

KATIE FRY HESTER
Legislative District 9
Howard and Montgomery Counties

Education, Energy, and
Environment Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB564 - Catastrophic Event Account - Transfer of Funds - State Disaster Recovery Fund

March 6, 2025

Chair Guzzone, Vice Chair Rosapepe, and members of the Budget and Taxation Committee:

Thank you for your consideration of SB 564, which strengthens Maryland's ability to respond to disasters by ensuring the State Disaster Recovery Fund (SDRF) has the resources needed to provide timely relief when federal or other funding is unavailable.

The SDRF was established through legislation sponsored by Senator Elfreth and Delegate Jones and passed by this Committee in 2023. It serves as a critical safety net for disaster relief for Maryland residents when federal aid or other sources of funds are not authorized. Consistent and sufficient funding for the SDRF is essential to ensuring Maryland can respond swiftly and effectively to disasters. As my panel will elaborate, the speed and adequacy of disaster response funding directly impacts how quickly and successfully communities recover.

Disasters strike without warning, and delays in providing temporary housing, immediate repairs, and assistance for uninsured or underinsured losses can cause damages that span years into the future. SB 564 allows for emergency funding transfers from the Catastrophic Event Account (CEA) when the SDRF is depleted or when estimated disaster relief costs exceed the Fund's balance. These transfers would require emergency justification and approval, ensuring accountability while maintaining flexibility in times of crisis.

Additionally, SB 564 shortens the Legislative Policy Committee (LPC) review period for CEA funds from 15 days to 5 days. This expedited process ensures that aid reaches those in need without unnecessary delays. The reduced review period is feasible because emergency management officials conduct thorough damage assessments immediately after a disaster, providing the LPC with timely and

reliable information for decision-making. This change will enable the LPC to act swiftly to allocate critical relief funds where they are most needed.

Ensuring the State Disaster Recovery Fund remains well-funded and responsive will enhance Maryland's ability to recover and rebuild stronger - particularly in cases where federal assistance is not available. Nearly half of local disasters in Maryland require state response without federal aid, underscoring the necessity of a strong and dependable SDRF. With federal funding more uncertain than ever, SB 564 is critical to guarantee that Marylanders have access to disaster relief when they need it most.

For these reasons, I respectfully request a favorable report of SB 564.

Sincerely,

A handwritten signature in black ink that reads "Katie Fry Hester". The signature is written in a cursive, slightly slanted style.

Senator Katie Fry Hester
Howard and Montgomery Counties