



**To: Bay Area UASI Approval Authority**  
**From: Catherine Spaulding, Assistant General Manager**  
**Date: May 9, 2013**  
**Re: Item #4: Hub Funding Allocation**

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**Recommendation:**

Approve the proposed FY13 Hub Funding Allocation

**Attachment:**

Appendix A – FY13 Hub Funding Allocation Powerpoint Presentation

**Discussion:**

In the past, the Bay Area UASI has used FEMA’s funding formula to guide the portioning of grant dollars among the four hubs using risk criteria. Now that FEMA has released the FY13 formula, we can propose hub allocation percentages for the FY13 grant.

The proposed hub percentage allocations for FY13 are virtually the same as last year. However, there are now more recent data to input into the formula, and so there are very slight changes to the percentages among the hubs. Jason Carroll from Digital Sandbox will walk you through the calculations. His presentation is included as Appendix A.

I would like to thank Digital Sandbox for calculating our hub allocation percentages this year. For the past two years, they have done this for us free of charge, as it is not part of their current contract with the State. Going forward, and starting with the FY14 grant cycle, the Management Team would like to assume responsibility for developing hub funding allocation percentages, and we have asked Digital Sandbox to help transfer this task to the Management Team. This will involve a simplified version of their risk-based formula so that we are able to do the calculations ourselves on an ongoing basis, present this to the Approval Authority for review, and answer questions in detail. We will bring the simplified formula and process to the Approval Authority for consideration sometime before the end of the year.

# APPENDIX A

FY 13 Hub Funding Allocation  
Powerpoint Presentation

# BAY AREA UASI

## Risk and Allocation

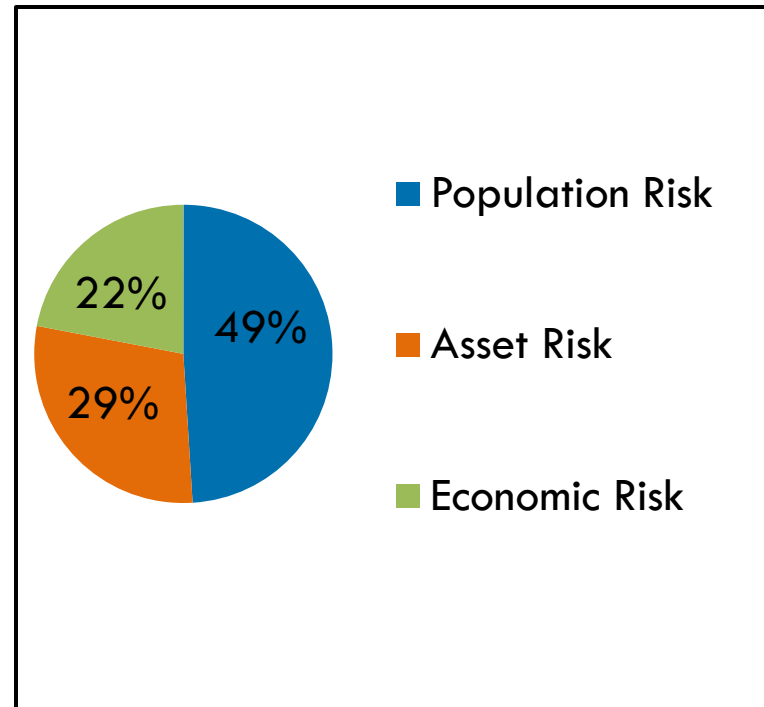
Approval Authority Meeting

May 9, 2013



# Components of Allocation Formula

- Percentage distribution can change depending upon DHS guidance
- For example, a past distribution considered was:
  - 55% Population Risk
  - 25% Asset Risk
  - 20% Economic Risk



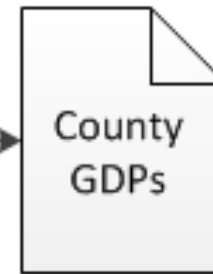
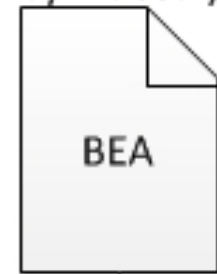
# Economic Risk

- County-level GDP estimates are derived to serve as the measure of economic risk.
- Process includes industry-based income and GDP comparison.
- Source data provided by the U.S. Bureau of Economic Analysis (BEA)

Local Area Income  
by Income Type



GDP for California  
by Industry



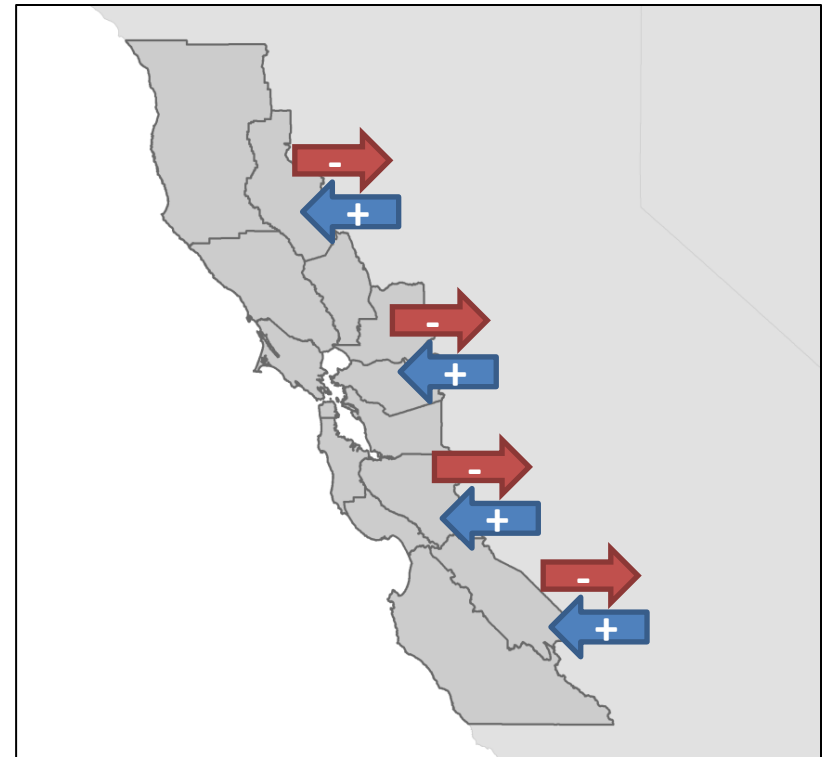
# Asset Risk

- Assets (Net Gain)
  - 1430 in Bay Area UASI
  - All Jurisdictions
  - Ag, Chem, Commercial, Dams, DIB, Emerg Facilities, Govt, Healthcare, IT, Manufact, Transp
- New VHEMPs
  - 84 Lodging Facilities Throughout Region
  - 12 Sonoma
  - 10 Santa Clara
  - 5 San Francisco
  - 4 San Mateo
- ITM Updates



# Population Risk

- Daytime population density
  - U.S. Census estimates
    - Standard census population
    - Subtract outgoing commuters
    - Add incoming commuters
  - Captures population during times when people commute to other places for work
  - Can be large day/night differences in population, especially in urban areas
- Why daytime population?
  - Terrorist attacks focus on causing maximum disruption
  - Typically more disruption during the work day
    - People out & away from home; separated from families
    - Disrupt normal markets and business operations
- The source for commuter data has changed and the updated international visitor data is not publicly available. Therefore, the UASI will use the population risk figures from the 2012 allocation process



# Allocation Formula

## FY 2012 Hub Allocations

Hub	Allocation Percentage	Allocation
East	22.41%	\$1,445,261
North	6.98%	\$450,042
South	26.56%	\$1,712,640
West	44.05%	\$2,840,624
	<b>100%</b>	<b>\$6,448,330</b>

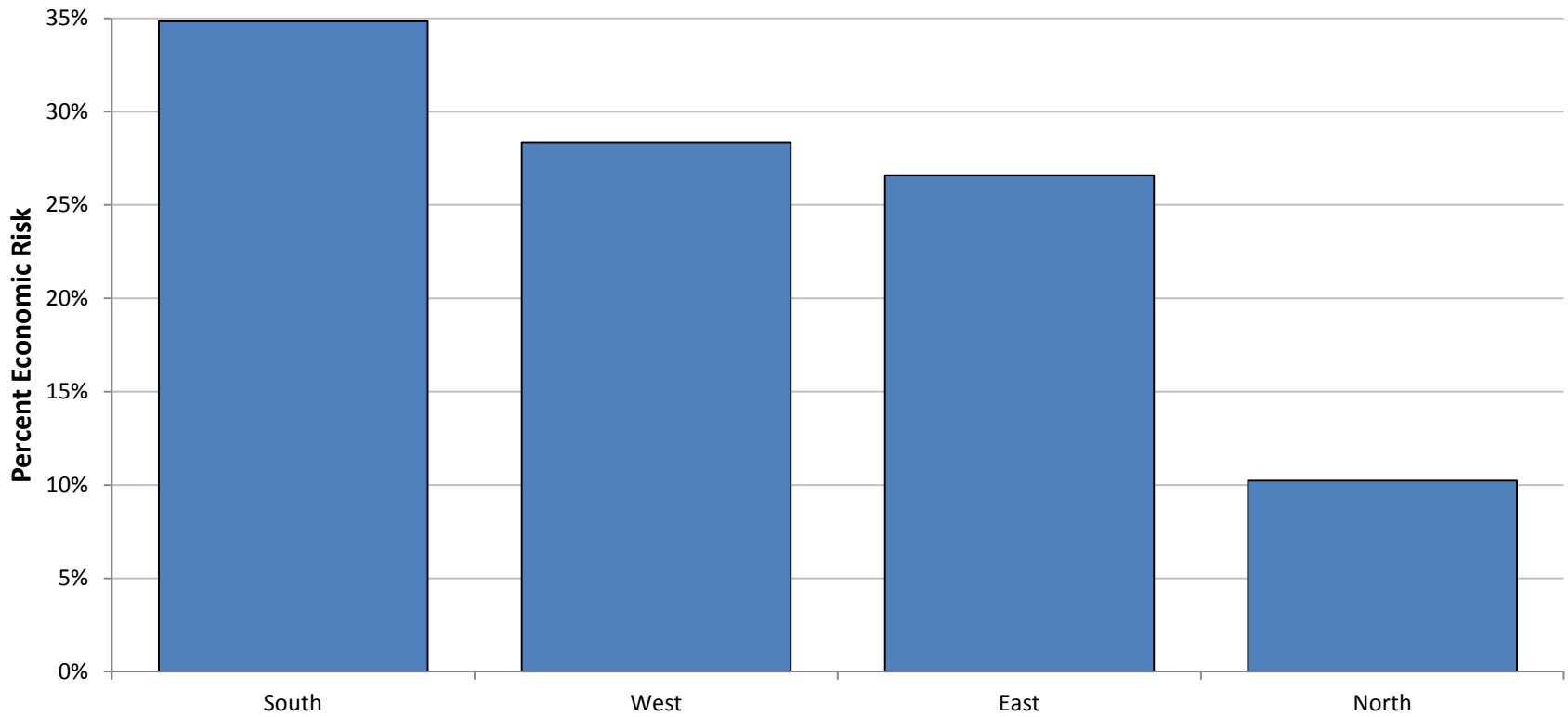
## FY 2013 Allocation: Consistent Population, New Economic, and New Asset Risk

Hub	Allocation Percentage	Allocation
East	22.51%	TBD
North	7.23%	TBD
South	25.67%	TBD
West	44.59%	TBD
	<b>100%</b>	<b>TBD</b>



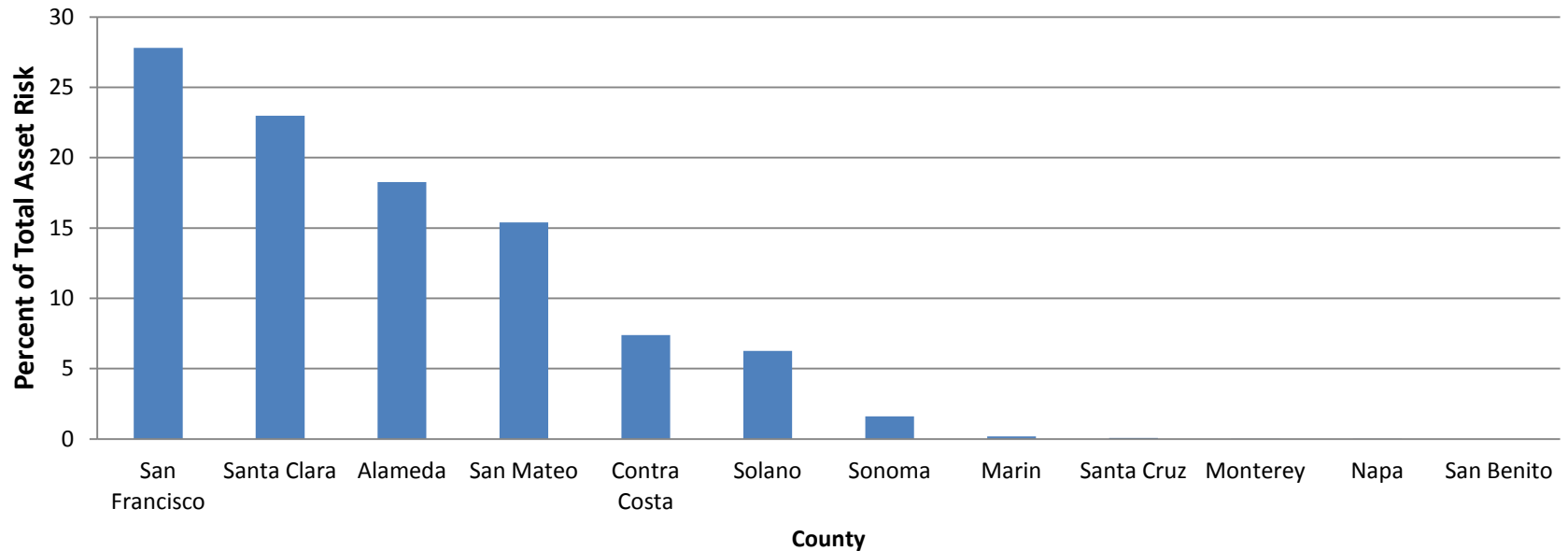


# Economic Risk



# Asset Risk

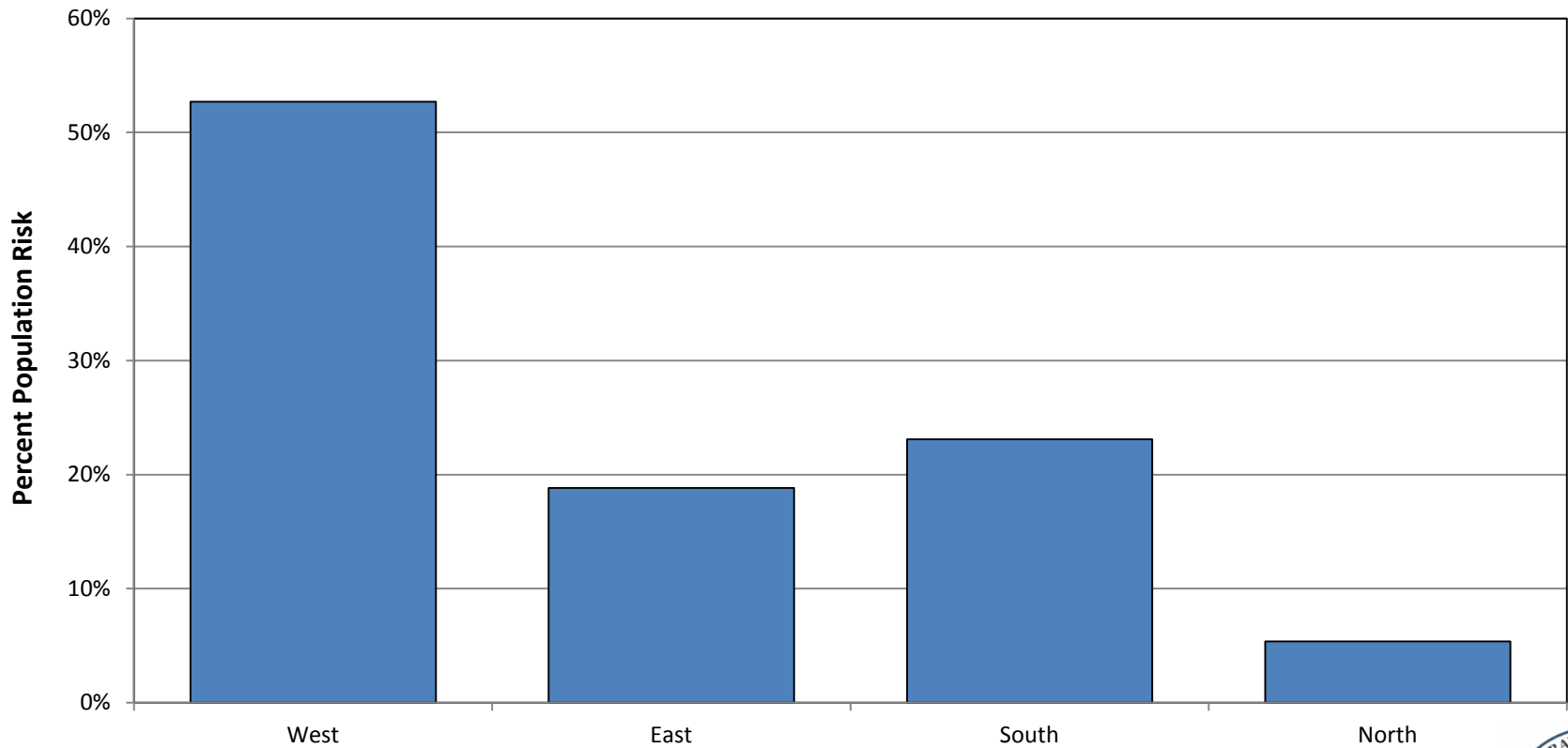
## Asset Risk



- Asset Risk has been updated with data entered through Oct. 5, 2012
- Risk incurred by Oakland and San Jose is incorporated into the county risk result



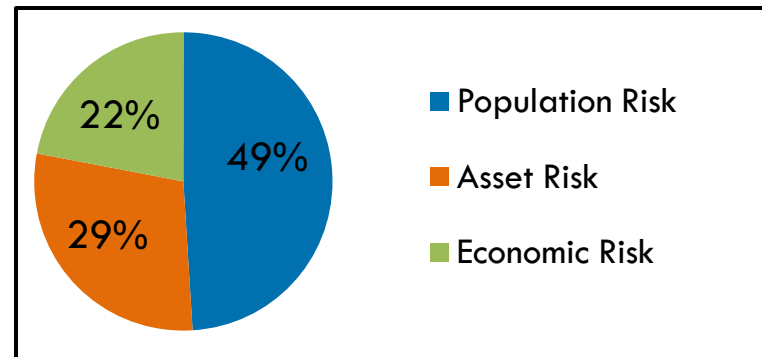
# Population Risk



# Example of Allocation Formula

- Three weighted risk factors are combined to determine a hub's allocation amount. The weights are proposed based on the DHS formula
- For example, a hub may have the following risk scores:
  - 10% of area Population Risk
  - 20% of area Asset Risk
  - 30% of area Economic Risk
- Those scores are combined with the allocation weights to determine an allocation percentage. For our example, this yields  $(10\% * 49\%) + (20\% * 29\%) + (30\% * 22\%) =$  an allocation percentage of 17.3%
- This allocation percentage is applied to the allocation amount, currently \$6.4M, resulting in a \$1.1M allocation to this example jurisdiction

**Current Allocation Weights as Determined by Bay Urban Area**



**Allocation Example**

$$\begin{aligned} & \text{Population Risk: } (10\% * 49\%) \\ & \text{Asset Risk: } +(20\% * 29\%) \\ & \text{Population Risk: } +(30\% * 22\%) \\ & = \text{an allocation percentage of } 17.3\% \\ \\ & \$6.4\text{M} * 17.3\% = \$1.1\text{M} \end{aligned}$$



Thank you.

**BAY AREA UASI**





# Backup



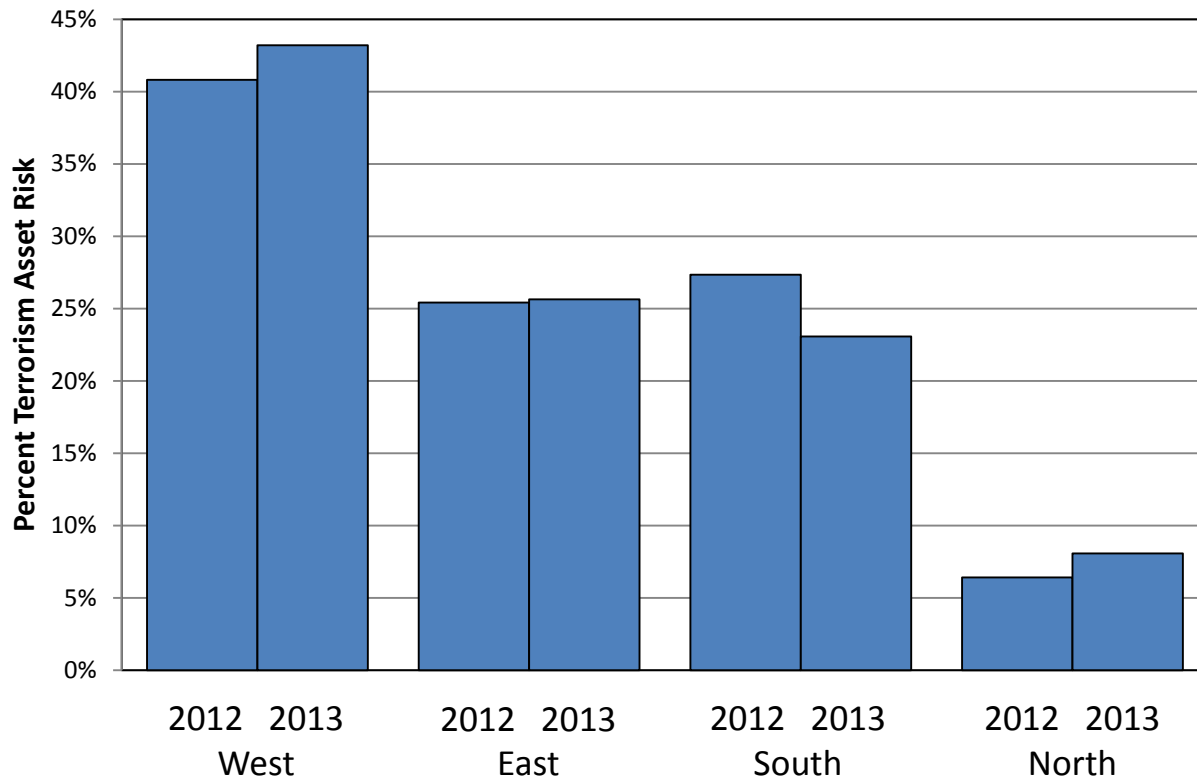


## Next Steps

- Upon Release of Updated Guidance from DHS
  - Update Allocation Formula with FY 2013 Allocation Amounts



# Asset Risk Comparison





# Economic Risk Comparison

