

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 706 (Delegates Sample-Hughes and Watson)
 Environment and Transportation Education, Health, and Environmental Affairs

Maryland Department of Emergency Management - Office of Resilience

This bill establishes the Office of Resilience in the Maryland Department of Emergency Management (MDEM). The bill requires the appointment of a Chief Resilience Officer (CRO) to coordinate State and local efforts to build resilience to risks identified in the Maryland Hazard Mitigation Plan and to develop a State Resilience Strategy. The bill also (1) specifies the duties and responsibilities of the office and (2) establishes that it is the intent of the General Assembly that State agencies and entities coordinate and cooperate with the office to carry out strategies and programs related to resilience. The bill establishes specific requirements for the University of Maryland Center for Environmental Science (UMCES) to coordinate with the office.

Fiscal Summary

State Effect: General fund expenditures increase by \$773,200 in FY 2023; future years reflect annualization, inflation, and ongoing costs. 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 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	773,200	890,500	914,800	938,400	962,800
Net Effect	(\$773,200)	(\$890,500)	(\$914,800)	(\$938,400)	(\$962,800)

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

Local Effect: The bill does not directly affect local finances, but local finances could be indirectly affected due to the various activities undertaken as a result of the bill.

Small Business Effect: None. The bill does not directly affect small businesses, but small businesses could be indirectly affected due to the various activities undertaken as a result of the bill.

Analysis

Bill Summary:

Chief Resilience Officer – Duties

The head of the office is the CRO, who must be appointed by and serve at the pleasure of the Secretary of Emergency Management. The CRO is in the Executive Service of the State Personnel Management System and is entitled to the salary provided in the State budget.

The duties of the CRO include (1) coordinating State and local efforts to build resilience to risks identified in the Maryland Hazard Mitigation Plan; (2) developing a State Resilience Strategy and assisting local agencies in their efforts to prepare and implement resilience strategies; (3) coordinating across State and local agencies to prepare and implement resilience strategies; (4) identifying, securing, and assisting in accessing federal, State, and private funding streams and technical assistance that can be used to support State and local resilience efforts; (5) working with business leaders from industries vulnerable to the risks to identify best practices for preparing for and responding to risks; and (6) ensuring that investments prioritize vulnerable communities and environmental justice.

Office of Resilience – Duties and Reports

The office must (1) coordinate and administer federal prevention, protection, mitigation, and recovery-focused programs; (2) administer State mitigation grants and loans; (3) identify flood risk assessment tools for use by programs and projects statewide; (4) administer other programs as directed by the Secretary of Emergency Management and the CRO; (5) prioritize vulnerable communities and ensure that investments are made with a focus on environmental justice; and (6) conduct outreach and provide technical assistance to local jurisdictions to support the development of local resiliency plans.

By January 1, 2024, and annually thereafter, the office must report to the State Treasurer, the Governor, and the General Assembly on the current status and efficacy of State and local resiliency efforts. The report must include (1) a summary of the activity of the office during the previous calendar year; (2) recommendations based on information gathered by the Maryland Department of the Environment (MDE) and UMCES; and (3) plans to increase resiliency in the State for the next year, 2 years, 5 years, and 10 years, including potential funding sources for the plans.

Support and Coordination with State Agencies and Entities

With support from appropriate State agencies and entities, the office must coordinate strategies and improve interagency coordination to meet the following goals: (1) ensuring rapid State support following emergencies; (2) minimizing flooding in residential areas; (3) promoting climate-informed investments; (4) informing and educating the public on emergency safety and risks; (5) building neighborhood resiliency; (6) improving coastal resilience; (7) adapting agricultural practices to respond to increasing precipitation, temperatures, and soil salinization; and (8) reducing the potential impact of other hazards identified in the Maryland Hazard Mitigation Plan. UMCES must coordinate with the office to:

- establish a resilience baseline for the State;
- develop a statewide resilience assessment to support local government benchmarking for use in a statewide resilience tracker to help identify investment needs;
- develop indicators to monitor the effectiveness of resilience efforts and establish future goals; and
- produce an economic analysis and policy benchmark report to include (1) an examination of the financial impact of extreme weather or other hazardous events in the State; (2) an estimate of necessary resources needed to prepare for and reduce the adverse effects of hazardous events in the State; (3) the identification of available funding sources, including those used by other states; and (4) a comparison of State policies and resilience efforts with those of other vulnerable states, including Florida, Massachusetts, New York, North Carolina, and Virginia.

Current Law:

Maryland Department of Emergency Management

Chapters 287 and 288 of 2021 established MDEM as a principal department of the Executive Branch of State government and as the successor to the Maryland Emergency Management Agency. MDEM 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 the Federal Emergency Management Agency (FEMA) and other federal partners. MDEM 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.

Resilient Maryland Revolving Loan Fund

Chapter 644 of 2021 established the Resilient Maryland Revolving Loan Fund within MDEM. The revolving loan fund is a special, nonlapsing fund with the stated purpose of providing loans for local resilience projects that address mitigation of all hazards, including natural disasters. MDEM, which administers the fund, must prioritize making loans to projects it determines to have the greatest impact on eliminating hazards. The fund may be used only to provide low- or no-interest loans to local governments and nonprofit organizations for local resilience projects. The fiscal 2022 capital budget included \$25.0 million in general obligation (GO) bonds for the fund; the fiscal 2023 capital budget includes \$25.0 million in general funds to supplant last year's GO bond allocation, which is being deauthorized.

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 the National Flood Insurance Program (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. MDEM published the [Maryland Hazard Mitigation Plan](#) in August 2021,

and the plan has been approved by FEMA. Section III 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.

State Fiscal Effect: General fund expenditures increase by \$773,210 in fiscal 2023, which accounts for the bill’s October 1, 2022 effective date. This estimate reflects the cost of hiring (1) the CRO, one half-time administrative assistant, one half-time fiscal services officer, four program administrators, and one half-time human resource officer for MDEM to establish the Office of Resilience and (2) one full-time and two part-time contractual scientists for UMCES to coordinate with the office. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. It also includes \$25,000 for MDEM to procure contractual services related to the development of the specified reports, in addition to \$30,000 for educational programming and outreach efforts by the office.

MDEM Positions	6.5
UMCES Contractual Positions	1.4
MDEM Regular Salaries and Fringe Benefits	\$543,126
UMCES Contractual Salaries and Benefits	96,775
MDEM Contractual Reporting Costs	25,000
MDEM Educational and Outreach Costs	30,000
Other Operating Expenses	<u>78,309</u>
Total FY 2023 State Expenditures	\$773,210

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses, including ongoing costs for contractual services and educational programming and outreach efforts.

MDE advises that it requires additional staff (one liaison) to coordinate with the office. The Department of Legislative Services disagrees; MDE can likely provide recommendations and support to the office, as required by the bill, with existing budgeted resources. To the extent existing resources prove insufficient, MDE may request additional resources through the annual budget process.

Federal fund revenues and expenditures for MDEM increase to the extent the office applies for, receives, and distributes federal resiliency grants. The extent to which the bill results in the receipt of additional federal funds cannot be predicted.

Additional Information

Prior Introductions: SB 822 of 2021, a similar bill, received a hearing in the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken. SB 62 of 2021, another similar bill, also received a hearing in the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken. Its cross file, HB 542, received a hearing in the House Health and Government Operations Committee, but no further action was taken. SB 721 of 2020, a similar bill, passed the Senate and received a hearing in the House Health and Government Operations Committee, but no further action was taken.

Designated Cross File: SB 630 (Senator Hester, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Maryland Environmental Service; Baltimore and Garrett counties; Maryland Department of Emergency Management; City of Laurel; University System of Maryland; Maryland Department of Agriculture; Maryland Department of the Environment; Department of Housing and Community Development; Maryland Department of Labor; Department of Natural Resources; Maryland Department of Transportation; Maryland Clean Energy Center; Maryland Agricultural and Resource-Based Industry Development Corporation; Department of Legislative Services

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Analysis by: Thomas S. Elder

Direct Inquiries to:
(410) 946-5510
(301) 970-5510