



Highlights of [GAO-03-1146T](#), a report to Subcommittee on Terrorism, Technology and Homeland Security, Committee on the Judiciary, U.S. Senate

Why GAO Did This Study

The challenges posed in strengthening homeland security exceed the capacity and authority of any one level of government. Protecting the nation calls for a truly integrated approach bringing together the resources of all levels of government. The Council on Foreign Relations study—*Emergency Responders: Drastically Underfunded, Dangerously Unprepared*—states that in the aftermath of the September 11 attacks, the United States must prepare based on the assumption that terrorists will strike again. Although it acknowledges the nation's preparedness has improved, the Council's report highlights gaps in preparedness including shortfalls in personnel, equipment, communications, and other critical capabilities. Given the many needs and high stakes, it is critical that the design of federal grants be geared to fund the highest priority projects with the greatest potential impact for improving homeland security. This testimony discusses possible ways in which the grant system for first responders might be reformed.

What GAO Recommends

We do not make recommendations in this testimony; however, if Congress chooses to reform the grant system we have provide options including consolidating grant programs through block grants, establishing performance partnerships, and streamlining planning and administrative requirements. www.gao.gov/cgi-bin/getrpt?GAO-03-1146T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Paul L. Posner at (202) 512-9573 or posnerp@gao.gov.

HOMELAND SECURITY

Reforming Federal Grants to Better Meet Outstanding Needs

What GAO Found

The federal grant system for first responders is highly fragmented, which can complicate coordination and integration of services and planning at state and local levels. In light of the events of September 11, 2001 and the establishment of the Department of Homeland Security, the 108th Congress faces the challenge of redesigning the homeland security grant system. In so doing, Congress must balance the needs of our state and local partners in their call for both additional resources and more flexibility with the nation's goals of attaining the highest levels of preparedness. Given scarce federal resources, appropriate accountability and targeting features need to be designed into grants to ensure that the funds provided have the best chance of enhancing preparedness.

Addressing the underlying fragmentation of grant programs remains a challenge for our federal system in the homeland security area. Several alternatives might be employed to overcome problems fostered by fragmentation in the federal aid structure, including consolidating grant programs through block grants, establishing performance partnerships, and streamlining planning and administrative requirements. Grant programs might be consolidated using a block grant approach, in which state and local officials bear the primary responsibility for monitoring and overseeing the planning, management, and implementation of activities financed with federal grant funds. While block grants devolve authority for decisions, they can be designed to facilitate accountability for national goals and objectives.

Congress could also choose to take a more hybrid approach that would consolidate a number of narrowly focused categorical programs while retaining strong standards and accountability for discrete federal performance goals. One example of this model involves establishing performance partnerships, exemplified by the initiative of the Environmental Protection Agency in which states may voluntarily enter into performance agreements with the agency's regional offices covering the major federal environmental grant programs. Another option would be to simplify and streamline planning and administrative requirements for the grant programs. Whatever approach is chosen, it is important that grants be designed to target funds to states and localities with the greatest need, discourage the replacement of state and local funds with federal funds, and strike the appropriate balance between accountability and flexibility.