



STATEMENT FOR THE RECORD

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On behalf of

**The National Governors Association and the
Governors Homeland Security Advisors Council**

**Submitted to the House Committee on Homeland Security
Subcommittee on Emergency Preparedness, Response and Communications
United States House of Representatives**

*Assessing the Nation's State of Preparedness:
A Federal, State, and Local Perspective*

September 19, 2013

Thank you Chairman Brooks, Ranking Member Payne, and members of the Subcommittee for holding this hearing. My name is Mark Ghilarducci. I am Director of the California Governor's Office of Emergency Services and the Homeland Security Advisor to Governor Edmond G. Brown Jr.

It is my privilege to appear on behalf of both the National Governors Association (NGA) and the Governors Homeland Security Advisors Council (GHSAC), which represents governors' homeland security advisors of the 55 states, territories and commonwealths as well as the District of Columbia. Governors and their homeland security advisors appreciate the opportunity to appear before you to provide the state perspective in this important dialogue about national preparedness and intergovernmental engagement.

A "WHOLE COMMUNITY" APPROACH HAS BEEN KEY TO PREPAREDNESS

Governors are committed to leading statewide efforts to build and sustain the capabilities required to meet local needs and address national homeland security priorities. The National Preparedness Reports (NPR) of the last two years have made it clear that our nation's level of preparedness has vastly improved since September 11, 2001. This is the result of not only an increased focus on community preparedness since 9/11 and Hurricane Katrina, but also a decade's worth of federal investment and engagement at the state and local level.

Intergovernmental and public-private collaboration, effective coordination and enhanced communication are key elements in achieving a "whole community" approach to national preparedness. These concepts have been recently demonstrated in a number of ways, including: the improved preparation and response to Hurricane Sandy; the support provided by state and local fusion centers on numerous successful criminal and terrorism investigations, such as the Boston Marathon bombing; the ongoing implementation of a nationwide public safety broadband network; the use of National Guard dual-status commanders to coordinate state and federal military forces during an emergency; and the development and implementation of the National Preparedness System (NPS).

Unfortunately, our progress could be put at risk by a number of significant, emerging challenges, including:

- a growing number of homeland security threats and hazards facing states and communities such as those related to cybersecurity;
- a suite of federal preparedness grant programs whose structure no longer aligns with the current economic or security environment; and
- a newly established doctrine on national preparedness, which has shown early promise, but needs time and fine-tuning to be truly effective in the long term.

Active federal-state engagement will be critical to addressing these challenges and ensuring that positive trends in our nation's level of preparedness are not reversed. Neither the

federal government nor states can address any of these issues independently. In an era of constrained budgets, all levels of government must do more with less. Unity of effort is no longer an aspiration, but an imperative to meet both the needs of our communities and the National Preparedness Goal of “a more secure and resilient nation.”

ENGAGEMENT IS KEY IN ADDRESSING STATE CYBERSECURITY NEEDS

States and the nation face an expanding range of homeland security threats that have moved beyond the traditional physical domain and now includes cyberspace. In fact, while this year’s updated NPR highlighted forward movement on federal efforts to strengthen its cybersecurity posture in the last year, a majority of State Preparedness Reports (SPR) ranked cybersecurity as one of the weakest core capabilities at the state level.¹

Governors and their homeland security advisors are aware of the rising cybersecurity risk facing public and private sector entities within their states. Many are actively engaged in efforts to develop threat prevention, remediation, response and recovery strategies to enhance security and improve resiliency against attacks. Because of the speed and evolving nature of this threat, however, states must take full advantage of federal resources and expertise they can leverage to protect state systems and address current gaps in capabilities. Active federal-state engagement will identify additional opportunities to collaborate on strategic planning, coordinate on incident response and share information on potential threats.

To support this need, NGA established the Resource Center for State Cybersecurity (Resource Center), co-chaired by Maryland Governor Martin O’Malley and Michigan Governor Rick Snyder. The Resource Center brings together representatives and experts from key state and federal agencies and the private sector to provide strategic and actionable policy recommendations that governors can adopt to craft and implement effective state cybersecurity policies and practices. Next week here on Capitol Hill, the Resource Center will release *A Governors’ Call to Action on State Cybersecurity* that will provide five key recommendations governors can implement in the near term to address cybersecurity within their state.

For its part, the federal government can expand its level of engagement with states by improving information sharing; better leveraging state and local fusion centers to share intelligence information and mitigate cyber threats; assisting with cyber incident response planning; and working through the Council of Governors to build and enhance the role of the National Guard to support state cybersecurity needs. As states seek to make investments to build cybersecurity capabilities, they also need the flexibility to prioritize federal grant funding for such uses – an option not fully available today.

¹ Federal Emergency Management Agency, *2013 National Preparedness Report*, March 30, 2013, p.ii

FEDERAL GRANTS CAN BETTER ALIGN WITH PREPAREDNESS PLANNING

In the last decade, federal, state and local governments have invested billions to strengthen homeland security and emergency preparedness. States continue using homeland security grant funds to develop and sustain core capabilities such as intelligence fusion centers, statewide interoperable communications, specialized response teams and citizen preparedness programs.

While the number of threats and hazards facing states and the nation has increased, federal support for state and local preparedness efforts has steadily decreased. Federal, non-disaster preparedness grant funding has dropped 75 percent since 2003. This reduction, combined with state and municipal budget challenges, has significantly limited the ability of state and local governments to build new capabilities, sustain prior investments and maintain forward momentum with preparedness efforts.

The NPS and its components are intended to ensure the most effective and efficient use of resources across the preparedness spectrum. While the NPS was established as a framework to better enable states to prioritize projects, the structure of the grant programs themselves has changed very little since their inception. As currently designed, the preparedness grant programs are often duplicative. Statutory restrictions on the use of funds and shortened performance periods reduce states' flexibility and compound administrative burdens. Grant programs should appropriately align with the NPS to better link federal investments to capability targets and national preparedness objectives. Reform is essential to ensure that limited federal funds go towards priority projects for states and communities, while providing the most value to all taxpayers.

The National Preparedness Grant Program (NPGP) proposed by the Federal Emergency Management Agency (FEMA) is a good first step to addressing many of the challenges with the current suite of grant programs. While not endorsing the NPGP, NGA sent a letter (attached) in May to Chairman Michael McCaul and Ranking Member Bennie Thompson to articulate states' appreciation of the proposal and calling for comprehensive grant reform. Included with the letter was a set of governors' principles on grant reform to help inform federal efforts to restructure and streamline these programs. Federal, state and local engagement on grant reform is ongoing, but could be more active. States will continue to work with Congress, FEMA, and their partners at the local level to develop a reform proposal to make preparedness grants more measureable, accountable and flexible to meet the needs of our communities.

IMPLEMENTATION OF THE PREPAREDNESS SYSTEM CAN BE IMPROVED

Post-Hurricane Katrina, the focus of national preparedness efforts was expanded to an all-hazards approach to meet the challenges of both terrorist events and natural disasters. As the list of potential threats and hazards expanded, so too did states' interpretation of how and where funding and attention should be prioritized. There was no systematic approach to measure the nation's level of preparedness or the long-term value of the \$40 billion federal investment through preparedness grant programs.

A number of statutory and administrative changes have been introduced to address gaps in federal policy and streamline processes including the *Post-Katrina Emergency Management Reform Act of 2006* and *Presidential Policy Directive 8* (PPD-8) issued in 2011. These reforms attempt to provide a roadmap for all levels of government to assess risk and build capabilities using a whole community approach. Many deliverables required by PPD-8 are still in various stages of development and will likely take years to fully implement. Despite this protracted timetable, establishing a standardized, government-wide planning doctrine for disaster management would be a significant achievement. The NPS is intended to be a collective effort to provide valuable insight into national-level risks and ensure that investments are targeted appropriately. States are doing their part through NPS deliverables such as the State Preparedness Report and the Threat and Hazard Identification and Risk Assessment (THIRA). Through these processes, states are working hard to understand their level of risk to a broad array of threats and the capabilities needed to address them.

Implementing the SPR and THIRA, however, is not without its challenges. Despite FEMA's efforts to engage with states on their concerns, many problems remain unresolved. States recommend the following steps to improve federal-state engagement on the NPS, streamline planning processes and make the system work in a truly integrated and synchronized manner:

- **Existing relationships with state stakeholder groups should be better utilized.** In general, the U.S. Department of Homeland Security (DHS) and FEMA should take advantage of existing state associations and councils, such as the GHSAC, to help solicit input and feedback on NPS guidance and programs. As much as FEMA and the federal government are leading these efforts, effective collaboration must go both ways. Innovations at the state level in these areas can better inform the development of federal guidance and operating procedures.
- **Federal outreach must happen earlier with more time allotted for feedback.** While DHS has reached out to state stakeholders during the development of the NPS and planning frameworks, it has concurrently solicited state, local, tribal, and territorial (SLTT) input on a series of other draft planning documents (including the National Infrastructure Protection Plan). This has made it a challenge for some stakeholders to prioritize feedback requests and provide a timely response under the tight deadlines provided. If DHS seeks meaningful input from SLTT stakeholders, a reasonable amount of time - certainly more than a couple of weeks - must be offered.
- **FEMA must connect-the-dots on the NPS.** Engagement on specific parts of the NPS such as the THIRA has been adequate. There has been less guidance, however, on how the SPR, THIRA and other parts of the NPS will develop into a cohesive "system" that will meet the National Preparedness Goal. States will be leading efforts to evaluate overall progress and integrate processes into standard operating procedures. FEMA must provide the SLTT community with a better understanding

of how NPS processes are integrated to meet objectives and measure performance over time. As new guidance and revised plans are rolled out in the coming months and years, technical assistance and consistent collaboration with state and local partners must remain a priority for DHS.

- **The NPS should be given time to mature.** Prior to PPD-8 and the NPS, federal processes, policy and grant guidance lacked an integrated framework, consistent methodology or adequate metrics for measuring performance over time. To gain the SLTT community's continuing support of these efforts, processes and doctrine must remain consistent, deliberate and stable. In many ways, instituting the NPS will require a cultural shift and changes to entrenched bureaucracies. Stability will ensure that new processes and procedures have the opportunity to take root within all levels of government and are fully integrated between all stakeholders as the NPS is designed.
- **Elements of the NPS need to be aligned and synchronized.** A key objective of the NPS is to ensure that decisions regarding incident management and resource allocation are informed by both national-level priorities and the reciprocal needs of states, local communities and surrounding regions. Recently, regional THIRAs were performed by FEMA Regional Offices before state THIRA's were complete. For the NPS to be effective and efficient, schedules and deadlines on deliverables should be synchronized and better aligned with state activities. This small but important change will provide senior leadership at all levels with a shared situational awareness about the risks, capabilities, assets and resources that exist across and within jurisdictions.
- **Promote shared awareness of regional resources and expand mutual aid capabilities.** Knowledge of regional assets and capabilities is critical for state preparedness and response planning. All 50 states, the District of Columbia, the U.S. Virgin Islands and Puerto Rico are signatory to the Emergency Management Assistance Compact (EMAC). As the recent 2013 NPR indicated, however, many states are not accounting for the resources and assistance available in neighboring states as part of their capabilities assessments. FEMA can provide better coordination through its regional offices to facilitate mutual aid agreements between states and the FEMA regions. In an era of tightened budgets and declining federal grant funding, leveraging resources across jurisdictions is essential to meet both statewide preparedness requirements and national objectives.

STATES ARE PARTNERS IN MEETING PREPAREDNESS GOALS

Per the 2013 NPR, states continue to deal with gaps in several core capabilities including cybersecurity and those that are recovery focused such as housing. As states seek to build these capabilities, sustained collaboration and communication with federal partners will be critical. The NPS is intended to provide an "all-of-nation" approach for building and sustaining a cycle of preparedness activities over time. Significant progress has been made over the last two years to standardize processes and create a common doctrine for disaster

planning nationwide. We are clearly still in the “building” phase, however, and more work remains to be done.

Similar to what are now widely accepted procedures for incident command, the NPS will require several years in the field and continued refinement for progress to be made and measured over time. Programs and processes at each level -- including preparedness grant programs -- must be better aligned and synchronized to permit each part of the NPS to accurately inform the next. This cascading effect will ensure that capabilities are prioritized and focused to meet local, state and national needs. Federal engagement must be consistent, deliberate and transparent as new guidance is issued and as stakeholder feedback is acquired.

Governors and the GHSAC stand ready to serve as partners with the federal government and local communities to improve the NPS, reform preparedness grant programs to improve efficiency and build capabilities to address threats across all domains including cyberspace.



Jack Markell
Governor of Delaware
Chair

Mary Fallin
Governor of Oklahoma
Vice Chair

Dan Crippen
Executive Director

June 10, 2013

The Honorable Thomas Carper
Chairman
Committee on Homeland Security and
Governmental Affairs
United States Senate
Washington, DC 20510

The Honorable Tom Coburn
Ranking Member
Committee on Homeland Security and
Governmental Affairs
United States Senate
Washington, DC 20510

The Honorable Michael McCaul
Chairman
Committee on Homeland Security
United States House of Representatives
Washington, DC 20515

The Honorable Bennie Thompson
Ranking Member
Committee on Homeland Security
United States House of Representatives
Washington, DC 20515

Dear Chairman Carper, Ranking Member Coburn, Chairman McCaul and Ranking Member Thompson:

The nation's governors thank you for supporting state and local homeland security preparedness programs. Over the past decade, these programs have strengthened our ability to detect and prevent terrorist attacks and respond to catastrophic emergencies. Despite this progress, recent events such as the Boston Marathon bombing and Hurricane Sandy remind us that threats to our communities continue to evolve. To confront today's dynamic threats, federal homeland security grant programs must be restructured to streamline processes and ensure the most effective use of taxpayer dollars. We urge you to support common-sense reforms and stand ready to work with you to find solutions to our nation's most pressing homeland security challenges.

In the wake of the terrorist attacks of September 11, 2001, nearly 20 programs were established to help state, territorial, tribal and local governments prepare for and respond to terrorist attacks, natural disasters and other emergencies. Together, these programs have invested billions in federal and state funds to build and strengthen critical capabilities such as intelligence information-sharing, interoperable emergency communications, bomb detection and hazardous materials response. By serving as the central point of coordination among multiple jurisdictions and functional areas, states have played a key role in ensuring that scarce resources are used effectively to meet identified national priorities while being tailored for regional needs.

Today, while all levels of government are better equipped to handle a range of emergencies, whether man-made or naturally occurring, we face new emerging threats such as cyber-attacks and homegrown violent extremism. To actively address these new risks, state and local public safety officials require greater flexibility than the current homeland security grant framework allows. The current grants structure does not properly incentivize collaboration between local governments and state agencies, which can lead

to duplication of effort and restricts the dedication of resources to areas of most critical need. Thoughtful reform of these grant programs can ensure the efficient and effective use of taxpayer dollars while protecting our citizens and our way of life.

The Federal Emergency Management Agency (FEMA) has proposed a new National Preparedness Grant Program (NPGP) to replace the current suite of grants. This proposal addresses many of the challenges states face with the current suite of grant programs. While we have concerns about portions of the NPGP, we applaud FEMA for putting forward a comprehensive proposal and believe it is a good first step toward meaningful reform.

The nation's governors stand ready to work with you to improve these important grant programs and offer the attached set of reform principles to help guide this effort. We look forward to working with you to continue to strengthen the partnership among all levels of government to prepare for and respond to emergencies.

Thank you for your consideration.

Sincerely,



Governor Martin O'Malley
Chair
Health & Homeland Security Committee



Governor Brian Sandoval
Vice Chair
Health & Homeland Security Committee

Enclosure: NGA Grant Reform Principles



Governors' Principles for Homeland Security Grant Reform

The Department of Homeland Security provides state and local governments with preparedness grant funding that provides support for developing and maintaining critical homeland security and emergency management capabilities. Over the last several years, these grant funds have been significantly reduced. With decreased funding expected for the foreseeable future, Congress and the Administration are re-examining the grant programs in order to make them more flexible and effective.

Currently, there are 18 major preparedness grant programs administered by the Department of Homeland Security. Many of these programs often overlap with others, creating unintended inefficiencies and unnecessary administrative burdens. In addition, changing program requirements often make the current structure complex and burdensome to states.

Governors are supportive of efforts to reform these programs. As reform proposals are considered by Congress and the Administration, governors offer the following principles:

Principles:

- Grants should be risk-based but continue to provide each state and territory funding to support critical homeland security and emergency management capabilities, including personnel costs and the sustainment of investments.
- Funding should focus on developing, enhancing and sustaining common core capabilities.
- The federal government should work with states and territories to develop consistent methods to measure or assess progress in achieving common core capabilities.
- Grant funding should be distributed through states and territories to enhance regional response capabilities, avoid duplication of effort, and ensure awareness of gaps in capabilities.
- Consistent with current law, states should be permitted to use a portion of the grant funds for management and administration in order to coordinate the efficient and effective use of grant funds, provide necessary oversight and comply with federal reporting requirements.
- Any reform to the current grant programs should provide states with flexibility to determine which priorities should be funded and where investments should be made within their borders.
- Any grant program should allow flexibility for any state cost-share requirements.
- The federal government should provide clear, timely, and explicit guidelines for conducting threat assessments and how those assessments will be used to determine base-level funding.
- The federal government should be more transparent with states in sharing the data used to populate the funding formula/algorithm. States should be provided with a centralized point of contact and reasonable time to review and inform the data.
- The federal government should ensure that reforms eliminate inefficiencies, do not duplicate efforts, and do not place additional administrative burdens on states.
- Grants should allow for multi-year strategic planning by states and local jurisdictions.