Highlights of GAO-09-491, a report to the chairman, Committee on Homeland Security, House of Representatives

Why GAO Did This Study
From fiscal years 2006 through 2008, the Department of Homeland Security (DHS) has allocated about $755 million dollars to transit agencies through its Transit Security Grant Program (TSGP) to protect transit systems and the public from terrorist attacks. GAO was asked to evaluate the extent to which (1) TSGP funds are allocated and awarded based on risk; (2) DHS has allocated, awarded, and distributed TSGP grants in accordance with statutory deadlines and leading practices for collaborating agencies; and (3) DHS has evaluated the effectiveness of the TSGP and its investments. To address these objectives, GAO reviewed the TSGP risk model, fund allocation methodology and program documents, such as TSGP guidance, and interviewed DHS and transit officials, among other steps.

What GAO Found
DHS has used a risk analysis model to allocate TSGP funding and award grants to higher-risk transit agencies, although transit agency officials have expressed concerns about changes that have occurred since the TSGP’s inception, such as revised priorities. The TSGP risk model includes all three elements of risk—threat, vulnerability, and consequence—but can be strengthened by measuring variations in vulnerability. DHS has held vulnerability constant, which limits the model’s overall ability to assess risk and more precisely allocate funds. Although TSA allocated about 90 percent of funding to the highest-risk agencies, lower-risk agency awards were based on other factors in addition to risk. In addition, TSA has revised the TSGP’s approach, methodology and funding priorities each year since 2006. These changes have raised predictability and flexibility concerns among transit agencies because they make engaging in long-term planning difficult.

DHS met the statutory timeline requirements for allocating and awarding grants, but the two agencies that manage the TSGP—TSA and FEMA—lack defined roles and responsibilities, and only 3 percent of the funds awarded for fiscal years 2006 through 2008 have been spent as of February 2009. There is no documentation articulating the roles and responsibilities of the agencies, and grant information has not been passed between the two agencies which affected TSA’s ability to share grant status information with transit agencies. DHS met statutory deadlines for releasing grant guidance and acting upon applications, but management and resource issues have resulted in delays in approving projects and making funds available, including (1) lengthy project negotiations between transit agencies and TSA; (2) a backlog of required environmental reviews; and (3) a reported lack of personnel to conduct required reviews. As a result, according to FEMA records, as of February 2009, transit agencies have spent about $21 million of the $755 million that has been awarded for fiscal years 2006 through 2008. This spending rate is, in part, caused by agencies receiving authorization to spend grant dollars late in the grant period. Despite concerns over delays, FEMA has not communicated time frames for providing funding. In April 2004, GAO reported that timely grant awards are imperative to provide intended benefits. DHS has reported taking some actions to address delays, including shortening project approval times and hiring staff, but the effectiveness of these efforts is unknown.

Although FEMA has taken initial efforts to develop measures to assess the effectiveness of its grant programs, TSA and FEMA lack a plan and related milestones for developing measures specifically for the TSGP, and thus DHS does not have the capability to measure the effectiveness of the program or its investments. Without such a plan, it will be difficult for TSA and FEMA to provide reasonable assurance that measures are being developed to assess the effectiveness of the program as intended. While FEMA is responsible for the financial controls and audits of the TSGP, it does not have a mechanism to systematically collect data and track grant projects throughout the grant process. As a result, FEMA cannot assess whether awards are timely or funds are being used effectively to reduce risk and increase transit system security.

What GAO Recommends
GAO recommends, among other things, that DHS strengthen its methodology for determining risk by measuring variations in vulnerability, define Transportation Security Administration (TSA) and Federal Emergency Management Agency (FEMA) roles for managing and monitoring the TSGP, develop a plan with milestones for measuring TSGP performance, and develop a process to systematically collect data, track grant activities, and communicate the availability of grant funding to transit agencies. DHS concurred with GAO’s recommendations and discussed actions to address them.

To view the full product, including the scope and methodology, click on GAO-09-491. For more information, contact Stephen M. Lord at (202) 512-8777 or lords@gao.gov.

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TRANSIT SECURITY GRANT PROGRAM

DHS Allocates Grants Based on Risk, but Its Risk Methodology, Management Controls, and Grant Oversight Can Be Strengthened