



To: Bay Area UASI Approval Authority
From: Catherine Spaulding, Assistant General Manager
Date: February 9, 2017
Re: Item 4: FY17 UASI Hub Funding Formula

Staff Recommendations:

Approve the proposed FY17 hub funding formula

Action or Discussion Items:

Action

Discussion:

A. Formula

The Bay Area UASI uses DHS' Metropolitan Statistical Area (MSA) risk formula to guide the portioning of grant dollars among the four hubs using risk criteria. We have used the following hub funding formula for the past nine years:

$$\textit{Population risk (49\%)} * \textit{Asset risk (29\%)} * \textit{Economic risk (22\%)}$$

Haystax Technology calculates population risk using census, density, and commuter data; asset risk using threat, vulnerability, and consequence data from the Bay Area UASI asset catalog in Cal COP; and economic risk by using GDP by MSA and industry data from the U.S. Bureau of Economic Analysis.

B. Calculation

Haystax Technology then combines the three weighted risk elements (population, asset, and economic) to determine each hub's overall percentage of risk in the region.

Although the risk formula remains the same as in prior years, there is now more recent data to input into the formula, and so there are slight changes to the risk percentages among the hubs as compared to FY16:

- **Population:** The Management Team refreshes these data on a biennial basis – the next refresh is planned for 2018.
- **Asset:** Jurisdictions refresh asset data on an annual basis as part of the risk management program. However, the primary driver of change in asset risk this year are one-time updates to VHEMP assessments, as presented to the Approval Authority in May 2016. Specifically, the NCRIC reviewed a number of recent VHEMP assessments and made adjustments to ensure a consistent approach as with other high priority assets.
- **Economic:** The Management Team refreshes these data on a biennial basis – the next refresh is planned for 2018.

The table below provides the FY 2017 hub risk allocation percentage results as compared to FY 2016. As always, upon request, the Management Team will be happy to meet with jurisdictions to review in detail the changes that have led to these updates.

| Hub | FY 2016 Allocation Percentage | FY 2017 Allocation Percentage |
|--------------|-------------------------------|-------------------------------|
| East | 24% | 23% |
| North | 8% | 7% |
| South | 25% | 25% |
| West | 43% | 45% |
| TOTAL | 100% | 100% |