

Department of Emergency Management

	2019-21 Actual **	2021-23 Legislatively Adopted **	2021-23 Legislatively Approved *	2023-25 Current Service Level	2023-25 Governor's Budget
General Fund	12,052,898	36,692,980	34,488,049	21,926,529	28,391,058
Other Funds	103,389,948	148,903,641	98,495,733	159,240,214	176,459,113
Federal Funds	532,445,678	1,005,294,976	702,235,505	1,048,446,505	1,048,329,448
Total Funds	647,888,524	1,190,891,597	835,219,287	1,229,613,248	1,253,179,619
Positions	52	91	94	94	131
FTE	48.62	91.00	47.01	94.00	111.47

* Includes Emergency Board and administrative actions through December 2022.

** Includes Office of Emergency Management within Oregon Military Department prior to becoming an independent agency July 1, 2022

Program Description

The Oregon Department of Emergency Management (ODEM) was established as an independent agency with the passage of HB 2927 (2021) effective July 1, 2022. Formerly the Office of Emergency Management housed within the Oregon Military Department, ODEM coordinates statewide emergency services and maintains emergency communications systems used for public warnings, emergency notifications, and emergency support. ODEM also provides cities, counties, and tribes throughout Oregon with planning, training, exercise, and technical assistance for disaster preparedness, emergency response, recovery services, and hazard mitigation.

In addition to an administrative function that includes the Director's Office and the state Search and Rescue program, the agency's primary programs are:

- Emergency Preparedness and Response – executing planning, training, and exercise programs to raise awareness and preparedness for all hazard incidents. This includes the Homeland Security grant programs, Emergency Operations Plans, the Geological Hazard Program, the National Incident Management System, and the State Emergency Coordination Center (ECC). The program is funded primarily with Federal Funds, some Other Funds from the sale of bonds for the State Preparedness and Incident Response Equipment (SPIRE) grant program, and some General Fund used as matching funds.
- 9-1-1 Emergency Program – includes operation and management of the network that delivers 9-1-1 emergency calls to Oregon's 43 Public Safety Answering Points throughout the state. The program is funded with Other Funds through an emergency communications tax.
- Mitigation and Recovery Program – leads statewide disaster recovery operations and serves as the direct link between FEMA and federal recovery operations and assistance and impacted communities and organizations across Oregon; coordinates the development, planning, and adoption of local community hazard mitigation plans, flood mitigation and fire assistance grant programs, pre-disaster grant program, and disaster recovery payments. The program is funded with Federal Funds received due to disaster declarations, and also one-time funds of \$20 million General Fund in 2021-23 to provide non-federal matching funds for Hazard Mitigation Grants in 2021-23.

- Debt Service – General Fund debt service for general obligation bonds issued for the SPIRE grant program.

CSL Summary

The Department's current service level (CSL) budget is 47.2% above the 2021-23 legislatively approved budget due to the phasing in of a second year of funding for 2023-25 where 2021-23 only included one year of funding. While Other Funds (61.2%) and Federal Funds (49.3%) expenditure limitations have increased, the General Fund has an overall decrease of 36.4%, largely due to the phase out of \$20 million one-time General Fund for the Hazard Mitigation Grants provided in HB 5202 (2022).

Policy Issues

Cash flow issues and the ability to provide funding during times of emergency is the most significant issue for the Department. If the disaster is not severe enough to meet federal thresholds, yet local resources are overwhelmed, a state emergency declaration may be initiated for response and recovery efforts, again requiring the Department to request emergency funding from the Legislature. The most recent example being a September 2022 Emergency Board request of \$2 million General Fund for storm damage in Wallowa County. The Department does not have discretionary funding to provide the upfront costs for major disasters as all General Fund within its budget is dedicated for existing staff and programs. To attempt to alleviate this cash flow issue, the Department has included a proposal in their requested budget to establish state-led Public Assistance and Individual Assistance Programs to provide direct assistance to individuals, homeowners, and communities impacted by non-federally declared emergencies or disasters and to fill gaps when federal assistance is provided but is insufficient.

In a federally declared disaster, the Federal Emergency Management Agency (FEMA) provides Public Assistance Grants for repair and restoration, but these funds are provided on a reimbursement basis, often leading to cash flow issues for the initial unbudgeted expenses that surround a disaster. Additionally, the Hazard Mitigation Grants provided for mitigation efforts have a 25% state matching requirement and when General Fund resources are not sufficient, the available federal funding cannot be fully allocated.

The Department currently has nine open disaster declarations, with over a billion in federal funds being passed through to other state agencies and local jurisdictions. Current budgeted position capacity is severely strained in meeting the response efforts required for the various disasters. Several U.S. Department of Homeland Security audits have emphasized the need for additional monitoring oversight for compliance with federal auditors. While the Department has requested multiple positions in its Agency Request Budget (ARB), including monitoring positions to help address audit findings, any additional staffing will require positions be funded at least partially with General Fund due to constraints, limitations, and inconsistency of federal funding.

Governor's Budget Summary

The Governor's budget for the Department is 2% above CSL and includes \$28.4 million General Fund, \$176.5 million Other Funds, and \$1.05 billion in Federal Funds. While the federal funds remain relatively flat compared to CSL, the Other Funds budget is an 11% increase, and the

General Fund is a 29% increase. The Governor's budget includes the establishment of 37 new positions (17.47 FTE) bringing the agency total to 131 positions (111.47 FTE).

Investments in the Governor's budget include:

- \$16 million Other Funds for carry forward of funding that was provided as match for FEMA's Hazard Mitigation Grant Program. To help address the 2020 Labor Day fires, \$20 million of General Fund was provided to ODEM in HB 5006 (2021) and then deposited into the Oregon Local Disaster Assistance Loan and Grant Account in HB 5202 (2022) for matching purposes to leverage available FEMA funding.
- \$722,634 General Fund and six positions (3.00 FTE) to address the Governor's Executive Order 23-02 relating to homelessness. This funding and position authority was provided in HB 5019 (2023).
- \$1.3 million General Fund for eight new positions (4.38 FTE) and reclassification of one existing position for additional administration positions that were not included when the agency was a part of OMD. Examples of the types of positions include a Chief Information Officer, a Legislative Coordinator, Public Affairs and Communications manager, and Workforce Development Coordinator.
- \$498,814 General Fund for a position (0.63 FTE) dedicated to Diversity, Equity, and Inclusion to ensure the agency's programs have culturally specific preparedness materials.
- \$2.1 million and 10 positions (2.88 FTE) for enhancement of the ECC to the Emergency Information and Operation Coordination Center to fully operationalize the state's Comprehensive Emergency Management Plans.
- \$2 million General Fund for Hazard Mitigation Grants. Like the \$20 million provided for the 2020 Labor Day Wildfires, these funds would be deposited and then used to cover the 25% cost share required for these FEMA grants provided to communities. A corresponding \$2 million in Other Funds expenditure limitation is provided to expend the funds.
- \$365,728 in total funding for two additional positions for recovery funding compliance and monitoring oversight for the audit of federal funds being passed through for disaster recovery. The positions costs are split between General Fund and Federal Funds.
- \$641,615 in total funding for two additional regional coordination positions and reclassifying the existing coordination positions. Currently there are six regions served by five coordinators, one of which is the supervising manager. These positions are funded between General Fund and Federal Funds.
- \$749,425 million General Fund to fully staff the Oregon Emergency Response System (OERS). HB 2927 transferred the OERS program from OSP to ODEM with an operative date of July 1, 2025. This package establishes eight positions (3.33) for operations of the OERS program and would increase capacity to be 24/7/365. The positions would start 10 months prior to the operative date of the program.
- \$1.4 million General Fund to fund shift four existing positions, currently budgeted under Other Funds and Federal Funds, in order to align funding with the actual work being done by the positions. Also included is a new accounting position to address the increased demands from the Individual and Public Assistance Grant programs over the prior biennia.

Other Significant Issues and Background

The creation of ODEM as its own agency mid-biennium in 2021-23 required final budgetary actions between ODEM and OMD be taken in the 2023 legislative session, which were addressed in the early session omnibus budget bill (HB 5045). Additionally, the Department received approval to move into a new facility where rental costs exceed the current budgeted amount. The rental costs will still need to be addressed, which are around \$400,000 above the CSL budget of \$2.5 million.

Key Performance Measures

As a new agency, the Department does not have an annual progress report, but has proposed eight performance measures that will be considered as part of the agency's budget request during the 2023 legislative session.