

**Department of Legislative Services**  
 Maryland General Assembly  
 2021 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 822 (Senator Hester)  
 Education, Health, and Environmental Affairs

**Public Safety - Maryland Emergency Management Agency - Office of Resilience**

This bill establishes the Office of Resilience in the Maryland Emergency Management Agency (MEMA). The office is responsible for guiding State resilience initiatives, leveraging federal and private emergency response funding resources, and building partnerships with public, private, and nongovernmental organizations in all states of emergency planning and management. The office must (1) administer Federal Emergency Management Agency (FEMA) mitigation grant programs and recovery-focused programs; (2) in coordination with the Maryland Department of the Environment (MDE), administer the National Flood Insurance Program (NFIP); (3) administer State mitigation grants; and (4) develop flood risk assessment tools for use by statewide programs and projects. MDE is likewise required to coordinate with the office to administer NFIP.

**Fiscal Summary**

**State Effect:** General fund administrative expenditures increase by \$276,600 in FY 2022; future years are annualized and reflect ongoing costs. This analysis assumes the office is not required to establish a new State-funded grant program. State revenues are not directly affected but could be indirectly affected to the extent the establishment of the office enables the State to secure additional federal grants (not reflected below).

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	276,600	326,800	336,200	347,700	359,600
Net Effect	(\$276,600)	(\$326,800)	(\$336,200)	(\$347,700)	(\$359,600)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** The bill is not anticipated to have a direct, material effect on local finances. However, local revenues could be indirectly affected to the extent the establishment of the office enables local governments to secure additional grants.

**Small Business Effect:** None. The bill does not directly affect small businesses.

## Analysis

### Current Law:

#### *Federal Hazard Mitigation Assistance Grant Programs*

FEMA administers several grant programs that relate to hazard mitigation. The general purpose of these federal grant programs is to reduce the vulnerability of communities to disasters and their effects and to lessen the response and recovery resources required after a disaster.

The Hazard Mitigation Grant Program (HMGP) provides funding to state and local governments to rebuild that reduces, or mitigates, future disaster losses in their communities. Grant funding is available after a presidentially declared disaster. The HMGP Post Fire Grant provides assistance to help implement hazard mitigation measures after wildfire disasters. The Flood Mitigation Assistance Grant provides funding to state and local governments for projects that reduce or eliminate the risk of repetitive flood damage to buildings insured by NFIP. The Building Resilient Infrastructure and Communities Grant Program (previously called the Pre-Disaster Mitigation Grant Program) supports state and local governments by developing proactive investment in community resilience.

FEMA requires state and local governments to develop and adopt hazard mitigation plans as a condition for receiving specified nonemergency disaster assistance, including funding for hazard mitigation assistance projects.

#### *Maryland Hazard Mitigation Plan*

As previously stated, FEMA requires each state to create, and have approved by FEMA, a Standard State Mitigation Plan. Each plan must (1) identify natural hazards, risks, and vulnerabilities of areas in the state; (2) support development of local mitigation plans; (3) provide technical assistance to local and tribal governments for mitigation planning; and (4) identify and prioritize mitigation actions that states will support as resources become available. MEMA published the [Maryland Hazard Mitigation Plan](#) in August 2016. Section II of the plan outlines hazard identification and risk assessment in the State. The natural hazards specified in the plan include coastal hazards, floods, winter storms, tornadoes, and wind.

#### *National Flood Insurance Program and State Flood Insurance Maps*

MDE's Water and Science Administration is the State's coordinating office for NFIP. In order to participate in NFIP, local communities must adopt and enforce a floodplain management ordinance containing minimum requirements specified by federal law, which

apply in floodplain areas mapped by FEMA. In addition, the ordinance should reflect State laws and policies. All Maryland counties and 92 municipalities participate in NFIP. The program makes flood insurance available to property owners in participating communities. In return, local governments must adopt ordinances to manage development within 100-year floodplains to prevent increased flooding and minimize future flood damage.

In conjunction with FEMA, MDE updates regional flood risks that takes into account river flow, storm tides, rainfall, and coastal storm surges. This information is used to create flood insurance rate maps that, among other things, are used for floodplain management and insurance purposes.

*Maryland Emergency Management Agency, Generally*

MEMA, which is part of the Military Department, is responsible for coordinating the State response in any major emergency or disaster. This includes supporting local governments as needed or requested and coordinating assistance with FEMA and other federal partners. MEMA manages many of the federal grants that fund a broad range of initiatives leading to enhanced protection from and responses to the full range of natural and man-made disasters that could threaten the State’s citizens.

MDE advises that it coordinates with MEMA on FEMA-related issues. While MDE is the lead department on flood insurance issues in the State, MEMA is the lead agency in the State on post-disaster activities, including flood events. In addition, MDE coordinates the Flood Insurance and Risk Analysis Branch on permitting, mapping, and compliance issues in the State. MEMA coordinates with FEMA on disaster planning, disaster assistance, and disaster recovery issues.

**State Fiscal Effect:** General fund administrative expenditures for MEMA increase by \$276,649 in fiscal 2022, which accounts for the bill’s October 1, 2021 effective date. This estimate reflects the cost of hiring (1) one program manager to oversee the office, administer federal and State mitigation grants, and coordinate with MDE to administer NFIP; (2) one geographic information systems specialist to develop flood risk assessment tools for statewide use; (3) one partnership coordinator to work directly with State, local, and private entities in guiding resilience initiatives; and (4) one office administrator to provide overall administrative support. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses, including rent and travel.

Positions	4.0
Salaries and Fringe Benefits	\$243,449
Operating Expenses	<u>33,200</u>
<b>Total FY 2022 Administrative Expenditures</b>	<b>\$276,649</b>

Future year administrative expenditures reflect full salaries with annual increases and employee turnover and ongoing operating expenses.

This analysis does not reflect any additional State funding for the office to provide mitigation grants. Although unclear, it is assumed that the intent of the bill is for the office to coordinate and administer existing grant funding (and/or leverage additional federal funding) rather than to establish a new State-funded grant program. To the extent the intent of the bill is for the office to provide additional State-funded grants, general fund expenditures increase further.

MDE advises that it can coordinate with MEMA to administer NFIP using existing budgeted resources.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Baltimore and Montgomery counties; City of Havre de Grace; Maryland Department of the Environment; Military Department; Federal Emergency Management Agency; Department of Legislative Services

**Fiscal Note History:** First Reader - March 3, 2021  
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