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Shifting Priorities: Congressional Incentives and the Homeland Security Granting Process

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Abstract

Small states receive more homeland security grant money per capita than large states because of the structure of representation and decision making in Congress. Beyond per capita allocations, the homeland security granting process affects the structure of state and local emergency management agencies, shifting priorities away from natural and technological disasters toward counterterrorism. I suggest using competitive grants, increasing the salience of the granting process, and changing the institutional setting in order to rationalize the granting process.

In the wake of the terrorist attacks of September 2001, the federal government has demonstrated an unprecedented commitment to homeland security through a massive reorganization and the creation of a new cabinet-level department as well as through exponentially greater spending on counterterrorist security. The Department of Homeland Security (DHS) has spent \$11 billion on emergency preparedness and response from 2001 to 2004. According to the textbook picture of government, federal agencies use budget and personnel increases to take on new tasks in addition to old ones, in this case defending the nation against terrorism while preserving the capacity to respond to natural and technological disasters.¹

But rather than textbook efficiency, the federal government's response to the threat of terrorism is an example of the triumph of symbolic and distributive policies over more straightforward attempts to address the real problems of homeland security. I show how Congress has funded counterterrorism initiatives without serious risk analysis while reducing its commitment to emergency preparedness and response to natural and technological disasters. Small isolated states receive far more money per capita for homeland security than do large high-risk states, and furthermore within each state money and attention appear to be diverted from more frequent natural disasters toward the terrorist threat. The essential reason for this imbalance is that the incentives for public agencies are different than they are for private firms. Scholars such as Mayhew (1974) and Fiorina (1977) have shown how Congress structures policies to further the reelection ambitions of individual members, resulting in outcomes that may be optimal for an individual member's district but suboptimal for the country as a whole. In practice, Congress often uses spending as wealth transfers—in other words, “pork”—rather than as coherent solutions to policy problems. Faced with these structural limitations, the best strategy for policymakers interested in a coherent approach to emergency management is to make the issue of risk analysis salient to the public in order to bypass the usual veto points while employing risk analysis during funding decisions as much as possible through the use of competitive grants.

The differences between government and private firms provide reasons to suspect that emergency management agencies will not be able to respond to the new mission of homeland security in an “efficient” manner. One meaning of efficiency in government is the lowest cost way for a legislator to achieve desired outcomes, which is usually a maximum of goods for a particular legislator’s district (Weingast & Marshall, 1998). Most people, however, think of governmental efficiency as the lowest cost way in which institutions can achieve a general good or resolve a shared problem. In the case of hazard response, the problem is clear: the United States must incorporate the heightened threat of terrorism into its strategy for preparation and response to disasters in general.

Unless agencies develop autonomy, the first step in problem solving will depend upon Congress.² It is in federal agencies’ relationships with Congress, rather than with consumers in a private market, where the notion of efficiency becomes cloudy. In the words of Wallace Sayre, a student of public administration, “public and private management are fundamentally alike in all unimportant respects” (Allison, 1990, p. 16). Government agencies cannot distribute the benefits of greater earnings to employees in the way that private firms can. Federal bureaucracies are also constrained because they cannot allocate the factors of production in accord with the preferences of agency leaders and they generally lack control over the missions they pursue. Authority over federal agencies rests to a great degree in entities outside the agency—the president, Congress, courts, interest groups, states and localities, and public opinion (Wilson, 1989, pp. 114–136).

These entities have far different motives than the consumers who shape the functions of the private market. While customers of private firms may want the highest quality product available at a low price, agencies cannot easily make efficiency a goal since it is not always clear what their products are. In emergency management policy, the federal government is charged with helping victims of disaster recover while also developing an effective mitigation strategy so that people take actions that reduce their potential losses before disaster occurs. Like many of the goals agencies pursue, these two are potentially in conflict since people who are given assistance with recovery may calculate that it is worth the risk not to change their behavior because they can count on the federal government to cover their losses (Platt & Rubin, 1999). In public management, efficiency is a slippery concept both because of confusion over missions at the agency level and because members of Congress may face conflict between serving their districts and serving the nation as a whole.

In an environment of multiple and contradictory goals, policymakers often fall back on vague rhetoric to unify the public such as “securing the homeland,” which obscures the relative costs and benefits involved in such a task. In truth, the United States will never be impervious to attack, but it can be more or less vulnerable. One way in which Congress addressed the terrorist threat was by funding emergency preparedness and response entities at the state and local levels, first through a formula in the Patriot Act and then through subsequent legislation. The result was a distortion in the allocation of funds, both away from high-risk states such as New York and toward low-risk but well represented small states, as well as away from high-probability natural disasters toward the terrorist threat. These shifts in attention and funding demonstrate shortcomings in the decision-making process in government.

The most frequent incentives for congressional spending are the relative costs and benefits of a particular policy as perceived by a legislator's constituents. General costs and benefits are those that fall on citizens equally, such as a feeling of threat or safety from a terrorist attack (Arnold, 1990, pp. 26–27). Geographic and group costs and benefits fall on some segments of society more than others. In public administration, these costs and benefits fall on a unique set of consumers: the public, which acts through legislators who represent particular districts. The public feels the threat of a general cost of terrorism, which leads politicians to compete with each other to provide even greater levels of funding. The financial costs of terrorism funding are general too, since they flow from general revenue. The actual costs of a terrorist attack, however, will fall on particular communities and regions that suffer damage. The challenge is to send enough money to those regions at greatest risk while not sacrificing attention to previous missions such as emergency management.

The mismatch between the public's perceived costs and benefits and the system of legislative representation produces two problems for homeland security performance. The first is an incentive structure that does not send federal homeland security funds to regions with the highest risk but rather apportions them according to congressional power. The second is an incentive system that funds the high-profile threat, terrorism, at the expense of the more frequent, but lower profile, dangers of natural and technological disasters.

Shifting Resources from Natural Hazards to Terrorism

Congress has long funded grants for the fields of law enforcement and disaster preparedness but after the terrorist attacks of 2001 it debated how to grant money to a new field which combined both: homeland security (Ransdell, 2004). Grant money was distributed to states and localities through the DHS Office for Domestic Preparedness, the Department of Justice, the Department of Health and Human Services, and the DHS Emergency Preparedness and Response Directorate, which includes the Federal Emergency Management Agency (FEMA). Congress faced a challenge in allocating money based on the analysis of the risk of a particular threat compared to the cost, rather than based on short-term political incentives that favored allocating massive resources quickly to a salient threat.

While the United States should devote resources to the growing threat of terrorism, there are many reasons to continue to devote resources to other kinds of disasters. Natural and technological disasters occur with greater frequency and cause more damage on average each year than terrorist attacks. Natural and technological disasters are also more predictable than terrorism because we possess historical data on floods, earthquakes, hurricanes, and even oil spills, while data on domestic attacks are sparse.

Congress, however, reduced funding for natural and technological disaster grants and increased funding for counterterrorism grants after 2001, as Figure 1 shows. DHS funding for state homeland security grants in 2004 was more than 10 times the amount it was in 2001, reaching \$1.7 billion that year. Meanwhile, the primary emergency preparedness programs lost funding, reaching \$170 million in 2004 in money used to help state and local agencies maintain and improve their

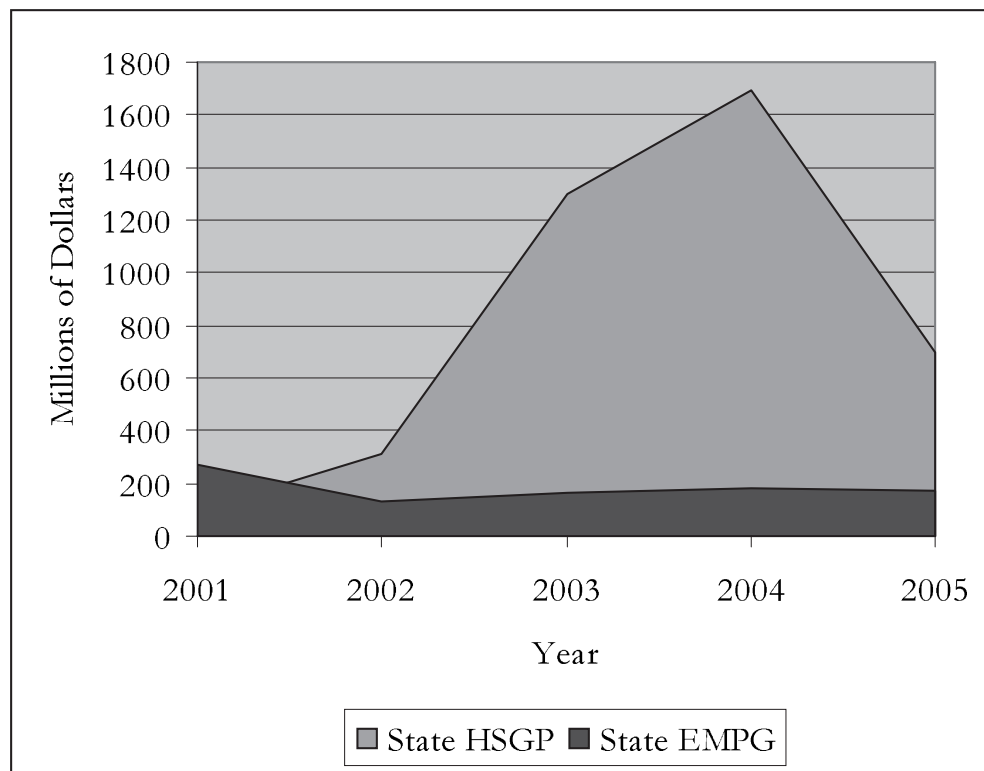


Figure 1. Differences in Federal Funding for State Homeland Security Grant Program versus State Emergency Management Performance Grants, 2001–2005 (Estimated)
Source: Select Committee on Homeland Security, 2004.

emergency management capabilities.³ Emergency management grants help states and communities prepare for hurricanes, fires, floods, oil spills, and other disasters. Figure 2 shows how the locus of granting activity shifted from the Emergency Preparedness and Response directorate to the Office for Domestic Preparedness, signaling a new focus for disaster money.

Natural and technological disasters are more frequent and historically more costly than terrorism. In addition, agencies at all levels of government have experience with responding to fires, floods, hurricanes, and tornadoes and have developed procedures for addressing disaster preparation and response that have become more efficient over time. FEMA is a government agency that works fairly well in responding to hurricanes. Agencies responsible for counterterrorism, however, do not yet have the same kind of institutional apparatus and knowledge to support them. As a result, much of the new homeland security grant money went to either preexisting state and local government “wish-lists” or to fashionable counterterrorism gear. Some of the most egregious examples include: \$1.5 million spent by the County of Grand Forks, North Dakota (population 70,000) to purchase more biochemical suits than the county had police officers, as well as to decontamination tents and trailers; and in 2004 alone \$962,000 to Juneau, Alaska, for a robot to deactivate bombs, decontamination equipment, pharmaceuticals, and night vision goggles. Juneau’s emergency programs manager, Michael R.

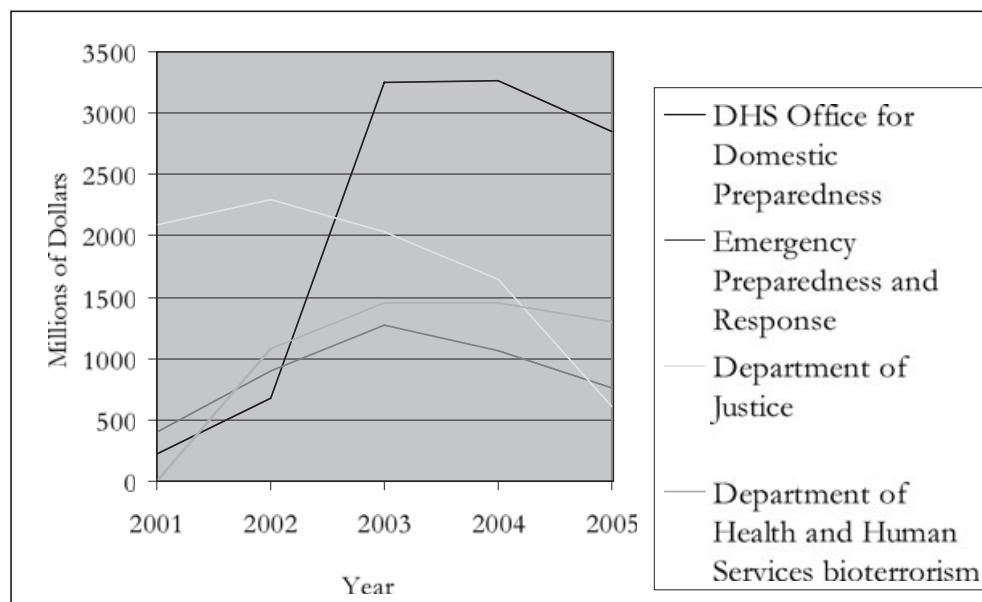


Figure 2. Differences in Federal Funding for State and Local Grant Programs to Prepare for and Respond to Terrorism, Natural Hazards, and Other Disasters, 2001–2005 (Estimated)

Source: Select Committee on Homeland Security, 2004.

Patterson, put it succinctly, saying “I don’t have to go looking for grants, they are coming to me” (Lipowicz, 2002; see also Murphy, 2004). When Congress directs granting programs to emphasize terrorism, states and localities follow because they have an almost insatiable appetite for new money: in a survey of emergency management agencies, most said that they needed new crisis management software gear and 5% said that they needed “spline reticulation,” a nonexistent fictional feature included in the survey to test which agencies would request money for *anything*.⁴

Changes in federal funding priorities led to changes in organization of emergency management agencies at the state and local levels.⁵ In the 1990s, state and local emergency preparedness agencies shifted from being primarily concerned with civil defense against nuclear attack and riots to concern for natural and technological disaster preparation. Professional emergency managers replaced many of the law enforcement officials in preparedness leadership, and the offices gradually added programs aimed at mitigation and prevention of natural disasters rather than mere recovery. After September 11, however, the state and local agencies underwent a second major change to become homeland security offices. In some cases the change was in name only, but in others the agencies were given new missions and new funds to prepare for terrorist attacks.

By 2004, most state agencies have reoriented their organizational structures to address the threat of terrorism. In the state emergency management context, the term homeland security refers to prevention and response to terrorist attacks that use either conventional weapons or chemical, biological, or radiological agents.⁶ The vision set forth in the National Strategy for Homeland Security stresses the need to strengthen the entire emergency management system to be able to deal

with any emergency—natural or manmade. States vary in the degree to which they have integrated homeland security into their responsibilities for natural and technological disasters, but all have taken on counterterrorism to some degree. For example, by 2003 almost all states had designated a homeland security office or officer. Some states responded to the vision of all hazards presented in the National Strategy by integrating existing emergency response organizations with the new homeland security tasks so that they function in lockstep. Emergency managers in these states have been successful in convincing their leaders that homeland security is simply an extension of current emergency management responsibilities, similar to FEMA's approach to all hazards management.⁷

In other states, the reorganization was more thorough; at least 13 states underwent reorganizations to create new homeland security agencies (Hembree & Hughes, 2003). Political leaders in some of these states concluded that homeland security is the broadest category in emergency preparedness and moved natural disaster organizations under homeland security agencies. Other states created new organizations solely responsible for homeland security. Almost all made some organizational changes; by 2003, 47 states had created a terrorism committee or task force (Hembree & Hughes, 2003).

Even in cases where homeland security is integrated into an all hazards approach—in which managers are trained to deal with disasters of all kinds—concerns about terrorism can still dominate. For instance, Indiana's designated homeland security advisor is the terrorism council director, but the state emergency management agency has also shifted its workload to prepare for terrorism. Phil Roberts (personal communication, October 6, 2003), the deputy director of the Indiana State Emergency Management Agency, explains that:

Our priorities used to be placed primarily on mitigation, preparedness, response and recovery for natural disasters and haz-mat incidents, with a minor emphasis on terrorism issues. Now, I would have to say that we spend probably 75 percent to 80 percent of our time strictly on homeland security/terrorism issues. September 11th changed our lives, I believe, forever.

Shifts in organizational structure and time spent on hazards preparation are two indicators of how homeland security has affected offices of emergency management. A third indicator is the degree to which homeland security programs have become a budget priority. Funds for emergency management programs overall have not kept pace with new missions of counterterrorism and biological/chemical disaster preparation. Federal funds for disaster agencies have been mostly stagnant over the last ten years, with the exception of homeland security grants in the past four years (shown in Figures 1 and 2), most of which have been directed toward purchasing new "first responder" technology (Hembree, 2002; Hembree & Hughes, 2003).⁸ In fiscal year 2003, a tight budget year in which states cut services across the board, 14 states appropriated funds in addition to federal grants to support specific homeland security-related programs, including increased building security, local government planning, training, equipment for first responders, and increased state public health lab capacity.⁹ The net effect is a stagnant or decreasing emergency services budget combined with increased monies for homeland security.¹⁰

State and local emergency management agencies reorganized to meet the terrorism threat to a much greater degree than has FEMA. While FEMA expanded its programs for terrorism preparation and recovery, it did not alter its basic organizational structure in the way that many state and local agencies did.¹¹ Many state preparedness agencies, however, did undergo organizational restructuring to emphasize homeland security and terrorism. Two explanations for the change in mission and organizational structure stand out. First, the all hazards approach—the idea that emergency management should emphasize disaster procedures and spending that can be applied to all disasters rather than those tailored for specific threats—did not take hold uniformly at the state and local levels. This led to minor confusion about agencies' missions and core tasks, which prevented them from building a reputation.¹² Second, many state emergency management agencies may have simply been too small and weak to withstand the funding and attention shift toward the terrorist threat. These agencies depend on federal and state grants for their operational budgets, and when grant criteria emphasized the terrorist threat, state and local agencies shifted their priorities. In addition, the law enforcement culture, which is more concerned about terrorism than is the natural hazards culture, is stronger in some state and local agencies than at FEMA.

Congressional Incentives to Fund Homeland Security Across States

The increase in grant funds for counterterrorism has had a greater effect than simply increasing resources at the state and local levels; it has shifted priorities away from other hazards. Congress behaved like the proverbial bull in the china shop: its funding decisions had consequences for organization and procedures at all levels of government. Congress lacks the “adaptive flexibility” of the private market because even though it has 435 decision makers, its policy solutions are often hierarchical and monolithic and therefore not well suited to respond to changing circumstances. True adaptive flexibility would require decentralized decision making and mechanisms for eliminating ineffective grant programs while rewarding effective ones (North, 1990, pp. 80–81). In theory, homeland security block grants to states and localities would be a paradigm of decentralization. Subnational governments could develop solutions tailored to local needs and states would be the proverbial “laboratories of democracy.” In reality, emergency management agencies were not well prepared to balance the use of the new grant funds with pre-existing missions. State and local agencies had few resources to tap for guidance on how to apportion new money toward the potential mix of terrorist, natural, and technological disasters. Congress provided plenty of money but little guidance aside from the message that counterterrorism was a priority: it moved the majority of granting programs away from FEMA's direct oversight to supervision by Department of Homeland Security officials primarily concerned with terrorism.

Congress not only failed to calculate the probability and potential costs of various hazards in apportioning money between terrorism and other disasters, it also failed to grant money based on which states faced a greater terrorist threat. First responder grants, like most grants, follow a formula that provides a minimum amount of money to each state. The law behind the first responder grants, passed as part of the Patriot Act, guarantees each state 0.75 percent of the total that DHS appor-

Table 1. Per Capita Homeland Security Grant Spending, FY 2003

Wyoming	35.3	South Carolina	8.0
District of Columbia	31.5	Louisiana	7.7
Vermont	29.4	Alabama	7.7
North Dakota	28.7	Colorado	7.7
Alaska	28.4	Minnesota	7.3
South Dakota	24.6	US Average	7.2
Delaware	23.5	Wisconsin	7.1
Montana	21.3	Maryland	7.1
Rhode Island	18.7	Arizona	7.1
Hawaii	16.7	Missouri	7.1
New Hampshire	16.4	Tennessee	6.9
Maine	16.2	Washington	6.8
Idaho	15.8	Indiana	6.8
Nebraska	13.2	Massachusetts	6.7
West Virginia	12.8	Virginia	6.4
New Mexico	12.6	North Carolina	6.1
Nevada	11.4	New Jersey	6.1
Utah	10.9	Georgia	6.1
Kansas	10.0	Michigan	5.8
Arkansas	10.0	Ohio	5.6
Mississippi	9.7	Pennsylvania	5.5
Iowa	9.5	Illinois	5.5
Connecticut	8.7	Florida	5.2
Oklahoma	8.7	New York	5.1
Oregon	8.6	Texas	5.0
Kentucky	8.0	California	4.7

Source: DHS Office for Domestic Preparedness and the United States Census.

tions for terrorism preparedness grants. Though other granting programs typically have 0.25% or 0.5% guarantees, small-state legislators demanded more for homeland security. Since the Senate has equal representation for each state, the body has a “bias” toward small states that build coalitions to ensure that they receive a high level of allocations per capita (Lee, 1998).

For each of the homeland security grant packages, small, low-risk states received more money per capita than large or high-risk states, as Tables 1 and 2 show. For FY 2003 New York state received 4.68% of the total federal grant money for state homeland security programs, even though its population is 6.55% of the nation’s total. Wyoming, however, has 0.17% of the nation’s population but receives 0.85% of the grant money. That means that New York receives \$5.50 in grant money per capita while Wyoming receives \$35.30.

Publicly, small states argued that the terrorist threat is unpredictable and so the United States should prepare for attack everywhere; citizens of Wyoming deserve to be protected just as much as citizens of California. Former Washington Senator Slade Gorton suggested that small states are legitimately concerned about being left vulnerable if the bulk of counterterrorism money goes to dense population centers, saying that “If you harden some targets, you soften others” (Murphy, 2004; see also Daunt & Fox, 2003; Gorman, 2003; Hernandez, 2003; Russakoff & Sanchez, 2003).

Terrorism is not entirely unpredictable, however. Insurance companies develop prices for terrorism insurance based on a calculation of risk. In 2003 an insurance underwriter analysis firm, the Insurance Services Office, surveyed intelligence experts and applied their risk ratings to a database of potential targets in order to

Table 2. Per Capita Homeland Security Grant Spending, FY 2004

Wyoming	37.74	South Carolina	8.52
District of Columbia	34.16	Louisiana	8.24
Vermont	31.43	Alabama	8.24
North Dakota	30.82	Colorado	8.17
Alaska	30.18	Minnesota	7.81
South Dakota	26.32	US Average	7.63
Delaware	24.86	Wisconsin	7.57
Montana	22.66	Maryland	7.53
Rhode Island	20.00	Missouri	7.45
Hawaii	17.75	Arizona	7.43
New Hampshire	17.44	Tennessee	7.37
Maine	17.26	Washington	7.22
Idaho	16.65	Indiana	7.21
Nebraska	14.10	Massachusetts	7.14
West Virginia	13.73	Virginia	6.75
New Mexico	13.39	North Carolina	6.49
Nevada	11.84	New Jersey	6.45
Utah	11.56	Georgia	6.40
Kansas	10.65	Michigan	6.19
Arkansas	10.63	Ohio	6.00
Mississippi	10.32	Pennsylvania	5.89
Iowa	10.20	Illinois	5.85
Connecticut	9.30	Florida	5.45
Oklahoma	9.27	New York	5.41
Oregon	9.18	Texas	5.24
Kentucky	8.57	California	4.97

Source: DHS Office for Domestic Preparedness and the United States Census.

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price terrorism insurance rates. The federal government first attempted to apply risk analysis to homeland security funding decisions through the Urban Area Security Initiative grant program. In 2003, a formula that combined measures of population density with a measure of critical infrastructures and credible threat was used to allocate \$100 million to seven cities determined to be at a high threat level. After the list was announced, cities that were left out complained to Congress and to the department that they needed money for security. By May 2003, there were 30 cities on the threat list and by FY2004 the list included 50 cities and a budget of \$625 million (Ripley, 2004).¹³ Electoral incentives to reward cities that felt threatened were more powerful than expert risk analysis in determining funding levels. The homeland security granting process is a story of political incentives that lead legislators to use their influence to distribute as much money to their districts as possible—and to claim credit for addressing the salient threat of terrorism—without substantial room for reasoned risk analysis and careful adaptation to the terrorist threat.

Remedies

The point of this paper is not to say that Congress is hopelessly ineffective. Electoral incentives provide many useful benefits; chief among them is tying the political class to actual communities. The structure of congressional decision making, however, presents several obstacles for policymakers concerned with how the federal government should respond to the terrorist threat alongside other hazards.

Experience with other facets of homeland security and with the grant process provides a few options for improving Congress' deliberations.

Use Competitive Grants Rather Than Block Grants

Block or formula grants are popular with legislators because they provide a way for Congress to claim that it is addressing a problem, essentially by providing money to states and localities, while also rewarding their districts. The problem with homeland security block grants is that they are not apportioned based on risk analysis and once they reach the states they are not always used wisely. One remedy is for Congress to issue competitive grants instead. Competitive grants require states to submit proposals for how to use the money to expert panels that rank proposals and decide how to award funds. Even under most competitive grant programs, states are allocated minimum amounts so that no state is left out. Even so, competitive grants would place some distance between granting decisions and political incentives and they would force states to invest in developing creative and well-reasoned uses for the money.¹⁴

Change the Institutional Setting for Decision Making

To rationalize the process—and effectively generate policies in the public interest—politicians must manipulate the institutional setting so that policymakers do not feel like their first priority must be to satisfy narrow geographic or group interests. One way to stack the deck in favor of the public interest is to bypass the typical congressional approval structure, with its many opportunities for logrolling and veto points. When congressional leaders wanted to create the DHS with minimal revisions to the original proposal, House Speaker Dennis Hastert decided to appoint a nine-person select committee to vet the proposal rather than employing the usual multicommittee process, which could have stalled or diluted the bill (Brill, 2003, pp. 504–505). Chairmen from regular committees were able to file comments with the select committee but they were not able to formally alter the bill. If Congress had given a single homeland security committee oversight for the granting process as well as other homeland security activities, there might have been a greater opportunity for creating a budget that reflects a consensus about how to balance funding for counterterrorism with other disasters and about how to distribute money among states. In other words, decreasing committee involvement may strengthen Congress' capacity to coordinate on a comprehensive set of emergency management grants. Changing the institutional setting is difficult since there are large disincentives for smaller states to cooperate in efforts that result in less money for them. The last time Congress bypassed the usual guarantees for small states in a major grant program was in 1956 when it spent \$31.5 billion over 13 years to build interstate highways.

Raise the Salience of the Issue

Reforms in the public interest stand a chance of passing when they are particularly salient. Airline and trucking deregulation succeeded after an expert consensus

brought the issue to the attention of politicians (Derthick & Quirk, 1985; Patashnik, 2003). Increased salience could help build support for more risk analysis in the homeland security granting process since the current arrangement seems suboptimal to most people. The challenge is to lower citizens' information costs so that they can easily recognize and reward good policy. Think tanks and journalists can—and are—distributing information about funding disparities.¹⁵

Putting an issue on the agenda need not be a long process during a crisis. In normal times, institutions can become sclerotic as interests organize and lobby to serve narrow goals, but during a crisis these interests lose their efficacy and policymakers jettison normal procedures (Baumgartner & Jones, 1993; Olson, 1982). Legislators bypassed normal procedure during the creation of the DHS because of the terrorist crisis, and political entrepreneurs might be able to persuade them to do the same under either the threat of continued terrorism or the threat of a budget collapse.

Notes

- 1 For an argument that political markets are as efficient as economic markets, see Wittman (1995). A central assumption of a classic text on policy analysis and public administration, David Weimer and Aidan Vining's *Policy Analysis*, is that public policy is a way to make Pareto improvements in the general welfare in instances where there is market failure (See especially pp. 116–146.)
- 2 Sometimes congressional sclerosis can be overcome by an agency that develops a measure of autonomy and can substantially structure policies on its own.
- 3 Working within the standard federal government grant administration process, EMPG provides the support that state and local governments need to achieve measurable results in key functional areas of emergency management: (1) Laws and Authorities; (2) Hazard Identification and Risk Assessment; (3) Hazard Management; (4) Resource Management; (5) Planning; (6) Direction, Control, and Coordination; (7) Communications and Warning; (8) Operations and Procedures; (9) Logistics and Facilities; (10) Training; (11) Exercises; (12) Public Education and Information; and (13) Finance and Administration.
- 4 Data from a 2003 survey by a major consulting firm of 94 state and local emergency management agencies.
- 5 As Martha Derthick (1970) demonstrated in her study of a federal assistance grants in Massachusetts, power tends to flow toward the center; money from the federal government can rearrange the organization and culture of even the most recalcitrant state and local agencies.
- 6 The National Strategy for Homeland Security defines homeland security as a “concerted national effort to prevent terrorist attacks within the United States, reduce America’s vulnerability to terrorism, and minimize the damage and recover from attacks that do occur.” The overall vision set forth in the document outlines the need to strengthen the nation’s emergency response system to be adaptable to deal with any emergency—natural or manmade. See <http://www.whitehouse.gov/homeland/book/index.html>.
- 7 Most states have maintained the all hazards language in their emergency response plan: at least 23 have integrated terrorism into the plan using all hazards language. Others have developed a terrorism “annex” or special section to the plan, while still others have developed terrorism-specific plans.
- 8 The national average for state emergency management agency budgets was \$50.6 million in fiscal year 2002, up from an average of \$49 million in 2000.
- 9 To take one example, the King County (Seattle), Washington, Office of Emergency Management (OEM) takes an explicitly “all hazards” approach according to its website, meaning that it prepares for all kinds of disasters using similar procedures, but even King County has had to reduce the time emergency managers spend preparing for flood and fires in order to plan for homeland security. The number of hours King County emergency management employees spent on non-homeland security natural and technological disaster programs went from 75% of the total work hours in 2001 to 32% in 2003, largely because of time spent on counterterrorism and WMD (weapons of mass

- destruction) preparation. In 2001, 19% of the OEM time was spent on leave and administrative duties, while 6% was spent on recovery and mitigation programs. In 2003, 18% was spent on leave and administration, 13% on recovery and hazard mitigation, and 37% on homeland security. The 2003 data is from January to June only. Data is from Eric Holdeman, Manager, King County Office of Emergency Management, personal communication, Boulder, Colorado, July 14, 2003.
- 10 Phil Roberts notes that the Indiana State Emergency Management Agency has not seen a change in state funding, but it nevertheless has over “10 times the amount of [federal] funding that [it] used to administer prior to September 11th” in the form of homeland security grants for equipment, training, and planning (personal communication, October 6, 2003).
- 11 States are required by the Department of Homeland Security to develop a homeland security strategy before they are eligible to use the grant funds provided by DHS, so there is a baseline approval process that defines what homeland security activities can be funded with federal dollars (e.g., planning, exercises, first responder equipment, bioterrorism preparedness, regional collaboration and coordination, and mutual aid planning). If the state identifies an activity that it thinks is integral to its security but does not fit in these new streams of funding, most likely it would generate the funds for itself (e.g., extra capitol/government building security).
- 12 Recent works argue that a strong reputation is the source of bureaucratic autonomy and, in many cases, success (see Carpenter, 2001, for example). FEMA was able to go from being threatened with extinction to becoming one of the most popular agencies in government by building a reputation for effective disaster response.
- 13 A description of the granting program is in Office of Domestic Preparedness, “Fiscal year 2004 Urban Areas Security Initiative Grant Programs,” <http://www.ojp.usdoj.gov/docs/fy04uasi.pdf>.
- 14 Eli Lehrer (2004) makes the case for competitive grants.
- 15 One example is de Ruy (2004).

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