

# T.A.R.C. Memo

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DATE: October 15, 2004

TO: TARC Officers and Board Members  
Regional Council Executive Directors  
Regional Emergency Preparedness Professionals

FROM: Jim Ray

SUBJECT: Homeland Security Appropriations Act of 2005

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Before leaving Washington to campaign, the Congress passed and sent to the President the Homeland Security Appropriations Act of 2005 (H.R. 4567). This act contains appropriations for the federal 2005 fiscal year, which began October 1, 2004, for the U.S. Department of Homeland Security (DHS), including various provisions for grants to state and local governments.

General. Funding for state and local grants in 2005 is slightly over \$3 billion, down from almost \$3.3 billion in FY 2004. However, the Congress gave permissive authority, under certain restrictions and requirements, for the appropriation of unexpended balances from prior years. Specifically, the 2005 act provides that subject to certain restrictions "... the unexpended balances of prior appropriations provided for activities in this Act may be transferred to appropriation accounts for such activities established pursuant to this Act: *Provided*, That balances so transferred may be merged with funds in the applicable established accounts and thereafter may be accounted for as one fund for the same time period as originally enacted."

Other general characteristics of the act are significant increases in discretionary funds, not subject to formulas, that go through states for specified purposes. Also, there are several new federal initiatives that may provide resources for state and local governments.

In seeking 2005 funding for member local governments and for regional projects, councils of governments may want to look beyond formula grants to discretionary grant funding opportunities. In addition, some of the increased spending from discretionary programs to local governments may offset demand on formula funds.

State and Local Grants That Flow by Formula. The appropriation for the general state and local formula grant is set at \$1.1 billion, down from \$1.7 billion in 2004. In addition, law enforcement terrorism prevention grants total \$400 million, down from \$500 million. Both grant programs are subject to the familiar requirements that not less than 80 percent of the total amount awarded to a state be obligated to local governments within 60 days after the federal grant award to the state. In Texas, Governor Rick Perry's office previously has pushed at least 95 percent of these two formula driven awards on to local governments and to regional councils of governments.

Formula grants are also subject to other congressional deadlines. The Department of Homeland Security must make applications for these grants available to the states within 45 days after enactment of H.R. 4567; states must submit applications within 45 days of DHS's grant announcement, and the Office of State and Local Government Coordination and Preparedness at DHS must act on a state application within 15 days after receipt of the application. The general state and local formula grant program and the law enforcement terrorism grant program are required to use the same grant formulas as in FY 2004.

This means that Texas will not benefit from some of the alternative formulas based on pure population, threat assessments, population density, or some combination of such factors.

Discretionary State and Local Grants. The 2005 act greatly increases the amount of money available to the Secretary of Homeland Security in 2005 for *discretionary grants* to state and local governments. The amount available for discretionary grants rises to \$1.2 billion, up from \$725 million in 2004. No less than 80 percent of any grant to a state from these discretionary funds must be made available to local governments within 60 days of receipt the funds.

Within the \$1.2 billion total, the Act carves out various specific allocations:

- \$885 million for high-threat, high density urban areas. Of this, \$25 million must go to certain charitable organizations, including amateur athletic leagues, which are threatened by terrorism.
- \$150 million for port security grants.
- \$5 million for trucking industry security grants.
- \$10 million for intercity bus security grants.
- \$150 million for intercity rail and transit security grants.

Other Homeland Security and Emergency Preparedness Grants Programs. The Act makes appropriations for a number of other programs that provide resources to state and local governments for homeland security or for emergency preparedness. Many of these are programs that were previously operated by the Federal Emergency Management Agency (FEMA). Highlights of these 2005 appropriations include:

- \$50 million for a new technology transfer program, \$10 million of which is made available for testing and validation of commercially-available equipment.
- \$336 million for training, exercises, and equipment.
- \$715 million for Firefighter Assistance Grants, down from \$750 million in FY 2004.
- \$180 million for emergency management performance grants, the same amount as 2004. This program is especially important to many of our local emergency preparedness offices, providing ongoing assistance for their operations.
- \$239.5 million for emergency preparedness, mitigation, response, and recovery activities of the Directorate of Emergency Preparedness and Response up from \$225 million in 2004. In 2005, the amount set aside from this appropriation for Urban Search and Rescue Teams is \$30 million, down from \$60 million in 2004.
- \$34 million for certain public health biological and chemical threat programs, down from \$484 million in 2004 most of which is available until expended for the national stockpile program. However, the FY 2004 Homeland Security Appropriations Act also appropriated almost \$5.6 *billion* for Biodefense Countermeasures, which is available for expenditure through 2013. Not more than \$3.4 billion of this can be obligated in fiscal years 2004-2008.
- \$2 billion for disaster relief, up from \$1.8 billion in the Homeland Security Act of 2004.
- \$20 million for the flood mitigation fund, the same as 2004.
- \$100 million for competitive pre-disaster mitigation grants, down from \$150 million in 2004.

- \$200 million for the national Flood Map Modernization Fund, the same amount as provided in FY 2004.

Citizen Corps. Included above in the \$336 million for training, exercises, and equipment is \$15 million for FY 2005 for Citizen Corps, down from \$40 million in FY 2004.

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