sess., September 9, 2014, p. 22, <http://www.gpo.gov/fdsys/pkg/CHRG-113hrg92900/pdf/CHRG-113hrg92900.pdf> (accessed February 8, 2017).