HOMELAND SECURITY FUNDING

Since FY 1998, the Montana Disaster and Emergency Services (DES) in the Department of Military Affairs budget for federal special revenue was just over $1 million per year. These funds were primarily used to support personal services costs for both the Montana DES as pass-through for county DES coordinators. During the 2005 biennium, however, DES was allocated $43.7 million of federal revenue to support homeland security (most are pass-through funds for the local level). In addition, the Department of Health and Human Services (DPHHS) has received $9.7 million (again primarily pass-through funds), and the Department of Livestock has received $289,000, for a total of $53 million in federal special revenue for all hazards emergency management homeland security activities.

WHAT IS HOMELAND SECURITY?

Homeland security is defined as "protecting citizens against the threat of terrorism by detecting, preparing for, preventing, responding to, and recovering from terrorism threats or attacks." The activities that make up this definition are divided into four objectives:

- Focus efforts to coordinate and collect ideas and issues relevant to Montana's homeland security
- Defense against catastrophic threats--Entails efforts to prevent terrorists from obtaining weapons of mass destruction (chemical, biological, or nuclear) and activities to mitigate the effects of such weapons if they are used
- Emergency preparedness and response--Includes efforts to decrease the opportunities for and the effects of future terrorist attacks, including creating a state response plan and providing equipment and training for local "first responders" (such as firefighters, police, and medical personnel)
- Enhance the state emergency coordination plan to incorporate additional partners with specific functions and roles within that plan

Distinguishing between activities aimed at making Montana more secure specific to terrorist attacks as compared to being more prepared for other crises and purposes, is not always clear. Homeland security activities are focused on emergency preparedness and response, especially as it relates to assistance for first responders. To meet the definition of homeland security, the purpose of that assistance must be primarily to deal with the prevention, mitigation, and response to terrorism. However, because first responders also employ their equipment and training in a wide range of public safety activities, it is difficult to distinguish between expenditures for homeland security purposes and those for other emergency service functions.

FUNDING FOR HOMELAND SECURITY IN THE 2005 BIENNIUM

Most funding received in Montana was classified as discretionary spending and was authorized through budget amendments for the following programs and items.

Figure

Funding and Types of Homeland Security Activities
2005 Biennium
(in Millions)

	Department of Public Health and Human Services	Military Affairs - Disaster and Emergency Services	Department of Agriculture	Total
2005 Biennium Amount	$9.7	$43.7	$0.3	$53.7
Purpose	Build a comprehensive public health emergency management system	Grants to local government entities to purchase personal protective, decontamination, and communication equipment for incident responders and for terrorism components in emergency management plans	Educate veterinarians and livestock producers about food chain threats	

As stated, the majority of federal homeland security funding is pass-through funds. These funds are used at the local level to support local level emergency management infrastructure, for preparedness planning, to improve communication and interaction between entities, and, most notably for equipment acquisition. Most equipment supports first responders, from law enforcement and fire departments to Emergency Medical Services. Specific types of equipment include interoperable communications (radios and antennas), HAZMAT gear, as well as equipment for Explosive Ordinance Disposal (EOD) teams to serve specific regions of the state

PROPOSED 2007 BIENNIUM FUNDING

It appears virtually certain that federal funding for homeland security will change in the 2007 biennium. There seems to be a departure from past federal allocations for emergency preparedness to a system based upon protecting infrastructure. This raises two primary concerns: 1) Will Montana see a significant reduction in federal funding; and 2) Will state funds need to replace federal funds for ongoing activities.

At the local level, federal funding has been primarily used for equipment. Federal funding reductions should not leave the state with unfunded local programs, as local DES coordinators are aware of potential reductions and all indicate that they consider federal funds as one-time-only, intentionally avoiding long-term projects with ongoing costs.

Since federal funding at the local level is primarily used for equipment purchases, there should be no need for state funds to supplant federal funds, unless the state decides to make a commitment to continue equipment enhancements. On the other hand, the new equipment acquired with federal funding may create future maintenance costs that did not exist before.

Emergency management officials believe that although Montana has a small population, it also has a large international border, an expansive geography, dispersed and relatively isolated rural populations, and a mountainous terrain in the western regions. These factors pose unique challenges to homeland security preparedness and response (e.g. cross-border security, communications and transportation difficulty, wide dispersal of scarce equipment, etc.). Therefore, there is a need for some level of continued federal funding, which may enhance Montana's ability to maintain future funding.

As the figure below shows (Figure 2), DPHHS has received continued funding into the 2007 biennium for emergency and hospital preparedness, and at this time is unable to determine the long-term-costs, if any, associated with the emergency preparedness plans. The Montana Board of Crime Control has received funding for a law enforcement terrorism prevention program and a statewide intelligence center for the Department of Justice. DES has stated that, while funding from the federal government is very likely, they cannot speculate on when or what level of resources will be provided. Consequently, it is the position of the executive that any funds received in the 2007 biennium will once again be requested in a budget amendment during the interim, and no funds are requested in this budget.

Figure

Homeland Security Federal Funds
2007 Biennium Initiatives
By Agency and Purpose

Purpose		Base	FY 2006	FY 2007	2007 Biennium
Montana Board of Crime Control					
Law Enforcement Terrorism Prevention Program	DP 3	$0	$4,655,372	$4,655,235	$9,310,607
Department of Justice					
Statewide Intelligence Center	DP 16	0	423,322	422,527	845,849
Department of Public Health and Human Services					
Fully Implement Emergency Preparedness	DP 124	0	1,026,038	1,022,238	2,048,276
Statewide present law adjustments		6,221,919	39,255	41,495	12,524,588
Fully Implement Emergency Preparedness		6,221,919	1,065,293	1,063,733	8,350,945
Total - Fully Implement Hospital Emergency Preparedness	DP 128	0	1,166,050	1,165,852	2,331,902
Statewide present law adjustments		1,104,043	59,855	59,772	2,327,713
Total - Fully Implement Hospital Emergency Preparedness		1,104,043	1,225,905	1,225,624	3,555,572
Statewide Emergency Preparedness Staff	DP 159	0	135,818	135,440	271,258
Environmental Laboratory Chemist	DP 187	0	45,880	45,752	91,632
Total - Department of Public Health and Human Services		$7,325,962	$2,472,896	$2,470,549	$12,269,407
Total Homeland Security Funding Requests		$7,325,962	$7,551,590	$7,548,311	$22,425,863

HOMELAND SECURITY APPROPRIATION ISSUES

The legislature is the appropriations authority for the State of Montana. Budget amendment authority represents a voluntary sharing of that authority with the executive (and other statutorily designated approving authorities) so that federal funds (and some state special revenue funds in an emergency) made available during the interim either are not foregone or do not require a special session to provide the expenditure authorization. Because it gives appropriations authority to entities other than the legislature, statute puts strict limits on when and how these appropriations can be added. Among other conditions, the requesting agency could not have had knowledge of the matter in time for the legislature to act. This provision is also provided in recognition of the legislature's role not only as the constitutional appropriations authority, but also in the establishment of public policy.

The issue for the legislature to consider is whether it wishes to defer to the executive to determine how a potentially significant amount of federal funds for an issue of national and statewide security, and emergency response will be expended. Inherent in this issue is whether the legislature will contribute or direct intended goals and/or outcomes of the effort.

Options

1. Require all departments to provide a full report to the joint subcommittees responsible for the agencies that receive homeland security funding on previous, current, and planned expenditures of federal funds for homeland security related activities, including likely policy and funding scenarios. The legislature could then provide fiscal and policy direction including goals and/or intended outcomes, to the executive. This could be done through either:
    - A conditional appropriation (conditioned upon receiving federal funds) of an estimated amount in HB 2, directing how the appropriation could be spent and/or outlining legislative priorities or direction
    - Policy direction language in HB 2 without a specific appropriation.
2. Allow the executive to continue to appropriate federal funds in the interim and allow agencies to continue funding projects as deemed appropriate.