

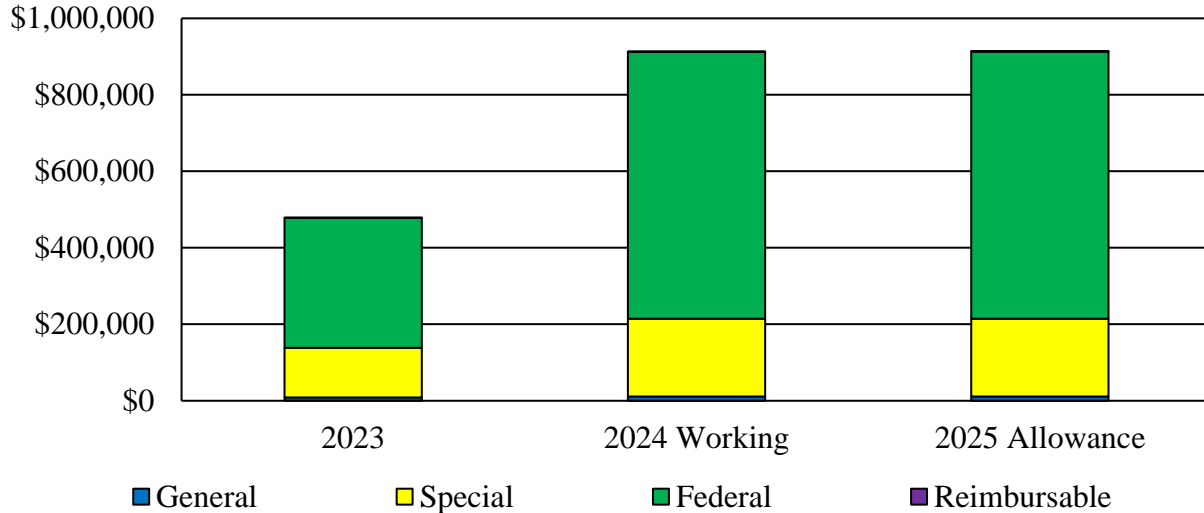
D52
Maryland Department of Emergency Management

Program Description

Chapter 287 of 2021 established the Maryland Department of Emergency Management (MDEM) as an agency by combining the Maryland Emergency Management Agency (MEMA) from the Military Department and the Maryland 9-1-1 Board from the Department of Public Safety and Correctional Services. MDEM is responsible for coordinating federal, State, local, and private resources throughout the State during times of disaster or emergency. MDEM also administers several grant programs supporting local and volunteer emergency service organizations. The Maryland 9-1-1 Board develops policy and provides financial support for the State’s 9-1-1 emergency system through the 9-1-1 Trust Fund. MDEM’s goals are to maintain or improve investment in emergency management functions throughout the State, to assist jurisdictions in enhancing their resiliency to disasters and emergencies, to ensure the emergency manager workforce is prepared to maintain operational readiness, and to provide training and educational opportunities to local jurisdictions.

Operating Budget Summary

Fiscal 2025 Budget Increases \$783,228, or 0.1%, to \$914 Million
 (\$ in Thousands)



Note: The fiscal 2024 working appropriation includes deficiencies. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency’s budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

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Fiscal 2024

Proposed Deficiency

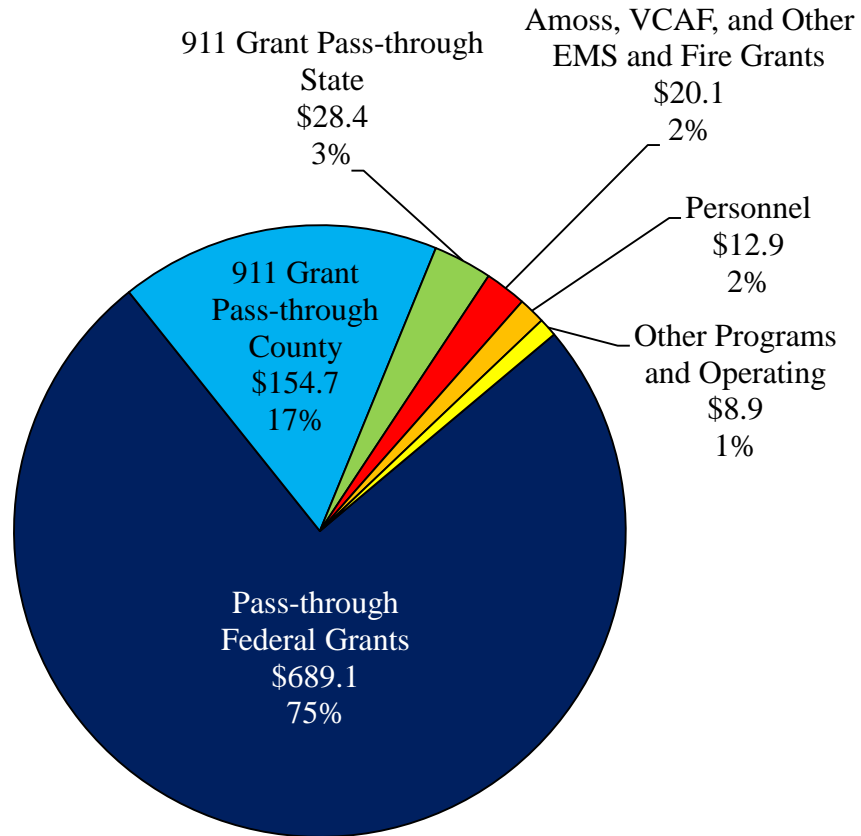
The fiscal 2025 budget includes a fiscal 2024 deficiency appropriation of \$500,000 in general funds for costs associated with the relocation of MDEM headquarters from the Reisterstown location it held while under the Military Department to a new office space in Hanover. The MDEM headquarters building at the Camp Fretterd Military Reservation was constructed in calendar 2001, before MEMA was reorganized under MDEM. The building was designed for a staff of only 39 positions, while the agency's programs and responsibilities have greatly expanded in recent years. The fiscal 2025 allowance includes 107 regular positions, and MDEM anticipates adding additional staff for the new State Disaster Recovery Division.

A plan for renovation of the Camp Fretterd headquarters building was estimated to cost a total of \$21.2 million, and initial funding was provided for design work in fiscal 2023. However, the project experienced delays in the permit waiver and procurement processes, and MDEM ultimately decided to rent new office space rather than move forward with renovation. Rent for the new location in Hanover will cost approximately \$12.5 million over 10 years.

Fiscal 2025 Overview of Agency Spending

The fiscal 2025 allowance for MDEM totals \$914 million. As shown in **Exhibit 1**, federal pass-through grants continue to occupy the largest share of the budget at 75%, or \$689.1 million. Grants supported with 9-1-1 surcharge revenue comprise county and State shares of \$154.7 million (17%) and \$28.4 million (3%), respectively. Smaller grant and loan programs for fire and emergency medical services account for 2% of the budget, at \$20.1 million. The remaining \$21.8 million, or 3%, of the budget includes personnel and other operating costs.

Exhibit 1
Overview of Agency Spending
Fiscal 2025 Allowance
(\$ in Millions)



Amoss: Senator William H. Amoss Fire, Rescue, and Ambulance Fund
EMS: emergency medical services
VCAF: Volunteer Company Assistance Fund

Note: Other EMS and Fire grants include a new State grant for Local Cybersecurity Support. The fiscal 2025 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Department of Budget and Management

Exhibit 2 shows the federal fund sources contributing to the \$689.1 million for pass-through grants. MDEM's total federal fund appropriation is approximately \$9.7 million greater than the amount dedicated to grants. These funds are mostly spent on regular and contractual personnel, at \$8.6 million, with the remaining \$1.1 million distributed across a variety of other operational expenses.

Exhibit 2
MDEM Federal Funding by Source
Fiscal 2025 Allowance
(\$ in Millions)

<u>Federal Fund Source</u>	<u>Allowance</u>
Disaster Grants – Public Assistance for Presidentially Declared Disasters	\$671.6
Nonprofit Security Grant Program	9.1
Homeland Security Grant Program	8.5
Emergency Management Performance Grant Program	6.5
Hazard Mitigation Grant Program	2.2
Building Resilient Infrastructure and Communities Pre-disaster Mitigation	0.3
Interagency Hazardous Materials Public Sector Training and Planning Grants	0.2
Community Assistance Programs-state Support Services Element	0.1
Flood Mitigation Assistance	0.1
Complex Coordinated Terrorist Attack (Preparing for Emerging Threats and Hazards)	0.1
Total	\$698.7

MDEM: Maryland Department of Emergency Management

Note: All listed grants are managed at the federal level through the Federal Emergency Management Agency

Source: Department of Budget and Management

Proposed Budget Change

Exhibit 3 outlines fiscal 2025 budget changes totaling a net increase of \$783,228, or 0.1%, from the fiscal 2024 working appropriation, after accounting for a deficiency appropriation to support the MDEM headquarters relocation. The fiscal 2025 budget includes an increase of \$2.2 million for the annualization of rent costs at the new office space. Other increases include \$2 million for the new State Disaster Recovery Fund established in Chapter 549 of 2023, along with the costs of new vehicle purchases and conversions of existing contractual full-time equivalent (FTE) positions to regular positions. These increases are partially offset by a decrease of \$3.6 million for the one-time fiscal 2024 appropriation for the Local Cybersecurity Support Fund.

Exhibit 3
Proposed Budget
Maryland Department of Emergency Management
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2023 Actual	\$8,585	\$129,884	\$339,792	\$782	\$479,043
Fiscal 2024 Working Appropriation	11,261	203,250	698,262	574	913,346
Fiscal 2025 Allowance	<u>11,443</u>	<u>203,523</u>	<u>698,633</u>	<u>531</u>	<u>914,129</u>
Fiscal 2024-2025 Amount Change	\$182	\$273	\$371	-\$43	\$783
Fiscal 2024-2025 Percent Change	1.6%	0.1%	0.1%	-7.4%	0.1%
Where It Goes:					<u>Change</u>
Personnel Expenses					
Salaries, fringe benefits, and turnover for 10 contractual conversions.....					\$944
Salary increases and associated fringe benefits including fiscal 2024 COLA and increments					242
Turnover adjustments (increase from 8.26% to 9.38%)					-105
Other Changes					
Annualization of rent costs for headquarters relocation					2,150
State Disaster Recovery Fund established in Chapter 549 of 2023					2,000
Two vehicle purchases for MDEM administration and the 911 Board					113
State cost allocations					69
700-megahertz Radio System Operating Costs					6
Moving expenses and audiovisual design at new location in fiscal 2024					-80
Audio-Visual Equipment purchases in fiscal 2024.....					-70
Compensation and benefits for 10 converted contractual positions					-897
One-time fiscal 2024 general fund appropriation for the Local Cybersecurity Support Fund.....					-3,600
Other					10
Total					\$783

COLA: cost-of-living adjustment

MDEM: Maryland Department of Emergency Management

Note: Numbers may not sum to total due to rounding. The fiscal 2024 working appropriation includes deficiencies. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency’s budget.

State Disaster Recovery Division

Chapter 549 established the State Disaster Recovery Fund, administered by MDEM, for the purpose of providing disaster recovery assistance to local governments and individuals when federal disaster declaration circumstances and related funding are not applicable. The fiscal 2025 allowance includes \$2 million in general funds under a new State Disaster Recovery Division overseeing the fund. MDEM reported that it was working with local partners to develop a needs assessment that will guide grant allocations.

Infrastructure Investment and Jobs Act

A number of grant programs funded through the federal Infrastructure Investment and Jobs Act (IIJA) are administered through the Federal Emergency Management Agency (FEMA) and a State or local emergency management entity for use by a State agency or as pass-through grants to local entities, businesses, and individuals. Language in the fiscal 2024 Budget Bill required the Department of Budget and Management to submit quarterly updates including a brief description of each IIJA-funded opportunity, the amount of federal funding the State is seeking, and the required State match. **Exhibit 4** shows competitive IIJA-funded grants for which MDEM reported receiving an award or submitting applications.

Exhibit 4
IIJA Grant Funding Sought by MDEM
As of November 30, 2023

<u>Grant Description</u>	<u>Status</u> <u>(Nov. 2023)</u>	<u>Amount</u>	<u>Period of</u> <u>Performance</u>	<u>Estimated</u> <u>State Match</u>	<u>% State</u> <u>Match</u>
Safeguarding Tomorrow through Ongoing Risk Mitigation Revolving Loan Fund Program	Pending	\$6,576,543	TBD	\$657,654	10%
Fiscal 2023 SLCGP Grant	Awarded	6,428,016	2023-2027	1,285,603	10-20%
Rehabilitation of High Hazard Potential Dams	Awarded	1,279,408	9/15/2022 – 9/14/2025	688,912	54%

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<u>Grant Description</u>	<u>Status</u> <u>(Nov. 2023)</u>	<u>Amount</u>	<u>Period of</u> <u>Performance</u>	<u>Estimated</u> <u>State Match</u>	<u>% State</u> <u>Match</u>
FFY 2024-2025 Hazardous Materials Emergency Preparedness Grant	Pending	578,458	10/1/2022 – 9/30/2025	115,692	20%
Flood Mitigation Assistance (State Management Costs)	Pending	389,625	TBD	TBD	TBD
FFY 2023-2024 Hazardous Materials Emergency Preparedness Grant	Pending	361,537	10/1/2022 – 9/30/2025	72,307	20%
FFY 2023 Hazardous Materials Emergency Preparedness Grant	Awarded	322,448	10/1/2022 – 9/30/2025	64,490	20%
Building Resilient Infrastructure and Communities (State Management Costs)	Pending	199,033	TBD	TBD	TBD
Building Resilient Infrastructure and Communities	Pending	\$70,000	TBD	TBD	TBD

FFY: federal fiscal year
MDEM: Maryland Department of Emergency Management
SLCGP: State and Local Cybersecurity Grant Program
TBD: to be determined

Source: Department of Budget and Management; Maryland Department of Emergency Management

Personnel Data

	<u>FY 23</u> <u>Actual</u>	<u>FY 24</u> <u>Working</u>	<u>FY 25</u> <u>Allowance</u>	<u>FY 24-25</u> <u>Change</u>
Regular Positions	74.00	97.00	107.00	10.00
Contractual FTEs	<u>35.00</u>	<u>23.00</u>	<u>13.00</u>	<u>-10.00</u>
Total Personnel	109.00	120.00	120.00	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	9.10	9.38%
Positions and Percentage Vacant as of 12/31/23	25.00	25.77%
Vacancies Above Turnover	15.90	

- MDEM began fiscal 2024 with 23 new regular positions, including 6 positions that were primarily to staff the new Cyber Preparedness Unit and fund the chief resilience officer position to lead the new Office of Resilience. The chief resilience officer was appointed by the Governor in November 2023. The fiscal 2024 budget also included 15 contractual conversions and 2 new regular positions for the Office of Resilience. Some of these positions have gradually been filled over the first half of fiscal 2024, while some new vacancies occurred, resulting in a vacancy rate of 25.8% as of December 31, 2023. MDEM reported on January 25, 2024, that 6 vacancies were in the process of being filled. **MDEM should comment on any operational impacts experienced from vacancies in the first half of fiscal 2024.**
- All 10 new regular positions included in the fiscal 2025 allowance are contractual conversions. MDEM reported that it will also be seeking new positions to staff the new State Disaster Recovery Division. **MDEM should discuss the number of positions needed for the State Disaster Recovery Division and the timeline and method for adding new positions for the new program.**

Key Observations

1. Resilient Maryland Revolving Loan Fund

Chapter 644 of 2021 established the Resilient Maryland Revolving Loan Fund (RMRLF) as a special, nonlapsing fund with the purpose of providing low- or no-interest loans for local resilience projects that address mitigation of all hazards, including natural disasters. The fund was formed in anticipation of the State’s application for funding through the FEMA Safeguarding Tomorrow Revolving Loan Fund (STRLF) Program, which was created through the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act of 2021. The Act authorized an appropriation of \$100 million per year for federal fiscal 2022 and 2023 to capitalize revolving loan funds for hazard mitigation assistance nationwide and included a 10% required match of nonfederal funds. However, a funding structure was not determined until the IJA was passed in November 2021, which appropriated \$500 million to cover federal fiscal 2022 through 2026. FEMA was then tasked with developing the associated program and its eligibility criteria and performance requirements.

Maryland’s RMRLF program was established under MEMA at the same time the agency was being reorganized into MDEM, independent from the Military Department, through Chapter 287. The fiscal 2023 budget included \$25 million in pay-as-you-go (PAYGO) general funds paid into the RMRLF to support both the required 10% State match for awarded STORM Act funds as well as for fully State-funded projects. MDEM did not distribute any funding from the RMRLF in fiscal 2023 and reported a closing balance of the full \$25 million appropriation. A provision in the Budget Reconciliation and Financing Act of 2024 would transfer \$5.75 million from RMRLF fund balance to the General Fund.

FEMA development of the STRLF Program took place over calendar 2022, and FEMA eventually issued a Notice of Funding Opportunity on February 1, 2023. MDEM had prepared and engaged in outreach to solicit applications from local governments and emergency management agencies to compile a package of projects for submission to FEMA. The application package included six projects as summarized in **Exhibit 5**. MDEM noted that the number of local applications was not substantial and indicated that the time and expertise required to develop a project proposal and application could have been too costly for some local governments.

Exhibit 5
Resilient Maryland Revolving Loan Fund Project Applications
Calendar 2023
(\$ in Millions)

<u>County</u>	<u>Project</u>	<u>Estimated Total Cost</u>	<u>Requested Loan Amount</u>	<u>Anticipated Start Date</u>	<u>Anticipated End Date</u>
Somerset	Crisfield's City Dock Reconstruction	\$2.5	\$0.25	1/1/2024	3/30/2025
Somerset	Crisfield Storm Infrastructure	50.0	5.0	1/1/2025	3/30/2028
Howard	Historic Ellicott City, Extended North Tunnel – 8600 Main Street	135.0	5.0	9/1/2023	12/1/2026
Howard	Culvert	373.0	5.0	10/1/2023	9/1/2025
Howard	Pond T-1	20.0	5.0	2/1/2025	9/1/2025
Howard	Pond NC-3	9.0	5.0	7/1/2024	3/1/2026
Total		\$589.5	\$25.25		

Source: Maryland Department of Emergency Management

FEMA’s STRLF funding application window closed on April 28, 2023, and MDEM received notice in September 2023 of a total award of \$6.5 million. As of January 25, 2024, MDEM was still awaiting further guidance and documents from FEMA on how the total awards may be distributed. The schedule of funding transfer also remains uncertain. MDEM reported that it would not begin considering a second round of project applications until the first round of funding was finalized. However, MDEM also reported that it was developing a five-year plan for administering the RMRLF and continuing to advise on other disaster and mitigation project funding available. Despite the \$25 million fiscal 2023 closing fund balance and \$6.5 million federal award, the fiscal 2024 working appropriation does not allocate any RMRLF expenditures, and the fiscal 2025 allowance includes only \$234,668.

MDEM should provide an update on the timing of STORM Act funding receipt and on federal funding allocations among local projects, considering the total requested funding was not awarded.

The Department of Legislative Services (DLS) recommends adopting committee narrative requesting a report updating the budget committees on the status of STORM Act funding distribution, technical assistance provided to local governments in developing project applications, project funding applications received from local governments, and special fund revenue and repayment schedules of loans made through the RMRLF.

2. Cybersecurity Preparedness Unit and Local Cybersecurity Support Fund

Chapters 241 and 243 of 2022 established the Cyber Preparedness Unit (CPU) and the Local Cybersecurity Support Fund at MDEM. The fund is intended to provide financial assistance to local governments for improving cybersecurity preparedness. Chapter 241 also set new guidelines for local governments and the State Security Operations Center in their reporting of cybersecurity incidents. At MDEM, this resulted in new administrative personnel and contractual FTE positions. MDEM received 5 new regular positions along with 2 contractual FTEs and associated funding in fiscal 2024 for the new CPU.

A fiscal 2023 deficiency appropriation provided \$6.4 million through the federal State and Local Cybersecurity Grant Program (SLCGP) (funded through the IJJA) and the fiscal 2024 working appropriation includes \$3.6 million in general funds for the new Local Cybersecurity Support Fund at MDEM. The general funds support the federal program's 10% to 20% nonfederal cost share requirement and provide State grants separately from the federal SLCGP program funds. MDEM reported in January 2024 that approximately \$115,000 of the \$3.6 million State share had been expended on developing guidance for completing an investment justification plan, which evaluates the capacity of a grant applicant's jurisdiction to meet the needs of the applicant and is a required component of each grant application. As of January 25, 2024, MDEM expects to issue the local application for funding in February 2024, with a goal of determining awards in May 2024.

The fiscal 2025 budget for CPU and Local Cybersecurity Support Fund administration includes \$583,068 for regular and contractual personnel costs. As of December 31, 2023, there were 2 vacancies out of 5 regular positions budgeted for CPU. These 2 administrative positions were added in fiscal 2024 and had remained vacant since the start of the year. However, as of January 25, 2024, MDEM reported that 1 position had been filled and an offer had been made to a candidate for the second position.

DLS recommends adopting committee narrative requesting a report updating the budget committees on the status of SLCGP funding distribution and use of general funds in the Local Cybersecurity Support Fund, including the distribution of grant applicants and grant awards by jurisdiction and a brief description of each project.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Resilient Maryland Revolving Loan Fund: The committees are interested in the ongoing funding structure planned for the Resilient Maryland Revolving Loan Fund (RMRLF). The committees are also concerned about how local project funding applications are submitted and approved by the Maryland Department of Emergency Management (MDEM). Therefore, the committees request that MDEM submit an update on the status of the RMRLF, including:

- the status of Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act and any other funding contributing to the RMRLF along with the balance of the RMRLF;
- descriptions of activities and communications at and between MDEM and local emergency management departments regarding funding opportunities;
- a list of project funding applications submitted for the next round of STORM Act funding, including total estimated cost and amounts requested for each project and by jurisdiction; and
- the special fund revenue and repayment schedules associated with existing loans made through the RMRLF.

Information Request	Author	Due Date
Report on the RMRLF	MDEM	December 1, 2024

2. Adopt the following narrative:

State and Local Cybersecurity Efforts: The committees are interested in the grant allocation schedule, funding availability, and local application process for the State and Local Cybersecurity Grant Program (SLCGP). As of January 2024, the Maryland Department of Emergency Management (MDEM) expects to open the application process in February 2024 and issue notices of award in May 2024. The committees request that MDEM submit a report providing an update on the status of SLCGP grant allocation, showing federal and general fund allocations separately, including:

- SLCGP grants awarded by jurisdiction and remaining unallocated balance;
- nonfederal match expenditures by use;

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- descriptions of requested projects and requested funding amounts;
- a plan for use of remaining unallocated funds in fiscal 2025; and
- a description of the need for further State-match funding beyond fiscal 2025.

Information Request	Author	Due Date
Status of SLCGP and Local Cybersecurity Support Fund	MDEM	November 1, 2024

Appendix 1
2023 Joint Chairmen’s Report Responses from Agency

The 2023 *Joint Chairmen’s Report* (JCR) requested that MDEM prepare one report. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Mesonet Project Status and Future Budget and Operations:*** The committees were interested in an update on the status of the Mesonet project and funding schedule. The Mesonet is a network of weather and ground moisture monitoring towers that will allow for more accurate weather reading and prediction. The project is in coordination with the National Mesonet Program and in partnership with the University of Maryland, College Park (UMCP). MDEM submitted a report on October 5, 2023, that indicated Phase I, the construction of at least one station in each county and a minimum of 26 total, was delayed in site identification and the securing of land use agreements. MDEM had secured land use agreements in 8 counties and was finalizing agreements in 11 other counties. Equipment for the first 28 stations was received by UMCP in September 2023. The next step, tower installation, was expected to begin before the end of calendar 2023. As of the report submission, MDEM was seeking cost quotes for tower construction. Website development with UMCP was on track toward an operational site by the end of calendar 2023. The fiscal 2025 allowance includes \$1.25 million in general funds to continue the Mesonet project, and the total project timeline has been extended into fiscal 2026.

Appendix 2
Object/Fund Difference Report
Maryland Department of Emergency Management

<u>Object/Fund</u>	<u>FY 23</u> <u>Actual</u>	<u>FY 24</u> <u>Working</u> <u>Appropriation</u>	<u>FY 25</u> <u>Allowance</u>	<u>FY 24 – FY 25</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	74.00	97.00	107.00	10.00	10.3%
02 Contractual	35.00	23.00	13.00	-10.00	-43.5%
Total Positions	109.00	120.00	120.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 7,870,153	\$ 10,170,343	\$ 11,251,874	\$ 1,081,531	10.6%
02 Technical and Special Fees	3,513,491	2,569,567	1,680,465	-889,102	-34.6%
03 Communication	298,514	218,519	224,952	6,433	2.9%
04 Travel	224,286	198,421	198,421	0	0%
06 Fuel and Utilities	47,541	137,284	137,284	0	0%
07 Motor Vehicles	221,228	120,371	235,891	115,520	96.0%
08 Contractual Services	9,367,473	3,321,998	3,378,069	56,071	1.7%
09 Supplies and Materials	55,800	48,812	48,812	0	0%
10 Equipment – Replacement	27,229	80,448	80,448	0	0%
11 Equipment – Additional	29,290	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	454,776,042	892,058,760	890,458,760	-1,600,000	-0.2%
13 Fixed Charges	51,871	121,600	2,634,375	2,512,775	2066.4%
14 Land and Structures	2,559,829	3,800,000	3,800,000	0	0%
Total Objects	\$ 479,042,747	\$ 912,846,123	\$ 914,129,351	\$ 1,283,228	0.1%
Funds					
01 General Fund	\$ 8,585,339	\$ 10,760,518	\$ 11,442,740	\$ 682,222	6.3%
03 Special Fund	129,883,713	203,249,736	203,522,792	273,056	0.1%
05 Federal Fund	339,791,522	698,262,112	698,632,727	370,615	0.1%
09 Reimbursable Fund	782,173	573,757	531,092	-42,665	-7.4%
Total Funds	\$ 479,042,747	\$ 912,846,123	\$ 914,129,351	\$ 1,283,228	0.1%

Note: The fiscal 2024 appropriation does not include deficiencies or across-the-board reductions. The fiscal 2025 allowance does not include cost-of-living adjustments.