TO: All State Administrative Agency Heads
All State Administrative Agency Points of Contact

FROM: C. Suzanne Mencer
Director

SUBJECT: Additional Guidance on Obligation of Critical Infrastructure Protection Funds to Local Units of Government.

The Office for Domestic Preparedness has recently received requests from several SAAs seeking clarification on obligation of Critical Infrastructure funds to local units of government for FY 2003 State Homeland Security Grant Program Part II (SHSGP II) and FY 2004 State Homeland Grant Program (HSGP).

As noted in the FY 2003 SHSGP II solicitation guidance, 50% of funds from the Critical Infrastructure Protection (CIP) allocation must be obligated to local communities. States were required to certify in a faxback worksheet that funds were obligated to local jurisdictions within 45 days of the grant award date. If states have already obligated 50% of funds, then they have met the obligation requirement. If at least 50% of CIP funds have not been obligated to local jurisdictions, SAAs must complete these obligations as soon as possible. ODP will be contacting SAAs in the near future to verify compliance in cases where current records do not reflect that at least 50% of funds have been obligated to local jurisdictions.

With regard to FY 2004 HSGP, 80% of funds must be obligated to local units of government within 60 days of the grant award date. States are reminded that if a state chooses to utilize up to 25% of the Law Enforcement Terrorism Prevention Program for periods of DHS-declared heightened threat, the 80% obligation to local units of government still applies.

For the purposes of allocating and obligating CIP funds, states and territories are advised to utilize past budgets and disbursements as guides to help determine expenses for future periods of DHS-declared heightened threat.

Questions may be directed to your ODP Preparedness Officer at (800) 368-6498. Thank you for your continued efforts and cooperation.