

Fiscal year 2011 budget agreement and the survival of grants

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In February, [GovWin reported on President Obama's fiscal year 2012 budget proposal](#), specifically state and local public safety programs. Based on the FY 2012 budget proposal, approximately \$7.57 billion would be set aside for grants out of the Department of Homeland Security (DHS) and the Department of Justice (DOJ). Until about a week ago, Congress and President Obama were debating various aspects of the FY 2011 budget, seeking a compromise that would prevent a government shutdown. While funding levels for the DHS and the DOJ were not highly contested issues, the funding levels in the FY 2011 budget agreement are different, and mostly higher, than the continuing resolution (H.R. 1).

Taking a look at some of the funding levels from DHS for the FY 2011 budget, we can see some significant changes from FY 2010, along with changes from the continuing resolution. In the budget for FEMA programs, \$2.2 billion is allocated for state and local grants, \$786 million below FY 2010 and \$80 million above the continuing resolution. Disaster relief received a major increase, receiving \$2.65 billion, which is \$1.05 billion more than FY 2010 and \$700 million above the president's FY 2011 request. Another major grant program, the Urban Area Security Initiative (UASI), received \$725 million, which ends up being \$165 million (or 18%) less than FY 2010. Overall, we can see a range of decreases from the FY 2010 budget, though many of the figures are higher than expected based on the continuing resolution.

As for the Department of Justice grant programs, we see some of the same trends. Approximately \$2.8 billion is allocated for FY 2011 – an increase of \$101 million over the continue resolution, but a decrease of \$434 million from FY 2010. President Obama requested nearly \$3.6 billion for these grant programs, but \$2.8 billion appears to be the final number. Overall, the numbers represent a 17 percent decline from FY 2010. Fortunately, some important programs will still receive solid support, like the Byrne Grant – one of the largest programs between DHS and the DOJ – which received \$1.12 billion.

GovWin's Take:

As government agencies look at their budget shortfalls for the upcoming fiscal year, applying for these grants will be essential. Vendors looking to work with agencies in this situation must be able to develop a framework for their projects and provide agencies with the information, whether through a request for information (RFI) or consulting work, in order for them to establish their grant applications. Every project must have a goal, a predicted outcome, and most of all, be clear, specific and realistic. Due to the late approval of the FY 2011 budget, many of these grant programs will have a quick turnaround.

While there have been significant cuts to many grant programs compared to the FY 2010 levels, state and local agencies are beginning to rebound financially. This does not mean that every agency is back to pre-recession levels (not by a long shot), but some agencies that received grants in FY 2009 or FY 2010 may be out of the running due to improved fiscal situations. This leaves the door open for agencies that are still in the red to make their case for monies to help with important radio projects or information sharing databases. Vendors and government officials have to be even more specific when applying for FY 2011 grants. With less money available, every dollar counts.