



FY 2013 GRANTS DRAWDOWN BUDGET IN BRIEF

PUTTING GRANT FUNDING TO WORK NOW

FINAL

February 2012



Grant Programs Directorate

Putting Grant Funds to Work Now

During the last ten years, Federal investments in State and local preparedness capabilities have developed significant national capacity to prevent, protect against, prepare for, respond to and recover from disasters of all kinds. For example, the response to the BP Deepwater Horizon oil spill, tornadoes in Alabama and Missouri, and Hurricane Irene helped save lives and minimize damage due to the training, equipment, technology and capabilities developed through Department of Homeland Security (DHS) preparedness grants.

DHS appreciates the significant work that our grantees have undertaken to administer all of the grant programs that have increased preparedness nationwide. While much has been done, more remains to be accomplished in the years ahead.

As of January 2012, more than \$8 billion in previously awarded grant funding is available for expenditure. These funds are not idle; work is being performed, projects are underway and capabilities are being built in accordance with the rules and guidelines under which these grants were accepted. Nonetheless, in light of the current economic situation and the need for further fiscal stimulus, the Department has evaluated ways to further streamline the grants process to put available funds to work now.

During Fiscal Year (FY) 2012, measures will be implemented to provide grantees with additional flexibility to accelerate the spending of remaining FYs 2007-2011 grant funds as well as FY 2012 grant awards, consistent with existing laws, regulations, and programmatic objectives

Steps FEMA has Taken to Expedite Grant Drawdown

The Federal Emergency Management Agency (FEMA) has undertaken a number of significant initiatives over the past year to improve the efficiency and effectiveness of grants management business processes throughout the grant lifecycle, including:

- Streamlined the grant budget review process to ensure that initial budget proposals are reviewed and approved within 30 days of receipt, enabling grantees to draw down funds more quickly.
- Increased the number of Federal and contract staff to eliminate the Environmental and Historical Preservations (EHP) Reviews grant request backlog; removed the up-front EHP Review hold for Transit Security Grant capital projects; and simplified the EHP Review clearance form, consolidating the documentation required and enabling staff to more quickly determine whether the project is eligible for a categorical exclusion.
- Provided ongoing technical assistance to grantees with documented challenges managing federal funds and tailoring intensive, short-term deliverables to address their needs.

Additional Measures to Expedite Grant Drawdown

Beginning in 2012, FEMA will implement a number of new measures that provide grantees with additional flexibility to accelerate the spending of remaining FYs 2007-2012 grant funds by addressing immediate needs and building core capabilities that will support preparedness in the long run. These initiatives include:

Support Reprioritization

- Allowing grantees to apply FYs 2007-2012 grant balances towards more urgent priorities by way of an expedited project approval by FEMA's Grant Programs Directorate.
- Expanding allowable expenses under the Port and Transit Security Grant Program, in accordance the *SAFE Port Act* and the *Implementing Recommendations of the 9/11 Commission Act*, respectively.
- Permitting activities that combat violent extremism, as defined by the Administration's CVE Strategy, to be eligible in all grant years.

Focus on Core Capabilities

- Expanding maintenance and sustainment eligibility to equipment, training, and critical resources that have previously been purchased with either Federal grants or any other source of funding in order to support existing core capabilities tied to the five mission areas contained within the National Preparedness Goal.

Extend Waivers

- Considering requests for waivers for the 50 percent cap on personnel costs; matching requirements under FYs 2008 and 2009 Port Security Grant for public sector grantees; and matching requirements for Nonprofit Security Grant Program, the Interoperable Emergency Communications Grant Program, and Regional Catastrophic Planning Grant Program.
- Waiving the requirement that 2008 and 2009 Homeland Security Grant Program grantees allocate 25 percent of their funding toward countering improvised explosive devices, planning, training and exercises.

Timelines for Performance

Subject to certain exceptions¹, grantees are required to take steps to expend, draw down and close out grant funding by the dates outlined below.

- All FY 2007 grant funds must be spent by June 30, 2012.
- All FYs 2008-2009 grant funds must be spent by September 30, 2012.
- All FY 2010 funds must be spent by September 30, 2013.
- All FYs 2011-2012 funds must be spent by the end date cited on the award agreement.

To meet these deadlines, State Administrative Agencies should work collaboratively and transparently with sub-grantees. Agencies are encouraged to reduce administrative hurdles that can delay expenditure of funds, as well as decrease delays between receipt of invoices and expenditure of corresponding funds. In addition, agencies should implement programmatic safeguards to protect against unnecessary delays that would otherwise extend current spending timelines.

¹ Grantees may request extensions to the period of performance due to compelling legal, policy, or operational challenges. For example, extensions may be granted where adjusting the timeline for spending will constitute a verifiable legal breach of contract by the grantee with vendors or sub-recipients, where a specific statute or regulation mandates an environmental review that cannot be completed within this timeframe or where other exceptional circumstances warrant a discrete waiver.