

DA01
Maryland Department of Emergency Management – Capital
Capital Budget Summary

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

Projects	Prior Auth.	2023 Request	2024 Est.	2025 Est.	2026 Est.	2027 Est.	Beyond CIP
Headquarters Renovation and Expansion	\$1.575	\$9.090	\$11.120	\$1.315	\$0.000	\$0.000	\$0.000
Total	\$1.575	\$9.090	\$11.120	\$1.315	\$0.000	\$0.000	\$0.000

Fund Source	Prior Auth.	2023 Request	2024 Est.	2025 Est.	2026 Est.	2027 Est.	Beyond CIP
GO Bonds	\$1.575	\$9.090	\$11.120	\$1.315	\$0.000	\$0.000	\$0.000
Total	\$1.575	\$9.090	\$11.120	\$1.315	\$0.000	\$0.000	\$0.000

CIP: *Capital Improvement Program*
GO: general obligation

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

Program	2022 Approp.	2023 Request	2024 Est.	2025 Est.	2026 Est.	2027 Est.
Resilient Maryland Revolving Loan Fund	\$0.000	\$25.000	\$0.000	\$10.000	\$15.000	\$25.000
Total	\$0.000	\$25.000	\$0.000	\$10.000	\$15.000	\$25.000

Fund Source	2022 Approp.	2023 Request	2024 Est.	2025 Est.	2026 Est.	2027 Est.
GO Bonds	\$0.000	\$0.000	\$0.000	\$10.000	\$15.000	\$25.000
PAYGO GF	0.000	25.000	0.000	0.000	0.000	0.000
Total	\$0.000	\$25.000	\$0.000	\$10.000	\$15.000	\$25.000

GF: general funds GO: general obligation PAYGO: pay-as-you-go

Note: In the fiscal 2022 capital budget, \$25.0 million of GO bond funding was authorized for the Resilient Maryland Revolving Loan Fund. The Maryland Consolidated Capital Bond Loan of 2022 deauthorizes those funds and replaces them with \$25.0 million in PAYGO general funds in fiscal 2023.

PAYGO Recommended Actions

1. Concur with Governor’s allowance.

GO Bond Recommended Actions

1. Approve the \$9,090,000 general obligation bond authorization for the Maryland Department of Emergency Management Headquarters Renovation and Expansion project.
2. Approve the fiscal 2022 deauthorization of \$25,000,000 in general obligation bonds for the Resilient Maryland Revolving Loan Fund. These funds are fully replaced with pay-as-you-go general funds in the fiscal 2023 budget.
3. Approve the fiscal 2024 preauthorization of \$10,250,000 in general obligation bonds for the Maryland Department of Emergency Management Headquarters Renovation and Expansion project.
4. Approve the fiscal 2025 preauthorization of \$1,315,000 in general obligation bonds for the Maryland Department of Emergency Management Headquarters Renovation and Expansion project.

Program Description

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, Chapter 287 of 2021 established the Maryland Department of Emergency Management (MDEM) as an agency on October 1, 2021. MDEM is responsible for coordinating federal, State, local, and private resources throughout the State during times of disasters and emergencies. 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 that the emergency manager workforce is prepared to maintain operational readiness, and to provide training and educational opportunities to local jurisdictions.

Summary of Fiscal 2023 Funded State-owned Projects

Headquarters Renovation and Expansion

The fiscal 2023 capital budget provides \$9.09 million for planning and construction phases of the MDEM headquarters, located on the Camp Fretterd Military Reservation in Baltimore County. Since the facility's construction in 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 facility's ability to accommodate additional personnel when activated for an emergency response. Beyond the physical space limitations and the expanded scope of programming located at the facility, the building itself is poorly configured and, at times, functionally inadequate. 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.

The proposed project will renovate the 17,617 net square feet (NSF) facility and construct an expansion onto the building, which will increase the net square footage to 41,699 NSF. To accommodate the growth in staff size and programming located at the facility, renovations and expansions will be made to existing office, support, and conference space as well as to the State Emergency Operations Center and the Maryland Joint Operations Center. The completed facility will provide staff with improved restroom, breakroom, and billeting space to accommodate staff needs during emergency activations. Renovations will also address the HVAC system and repairs to the parking lot.

The total project costs are \$23.1 million in general obligation (GO) bonds. Because MDEM is entirely State-operated, this project is not eligible for federal funds. MDEM expects the design phase to last until February 2022 and require an additional \$340,000 in programmed funds for fiscal 2023. The estimated \$21.185 million needed for construction and capital equipping of the facility is programmed to be funded across fiscal 2023, 2024, and 2025. Construction is expected to begin in July 2022 and last 26 months.

The 2022 session capital budget bill includes a \$10.25 million fiscal 2024 preauthorization for the project required for the Board of Public Works (BPW) to approve the construction contract without the authorization of all funds necessary to fund the contract.

Budget Overview of Grant and Loan Programs

Resilient Maryland Revolving Loan Fund

The fiscal 2023 operating budget allowance provides \$25.0 million in pay-as-you-go general funds to fund the Resilient Maryland Revolving Loan Fund established by Chapter 644 of 2021.

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The general funds will replace \$25.0 million of GO bond funds authorized in fiscal 2022, which are to be deauthorized by amendment in the Maryland Consolidated Capital Bond Loan of 2022. The fund was established in response to the passage of the federal Safeguarding Tomorrow Through Ongoing Risk Mitigation (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. FEMA’s program was funded with \$500 million through the Infrastructure Investment and Jobs Act of 2021.

The Resilient Maryland Revolving Loan Fund 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 work group. The program has been scoped following the best practices provided by the Maryland Department of the Environment, which manages a water quality revolving loan fund.

The 2022 *Capital Improvement Program* provides \$10.0 million in GO 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. To the extent that the programmed use of GO bond funds would require the issuance of more expensive taxable debt, it would be fiscally prudent to use general funds.

MDEM should update the budget committees on the program’s activities to date and its planned activities in fiscal 2022 and 2023.

Deauthorizations

The fiscal 2023 capital budget bill includes a provision deauthorizing \$25.0 million of GO bond funds authorized in fiscal 2022 to capitalize the Resilient Maryland Revolving Loan Fund, as shown in **Exhibit 1**. As previously noted, the fiscal 2023 budget fully replaces the deauthorized funds with general funds.

Exhibit 1		
Deauthorizations		
<u>Project</u>	<u>Deauthorized Amount</u>	<u>Reason</u>
Resilient Maryland Revolving Loan Fund	\$25,000,000	The loan fund will receive general funds rather than general obligation bond funding.

Source: 2022 *Capital Improvement Program*

Updates

1. Report on Fiscal 2022 Amoss Fund Disbursements and Maintenance of Effort Requirements

The 2021 *Joint Chairmen’s Report* requested that MDEM prepare a report on fiscal 2022 distributions made from the William H. Amoss Fire, Rescue, and Ambulance Fund (Amoss Fund). The Amoss Fund is distributed by MDEM to the counties and Baltimore City to purchase fire and rescue equipment and for capital building improvements. Allocations made under the Amoss Fund are shown in **Exhibit 2**. Set in statute, the Amoss Fund receives an annual allocation of \$15.0 million through the Maryland Emergency Medical System Operations Fund (MEMSOF). For a more detailed discussion of the Amoss Fund and MEMSOF, see the fiscal 2023 MEMSOF operating budget analysis.

Exhibit 2 Amoss Fund Allocations Fiscal 2020-2022 Est.

<u>Jurisdiction</u>	<u>2020</u>	<u>2021</u>	<u>2022 Est.</u>
Allegany	\$351,626	\$348,889	\$349,950
Anne Arundel	1,250,276	997,064	1,241,276
Baltimore City	1,352,944	1,374,549	1,692,787
Baltimore County	1,712,082	1,745,493	1,329,247
Calvert	300,022	305,587	300,000
Caroline	305,213	313,257	307,230
Carroll	388,287	395,617	384,518
Cecil	307,163	314,541	309,000
Charles	385,771	394,211	387,806
Dorchester	329,245	329,729	329,070
Frederick	582,967	599,922	593,199
Garrett	300,022	305,587	300,000
Harford	569,124	578,931	561,407
Howard	618,568	633,868	617,432
Kent	311,333	315,274	311,040
Montgomery	1,959,016	1,995,269	1,935,478
Prince George’s	1,702,922	1,742,378	1,695,516
Queen Anne’s	300,022	305,587	300,000
Somerset	300,022	305,587	300,000
St. Mary’s	308,963	314,785	309,660
Talbot	316,644	322,272	316,140
Washington	337,415	344,909	334,904
Wicomico	338,515	337,002	426,690
Worcester	372,955	379,692	367,650
Total	\$15,001,117	\$15,000,000	\$15,000,000

Amoss Fund: Senator William H. Amoss Fire, Rescue, and Ambulance Fund

Source: Fiscal 2023 Governor’s Proposed Budget

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Two jurisdictions, Baltimore City and Montgomery County, failed to meet the fiscal 2020 maintenance of effort (MOE) standard. However, no penalty was imposed in fiscal 2022 because of the two-year requirement in § 8-104 of the Public Safety Article. To receive a penalty, the jurisdiction must fail to meet the MOE for two consecutive years and not be granted a waiver from the General Assembly or BPW.