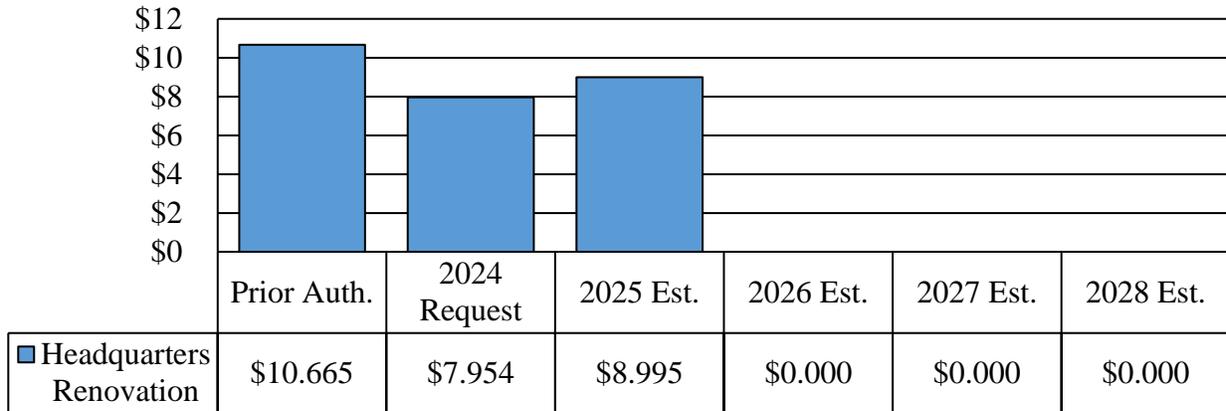


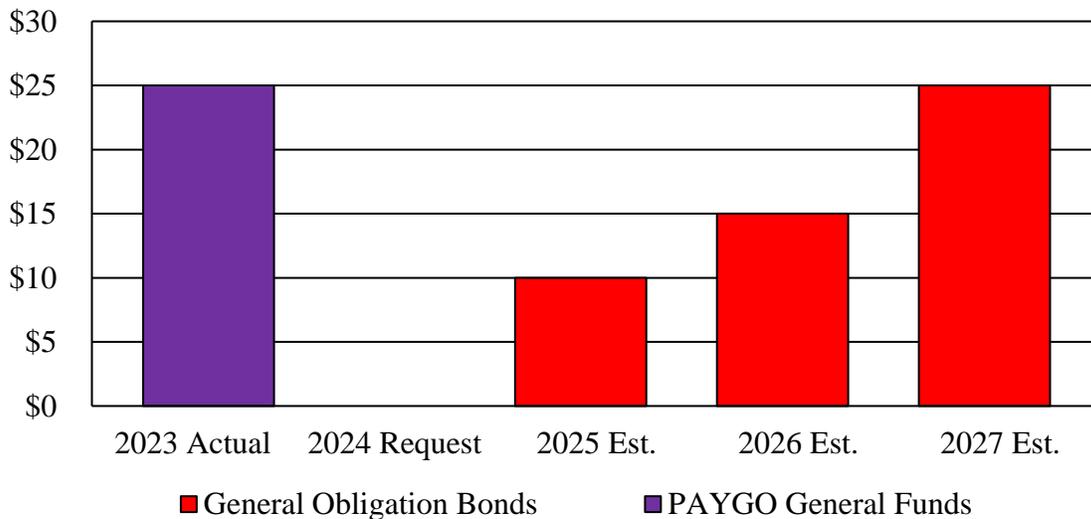
DA01
Maryland Department of Emergency Management – Capital

Capital Budget Summary

State-owned Capital Improvement Program
(\$ in Millions)



Grant and Loan Capital Improvement Program
(\$ in Millions)



PAYGO: pay-as-you-go

Note: The fiscal 2023 capital budget bill included a provision deauthorizing \$25.0 million of general obligation bond funds authorized in fiscal 2022 to capitalize the Resilient Maryland Revolving Loan Fund, fully replaced with general funds.

Source: Department of Budget and Management

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Key Observations

- ***The Resilient Maryland Revolving Loan Fund (RMRLF):*** The issuance of loans through the RMRLF was delayed contingent on the schedule of federal funding. The federal deadline for the Safeguarding Tomorrow Through Ongoing Risk Mitigation (STORM) Act funding applications is now April 28, 2023. Given legislative interest in grant funding per county, the Department of Legislative Services (DLS) recommends committee narrative requesting a report on applications for RMRLF loans.

GO Bond Recommended Actions

1. Approve all general obligation bond authorizations and preauthorizations for the Maryland Department of Emergency Management.
2. Adopt the following narrative:

Resilient Maryland Revolving Loan Fund (RMRLF) Applications: The committees are interested in the nature, cost, and distribution of projects for which the provision of funding is being considered through the RMRLF. The fund is structured according to guidance outlined in the federal Safeguarding Tomorrow Through Ongoing Risk Mitigation Act of 2021, which requires each application to include a project proposal that assesses vulnerabilities and how the project will be designed to address them. Given that such application materials will be collected for the purpose of processing federal funding, the committees request that the materials be compiled into a single report for submission.

Information Request	Author	Due Date
RMRLF applications	Maryland Department of Emergency Management	October 1, 2023

Summary of Fiscal 2024 Funded State-owned Projects

Headquarters Renovation and Expansion

Project Summary: This project renovates and constructs an addition to the Maryland Department of Emergency Management (MDEM) Headquarters building at the Camp Fretterd Military Reservation in Reisterstown. The facility will include updated agency office and support spaces, the State Emergency Operations Center, and the Maryland Joint Operations Center.

Projects	Prior Auth.	2024 Request	2025 Est.	2026 Est.	2027 Est.	2028 Est.	Beyond CIP
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Headquarters Renovation and Expansion	\$10.670	\$7.950	\$9.000	\$0.000	\$0.000	\$0.000	\$0.000
Total	\$10.670	\$7.950	\$9.000	\$0.000	\$0.000	\$0.000	\$0.000

Fund Source	Prior Auth.	2024 Request	2025 Est.	2026 Est.	2027 Est.	2028 Est.	Beyond CIP
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GO Bonds	\$1.580	\$7.950	\$9.000	\$0.000	\$0.000	\$0.000	\$0.000
General Funds	9.090	0.000	0.000	0.000	0.000	0.000	0.000
Total	\$10.670	\$7.950	\$9.000	\$0.000	\$0.000	\$0.000	\$0.000

- Need:** Since the construction of the facility in calendar 2001, MDEM has taken on a variety of additional responsibilities and outgrown the aging space. Originally planned for 39 personnel, current staffing exceeds 94 personnel, which also impacts the ability of the facility to accommodate additional personnel when activated for an emergency response. Spaces originally designed as sleeping quarters were repurposed as office space; therefore, personnel working during periods of activation must be lodged at nearby hotels. Poor roofing and groundwater infiltration has resulted in the presence of mold in the HVAC system, raising health concerns for the personnel working at the facility. Once completed, the renovated and expanded facility will enable MDEM to respond to emergency events more efficiently and support an annual program of training, conferences, and exercises.
- Project Status and Schedule:** There was a delay in sign off on Maryland Department of the Environment (MDE) permit waivers and the Department of General Services (DGS) did not receive them until June 2022. Additional delays were related to design work for Electronic Security Systems and delays with DGS Procurement. MDEM reports no changes in the schedule resulting from the establishment of the new offices for cybersecurity and resilience in 2022. An invitation for bid and prebid meetings is scheduled for March 2023, and construction bids are due to DGS on April 1, 2023.

- **Other Comments:** MDEM notes that an upgrade of the audiovisual and communications system was not included in the approved capital program. Replacement of the audiovisual system will allow the cyber and resilience teams to communicate and share information more effectively and recover from incidents more efficiently. The updated equipment list will cost \$3.3 million more than last year’s estimate, which accounts for 74% of the increase over last year’s total estimated project cost.

Budget Overview of Grant and Loan Programs

Resilient Maryland Revolving Loan Fund

Program Description: The RMRLF was established in Chapter 644 of 2021 in response to the passage of the federal STORM Act that went into effect January 1, 2021. The STORM Act authorizes the Federal Emergency Management Agency (FEMA) to provide capitalization grants to states that establish revolving funds for hazard mitigation assistance that reduce risks from disasters and other natural hazards. It also provides a legal framework to states for coordination with FEMA in the management of such funds.

The program will provide low- or no-interest loans to local governments and nonprofit organizations to fund local resilience projects and satisfy the nonfederal match for federal mitigation grants. Local resilience projects will address the mitigation of all hazards, including natural disasters. MDEM intends to accept loan applications throughout the year and award loans at set intervals after a review by a multiagency workgroup. The program has been scoped following the best practices provided by MDE, which manages a Water Quality Revolving Loan Fund.

Fund Sources:						
(\$ in Millions)	2023 Actual	2024 Request	2025	2026	2027	2028
GF	\$25.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
GO Bonds	0.000	0.000	10.000	15.000	25.000	0.000
Total	\$25.000	\$0.000	\$10.000	\$15.000	\$25.000	\$0.000

Fund Uses:						
(\$ in Millions)	2023 Actual	2024 Request	2025	2026	2027	2028
Resilient Maryland Revolving Loan Fund	\$25.000	\$0.000	\$10.000	\$15.000	\$25.000	\$0.000
Total	\$25.000	\$0.000	\$10.000	\$15.000	\$25.000	\$0.000

Shown above, the program received \$25.0 million in general funds in fiscal 2023 to capitalize the fund. Modifications to the federal funding schedule provided by the STORM Act have delayed the issuance of loans through the RMRLF. FEMA released a Notice of Funding

Opportunity on December 20, 2022, to make federal funding available for STORM Act associated revolving loan programs at the state level. On January 27, 2023, FEMA amended the notice to incorporate changes that expanded eligibility. In January 2023, MDEM issued its Notice of Intent to reimburse eligible applicants and set the application window closure for February 17, 2023, while the application deadline posted by FEMA for federal funding is reported to be April 28, 2023. Funding beyond fiscal 2024 is included in the 2023 *Capital Improvement Program*, with \$10.0 million in general obligation bond funding in fiscal 2025, \$15.0 million in fiscal 2026, and \$25.0 million for fiscal 2027 to further capitalize the fund and leverage federal funds.

Loan Distribution: The federal STORM Act provides a legal framework for the management of revolving loan funds that includes specific requirements for eligibility and the application process. The Act states that the eligible entity must submit an application to the fund administrator including the following:

- (A) Project proposals comprised of local government hazard mitigation projects, on the condition that the entity provides public notice not less than six weeks prior to the submission of an application.
- (B) An assessment of recurring major disaster vulnerabilities impacting the entity that demonstrates a risk to life and property.
- (C) A description of how the hazard mitigation plan of the entity has or has not taken the vulnerabilities described in paragraph (B) into account.
- (D) A description about how the projects described in paragraph (A) could conform with the hazard mitigation plan of the entity and of the unit of local government.
- (E) A proposal of the systematic and regional approach to achieve resilience in a vulnerable area, including impacts to river basins, river corridors, watersheds, estuaries, bays, coastal regions, micro-basins, micro-watersheds, eco-systems, and areas at risk of earthquakes, tsunamis, droughts, severe storms, and wildfires, including the wildland-urban interface.

Budget committee members have expressed interest in being informed of the distribution of project and grant funding for the purposes of making local jurisdictions aware of funding opportunities and also identifying any patterns of need that can be addressed by policy change. **Given that the information outlined previously is required for funding applications through the FEMA grant process, DLS recommends committee narrative requesting the same information on each loan application be compiled into a single report for submission to the committees.**