

## **HOMELAND SECURITY**

### **Joint SPAR Report**

<b>Program Background – JLBC Staff</b>
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#### **Overview**

Hundreds of local, state, tribal, and federal agencies participate in Homeland Security activities in Arizona. Three of the largest sources of funding for Homeland Security efforts are grants from the U.S. Department of Homeland Security (USDHS) and the U.S. Department of Health and Human Services (HHS) and the Centers for Disease Control (CDC). The Arizona Office of Homeland Security redistributes grants received from the U.S. Department of Homeland Security, while the Arizona Department of Health Services (ADHS) receives grants from HHS and the CDC.

The Homeland Security Act of 2002 established the U.S. Department of Homeland Security in order to prevent terrorist attacks and to assist in the recovery of an attack should one occur within the United States. USDHS is responsible for the delegation of Homeland Security funds to states and the U.S. territories. The total amount available for grants is established by Congress each year during the budget process.

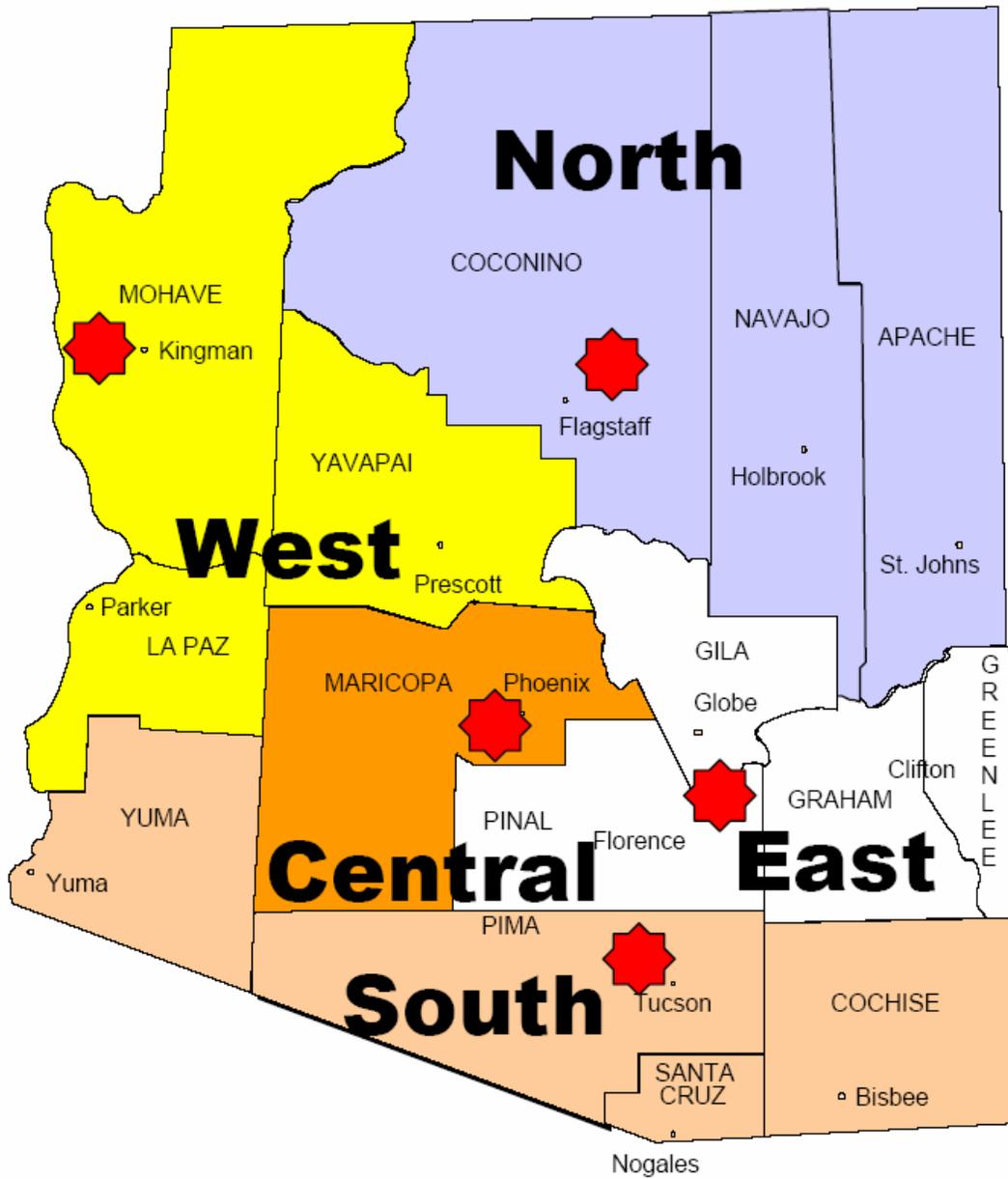
In June of 2002, Congress passed the Public Health Security and Bioterrorism Response Act of 2002 in response to the threat posed by a bioterrorism attack. This act updated grant programs that were created under earlier legislation (Public Health Threats and Emergency Act and the Public Health Service Act) as well as established funding for state and local governments to assist in the development of bioterrorism preparedness programs. Funding for bioterrorism preparedness comes from the Centers for Disease Control and Prevention (allocations to state public health entities) and from the Health Resources and Services Administration (allocations to hospitals).

#### **Program Description**

##### Arizona Office of Homeland Security

The Arizona Office of Homeland Security (OHS) was established at the direction of Governor Napolitano. The stated goal of the Office is to enhance the ability of the state to prevent and respond to acts of terrorism and other disasters. OHS also stated it works to encourage collaboration between grantees in order to avoid duplication of grant awards, and to eliminate any security gaps in every level of government and the private sector. This is to be accomplished by coordinating all available monies awarded to grant recipients, and by emphasizing regional or state needs over local initiatives.

To promote regional collaboration, OHS implemented a regional model in FY 2004. This model divides local jurisdictions within the state into five Regional Advisory Councils (RACs), with boundaries which partially duplicate county lines (see attached map). OHS expects that the use of this regional approach will provide local governments with greater opportunities to share resources. Each council is comprised of members from law enforcement, local and tribal governments, and fire protection services. Council members are appointed by the Governor through the OHS Director.



Allocations to each RAC are made by OHS based on a regional baseline and risk assessment formula, which was developed by OHS. In this formula, risk is defined as the addition of the threat value, the vulnerability value, and the population value, where threat, vulnerability, and population are equally weighted. The threat value is computed by adding the number of Potential Threat Elements (PTE's) with their assessment scores, which is then divided by the total number of PTE's in the state. Vulnerability is defined as the number of critical infrastructure sites in the region divided by the total number within the state, and the population value is determined by dividing the regional population by the total state population as reported by the 2000 U.S. Census.

Within each RAC, each council then prioritizes annual funding requests which are submitted by jurisdictions within the region. Projects are then evaluated by determining how they compare to the goals and objectives contained within the State Homeland Security Strategy (SHSS). Each RAC then recommends which projects are to be funded based on this evaluation.

Funding to state agencies is provided through allocations from OHS. Agencies seeking Homeland Security funding submit requests to OHS, who determines which projects will receive funding. Allocations made by OHS to state agencies are also based on criteria contained within the SHSS. The state award process occurs on an annual basis.

The Department of Emergency and Military Affairs (DEMA) serves as the State Administering Agency (SAA) for Homeland Security funds. DEMA receives Homeland Security grants from the U.S. Department of Homeland Security, which it redistributes to agencies or governments based upon allocations made by either OHS or each RAC. DEMA ensures all projects are within grant guidelines, support the SHSS, and allocates funds accordingly.

#### Department of Health Services

The State of Arizona Emergency Preparedness, Response, and Recovery plan (Executive order No. 2004-05) names DHS as the lead agency for health and medical services and bioterrorism incidents. Additionally, DHS is given the responsibility for public health emergency preparedness and response through A.R.S. §36-787. DHS currently has a Bureau of Emergency Preparedness and Response dedicated to ensuring the public health preparedness and response capacity throughout Arizona.

The Bureau is responsible for preparedness and planning, electronic disease surveillance, the Arizona Health Alert Network (designed to enhance the public health response capabilities to the state), risk communication and public information, and education and preparedness training. Additionally, the Bureau assists the readiness of the hospital and healthcare community to deal with bioterrorism and other health emergencies.

### **Program Funding**

#### Department of Homeland Security

OHS oversees the allocation of Arizona's share of the following grants from the USDHS:

- State Homeland Security Grant Program (SHSGP): provides assistance to states to prevent, respond to, and recover from acts of terrorism. In FFY 2005, Arizona received \$20,021,731 in SHSGP funds.

- Urban Area Security Initiative (UASI): addresses the planning, equipment, training, and exercise needs of high risk urban areas. The Phoenix metropolitan area received \$9,996,463 in FFY 2005 UASI monies.
- Law Enforcement Terrorism Prevention Program (LETPP): provides law enforcement agencies with funding for counter-terrorism, target hardening, and interoperable communications. The state received an LETPP award of \$7,280,630 in FFY 2005.
- Citizen Corp Program (CCP): involves citizens in the prevention, preparation, and response to disasters and other emergencies. In FFY 2005, \$254,176 in CCP grant monies was awarded to Arizona.
- Emergency Management Program Grant (EMPG): improvements to mitigation, preparedness, response, and recovery capabilities for all hazards. The state received \$3,241,450 in FFY 2005 EMPG funds.
- Metropolitan Medical Response System (MMRS): enhances the ability of local jurisdictions to respond to mass casualty events. In FFY 2005, Arizona was awarded a MMRS grant of \$910,368.

Department of Health Services

ADHS has 2 funding sources, both of which are grants from the U.S. Department of Health and Human Services, one through the Centers for Disease Control and Prevention (CDC) and the other through the Health Resources and Services Administration (HRSA).

The CDC grant provided 62.2 FTE positions and \$18.6 million through the Public Health Preparedness and Response grant in FY 2005. In May 2003, the CDC issued guidance to states on where expenditures of grant monies should focus on. These areas included:

- Preparedness Planning
- Strategic National Stockpile
- Surveillance and Epidemiology
- Laboratory Capacity
- Information Technology
- Communication, Education and Training

The HRSA grant provided for 13.5 FTE positions and \$9.0 million through the Bioterrorism Hospital Preparedness Program grant in FY 2005. These monies are distributed to and through hospitals, community health centers and clinics. There are currently 67 hospitals that receive funds through the grant, and the department expects that 4 new hospitals will receive funding in the near future. Funding is based on the hospital's share of emergency rooms visits statewide.

Table 1 below shows FY 2005 operating costs funded by Homeland Security and Bioterrorism monies by agency. Table 2 depicts awards received by the state since FFY 2003.

<b>Agency</b>	<b>FFY 2005 Operating Budget</b>	<b>FFY 2005 FTE's</b>
OHS	\$ 415,500	3.04
DHS	3,198,800	75.70
<b>Total:</b>	<b>\$3,614,300</b>	<b>78.74</b>

**Table 2**

**State of Arizona  
Federal Homeland Security and Bioterrorism Prevention Grants**

	<u>FFY 2003</u>	<u>FFY 2004</u>	<u>FFY 2005</u>
OHS	\$53,524,800	\$58,498,300	\$41,704,800
DHS	19,902,300	26,905,000	27,641,200
<b>Total:</b>	<b>\$73,427,100</b>	<b>\$85,403,300</b>	<b>\$69,346,000</b>

**Findings and Recommendations - JLBC Staff**

*Collaborative Efforts*

**Both the Office of Homeland Security (OHS) and the Department of Health Services (DHS) should be required by statute to submit a homeland security award and expenditure report, which would be submitted annually to the Legislature.** Since this funding is not subject to appropriation, these programs are not accountable to the Legislature. The report, along with the creation of an oversight committee discussed below, would begin to address this lack of accountability.

The report would include, at a minimum, each project which was awarded funding for the current year, as well as the project awards and expenditures from prior years. OHS and DHS should also include in the report a detailed plan on how they plan on continuing their homeland security efforts in the event of decreased federal funding. The time frame for funding history would go back to FY 2001 levels.

In addition to expenditure details, the report would also include performance measure information in order to assess the effectiveness of Arizona's homeland security efforts. OHS does not currently use any performance measures to monitor the success of the office. Without a formal review structure, it is very difficult to determine what progress the office has made, over the prior year. DHS has implemented 4 performance measures which monitor the number of training sessions held or the number of individuals who received training. While this information is useful, it does not provide a complete accounting of all activities which are associated with bioterrorism funding.

Performance measures should demonstrate improvements made to the state's capabilities to respond to a terrorist attack. JLBC Staff has recommended that at a minimum, the following measures to be included in the report:

- Actual number of days to award grant money
- Amount of funds which are expended each year
- Amount of money reverted to the federal government
- Number of emergency preparedness exercises held in the past year
- Number of evaluations of vulnerable sites conducted by the Arizona Counter Terrorism Information Center within the past year
- Number of terrorism awareness training sessions held during the year

In addition to compiling a report, both OHS and DHS would present those findings to both the House and Senate Appropriations committees. These performance measures would also be included in each agency's Master List.

**The Legislature should consider the creation of a legislative homeland security committee, which would offer recommendations to OHS, DHS, and the legislative Appropriations Committees regarding project priorities.** If created, this committee would receive the presentation discussed above from OHS and DHS regarding projects which will receive homeland security funding in the upcoming year.

The Homeland Security Committee should also conduct a comprehensive evaluation and assessment of current statute to determine if changes are necessary to improve the state's coordination and response efforts in the event of a terrorist attack

Finally, both OHS and DHS perform training exercises throughout the year in order to measure the state's preparedness for a terrorist attack. Because the results of such training exercises are sensitive, JLBC Staff recommends that the Homeland Security Committee be briefed in executive session on the training exercises conducted by the state, what event or scenario the training exercise was designed to address as well as the result of those exercises, including details on measures to improve performance.

**DHS and OHS should coordinate with federal authorities to create a "best practices" guide to ensure that terrorism monies distributed to different jurisdictions help establish effective response plans.** Such a guide would allow for streamlined and coordinated response plans across all levels of government. Currently, no specific guidance or template is given to local entities regarding what to purchase with the funding they receive, resulting in timely and possibly duplicative planning. In addition, there is no clear route for local entities to communicate with each other and discuss planning. With so many local entities receiving bioterrorism monies, a best practices guide would provide local jurisdictions planning information so the bioterrorism monies are spent effectively and in a timely manner.

#### *Office of Homeland Security Specific Findings/Recommendations*

**To ensure that communications equipment are truly operable, requests for interoperable communications equipment should be in compliance with technical and operating standards developed by the Arizona Public Safety Communications Advisory Commission.** OHS issues grants for interoperability communications equipment based on the overarching issue of interoperability, but did not provide any specific guidelines to determine whether communications equipment is truly interoperable.

**To better allocate resources based on current need, the office should use the most current population numbers provided by the U.S. Census Bureau or the Arizona Department of Economic Security.** When calculating risk, OHS uses 2000 population census data. This information became outdated with the release of 2004 population estimate numbers.

## *Department of Health Services Specific Findings/Recommendations*

**DHS should demonstrate coordination between state and local officials to determine how successful state and local entities are in coordinating efforts.** The CDC requires that states demonstrate consensus, approval, or concurrence between state and local public health officials and departments regarding the use of federal bioterrorism funds. In a report prepared by Trust for America's Health in 2004, results of a survey by the National Association of County and City Health Officials (NACCHO) showed that local health officials in Arizona felt that the state has not done a satisfactory job in coordination with local jurisdictions. DHS should develop a process through which they can analyze how well they coordinate with local jurisdictions. Such a tool would allow DHS to gauge where improvements can be made in communication between jurisdictions, and in the event of an actual attack, improve upon the communication and coordinated response effort. Bioterrorism funding has been distributed to many jurisdictions in the state and a coordinated response will be necessary to address an emergency. In addition, such coordination and communication would allow for local entities to share best practices in preparing for and execution of a response to a terrorist event.

### *Other Issues for Legislative Consideration*

The state should:

- Ensure that an adequate level of focus is placed on preparedness training. Reviews conducted by GAO and other oversight agencies have encouraged states to start focusing on training exercises in order to put state disaster plans into practice. Such exercises enable states to identify shortcomings and to focus on areas that need particular attention.
- Continue the development of regional response plans, including collaborative efforts with other states. With the events of Hurricane Katrina, it has become evident that a state's response to a terrorist incident will most likely involve the coordination amongst other states. To the extent that Arizona can build relationships and coordinate response plans beforehand, it will make the synchronization of efforts much easier in the wake of a terrorist event.
- Partner with and involve the private sector in preparedness efforts so that state's full resources are available in the wake of a terrorist attack.

## **Findings and Recommendations – OSPB**

### *Arizona Office of Homeland Security*

**The Arizona Office of Homeland Security has accomplished some significant items during its brief existence.** The Arizona Office of Homeland Security has achieved a great deal of progress on action items identified by the Governor in "Securing Arizona, A Roadmap for Arizona Homeland Security", and on goals and objectives delineated in the State Homeland Security Strategy. These achievements include, among other things, the establishment of Regional Advisory Councils and Regional Homeland Security Strategies. The establishment of these advisory councils has resulted in more collaborative efforts among local agencies to close security gaps and make efficient use of taxpayer dollars. OHS has also been successful in many other efforts to facilitate cooperation and communication between state agencies, the federal government, local governments, and tribes on issues of homeland security. Another significant achievement was the leadership OHS provided in the establishment of the Arizona Counter

Terrorism Information Center (ACTIC) in October of 2004. ACTIC serves as a central hub to facilitate the collection, analysis and dissemination of crime and terrorism related information in Arizona. OHS has also been useful in providing a uniform policy on the distribution of federal homeland security monies (see appendix A “AZ Homeland Security Accomplishments” for more details on the achievements of OHS).

**The Arizona Office of Homeland Security can make improvements in terms of the transparency of its operations.** The Arizona Office of Homeland Security provides an important service: State leadership in the homeland security effort. Public awareness and understanding of the duties of OHS is important because it provides citizens with a sense of security and calm. It also ensures oversight to make certain that taxpayer resources going towards homeland security are used efficiently. OHS has made strides in increasing the visibility of the office to the public. The staff of OHS includes a public information officer who manages media inquiries and has worked to organize many efforts to increase public awareness about OHS.

While OHS is visible to the public, OHS is somewhat lacking in the transparency of its operations to the public. This means that an interested public party may encounter some difficulty in trying to find information about the operations of OHS. Given the relatively brief existence of OHS, one would expect information on the Office to be somewhat scarce. There is, of course, another major complicating factor in allowing the public to see all of the operations of OHS. Much of the work of OHS staff is highly classified and the release of such information would be a threat to public safety. However, conversations with OHS staff have revealed that there is some useful information that could be more readily distributed to the public without compromising secure information.

OHS currently reports to the Governor and her staff. The Office also submits an annual report to the Governor detailing accomplishments related to the State Homeland Security Strategy. This report is available to the public upon request, but is not readily published or distributed.

According to OHS, no performance information, benchmarks, or national standards currently exist for homeland security. This situation causes some lack of clarity about the functions of OHS and the effectiveness of its efforts.

**Recommendation** – OHS should post the annual report to the Governor on the Arizona Office of Homeland Security web page. OHS should incorporate information on efficiencies generated by OHS efforts to avoid duplication statewide and to maximize the use of resources. As part of the report, OHS should include performance measures detailing the successes and shortcomings of Office efforts. Specifically, these performance measures should address the effectiveness of OHS in meeting objectives and the progress and success of programs in Arizona receiving federal homeland security monies.

**The Arizona Office of Homeland Security is not established in statute as an agency.** There are currently no statutes explicitly mandating or governing the services currently provided by the Arizona Office of Homeland Security. The Governor established OHS in March of 2003. The existence of the Arizona Office of Homeland Security is totally contingent upon the availability of federal monies for its operations. As it stands, changes in the requirements to receive federal

homeland security monies or the amount of federal monies available could severely limit the operations of OHS. If OHS was precluded from using federal monies for operations of the office, either by a change in the requirements to receive grant money or by the simple absence of federal funding for homeland security programs, it would cease to exist. Federal funding to Arizona through the State Homeland Security Grant Program dropped by 28.7% between FFY 2004 and FFY 2005. This illustrates that federal monies may not always be available at current levels. While it is not known if this downward trend in federal homeland security funding will continue, volatility in the amount of federal monies available for state programs in general can be historically demonstrated.

Although four years have passed since the September 11<sup>th</sup> attacks, homeland security efforts remain a prime public interest. The Arizona Office of Homeland Security provides services that are valuable and necessary for the good order of the State of Arizona. These services include ensuring unity of the State's homeland security efforts, avoiding duplication of effort and costs, and eliminating gaps in security at every level of government and in the private sector. The mission of the Arizona Office of Homeland Security is an important statewide concern and its duties are beginning to exceed the scope and scale of an entity with no formal statutory authority. The creation of statutes for OHS would add stability and legitimacy to the responsibilities of the Office.

**Recommendation** – In order to reinforce the achievements of the Arizona Office of Homeland Security and to ensure the continuity of the State's homeland security efforts, statutes should be crafted to establish OHS in state law and to set forth the duties and responsibilities of the Office after more substantive study is conducted. The scope of the statutes should be limited to the setting of overall homeland security policy and strategy in Arizona. The Governor's Office is not in favor of the Legislative appropriation of federal homeland security funds.

### *Department of Health Services*

**DHS is fulfilling its statutory mandates to plan response, recovery, and mitigation, to coordinate with private, local and federal authorities, and to facilitate the dissemination of public information in the event of a public health emergency.** The Department has achieved the following relevant to statutory requirements:

1. Extensive coordination with local, tribal, intra- and inter-state, and federal authorities (A.R.S. §36-787[A] 2-3 and 36-132[A] 19) and cross-border relationships
2. Establishment of partnerships and agreements with related businesses and laboratories (A.R.S. §36-786[B])
3. Annual Centers for Disease Control (CDC) evaluation of the Department's Strategic National Stockpile Plan (for vaccines) with a ("Amber +") high rating (A.R.S. §36-787[B] 2, 4).

Further, DHS has made the following progress relevant to the content of the Homeland Security Strategy for Securing Arizona: A Roadmap for Arizona Homeland Security (dated April 23, 2003 [Roadmap]) and the 2004 State Homeland Security Strategy (SHSS):

1. The consolidation of related offices<sup>1</sup> within DHS to eliminate inefficiencies as of July 1, 2005
2. Cross-agency training and field exercises
3. Full-scale internal exercises such as the DHS Health Emergency Operations Center (HEOC) in March 2005<sup>2</sup>
4. Representation on the 2-1-1 Committee and contributions towards its development
5. Secured Integrated Response Electronic Notification (SIREN), which was completed on time and under budget, allows for un-interrupted communication among public health authorities in real time
6. Medical Electronic Disease Surveillance and Intelligence System (MEDSIS), which is HIPAA compliant, integrated into SIREN, and meets federal requirements, is a web-based reporting system
7. Installation of the EMSsystem, which allows for instant communication of pertinent and useful information to all hospitals on the system in the event of an emergency
8. Implementation of the AZ Health Alert Network (AZHAN), which was created to address the communications needs associated with public health response, daily operational sharing of information for planning and disease surveillance, and which functions as a communications network between State and local public health agencies, healthcare providers, hospitals, and emergency management organizations
9. Electronic Laboratory Reporting (ELR) eliminates paper reporting and allows for the electronic transmission of data to MEDSIS

**DHS has identified and is prepared to report comprehensive metrics related to public health emergency preparedness in five key areas: reduction of threats, readiness for response, recognition of threats, response to and recovery from public health emergencies.** In previous years DHS's bioterrorism and homeland security related performance measures were limited to readiness and recognition,<sup>3</sup> specifically, professional/volunteer training and AZHAN/MEDSIS participants. However, in recent months, DHS successfully implemented a comprehensive set of performance measures to reflect its progress in readiness and preparedness. This change resulted primarily based upon two factors: CDC and HRSA movement on the issue and DHS's desire to align its operations and reporting in the creation of a new subprogram called "Emergency Preparedness and Response" (EPR).

First, as mentioned previously, CDC and HRSA grants fund Public Health Preparedness/Bioterrorism programs at DHS. These grantors now require applicants to organize its programs into five categories of emergency preparedness: reduction,<sup>4</sup> readiness, recognition, response, and recovery. Ultimately, such consistent organization among states is meant to allow for nationwide comparisons.

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<sup>1</sup> The Office of Hospital and Community Preparedness and the Office of Public Health Emergency Preparedness

<sup>2</sup> Activated in real terms in response to Hurricane Katrina

<sup>3</sup> Self Assessment, page 27-28

<sup>4</sup> This category is typically more applicable to law enforcement and medical prevention activities; however, EPR activities reduce or mitigate emergencies by limiting the scope or severity of the emergency. For example, having people trained, having hospitals ready to respond, or having people able to communicate, will reduce or mitigate the severity of the emergency (although it will not prevent the emergency).

DHS is collecting data pursuant to all five of the performance areas mentioned above. However, the FY2007 Master List contains only the following measures:

1. Number of public health and emergency response professionals on Health Alert Network
2. Number of persons who have received training [on bioterrorism and public health emergency response]
3. Number of trained volunteers to assist in state and local public health emergency response
4. Number of agencies, organizations, and other entities reporting to MEDSIS

Likewise, the FY2007 Five-Year Strategic Plan contains only the following measures:

1. Number of persons who have received training on bioterrorism and public health emergency response activities
2. Number and percentage of Department staff who have received basic emergency response and family preparedness training
3. Number and percentage of key Department staff who have completed National Incident Management System (NIMS) awareness training course
4. Number of agencies, organizations, and other entities reporting to the Department's electronic disease surveillance system (MEDSIS)
5. Percentage of diseases that are tracked using MEDSIS

DHS is prepared to supplement the measures above with some or all of the following performance indicators. Note that under each performance measure, the performance area to which it pertains is indicated. In most cases, this is more than one area.

1. Percentage of hospitals participating in terrorism preparedness exercises  
→ Reduction, Readiness, Recognition, Response, Recovery
2. Percentage of annually planned terrorism preparedness exercises executed within the annual period  
→ Reduction, Readiness, Recognition, Response, Recovery
3. Number of persons who have received training on bioterrorism and public health emergency response activities  
→ Reduction, Readiness, Recognition, Response
4. Number of rural and urban hospitals, clinics, emergency medical services systems, and poison control centers capable of reporting syndromic and diagnostic data on a 24-hour-a-day, 7-day-a-week basis  
→ Readiness, Recognition, Response
5. Number of hospital laboratories capable of providing laboratory services in response to terrorism or other public emergencies  
→ Readiness, Recognition, Response

6. Percentage of Metropolitan Medical Response Systems (MMRS) with airway management systems  
→ Readiness, Response
7. Number of hospitals communicating the status of their emergency department along with current hospital bed status and unit saturation on the EMS system  
→ Readiness, Response, Recovery
8. Percentage of compliance with surge capacity benchmark requiring 500 surge capacity beds per million residents  
→ Readiness, Response, Recovery
9. Percentage of placement of pharmaceutical caches within Arizona hospitals  
→ Reduction, Readiness, Response
10. Number of hospitals submitting monthly reports on grant fund expenditures.  
→ Readiness
11. Completion of plan to provide oral medications to cities based on population  
→ Reduction, Readiness, Response
12. Percentage of program recipients with communications connectivity  
→ Reduction, Readiness, Recognition, Response, Recovery
13. Number of trained volunteers to assist in state and local public health emergencies  
→ Reduction, Readiness, Recognition, Response
14. Percentage of at-risk populations able to communicate with the public in an emergency event  
→ Reduction, Readiness, Recognition, Response, Recovery
15. Number of public health and emergency response professionals on the Arizona Health Alert Network (AZHAN)  
→ Reduction, Readiness, Recognition, Response
16. Percentage of staff hired and trained in methods to analyze specimens to detect cyanide in blood and metals in urine as directed by CDC  
→ Readiness, Recognition, Response
17. Percentage of Arizona sentinel laboratories trained on rule-out testing for detection of select biological agents in clinical samples  
→ Reduction, Readiness, Recognition, Response
18. Number of agencies, organizations, and other entities reporting to the Department's electronic disease surveillance system (MEDSIS)  
→ Reduction, Readiness, Recognition, Response
19. Number of program recipients submitting monthly reports on grant fund expenditures  
→ Readiness

20. Number of program recipients submitting an annual smallpox plan  
→ Reduction, Readiness, Recognition, Response, Recovery

DHS is already collecting data for these measures. In coming months, the specific measures may be refined and/or consolidated as necessary to best reflect the Department's performance. However, pending approval of the Department's request for the creation of the new Emergency Preparedness and Response subprogram, no mechanism exists by which these performance measures are currently reported.

**Recommendation** – In consultation with JLBC staff, OSPB will work with DHS to implement the requested Subprogram entitled “Emergency Preparedness and Response” for future reporting in the Master List and Five Year Strategic Plan under Public Health. Subsequently, performance measures identified by DHS in collaboration with the CDC and HRSA, examples of which are listed above, should be added to the Master List of Government Programs and the agency's future Five Year Strategic Plans under Public Health.

**The State Laboratory scientists maintain their skills in readiness and recognition of threats by completing state and federally mandated testing, and through the establishment of many partnerships with other entities, both public and private, in Arizona.** In fulfillment of its mission, the State Laboratory houses both State and Federal (CDC and Food and Drug Administration [FDA]) scientists. It is crucial for both types of lab scientists to maintain up-to-date knowledge about, and experience with, biological threats. Likewise, the lab must have the capacity to handle “surges” such as a Severe Acute Respiratory Syndrome (SARS), Avian Flu, or the anthrax scare after 9/11, during which over 900 samples were tested. Scientists perform required proficiency testing on a routine basis to demonstrate competency, work with CDC and FDA to validate new testing technologies, and are required to be available for emergency testing.

Most scientist positions are State appropriated FTE positions, supported by federal grants such as the Food Emergency Response Network from the FDA and the Bioterrorism Preparedness grant from CDC. Only four Laboratory FTE positions are CDC employees. Time permitting, the CDC scientists participate in state-coordinated cross training on a strictly voluntary basis. State scientists focus primarily on actual perceived threats, while CDC employees concentrate on routine tests mandated by the federal government.<sup>5</sup> State scientists funded by federal grant monies are required to perform certain tests in order to comply with the federal grants.

In addition to routine testing, the partnerships in place between the lab and other authorities maintain and improve the skill level of scientists. These partnerships allow for enhanced capabilities without compromising DHS' federal funding streams.<sup>6</sup> DHS currently has the following partners among state agencies, who submit samples regularly to the laboratory for examination:

1. Arizona Department of Environmental Quality (ADEQ): the State Laboratory now receives additional samples for clean metals testing, etc. from DEQ

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<sup>5</sup> i.e. food and water supply, and other [classified] tests.

<sup>6</sup> limitations imposed by the Lab's grantors (CDC and HRSA), restrict how federally funded FTE may spend their time.

2. Arizona Department of Transportation (ADOT)
3. Arizona State University, University of Arizona, and Northern Arizona University
4. Arizona Department of Agriculture (ADA): the Lab is currently investigating collaborations on the FERN Cooperative agreement with ADA
5. Arizona Radiation Regulatory Authority (ARRA)
6. University of Arizona (UofA) Veterinary Laboratory: Early in 2006, DHS expects the newly constructed BSL-3<sup>7</sup> Veterinary Laboratory to become part of CDC's Laboratory Response Network, and the State will then be able to use the lab to screen for biological threat agents.
7. DPS Crime Laboratory

Today, continued and increased threat levels require further development of the lab's capacity. Thus, the laboratory is currently in the process not only of expanding existing partnerships with other state agencies, but is also developing "Memorandum of Understanding" agreements with neighboring states to address surge capacity issues.

In addition to these partnerships, DHS has internal systems in place that reduce response time in the case of a threat. DHS's Office of Border Health, located in Tucson, obtains samples and produces results faster than if samples obtained from that region (including the border) were sent to the lab in Phoenix, allowing, for example, rapid prophylactic treatment of individuals that may have been exposed to a rabid animal.

**DHS tracks the procurement, maintenance, and replacement of highly sensitive and specialized Public Health Response and Bioterrorism related equipment.** The first priority in Public Health Response is the detection and communication of threats. Without these capabilities, response and recovery have little meaning. The State Laboratory is equipped to provide this type of intervention. The newly designed laboratory, which contains the bulk of DHS's bioterrorism equipment, opened in May of 2004 (end of FY2004). Since that time, DHS has carefully implemented systems for the procurement, maintenance, and replacement of such sensitive, expensive equipment.

First, regarding procurement, according to the Roadmap, "...the State should not have to invest millions of dollars for technology and equipment that is only used in the event of a terrorist attack" (see Executive Summary). However, in order to equip the new lab, DHS received some State (Certificate of Participation [COP]) FY2005 funds for the purchase of equipment.<sup>8</sup> However, since the lab's opening, in most cases, BT equipment has been purchased with federal funds. When federal funds are used, the agency is not currently required to justify equipment expenditures, as they would be with State funds. However, DHS carefully documents and tracks equipment expenditures in the State Laboratory, and then routinely inventories equipment, identifying the life span and value of each.

Once the BT equipment is procured, maintenance issues must be considered. Due to Arizona's procurement code, DHS could not use the original COP appropriation to purchase maintenance

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<sup>7</sup> i.e. Bio-Safety Level, with 1 the lowest and 4 the highest ratings.

<sup>8</sup> Much of DHS's public health preparedness equipment is valued individually at over one hundred thousand dollars. Some equipment is customized according to Arizona's specific needs.

service agreements for Lab equipment. Because of this, DHS used grant money whenever possible<sup>9</sup> to protect its equipment with one-year warranties. These warranties are expected to expire beginning in FY2006, and the agency is facing the significant challenge of maintaining the equipment purchased several years ago. Most equipment is now so complex (e.g. the thermal cyclers/DNA sequencers) that routine service is required to ensure the integrity of tests results. Further, regular maintenance is required pursuant to the Clinical Laboratory Improvement Act (CLIA) 88 relevant to testing of clinical patient samples.

Over time, as equipment becomes obsolete and/or testing methods improve (i.e. in terms of speed and accuracy) nationwide, equipment in the lab requires upgrading and/or replacement, usually on a three to five year cycle. Sensitive medical equipment often has an actual “expiration date,” after which it can no longer be safely used. Further, much like any other technology, instruments become outdated, and thus replacement parts are no longer available, and/or manufacturers will no longer provide service warranties.

The Roadmap, as mentioned previously, suggests that efficiencies should be sought in the use of bioterrorism equipment. Bioterrorism and chemical terrorism testing equipment, when not in use for federally funded activities such as emergency testing and competency training, is in fact utilized for state funded activities. DHS documents these types of activities. The amount of routine State testing that may be performed, however, is restricted to the degree that the equipment must be available and functional for real-life emergencies. Further, the use of lab equipment by other state agencies is not realistic for several reasons. The majority of instruments used for both biological and chemical testing are fine tuned to test for certain analytes; thus, the modification of instruments for other analytes is not always feasible. The use of these instruments also requires extensive training, so operators from other agencies would require training by the vendor, at a cost to the other agency. Additionally, due to the Lab’s secure status, visitors require an escort, and/or security clearance background checks before entering certain areas. Thus, all points above considered, the type of waste the Roadmap advises against is not currently occurring, nor is likely to occur in the future.

**Recommendation** - OSPB recommends that DHS provide to JLBC and OSPB each year on July 1 a report reflecting the inventory of equipment purchased with federal funds, which the Department already completes each year between the months of March and June. The Department shall determine the most appropriate way to present the report, based upon infrastructure already in place for reporting to AFIS and the emergency preparedness database, so as to avoid duplicative efforts. However, OSPB recommends that this report shall, at a minimum, include:

1. Useful life of equipment (replacement timeline)
2. Original cost and funding source
3. What vendor the equipment was purchased from
4. Dollar value
5. Shipping costs

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<sup>9</sup> The warranty is eligible to be funded from the grant only if the equipment was purchased from the grant and is predominantly used in testing specified by that grant

6. Depreciation
7. A list of tests performed on equipment

**Public Health and Bioterrorism Response is properly located within DHS.**

**Recommendation** - DHS should retain the authority for bioterrorism programs and funding if a State Homeland Security agency is authorized in statute.

While OSPB recommends providing statutory authority to the Governor's Office of Homeland Security (see above), consolidating DHS's related programs into the new agency would not best serve Arizona.

In addition to the fact that DHS is assigned the responsibility for public health in Arizona (A.R.S. §36-132) as well as response during a public health emergency (A.R.S. §36-787), there are practical reasons why the agency should retain the authority for public health preparedness and bioterrorism, as follows.

1. DHS does not receive any of the funds distributed by the Office of Homeland Security; federal bioterrorism monies (CDC/HRSA) support all related DHS programs (see "Program Funding," above). Because their revenue streams are separate, merging the programs into OHS would not automatically eliminate inefficiencies.
2. Public health programs, and in particular bioterrorism, cannot be moved either physically or operationally out of DHS without disrupting their ability to serve the public and requiring significant investment of State funds. For example, the testing performed at the State Lab requires very specific environmental conditions;<sup>10</sup> relocation would require a customized facility. Further, DHS does not have sufficient space in its current location to house non-CDC/HRSA employees. To date, DHS has been successful in coordinating with other agencies from its current location.

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<sup>10</sup> i.e. temperature control, negative pressure, etc.

## Appendix A

### Az Homeland Security Accomplishments

February 16, 2005

**-Governor Napolitano was the first in the country to publish a State homeland security strategy in April 2003—contained 10 action items for immediate development and implementation.**

**-State has completed or significantly advanced all 10 items.**

**Action Item 1: Appoint a Homeland Security Director.** Done. Appointed Frank Navarrete in Feb 03; created Arizona Office of Homeland Security (AOHS).

**Action Item 2: Update Emergency Response and Recovery Plan.** Done. State plan updated and signed by Governor Feb 2004.

**Action Item 3: Facilitate Multi-agency Coordination During Critical Incident Response.** Significant Progress. During ORANGE alert periods, established formal protocols for state agencies and departments and communicated regularly with first responder leaders throughout the state. AOHS, through the AZ Dept of Emergency Management (ADEM), is implementing National Incident Management System—national standard for incident response.

**Action Item 4: Statewide Radio Interoperability.** Significant Progress. ADEM fielded interoperability systems in the 4 border counties—enables first responders using different systems to talk to one another; contractor selected to assess and develop appropriate system(s) for remaining counties—goal to accomplish in 2005; also fielded 3 mobile communications vans with plans for 3 additional—provides on-scene interoperability for first responders in each of 5 state homeland security regions; creation of Public Safety Communications Advisory (PSCC) Commission will provide statewide standards and integrate communications planning for entire state—AOHS has already incorporated PSCAC into state planning and grant processes.

**Action Item 5: Statewide 2-1-1 System.** Significant Progress. Vendor selected for Phase I web-based system. AOHS-Government Information Technology Agency (GITA)-Arizona Health Care Cost Containment System (AHCCCS) partnership to field Phase I system by April 2005—will link citizens with public/private health and human services during disasters and day-to-day ; Phase II, call centers, planning is ongoing.

**Action Item 6: Statewide Integrated Justice System.** Some Progress. Laptop wireless database access to the Arizona Criminal Justice Information System (ACJIS) for field officers successfully completed in Mohave, Pinal, Pima and Graham counties; testing underway in Yavapai County and at Surprise PD. Pinal County piloting program to connect Sheriff's Offices statewide. Electronic Disposition study completed by Northrop--automated process for initiating, tracking and managing criminal charges from booking through sentencing; will require estimated \$8 million to move forward.

**Action Item 7: 24/7 Intelligence/ Information Analysis Center. Done.** Governor cut the ribbon on the Arizona Counter Terrorism Information Center (ACTIC) on Oct 19, 2004—recognized nationally as one of two best practices.

**Action Item 8: Statewide Disease Surveillance System. Significant Progress.** Arizona DHS has implemented MEDSIS--secure electronic disease reporting by hospitals and “real-time” system access by all county health departments. Next phase deploys modules for other biological agents and other diseases. Involves replacement of existing surveillance system and the receipt of electronically transmitted results from laboratories.

**Action Item 9: Border Coordination Officer. Done.** AOHS created SW Border Specialist position; regularly coordinates all border issues with stakeholders at every level, and provides primary liaison with federal agencies and departments involved with border security and commerce.

**Action Item 10: Homeland Security Funding Strategy. Significant Progress.** AOHS published 2004 State Homeland Security Strategy that addresses integrated process for assessing and meeting state homeland security requirements. **Governor announced regional strategy—created 5 homeland security regions** to maximize use of limited resources to fill needs on a regional basis.

**-State conducted two statewide WMD exercises to test first responder and incident management capabilities. Nov 03 in Nogales Mexico; Nov 04 in Western Counties. Included participation with Mexican first responder partners.**

**-Arizona Emergency Management Program received national accreditation from Emergency Management Accreditation Program (EMAP)—national accreditation program; one of the first states to achieve full certification (state meets all national standards for emergency response and recovery).**

**-Governor appointed five Homeland Security Regional Advisory Councils—all have met and completed regional homeland security strategies. Councils have developed regional priorities and are reviewing regional projects/programs and making recommendations to Director AOHS for approval.**

**-Governor recognized special challenges in integration of tribal nations in HS effort—appointed a tribal liaison to Office of Homeland Security, and included tribal rep on each Regional Council.**

**-Governor led efforts with Arizona Mexico Commission and Border Governors Conference to establish homeland security working group focused on creating interoperability with Mexican counterparts at first responder level; Arizona provided equipment and training support to Mexican first responders in border cities in 2004 to enhance security of Az border communities.**

**-Governor signed memorandum of understanding with Governor Richardson, New Mexico, in Feb 2004 to share unclassified intelligence information. Ongoing negotiations with California and Texas.**

-Implemented **intrastate mutual aid agreement**; provides mechanism for counties to exchange resources during times of disaster; next step include cities, town, tribes.

-State **won competitive Information Technology Evaluation Program award** for multi-agency project, involving public and private sector stakeholders, to develop wireless communications capability in southern Arizona for critical portion of the CANAMEX corridor.

-Partnered with Arizona State University to establish an **alternate state Emergency Operations Center at ASU East**; **partnered with APS to establish direct communications links between all county emergency operations centers**—next step will link all Az National Guard armories.