

SAA Information Bulletin
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Purpose:

To provide Texas Councils of Government (COGs) guidance on determining the sub-allocation of grant funds provided under the State Homeland Security Program (SHSP) beginning in FY2012.

Background:

As the homeland security enterprise in Texas continues to mature, we must look for ways to maximize the efficiency and effectiveness of grant funding. Part of this process involves allocating resources where they will have the greatest impact on reducing homeland security risk. New federal guidance in the *National Preparedness Goal* and *National Preparedness System* description clearly describes a process in which communities at all levels assess their level of risk, determine required capability levels based on their risks, and prioritize investment efforts to reduce capability gaps. In addition, a recent audit by the Department of Homeland Security's Office of the Inspector General discussed the importance of COGs using a risk-based methodology for allocating homeland security grant funds. Especially in an environment of declining federal funding for homeland security grant programs, including SHSP, we must take every step to ensure that limited resources have the greatest possible impact on increasing homeland security in Texas.

With the FY2012 SHSP cycle, the State will adopt a more risk-informed formula and methodology for allocating grant funds to COGs and State agencies. This formula will place the greatest weight on *risk* (defined as the product of *threat*, *vulnerability*, and *consequence*), but will also consider potential *return on investment* (defined as the product of *effectiveness* and *alternative funding*). These variables are discussed in greater detail below.

Guidance:

COG allocation of SHSP funding to sub-recipients should also be based on the above principles; if they have not done so already, COGs should adopt a risk-informed methodology for SHSP allocation beginning in FY2012.

Because the 24 COG regions differ dramatically in terms of homeland security challenges and needs, a specific formula and methodology will not be prescribed to COGs. Some of the factors COGs may wish to consider in their allocation decision-making include:

Risk

Threat: The likelihood that an attack will be attempted or that a hazard will occur. Threat indicators may include the presence of metropolitan areas, the proximity of a jurisdiction to the Texas-Mexico border, the location of known major trafficking routes used by transnational criminal organizations, the level of gang-related crime in a jurisdiction, the presence of seaports, and the amount of targeted infrastructure (defined by the Department of Homeland Security as

the aviation, mass transit and commuter rail, oil and natural gas facilities, and large public facilities and venues critical infrastructure/key resources sectors) in an area.

Vulnerability: *Physical feature or operational attribute that renders an entity open to exploitation or susceptible to a given hazard.* Vulnerability indicators may include the density of peace officers in an area (lower density means higher vulnerability), the number or response time of special response teams in an area, and the number of relatively unprotected potential targets (such as schools or government buildings) in an area.

Consequence: *The effect of an event, incident, or occurrence.* Consequence indicators may include population, economic impact (measured by income, sales, and/or property value in an area), state/national security (measured by the number of federal and state military personnel in an area), and critical infrastructure/key resource (CIKR) nodes from all 18 CIKR sectors.

Return on Investment

Effectiveness: *The expected degree to which proposed projects will contribute to Federal, State and regional priority homeland security objectives and capabilities.* Effectiveness may be evaluated by a regional board of homeland security experts considering the alignment of proposed projects with State and regional priorities, the quality of proposed projects (including planning, milestones, and ability to execute), the sustainability of projects (whether a project will have lasting impact on its own or will require significant sustainment funding over time), and the broader impact of projects (whether they will assist with multiple homeland security objectives and/or contribute to homeland security in multiple jurisdictions through mutual aid).

Alternative Funding: *The availability of alternative funding from other major grant programs for homeland security and related prevention and response activities.* SHSP allocation decisions may consider the fact that this is not the only grant source for homeland security activities—the Emergency Management Performance Grant, Urban Areas Security Initiative, and Justice Assistance Grant programs, along with programs funding border security, medical response, assistance to firefighters, and other activities, all support homeland security. COGs may wish to consider the availability and projected levels of funding from these other sources when making SHSP allocation decisions.

Action Needed:

COGs will be required to provide the State Administrative Agency (SAA) a brief (1-2 page) summary of their process and risk-informed methodology for SHSP sub-allocation no later than March 12, 2012 as a condition of grant receipt. As needed or desired by COGs, the SAA will be prepared to provide assistance to regions in development of this process and methodology.

Thank you for your support of this important initiative as we work together to build a more secure and resilient Texas. If you have any questions regarding this guidance, please contact Machelie Pharr (Machelie.pharr@dps.texas.gov; 512.377.0029).