

**D52**  
**Maryland Department of Emergency Management**

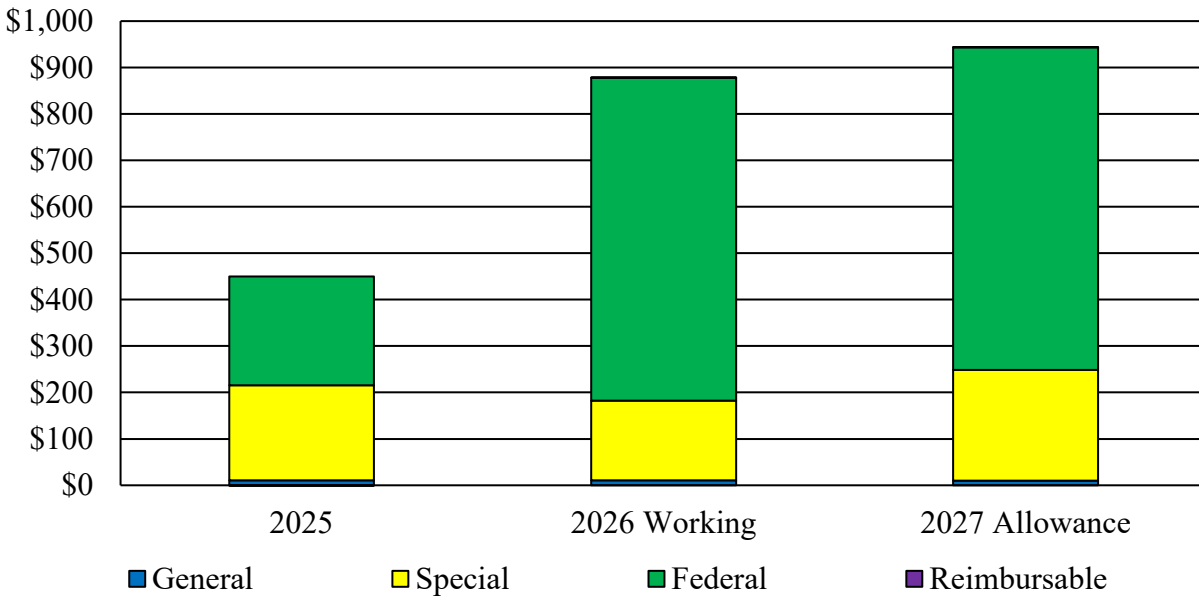
**Program Description**

Chapters 287 and 288 of 2021 established the Maryland Department of Emergency Management (MDEM) by combining the Maryland Emergency Management Agency from the Military Department and the Maryland 9-1-1 Board from the Department of Public Safety and Correctional Services (DPSCS). 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***

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**Fiscal 2027 Budget Increases \$65.6 Million, or 7.5%, to \$944.3 Million  
(\$ in Millions)**



Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 allowance accounts for contingent reductions. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

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## **Fiscal 2026**

### **Proposed Deficiency**

The fiscal 2027 budget includes three proposed fiscal 2026 deficiency appropriations totaling \$430,000 for MDEM, which include:

- \$400,000 in special funds from the Strategic Energy Investment Fund (SEIF) for a mandated economic analysis and policy benchmark study by the Office of Resilience, contingent on the enactment of a provision in the Budget Reconciliation and Financing Act (BRFA) of 2026 that expands the allowable uses of the SEIF; and
- \$30,000 in general funds to support rent expenses.

The third deficiency appropriation reduces \$3.2 million in federal funds and adds \$3.2 million in special funds from the 9-1-1 Trust Fund, resulting in no net change to the total fiscal 2026 appropriation. This fund swap is also applied to the fiscal 2027 allowance. The federal fund reductions and special fund appropriations for fiscal 2026 and 2027 are all contingent on enactment of a provision in the BRFA of 2026 expanding the allowable uses of the 9-1-1 Trust Fund to include MDEM operations to cover federal fund losses. Of the \$3.2 million fund swap:

- \$1.25 million will support cost-of-living adjustments. MDEM was unable to explain the federal fund source that is being replaced for this use;
- \$932,157 will replace federal preparedness grants administered by the Federal Emergency Management Agency (FEMA), particularly the Emergency Management Performance Grant, the State Homeland Security Grant Program (SHSGP), and the Urban Area Security Initiative for federal fiscal 2024 and 2025;
- \$700,000 will support the loss of anticipated federal mitigation funding due to the cancellation of the Building Resilient Infrastructure and Communities (BRIC) program, which MDEM uses to support State hazard mitigation personnel, training, and equipment; and
- \$350,000 to support the unreimbursed expenditures incurred due to the lack of a federal disaster declaration for the Western Maryland flooding in May 2025.

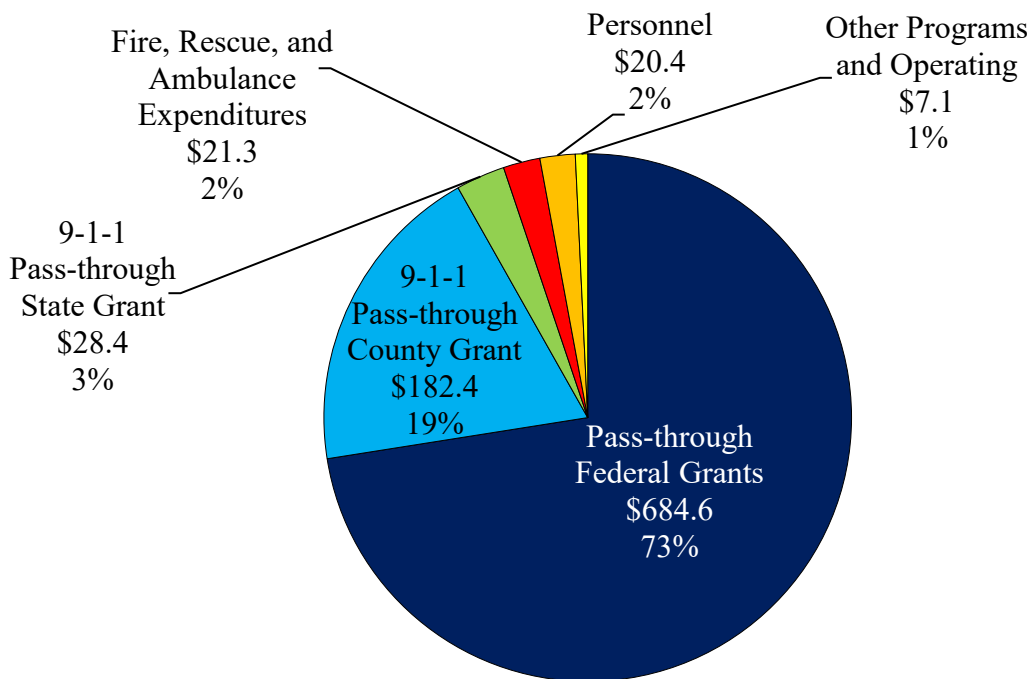
The allowable uses of the 9-1-1 Trust Fund are set federally, which are restricted to the implementation, operation, and maintenance of 9-1-1 services. Expanding the allowable uses of the 9-1-1 Trust Fund to support MDEM's non-9-1-1 operations may result in noncompliance with the federal regulations. MDEM notes that it has informed the Department of Budget and Management (DBM) of the potential legal issues and is working to resolve the issues. The closing balance of the 9-1-1 Trust Fund at the end of fiscal 2025 was \$132.3 million. **MDEM should brief**

the committee on how it plans to cover \$3.2 million in reduced federal funds to support its operations if the proposed legislation expanding allowable uses of the 9-1-1 Trust Fund beginning in fiscal 2026 is not enacted or cannot be implemented.

### Fiscal 2027 Overview of Agency Spending

The fiscal 2027 allowance includes a total of \$944.2 million for MDEM, after accounting for contingent reductions. As shown in **Exhibit 1**, 73% of the budget, or \$684.6 million, supports pass-through federal grants, which include \$661 million for public assistance for presidentially declared disasters. Approximately 22% of the fiscal 2027 allowance, or \$210.8 million, is budgeted for grants supported with 9-1-1 surcharge revenue, which include \$182.4 million for county shares and \$28.4 million for the State shares. Smaller grant and loan programs for fire, rescue, and ambulance services account for 2% of the budget, or \$20.3 million. The remaining 3%, or \$27.5 million, includes personnel and other operating costs.

**Exhibit 1**  
**Overview of Agency Spending**  
Fiscal 2027 Allowance  
(\$ in Millions)



Note: The fiscal 2027 allowance accounts for contingent reductions. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Governor’s Fiscal 2027 Budget Books

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**Exhibit 2** shows the federal fund sources contributing to the pass-through federal grants, after accounting for contingent reductions. MDEM’s total federal fund appropriation of \$695.1 million is \$10.4 million more than the \$684.6 million dedicated to federal pass-through grants due to federal funds supporting MDEM’s personnel costs of \$9.5 million and the balance of \$962,021 supporting statewide cost allocations.

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**Exhibit 2**  
**MDEM Federal Funding by Source**  
**Fiscal 2027 Allowance**

<b><u>Federal Fund Source</u></b>	<b><u>Allowance</u></b>	<b><u>Grant Category</u></b>
Disaster Grants – Public Assistance for Presidentially Declared Disasters	\$671,752,052	Disaster
Non-Profit Security Grant Program	9,137,150	Preparedness
Homeland Security Grant Program	8,489,610	Preparedness
Emergency Management Performance Grant Program	2,696,113	Preparedness
Hazard Mitigation Grant Program	2,175,929	Disaster
Building Resilient Infrastructure and Communities Pre-Disaster Mitigation	304,471	Mitigation
Interagency Hazardous Materials Public Sector Training and Planning Grants	202,849	Preparedness
Community Assistance Programs-State Support Services Element	101,377	Mitigation
Flood Mitigation Assistance	101,377	Mitigation
Complex Coordinated Terrorist Attack (Preparing for Emerging Threats and Hazards)	90,552	Preparedness
<b>Total</b>	<b>\$695,051,480</b>	

MDEM: Maryland Department of Emergency Management

Note: The fiscal 2027 allowance accounts for contingent reductions. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Governor’s Fiscal 2027 Budget Books

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## **Federal Actions and Their Impacts on Federal Fund Sources**

MDEM’s primary source of funding is federal funds, with grants categorized as disaster grants, preparedness, or mitigation. Each of these categories has seen major changes at the federal level, some of which have been overturned by recent court rulings.

### **Preparedness Grants**

These grants include the Emergency Management Performance Grant, the SHSGP, and the Urban Area Security Initiative grants, which provide funding for both MDEM staff and pass-through grants to local jurisdictions. The federal fiscal 2025 Notice of Funding Opportunities (NOFO) for primary preparedness grants was released in July 2025, delayed by more than two months from when it was originally required to be released. According to MDEM, the delayed NOFO included changes to terms and conditions, periods of performance, and award amounts, which were challenged in court through multistate litigation, and the court ruled in favor of the states. FEMA issued new award packages for federal fiscal 2025 for the SHSGP, Urban Area Security Initiative, and Emergency Management Performance Grants in January 2026, and MDEM is currently reviewing the packages. According to MDEM, the most significant change from federal fiscal 2024 to 2025 is in the total award amount for Urban Area Security Initiative funding to the National Capital Region, which is administered by Washington, DC. Maryland receives 5% of the overall award. The total Urban Area Security Initiative funding decreased from \$44 million in federal fiscal 2024 to \$25 million in federal fiscal 2025. The fiscal 2027 budget as introduced includes a total of \$20.6 million in federal funds through various preparedness grants.

### **Mitigation Grants**

These grants include predisaster hazard mitigation grants like BRIC, which funds local and State hazard mitigation work including planning, infrastructure, and other eligible activities, and Flood Mitigation Assistance, which funds projects that reduce or eliminate the risk of flood damage to structures. MDEM uses BRIC State Management Costs to support State hazard mitigation staff, training, and equipment. BRIC was eliminated by the current federal Administration in April 2025; however, a federal court ruling declared this termination unlawful and restored the program and its funding. The fiscal 2027 budget as introduced includes a total of \$507,225 in federal funds through various mitigation grants.

### **Disaster Grants**

These grants include the Public Assistance (PA) program and Hazard Mitigation Grant Program (HMGP). The PA program aids both state and local governments and eligible nonprofits like hospitals and volunteer fire companies to cover costs associated with recovery and is usually provided on a 75% federal and 25% nonfederal cost-share basis. The HMGP provides funding to support disaster risk reduction activities after a declared disaster and is separate from the predisaster hazard mitigation grants discussed above. While both grants aid in disaster recovery, a major distinction on their availability depends on the type of federal declaration made for a

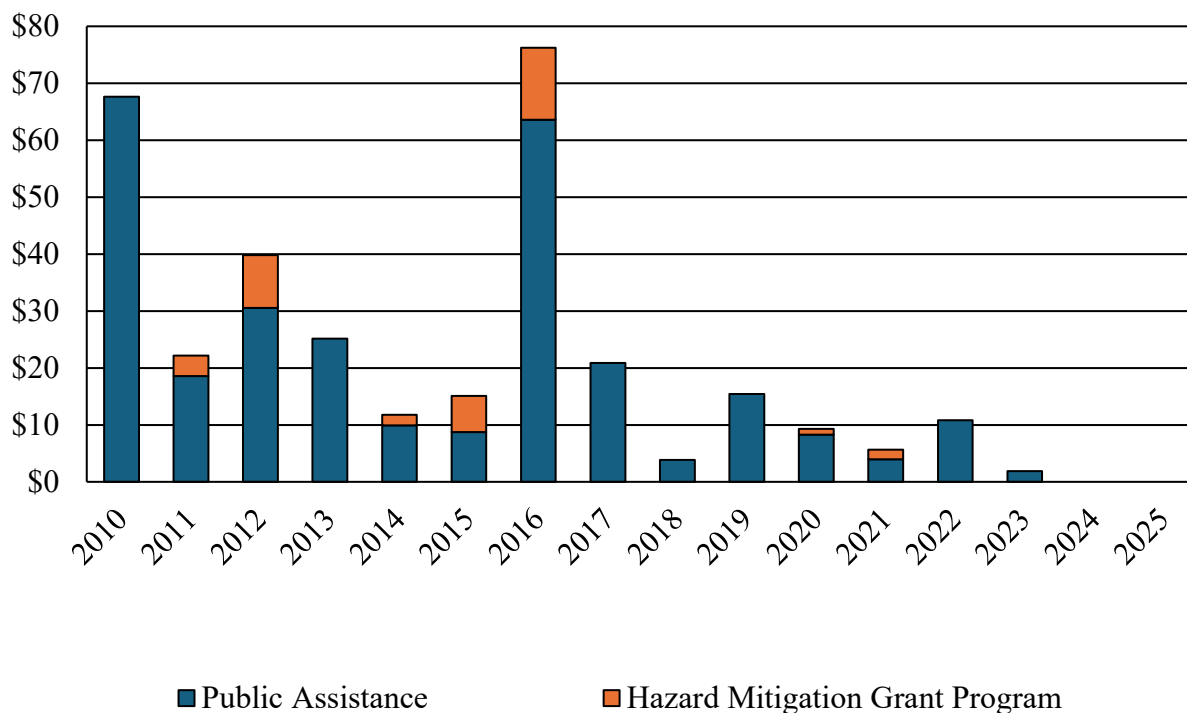
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particular calamity. A federal emergency declaration is issued for urgent crises where immediate direct federal assistance is required to protect lives, property, and public health, such as debris removal and life-safety measures. This type of emergency declaration provides access to the PA program only. A major disaster declaration is issued when a natural event occurs that results in widespread damage and requires long-term recovery and rebuilding resources that may exceed the state or local government's capacity. This type of major disaster declaration provides access to a broader range of federal programs, including the HMGP, to reduce future risk.

While the federal government has not provided direction regarding a change in disaster assistance policy, the State's request for a major disaster declaration was denied for flooding in Western Maryland in May 2025. The State pursued FEMA's standard appeals process in July 2025 and October 2025 and was denied both times. There are no additional appeals available to the State. The damages from the event are estimated to exceed \$33.7 million. The fiscal 2027 budget as introduced includes a total of \$674 million in federal funds through PA and the HMGP, of which about 99.7% is from PA. MDEM acts as the pass-through agency for federal grants received under the PA and the HMGP, which currently fund staffing, training, and equipment for recovery and hazard mitigation staff.

**Exhibit 3** shows the total federal disaster aid that the State has received from fiscal 2010 to 2025, excluding COVID-19-related assistance. During the reported period, the State received a total of \$289.3 million in PA grants and a total of \$36.5 million in HMGP grants, an average of \$21.4 million per year. A total of \$67.6 million was received in PA in fiscal 2010, which includes \$23.5 million for a severe winter storm in December 2009 and \$44.1 million for another severe winter storm in February 2010. A total of \$76.2 million in both PA and HMGP was received in fiscal 2016, which includes \$69.7 million for a severe winter storm in January 2016, \$2.3 million for flooding in July 2016, and the remaining \$4.2 million was multi-year federal aid received for disasters that occurred between August 2011 to February 2014.

**Exhibit 3**  
**Federal Disaster Aid (Excluding COVID-19)**  
**Fiscal 2010-2025**  
**(\$ in Millions)**



Source: Maryland Department of Emergency Management

**MDEM should brief the committees on how the department plans to continue its operations if federal funds are further reduced or unavailable and comment if the department is considering alternate funding sources.**

**The Department of Legislative Services (DLS) recommends adopting committee narrative requesting a report on the status of the various federal fund sources in MDEM, including the timing of receiving the federal funds and the department’s contingency plan if federal funds are not available as anticipated.**

### **State’s Effort to Support Disaster Recovery**

The State maintains two funds that can be used to support costs related to disasters, namely the Catastrophic Event Account, which supports disaster assistance and federal employee hardship related to layoffs, relocations, and government shutdowns; and the State Disaster Recovery

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Fund (SDRF), which provides disaster recovery assistance (1) when a federal disaster declaration is not received; (2) for the unmet needs of individuals and families after a federal disaster declaration; or (3) in the event of a certain denial of federal assistance. In its 2025 interim report, the Spending Affordability Committee (SAC) recommended that the State maintain a combined balance of at least \$15 million in the two funds beginning in fiscal 2027 to cover the potential lack of federal disaster assistance in the future. The total closing balance of the two accounts at the end of fiscal 2027 is estimated to be \$12.9 million, which includes \$10.6 million for the Catastrophic Event Account that is consistent with the historical fund level and \$2.3 million for the SDRF. **Because the total combined balance of the two funds is \$2.1 million less than the SAC minimum recommended level, MDEM and DBM should comment on how the agencies plan to maintain the total combined closing balance of \$15 million for the two funds.**

**Proposed Budget Change**

As seen in **Exhibit 4**, the fiscal 2027 allowance increases by \$65.6 million, or 7.5%, compared to the fiscal 2026 working appropriation after accounting for deficiencies and contingent reductions. About 98% of this total budget increase is due to the rise in grants supported with 9-1-1 surcharge revenue for county shares. **MDEM should comment on the reason for the significant increase in grants supported with 9-1-1 surcharge revenue for county shares.**

**Exhibit 4  
Proposed Budget  
Maryland Department of Emergency Management  
(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Reimb. Fund</b>	<b>Total</b>
Fiscal 2025 Actual	\$10,615	\$204,917	\$234,333	-\$6	\$449,858
Fiscal 2026 Working	10,704	171,787	695,276	874	878,641
Fiscal 2027 Allowance	10,272	237,991	695,051	935	944,250
Fiscal 2026-2027 \$ Change	-\$432	\$66,205	-\$225	\$61	\$65,609
Fiscal 2026-2027 % Change	-4.0%	38.5%	-0.0%	7.0%	7.5%

<b>Where It Goes:</b>	<b>Change</b>
<b>Personnel Expenses</b>	
Salary adjustments and associated fringe benefits .....	\$992
Employee and retiree health insurance .....	551
Net increase of 1.0 position .....	121
Turnover rate decreases from 9.3% to 8.5% .....	105
Deferred compensation match due to change in budgeting.....	23

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<b>Where It Goes:</b>	<b><u>Change</u></b>
<b>Other Changes</b>	
Grants supported with 9-1-1 surcharge revenue for county shares .....	64,579
Office supplies and equipment .....	-58
Fixed charges .....	-143
Contractual services for emergency alert satellite and text messaging services ...	-561
<b>Total</b>	<b>\$65,609</b>

Note: Numbers may not sum to total due to rounding. The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 allowance accounts for contingent reductions. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

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### **Budget Reconciliation and Financing Act**

A provision in the BRFA of 2026 as introduced expands the purposes and allowable uses of the SEIF to include funding programs and applicable initiatives related to resiliency efforts, including a mandated annual report. The fiscal 2027 budget as introduced includes a \$304,583 reduction in general funds, a \$1.2 million reduction in federal funds, and a \$1.47 million special fund appropriation of SEIF funding, all contingent upon the enactment of legislation expanding the allowable uses of the SEIF. The SEIF fund swap in general funds would support 2 existing positions, which include a chief resilience officer and a deputy resilience officer. The SEIF fund swap in federal funds would support direct technical assistance for local jurisdictions for hazard mitigation and coordinating the State's response and recovery from climate change, including a mandated annual report. **DLS recommends adding more specificity to the contingent language so that it more closely matches the applicable BRFA provision.**

Another provision in the BRFA as introduced would expand the purposes and allowable uses of the 9-1-1 Trust Fund to support MDEM's general operations. The fiscal 2027 allowance includes special fund appropriations of \$3.2 million and federal fund reductions of a corresponding amount, contingent on enactment of the BRFA provision to cover federal fund losses beginning in fiscal 2026, as discussed in the fiscal 2026 section of this analysis.

## ***Personnel Data***

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	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 26-27</b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>
Regular Positions	108.00	108.00	109.00	1.00
Contractual FTEs	<u>23.00</u>	<u>18.00</u>	<u>18.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>131.00</b>	<b>126.00</b>	<b>127.00</b>	<b>1.00</b>

### ***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	9.24	8.48%
Positions and Percentage Vacant as of 12/31/2025	13.00	12.04%
Vacancies Above Turnover	3.76	

- The fiscal 2027 allowance includes 1 new administrator I position for the Maryland 9-1-1 Board.
- As of December 31, 2025, MDEM reported 13 vacant positions, of which 11 positions have been vacant for less than a year and 2 positions have been vacant for more than a year. **DLS recommends deleting funding for the 1 new position. MDEM should instead reclassify 1 of the existing long-term vacant positions.**

## ***Key Observations***

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### **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 FEMA’s Safeguarding Tomorrow Revolving Loan Fund (STRLF) Program, which was created through the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act of 2021. The maximum amount that an eligible project can receive through the program is \$5 million.

The RMRLF funds are primarily used to increase resiliency and mitigate effects of disasters like floods, snowstorms, tornadoes, and high water levels. The RMRLF can also be used to finance low-impact development, conservation areas, zoning and land use planning, conservation areas, and meeting the nonfederal cost share requirement for hazard mitigation grants. To assist local

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governments in developing their project proposals and applications, MDEM provides direct informational briefings including project scoping and technical assistance throughout the application process. An online database on various funding opportunities across private, nonprofit, and government programs is also available.

Committee narrative in the 2025 *Joint Chairmen’s Report* (JCR) requested that MDEM submit a report on the RMRLF, highlighting the status of STRLF awards and how MDEM can assist local governments with applying for RMRLF and STRLF funding. As shown in **Exhibit 5**, MDEM has received RMRLF applications for a total of seven projects, of which two projects in Howard County were awarded \$5 million each for a total of \$10 million in fiscal 2025. This funding is scheduled to be repaid by fiscal 2045. MDEM notes that the RMRLF received \$6.5 million in federal fiscal 2023 STORM funds that have yet to be spent. While MDEM was notified of an award of \$14.2 million for federal fiscal 2024 STORM funds in September 2025, an official award letter has not been received. MDEM’s original plan was to utilize \$14.2 million in STORM funds to provide a State match for the two projects in Somerset County that were selected for a \$36 million BRIC grant.

**Exhibit 5**  
**Resilient Maryland Revolving Loan Fund Project Applications**  
**As of June 2025**  
**(\$ in Millions)**

<u>County</u>	<u>Project</u>	<u>Estimated Total Cost</u>	<u>RMRLF Requested Loan Amount</u>	<u>RMRLF Requested Loan Amount Status</u>
Howard	Culvert	\$373.0	\$5.0	Issued in Fiscal 2025
Howard	Historic Ellicott City, Extended	135.0	5.0	Issued in Fiscal 2025
Howard	Pond T-1	20.0	5.0	
Howard	Pond NC-3	9.0	5.0	
Montgomery	Wheaton Branch Flood	5.2	0.4	
Somerset	Crisfield’s City Dock	2.5	0.3	
Somerset	Crisfield Storm Infrastructure	50.0	5.0	
<b>Total</b>		<b>\$52.5</b>	<b>\$20.7</b>	

RMRLF: Resilient Maryland Revolving Loan Fund

Source: Maryland Department of Emergency Management

The fiscal 2023 budget included \$25 million in pay-as-you-go 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 spent only \$254,640 in fiscal 2024. The closing balance at the end of fiscal 2024 was \$25.8 million. MDEM spent \$10.1 million in fiscal 2025, which includes \$10 million awarded to the two Howard County projects and the remainder spent for personnel expenses. MDEM also received \$6.5 million in federal funds in fiscal 2025. A provision in the BRFA of 2025 authorized the Governor to transfer \$9 million from the RMRLF to the Blueprint for Maryland’s Future Fund in fiscal 2025. After accounting for the loan amount distributed in fiscal 2025, the federal funds received in fiscal 2025, and the RMRLF transfer in fiscal 2026, the estimated current RMRLF balance is \$14.3 million, which includes interest earnings.

**MDEM should brief the committee on the status of the two projects that received RMRLF loans in fiscal 2025, including an estimated project completion timeline. MDEM should also provide an update on the remaining five projects, planned utilization of the \$6.5 million in federal fiscal 2023 STORM funds received, and whether the agency has applied for federal fiscal 2025 STORM funds.**

**DLS recommends adopting committee narrative requesting that MDEM submit a report on the RMRLF, including a status update on the projects that are approved, in process, or under consideration, including new projects. The report should also include an update on the status of the federal funds, including project applications submitted for federal funding, planned utilization of the federal funds, and the estimated current balance of the RMRLF.**

## **2. State and Local Cybersecurity Efforts**

State and local cybersecurity efforts are heavily supported by the federal State and Local Cybersecurity Grant Program (SLCGP), which provides funding to manage risks, improve infrastructure, and develop comprehensive security plans. The goal of the SLCGP is to help State and local entities improve their cybersecurity. The program is funded through the federal Infrastructure Investment and Jobs Act (IIJA) and is jointly managed by the Cybersecurity and Infrastructure Security Agency and FEMA. The IIJA funding for this program was originally for a four-year federal fiscal cycle, from federal fiscal 2022 through 2025. However, the program’s authorization has been extended through September 30, 2026, as part of the recent federal spending authorization.

MDEM is the State administrative agency (SAA) for the SLCGP and is responsible for ensuring that at least 80% of the SLCGP federal grants are provided to local governments, of which 25% must be provided to local jurisdictions in rural areas of the State. As a SAA, MDEM distributes the SLCGP grant through a competitive subgrant program and through the Department of Information Technology’s Local Support Program. The grant program also requires the establishment of a State cybersecurity planning committee (CPC), which determines the amount

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of funding, if any, for each eligible proposal. A revised membership of CPC can be found in **Appendix 3**.

Committee narrative in the 2025 JCR requested that MDEM submit a report on the SLCGP for federal fiscal 2023 and 2024. **Exhibit 6** shows the federal award, State share, local share, and nonfederal match amounts from the SLCGP. The nonfederal match was waived for federal fiscal 2022 because the State’s fiscal 2022 budget was enacted before the NOFO and cost-share requirement were released. The nonfederal match amount committed was 5% higher than required in federal fiscal 2023 and was 13% higher than required in federal fiscal 2024.

**Exhibit 6  
SLCGP Funding  
Federal Fiscal 2022-2024**

	<b>Total Federal Award Amount</b>	<b>State Share (20%)</b>	<b>Local Share (80%)</b>	<b>Required Nonfederal Match Percentage</b>	<b>Actual Percentage Match</b>	<b>Nonfederal Match Amount</b>
2022	\$3,213,088	\$642,618	\$2,570,470*	10%	Waived	Waived
2023	6,514,533	1,302,907	5,211,626	20%	25%	1,628,633
2024	4,980,182	986,036	3,984,146	30%	43%	2,134,364

SLCGP: State and Local Cybersecurity Grant Program

Note: The nonfederal match amount was provided through the Local Cybersecurity Support Fund.

\* The amount was incorrectly reported as \$2,270,470 in the response to the 2024 *Joint Chairmen’s Report*.

Source: Maryland Department of Emergency Management

**Appendix 4** shows the jurisdiction, project title, funding requested, and federal fiscal 2023 funding received for each of the proposals that were awarded funding by CPC. Among 41 projects that were deemed eligible by the federal agencies, funding was distributed to 34 projects by MDEM according to the allocations determined by CPC based on the following priorities:

- the adoption or enhancement of priority cybersecurity best practices identified by the federal Cybersecurity and Infrastructure Security Agency and CPC;
- the development or enhancement of cybersecurity policies and governance;

- supporting workforce recruitment and development needs using the National Initiative Cybersecurity Education Cybersecurity Workforce Framework; and
- the ability to submit projects that would support specific or unique cybersecurity needs.

A total of \$4,942,610 was awarded to local projects, of which \$4,271,913 was awarded to local jurisdictions and \$670,697 was awarded to projects funded by the State. No shared service projects were created using the federal fiscal 2023 grant funds. The application process for federal fiscal 2024 SLCGP funds is expected to begin in early calendar 2026. MDEM does not anticipate any unallocated funding at the end of the four-year federal cycle. **MDEM should provide an update on the federal fiscal 2024 awards and its fund allocation by project and purpose.**

**DLS recommends adopting committee narrative requesting a report on the status of federal fiscal 2024 and 2025 SLCGP funding distributions, including the distribution of grant applicants and grant awards by jurisdiction. The report should also include any anticipated use of general funds in the Local Cybersecurity Support Fund and the department’s plan for the future of this program if the federal program ends at the end of federal fiscal 2026.**

### **3. Repeat Finding in the Review of Budget Closeout Transactions for Fiscal 2025**

The Office of Legislative Audits (OLA) conducted a review of fiscal 2025 budget closeout transactions of eight State agencies, which included MDEM. The audit review reported that MDEM could not provide documentation to support the propriety of nine accrued federal fund revenue entries totaling \$86 million or the subsequent recovery of the funds. Of the nine accruals, MDEM reported that four accruals totaling \$77.9 million were for expenditures made on behalf of other State agencies that needed to be approved by the respective agencies to enable MDEM to request federal reimbursement. The four agencies included the Maryland Department of Health for \$66.4 million, DBM for \$11.1 million, DPSCS for \$323,000, and the Maryland State Department of Education for \$84,000. As of September 2025, these expenditures, some of which dated back to July 2020, had not been approved by the respective agencies. Consequently, MDEM did not request or receive the \$86 million from the federal government. The OLA closeout report notes that the deadline to request the reimbursement was December 29, 2025. A similar finding was reported in the fiscal 2024 budget closeout transactions review and MDEM’s recent fiscal compliance audit report published in May 2025. **MDEM should provide an update on how much of the \$86 million in federal fund revenue entries has been recovered and whether the listed agencies have approved the requests for federal fund reimbursement.**

## Operating Budget Recommended Actions

	<u>Amount Change</u>	<u>Position Change</u>
1. Delete funding for 1 new position. The Maryland Department of Emergency Management had 13.0 vacant positions as of December 31, 2025, and should reclassify 1 vacant position instead of adding 1 new position.	-\$85,658 SF	-1.0
2. Amend the following language on the general fund appropriation:  , provided that this appropriation shall be reduced by \$304,583 upon enactment of legislation expanding the allowable uses of the Strategic Energy Investment Fund <u>to include programs and applicable initiatives related to resiliency efforts defined and implemented by the Maryland Department of Emergency Management, including the annual report by the Office of Resilience.</u>		
<b>Explanation:</b> This language adds specificity to contingent language on the general fund appropriation to more closely align with the applicable Budget Reconciliation and Financing Act provision.		
3. Amend the following language on the special fund appropriation:  , provided that \$1,470,113 of this appropriation is contingent upon enactment of legislation expanding the allowable uses of the Strategic Energy Investment Fund <u>to include programs and applicable initiatives related to resiliency efforts defined and implemented by the Maryland Department of Emergency Management, including the annual report by the Office of Resilience.</u>		
<b>Explanation:</b> This language adds specificity to contingent language on the special fund appropriation to more closely align with the applicable Budget Reconciliation and Financing Act provision.		
4. Amend the following language on the federal fund appropriation:  , provided that this appropriation shall be reduced by \$1,165,530 upon enactment of legislation expanding the allowable uses of the Strategic Energy Investment Fund <u>to include programs and applicable initiatives related to resiliency efforts defined and implemented by the Maryland Department of Emergency Management, including the annual report by the Office of Resilience.</u>		

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**Explanation:** This language adds specificity to contingent language on the federal fund appropriation to more closely align with the applicable Budget Reconciliation and Financing Act provision.

5. Amend the following language on the special fund appropriation:

Further provided that \$3,232,157 of this appropriation is contingent upon enactment of legislation to expand the uses of the 911 Trust Fund to support Maryland Department of Emergency Management operations ~~in order to cover federal fund losses~~

**Explanation:** This action makes a technical correction to contingent language on the special fund appropriation to more closely align with the applicable Budget Reconciliation and Financing Act provision.

6. Amend the following language on the federal fund appropriation:

Further provided that this appropriation shall be reduced by \$3,232,157 contingent upon enactment of legislation to expand the uses of the 911 Trust Fund to support Maryland Department of Emergency Management operations ~~in order to cover federal fund losses~~

**Explanation:** This action makes a technical correction to contingent language on the federal fund appropriation to more closely align with the applicable Budget Reconciliation and Financing Act provision.

7. Adopt the following narrative:

**Report on Federal Fund Sources:** Approximately 74% of the fiscal 2027 allowance for the Maryland Department of Emergency Management (MDEM) is supported with federal funds. Given recent changes and reductions in federal fund availability and grant awards, the committees request MDEM to submit a report on the status of various federal fund sources, including preparedness, mitigation, and disaster grants. The report should discuss the timing of receiving federal fund awards and the department’s contingency plan to support its operations if federal funds are not made available as anticipated.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on federal fund sources	MDEM	November 15, 2026

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8. Adopt the following narrative:

**Resilient Maryland Revolving Loan Fund (RMRLF):** Of the seven projects that submitted applications for the RMRLF so far, two projects have received \$5 million each for a total of \$10 million from the RMRLF in fiscal 2025. The committees request MDEM to submit a report on the RMRLF, including:

- the status of the projects that are approved;
- status updates for any projects that are in process, under consideration, or are new projects;
- the status of the federal Safeguarding Tomorrow Revolving Loan Fund (STRLF) award;
- project applications submitted for federal funds through the STRLF;
- planned utilization of the federal funds; and
- the estimated current balance of the RMRLF.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on the RMRLF	MDEM	October 1, 2026

9. Adopt the following narrative:

**State and Local Cybersecurity Grant Program:** The State and Local Cybersecurity Grant Program (SLCGP) is funded through the Infrastructure Investment and Jobs Act and is jointly managed federally by the Federal Emergency Management Agency and the Cybersecurity and Infrastructure Security Agency. The Maryland Department of Emergency Management (MDEM) receives the money and disburses it to local jurisdictions. In November 2025, MDEM issued a report summarizing how the SLCGP money from federal fiscal 2023 was awarded. The committees request that MDEM submit a report that provides the following information for federal fiscal 2024 and 2025:

- SLCGP grants awarded by jurisdiction and the remaining unallocated balance;
- nonfederal match expenditures by use;
- descriptions of requested projects, requested funding amounts, and actual funding awards;

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- a plan for the use of any remaining unallocated funds; and
- a description of the need for further State funding beyond fiscal 2026.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>	
Report on the SLCGP	MDEM	November 1, 2026	
<b>Total Net Change to Fiscal 2027 Allowance</b>		<b>-\$85,658</b>	<b>-1.0</b>

10. Amend the following language on the special fund appropriation:

, provided that \$3,232,157 of this appropriation is contingent upon the enactment of legislation to expand the uses of the 911 Trust Fund to support Maryland Department of Emergency Management operations ~~in order to cover federal fund losses~~

**Explanation:** This action makes a technical correction to contingent language on the special fund deficiency appropriation to more closely align with the applicable Budget Reconciliation and Financing Act provision.

11. Amend the following language on the federal fund appropriation:

, provided that this appropriation shall be reduced by \$3,232,157 contingent upon the enactment of the legislation to expand the uses of the 911 Trust Fund to support Maryland Department of Emergency Management operations ~~in order to cover federal fund losses~~

**Explanation:** This action makes a technical correction to contingent language on the federal fund deficiency appropriation to more closely align with the applicable Budget Reconciliation and Financing Act provision.

12. Amend the following language on the special fund appropriation:

, provided that this appropriation is contingent upon the enactment of legislation expanding the allowable uses of the Strategic Energy Investment Fund to include programs and applicable initiative related to resiliency efforts defined and implemented by the Maryland Department of Emergency Management, including the annual report by the Office of Resilience.

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**Explanation:** This action adds specificity to contingent language on the special fund deficiency appropriation to more closely align with the applicable Budget Reconciliation and Financing Act provision.

## Updates

- IIJA:** Grant programs funded through the IIJA are administered through FEMA for use by MDEM or to pass through funds to local entities, businesses, and individuals. Language in the fiscal 2025 Budget Bill required DBM to submit four reports highlighting State agency efforts to secure competitive grants made available through the IIJA. The fourth report was submitted in April 2025, and the updated status of IIJA funding awarded for or pursued by MDEM as of January 2026 is listed in **Exhibit 7**.

**Exhibit 7**  
**IIJA Grant Funding Sought by MDEM**  
**As of January 2026**

<u>Grant Description</u>	<u>Status</u>	<u>Amount</u>	<u>Period of Performance</u>	<u>Estimated State Match</u>	<u>% Match</u>	<u>Funding Received by the State</u>
Federal Fiscal 2022 Rehabilitation of High Hazard Potential Dams	Awarded	\$1,279,408	9/15/2022 through 9/14/2025	\$688,912	54%	\$1,279,408
Federal Fiscal 2022 Building Resilient Infrastructure and Communities (State Management Costs)	Awarded	19,722.25	3/22/2024 through 3/21/2027	\$0	0%	19,722.25
Federal Fiscal 2022 Building Resilient Infrastructure and Communities	Awarded	1,421,325	03/22/2024 through 03/21/2027	\$0	0%	1,421,325
Federal Fiscal 2022 Flood Mitigation Assistance (State Management Costs)	Awarded	386,024	05/14/2024 through 05/13/2027	\$185,337	48%	386,024
Federal Fiscal 2023 Hazardous Materials Emergency Preparedness Grant	Closed	322,448	10/1/2022 through 9/30/2025	\$80,612	25%	322,448

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<u>Grant Description</u>	<u>Status</u>	<u>Amount</u>	<u>Period of Performance</u>	<u>Estimated State Match</u>	<u>% Match</u>	<u>Funding Received by the State</u>
Federal Fiscal 2023 Flood Mitigation Assistance – State Management Costs	Pending	289,229	TBD	88,107	33%	0
Federal Fiscal 2023 Building Resilient Infrastructure and Communities	Pending	6,662,440	TBD	\$0	0%	0
Federal Fiscal 2023 STORM Revolving Loan Fund Program	Awarded	6,576,543	TBD	\$657,654	10%	
Federal Fiscal 2023-2024 Hazardous Materials Emergency Preparedness Grant	Closed	289,229	10/1/2022 through 9/30/2025	72,307	25%	289,229
Federal Fiscal 2024 Rehabilitation of High Hazard Potential Dams – State Management Costs	Pending	883,995	TBD	\$0	0%	
Federal Fiscal 2024-2025 Hazardous Materials Emergency Preparedness Grant	Closed	289,229	10/1/2022 through 9/30/2025	72,307	25%	289,229
Federal Fiscal 2024 STORM Revolving Loan Fund Program	Pending	14,200,000	TBD	1,420,000	10%	

IIJA: Infrastructure Investment and Jobs Act

MDEM: Maryland Department of Emergency Management

STORM: Safeguarding Tomorrow through Ongoing Risk Mitigation Act

TBD: to be determined

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

**Appendix 1**  
**2025 Joint Chairmen’s Report Responses from Agency**

The 2025 JCR requested that MDEM prepare four reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***RMRLF:*** The RMRLF was established in calendar 2021 to receive funding from FEMA’s STRLF program and to fund local projects with State funds. The committees requested that MDEM submit a report on the status of the STRLF awards and how MDEM can assist local governments with applying for RMRLF and STRLF funding. Further discussion of the RMRLF can be found in Key Observation 1.
- ***State and Local Cybersecurity Efforts:*** The federal SLCGP provides funding to manage risks, improve infrastructure, and develop comprehensive security plans. The committees requested that MDEM submit a report on the federal funds received, nonfederal matching funds, and descriptions of each project that received the fund. Further discussion can be found in Key Observation 2.
- ***State Funding for Food Banks:*** The committees requested that MDEM, in consultation with the Maryland Department of Human Services (DHS) and the Maryland Department of Agriculture (MDA), submit a report on State funding for food banks and pantries. In fiscal 2024, MDA administered \$2.5 million in federal funds and \$200,000 in State funds, and DHS administered \$9.4 million in federal funds and \$14.5 million in State funds for these purposes. In fiscal 2025, MDA administered \$2.9 million in federal funds and did not administer State funds, and DHS administered \$8 million in federal funds and \$15.5 million in State funds, respectively.
- ***Disaster Relief for Businesses:*** The committees requested that MDEM, in consultation with the Maryland Chamber of Commerce, submit a report on disaster relief for businesses in Maryland. MDEM noted that primarily there are three available State programs that provide disaster relief for business: the SDRF; the Maryland Economic Development Assistance Authority and Fund; and the Video Lottery Terminal Fund. Other agencies like the Maryland Department of Commerce, the Department of Housing and Community Development, the Maryland Department of Labor, and the Maryland Historical Trust Relief Assistance also offer loans, unemployment benefits, and tax relief, but require emergency appropriations. The report indicated that restrictive and loan-based disaster relief for businesses creates debt burdens for small businesses and is a limitation of the disaster relief for businesses program in the State. The U.S. Small Business Administration (SBA) is the federal counterpart agency that helps businesses recover after disasters by providing financial assistance, technical guidance, and long-term recovery support. Most SBA disaster assistance requires a formal disaster declaration, which can be issued by the Governor and approved by the President, or through SBA’s own agency declaration process in some cases. Other federal agencies that administer similar disaster relief for businesses program include the Economic Development Administration at the U.S. Department of Commerce and the U.S. Department of Agriculture.

**Appendix 2**  
**Audit Findings**

Audit Period for Last Audit	October 21, 2021 – September 15, 2024
Issue Date	May 2025
Number of Findings	4
Number of Repeat Findings	0
% of Repeat Findings	0%
Rating: (if applicable)	n/a

**Finding 1:** MDEM did not ensure that federal reimbursement was obtained for all PA grant expenditures, resulting in the failure to recover \$691.6 million timely and lost investment income totaling at least \$19.2 million.

**Finding 2:** MDEM did not ensure that all federal funds requested for reimbursement were received.

**Finding 3:** MDEM could not support the propriety of an accrued federal fund revenue entry totaling approximately \$882.1 million recorded at the end of fiscal 2024 or the subsequent recovery of certain of these funds.

**Finding 4:** MDEM did not have sufficient procedures and controls to ensure that Volunteer Company Assistance Fund loan activity was properly recorded, related loan payment were properly deposited, and delinquent loan payments were pursued as required.

\*Bold denotes item repeated in full or part from preceding audit report.

**Appendix 3  
Cybersecurity Planning Committee Membership  
Revised November 2025**

<u>Name</u>	<u>Affiliation</u>	<u>Representation</u>	<u>Voting Rights</u>
Nathaniel Watkins	CIO, Garrett County	County; Rural	Voting
Katherine Poff	CISO/Deputy Director, Calvert County	Local – Other Jurisdiction Needs	Voting
David Lewis	OEM Cyber Coordinator, Prince George’s County	County; High Population	Voting
Stephen O. Agyei-Mensah	Coordinator of Technology (CIO), Worcester County Public Schools	Institutions of Public Education	Voting
Matt Otwell	CISO, MDH	Institutions of Public Health	Voting
Justin Fiore	Government Relations Manager, Maryland Municipal League	Cities, Towns	Voting
Valerie Hawkins	Emergency Manager, Carroll County Government	Emergency Management	Voting
James Saunders	State CISO	DoIT	Voting
Marcia Deppen	Director of Consequence Management Directorate	MDEM	Voting
Secretary Russ Strickland Designee: Meredith Lang	Secretary/Designee	MDEM	Voting
Secretary Katie Savage Designee: Steve Burke	Secretary/Designee	DoIT	Voting
Taylor Munir	Local Cyber Preparedness Program Coordinator, SLCGP Core Planning Team	MDEM	Nonvoting

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<u>Name</u>	<u>Affiliation</u>	<u>Representation</u>	<u>Voting Rights</u>
Brian Bauer	Assistant Director, Consequence Management, SLCGP Core Planning Team	MDEM	Nonvoting
Stacy Stone	Grant Administration Branch Manager, SLCGP Core Planning Team	MDEM	Nonvoting
Charae Davis	State Cyber Preparedness Program Coordinator, SLCGP Core Planning Team	MDEM	Nonvoting
Eboni Wiggins	Local Cyber Preparedness Specialist, SLCGP Core Planning Team	MDEM	Nonvoting
Racen Moxley	SLCGP Grant Specialist, SLCGP Core Planning Team	MDEM	Nonvoting

CIO: chief information officer

CISO: chief information security officer

DoIT: Department of Information Technology

MDEM: Maryland Department of Emergency Management

MDH: Maryland Department of Health

OEM: original equipment manufacturer

SLCGP: State and Local Cybersecurity Grant Program

Source: Maryland Department of Emergency Management

**Appendix 4  
State and Local Cybersecurity Grant Program  
Federal Fiscal 2023 Award Notices Issued in June 2025**

<u>Jurisdiction Name</u>	<u>Project Title</u>	<u>Funding Requested</u>	<u>Funding Received</u>
Allegany County	SecuLore Cybersecurity Project	\$67,500	\$67,500
Anne Arundel County	MFA for Desktop and RDP Logins	337,220	337,220
Anne Arundel County	Enhancing Cybersecurity with onelogin SSO Integration	107,915	107,915
Anne Arundel County Public Library	Implementing and Purchasing	134,000	134,000
Baltimore County	Threat and Risk Assessments Service	66,798	66,798
Baltimore County Schools	Endpoint Safeguard for School Devices	405,990	405,990
Calvert County	Vulnerability Scanning and Management	46,375	46,375
Cecil County	Penetration Testing, Mobile Device Asset Management	212,515	212,151
Cecil County Public Schools	MDR SIEM	218,964	218,964
Charles County	Firewall Central Management Project	20,525	20,525
City of Gaithersburg	Cybersecurity Governance, Policy, and Procedure Development Project	187,400	187,400
City of Greenbelt	Security Assessment	13,104	13,104
City of Greenbelt	Managed Data and Response	53,460	53,460
City of Greenbelt	Cybersecurity SLTT government aggregate buy program	15,192	15,192
City of Havre de Grace	Cybersecurity Enhancements	152,386	152,386
City of Hyattsville	Safety Plan	1,594,430	45,000
City of Laurel	Zero Trust Implementation	21,000	21,000
City of Laurel	Secure Remote Work Solution	8,316	8,316
City of Laurel	MS365 Data Classification and Protection	296,405	296,405

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<u>Jurisdiction Name</u>	<u>Project Title</u>	<u>Funding Requested</u>	<u>Funding Received</u>
Garrett County	Cybersecurity Strengthening through IT Training and Infrastructure	265,685	175,688
Garrett County Public Schools	Cybersecurity Enhancements	83,977	83,977
Howard County Public Schools	Acquisition and Implementation of Governance, Risks, and Compliance	174,445	174,445
Kent County	Utility Network Assessment	64,000	64,000
Kent County	Encryption Project	25,800	25,800
Kent County	Firewall Update	7,825	7,825
Kent County	Layer 3 Switch Upgrade	38,439	38,439
Ocean City	Network Switch Refresher Initiative	100,000	100,000
Queen Anne’s County	Vulnerability and Asset Management Program for Incident Response Enhancements	1,423,700	1,108,439
Queenstown	Cybersecurity Best Practices	39,183	21,092
Somerset County	Cyber Resilience	90,885	90,885
St. Mary’s County Public Schools	St. Mary’s County Public Schools Firewall Modernization	389,052	376,968
City of Taneytown	Cybersecurity Improvements	10,095	10,095
Washington County Public Schools	Sentinel Implementation	248,616	193,724
Worcester County Board of Education	Network Segmentation and Secure Back Ups	61,532	61,532
<b>Total</b>		<b>\$6,982,729</b>	<b>\$4,942,610</b>

IT: information technology  
MDR: Managed Detection and Response  
MFA: multifactor authentication  
RDP: remote desktop  
SIEM: Security Information and Event Management  
SLTT: state, local, tribal, and territorial  
SSO: single sign-on

Source: Maryland Department of Emergency Management

**Appendix 5**  
**Object/Fund Difference Report**  
**Maryland Department of Emergency Management**

<u>Object/Fund</u>	<u>FY 25</u> <u>Actual</u>	<u>FY 26</u> <u>Wrk Approp</u>	<u>FY 27</u> <u>Allowance</u>	<u>FY 26 - 27</u> <u>\$ Change</u>	<u>% Change</u>
<b>Positions</b>					
01 Regular	108.00	108.00	109.00	1.00	0.9%
02 Contractual	23.00	18.00	18.00	0.00	0.0%
<b>Total Positions</b>	<b>131.00</b>	<b>126.00</b>	<b>127.00</b>	<b>1.00</b>	<b>0.8%</b>
<b>Objects</b>					
01 Salaries, Wages, and Fringe Benefits	\$15,201,399	\$12,211,865	\$18,706,593	\$6,494,728	53.2%
02 Technical and Special Fees	3,457,362	1,989,369	1,948,731	-40,638	-2.0%
03 Communications	350,838	229,392	226,388	-3,004	-1.3%
04 Travel	162,532	169,314	156,356	-12,958	-7.7%
06 Fuel and Utilities	115,231	137,284	139,896	2,612	1.9%
07 Motor Vehicle Operation and Maintenance	162,738	124,151	123,791	-360	-0.3%
08 Contractual Services	13,169,646	3,851,090	3,290,083	-561,007	-14.6%
09 Supplies and Materials	239,469	48,812	52,220	3,408	7.0%
10 Equipment – Replacement	10,129	80,448	70,448	-10,000	-12.4%
11 Equipment – Additional	66,689	0	3,083	3,083	N/A
12 Grants, Subsidies, and Contributions	412,971,222	853,987,708	918,566,406	64,578,698	7.6%
13 Fixed Charges	1,040,534	2,011,179	1,867,855	-143,324	-7.1%
14 Land and Structures	2,910,709	3,800,000	3,800,000	0	0.0%
<b>Total Objects</b>	<b>\$449,858,498</b>	<b>\$878,640,612</b>	<b>\$948,951,850</b>	<b>\$70,311,238</b>	<b>8.0%</b>
<b>Funds</b>					
01 General Funds	\$10,614,913	\$10,703,503	\$10,576,301	-\$127,202	-1.2%
03 Special Funds	204,916,895	171,786,810	237,991,314	66,204,504	38.5%
05 Federal Funds	234,333,012	695,276,435	699,449,167	4,172,732	0.6%
09 Reimbursable Funds	-6,322	873,864	935,068	61,204	7.0%
<b>Total Funds</b>	<b>\$449,858,498</b>	<b>\$878,640,612</b>	<b>\$948,951,850</b>	<b>\$70,311,238</b>	<b>8.0%</b>

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.