

# A New Direction in Washington and Making Smarter Investments in Tough Economic Times

By Beverly Bell

*Economic uncertainty in January 2008 evolved into a full-blown recession by the year's end, impacting everything in its wake, from state budgets to mortgages and from college endowments to car loans. American consumers dealt with rising food costs, plummeting home values and jobs cuts while riding a rollercoaster of fluctuating gas prices. The downturn has meant the loss of sales, income and property taxes, which could have serious ramifications for important state government functions such as emergency management and homeland security. Complicating the fiscal challenges is the first transition of the U.S. Department of Homeland Security to a new administration. This has led to a debate over the continued placement of the Federal Emergency Management Agency within Homeland Security. Yet even as that discussion ensues, the most destructive hurricane to hit U.S. soil since 2005—Ike—and the November 2008 terrorist attacks in Mumbai, India, serve as reminders that an all-hazards approach to emergency preparedness and experienced leadership are the real answers to threats, whether they are natural or man-made.*

## Introduction

The United States once again learned of nature's destructive force when Texas was hit in September 2008 by Hurricane Ike, a Category 2 storm that resulted in dozens of deaths, millions of homes without power and an estimated \$30 billion in damages. This was preceded by hurricanes Gustav and Dolly, which struck Louisiana and Texas, and Tropical Storm Faye, which caused extensive flooding in Florida.

There were other natural disasters, including an earthquake in Oregon, tornadoes in Virginia and Alabama, wildfires in California, relentless snowfalls in the Northeast and record-breaking flooding throughout Iowa, Missouri, Illinois and other areas of the Midwest.

A different storm hit as the Dow Jones Industrial Average lost approximately 34 percent of its value in 2008 and the country fell into a recession. It's estimated that 44 states are facing budget shortfalls in either 2009 and/or 2010.<sup>1</sup> The repercussions for state emergency management and homeland security are very serious for two main reasons. First, these agencies could be confronted with budget cuts. Secondly, most receive federal grants that require a state match. The Emergency Management Performance Grant program, for example, is a core state emergency management funding mechanism. As the only source of federal money directed to state and local governments for planning, training, exercises and personnel for all-hazards emergency preparedness, it requires a 50-50 match. If states aren't able to provide the

match, they will lose critical dollars. Investments made thus far in terrorism-preparedness programs, response equipment, planning efforts and training could be jeopardized without adequate money to sustain them.

With a new president, questions persist as to the direction of the U.S. Department of Homeland Security and the Federal Emergency Management Agency. In the last months of the previous administration, there appeared to be a push to create and secure legacy systems within the Department of Homeland Security and FEMA. The more important issue for states is being engaged in the strategy and development of such systems from the beginning. This makes for better use and allocation of public money. It also helps ensure that new programs are practical, realistic and have state and local buy-in.

## Emergency Management and Homeland Security Structures

When a disaster strikes, emergency management becomes one of the most important functions of state government. It is the central coordination point for all resources and assistance provided during disasters and emergencies, including acts of terrorism. It also has the overarching responsibility of saving lives, protecting property and helping residents recover once a disaster has occurred. Typically, emergency management comes to the forefront once an event has taken place. In reality, much of the critical work

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comes before—in the form of disaster drills and exercises, hazard mitigation programs, public warning tests and preparedness education.

Emergency management includes four main parts, referred to as the Four Pillars:

- Mitigation—activities that reduce or eliminate the degree of risk to human life and property
- Preparedness—pre-disaster activities to develop and maintain a capability to respond rapidly and effectively to emergencies and disasters.
- Response—activities to assess and contain the immediate effects of disasters, provide life support to victims and deliver emergency services.
- Recovery—activities to restore damaged facilities and equipment, and support the economic and social revitalization of affected areas to their pre-emergency status.

On the state level, these four elements encompass many different aspects, from planning and implementation to training and exercising. A state emergency manager will interact with all sectors of the population, including other state agencies, elected officials, local jurisdictions, all public safety personnel, the private sector and the general public.

### *Emergency Management Organizations/ Budgets/Staff*

There is no one organizational structure for a state emergency management agency—most states design it based on their specific needs. In 13 states,<sup>2</sup> the emergency management agency is located within the department of public safety; in 18 states it is located within the military department under the auspices of the adjutant general; and in 12 states, it is within the governor's office. It should be noted that in seven of the 10 states with the most disaster declarations since 1953, the emergency management director reports directly to the governor.<sup>3</sup>

Regardless of agencies' organizational structure for daily operations, emergency management ranks high among governors' priorities. In 28 states, the emergency management director is appointed by the governor. The position is appointed by the adjutant general in 11 states and by the secretary of public safety in eight states.

The 2009 fiscal year state operating budgets for these agencies range from a low of \$50,000 in Guam to a high of more than \$46 million in California for a total of \$294.3 million. This represents a nominal increase of less than four percent from the previous year's total budget, which was \$284.3 million. In fact, only 23 responding states saw their emergency

management budgets grow, while 20 states have fewer financial resources. Current budgets average \$5,886,944 with a median of \$3.4 million. In comparison, fiscal year 2008 operating budgets averaged \$5,363,214 with a median of \$3 million.

Despite state budgets inching up only slightly, total staffing increased by more than 11 percent. State emergency management full-time equivalents stand at 5,217, up from 4,688 the previous year. It should be noted that the current number represents several states that combine their emergency management/homeland security personnel.

The state emergency management agency continues to benefit from knowledgeable leadership. Thirty directors have 12 years or more experience in the field. Compared to last year when 35 directors had been in the director position specifically for three years or less, only 27 directors have that level of experience. As their tenure extends, directors face an increased likelihood of experiencing a presidential-declared disaster. Last year, 15 directors had not had such a declaration. The number has now fallen to nine.

Of course, like many state government positions, emergency management directors are politically appointed and their length of service is affected by newly elected governors or shifting political landscapes. The aging U.S. work force and retirements have also affected the field.

### *Homeland Security Structures and Funding*

State homeland security offices continue to evolve. This is apparent from the wide range of structures and responsibilities under which state homeland security offices operate. In some cases, state homeland security directors manage grants and budgets; in other cases, they have very limited roles. The inconsistent approach is a clear indication that the relationship between homeland security and emergency management is still being defined.

All states have a designated homeland security point of contact and this position has become a critical component of a governor's staff. It has the enormous job of preparing residents, businesses and governments for the next emergency or large-scale disaster.

Who takes on this responsibility varies from state to state. Sixteen states have established a unique position of homeland security adviser. In nine states, either the emergency management director or a combined emergency management/homeland security director is the primary point of contact. Eight states

**Table A: State Emergency Management: Agency Structure, Budget and Staffing**

State or other jurisdiction	Position appointed	Appointed/ selected by	Organizational structure	Agency operating budget FY 2009	Full-time employee positions
Alabama .....	★	G	Governor's Office	\$3,600,000	100
Alaska .....	★	G	Adjutant General/Military Affairs	3,180,300	62 (c)
Arizona .....	★	ADJ	Adjutant General/Military Affairs	1,433,000	62
Arkansas .....	★	G	Governor's Office	2,593,474	82
California .....	★	G	Governor's Office	46,278,000	526
Colorado .....	★	ED	Department of Local Affairs	600,000	25
Connecticut .....	...	HSEMC	Governor's Office	4,000,000	85 (c)
Delaware .....			(a) .....		
Florida .....	★	G	Governor's Office	15,382,543	138
Georgia .....	★	G	Governor's Office	3,213,000	97
Hawaii .....	★	ADJ	Adjutant General/Military Affairs	1,500,000	105
Idaho .....	★	ADJ	Adjutant General/Military Affairs	1,490,000	66
Illinois .....	★	G	Governor's Office	34,016,300	259
Indiana .....	★	G	Department of Homeland Security	15,000,000	275 (b)
Iowa .....	★	G	Adjutant General/Military Affairs	2,271,581	54
Kansas .....	★	G	Adjutant General/Military Affairs	1,421,712	33
Kentucky .....	★	ADJ	Adjutant General/Military Affairs	2,400,000	60
Louisiana .....	★	G	Governor's Office	12,084,833	394
Maine .....	★	G	Adjutant General/Military Affairs	1,232,000	24
Maryland .....	★	ADJ	Adjutant General/Military Affairs	2,500,000	69
Massachusetts .....	★	G	Public Safety	4,000,000	94
Michigan .....	★	G	State Police	3,155,600	85
Minnesota .....	★	PSS	Public Safety	5,268,620	65.25 (c)
Mississippi .....	★	G	Governor's Office	6,000,000	243
Missouri .....	★	G	Public Safety	2,700,000	73.5
Montana .....	...	ADJ	Adjutant General/Military Affairs	831,544	23
Nebraska .....	★	ADJ	Adjutant General/Military Affairs	1,558,020	36
Nevada .....	★	PSS	Public Safety	705,000	29
New Hampshire .....	★	G	Public Safety	4,500,000	48
New Jersey .....	★	G	State Police	6,000,000	359
New Mexico .....	★	G	Independent Cabinet Agency	3,740,000	90
New York .....	★	G	Governor's Office	12,500,000	119
North Carolina .....	★	G	Public Safety	6,992,532	178
North Dakota .....	★	ADJ	Adjutant General/Military Affairs	4,400,000	56
Ohio .....	★	PSS	Public Safety	5,591,534	91
Oklahoma .....	★	G	Governor's Office	1,200,000	32
Oregon .....	★	ADJ	Adjutant General/Military Affairs	2,721,165	44
Pennsylvania .....	★	G	Governor's Office	6,753,000	168
Rhode Island .....	★	ADJ	Adjutant General/Military Affairs	725,000	35
South Carolina .....	★	ADJ	Adjutant General/Military Affairs	2,200,000	73
South Dakota .....	★	PSS	Public Safety	653,464	19
Tennessee .....	★	G	Adjutant General/Military Affairs	3,600,000	102
Texas .....	...	PSS	Public Safety	18,500,000	178
Utah .....	★	PSS	Public Safety	1,014,300	59
Vermont .....	★	PSS	Public Safety	1,913,000	22
Virginia .....	★	G	Public Safety	9,777,688	138
Washington .....	★	G	Adjutant General/Military Affairs	4,300,000	98
West Virginia .....	★	G	Public Safety	6,200,000	54
Wisconsin .....	★	G	Adjutant General/Military Affairs	7,500,000	46
Wyoming .....			(a) .....		
Dist. of Columbia .....	★	M	Stand-Alone/Cabinet Agency	4,700,000	50
Guam .....	...	G	Department of Homeland Security	50,000	12

Source: The National Emergency Management Association, January 2009.

Key:

★ — Yes

... — No

G — Governor

ADJ — Adjutant General

ED — Executive Director, Dept. of Local Affairs

M — Mayor

HSEMC — Homeland Security/Emergency Management Commissioner

PSS — Public Safety Secretary/Commissioner/Director

(a) Not a member of NEMA, and therefore is not represented in the survey data.

(b) Includes homeland security, emergency management and other positions.

(c) Includes both homeland security and emergency management positions.

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have the adjutant general serving in this capacity. Eight public safety secretaries/commissioners are in this role.

Many states are also modifying the structure of their homeland security office, moving the day-to-day operations from their actual homeland security department. Only four states house the daily functions in a homeland security agency or office, a drop from nine last year. The biggest shift has been toward emergency management where 12 states now oversee daily operations, up from six. Ten states run it out of the governor's office while seven have it in the adjutant general/military affairs department. Eleven states keep the homeland security function in their public safety department. Six states have other structures in place.

Funding for these state homeland security offices is changing as well. In 2008, 36 states received 60 percent or more of the homeland security funding from federal money. This compares to 39 in 2007 and 46 in 2006. Of the 36 states, 18 operate with 100 percent federal funding, which is the same as last year and down from 22 in 2006. The change reflects a steady decline in various federal homeland security grants, and the decision by state legislatures to commit to these programs by investing more state dollars. Only two states—Georgia and Maryland—rely totally on state appropriations for their homeland security funding.

This money helps support one of the most important components of homeland security—people. The number of state personnel dedicated to homeland security is 1,620, down from the previous year's total of 1,811.

### Taking Advantage of Opportunities in a Recession

Despite the country's financial challenges, opportunities do exist for state emergency management and homeland security. Infrastructure investment is a priority for the new administration in Washington. Infrastructure typically includes dams and bridges. In addition to the tragic loss of life, these types of infrastructure failures can destroy housing, businesses and farming operations. They can interrupt commerce for extended periods and make transportation nearly impossible. Shoring up existing facilities—and when warranted, building new ones—can avoid these types of incidents or at least, mitigate future disasters.

Transportation is also a part of infrastructure. Road improvements can help facilitate better traffic flow during mass evacuations for disasters and

emergencies. In addition, making better use of existing mass transit and augmenting it could reduce global warming, which some suggest is contributing to the ever rising number of disasters. This increase is documented by Federal Emergency Management Agency data, which shows that federal disaster declarations have been going up since 1980. In that decade, there was an average of 23.7 declarations per year. The number rose to 46 per year in the 1990s, nearly double the amount in the previous decade. From 2000 through 2008, there have been more than 55 per year.

Another opportunity lies in the stagnant new home construction. Officials can consider strengthening building code requirements and providing sufficient enforcement. The lull also allows communities to re-evaluate the wisdom of building residential housing in areas highly susceptible to repeated natural disasters such as hurricanes, wildfires and mudslides. Repetitive events that devastate these at-risk locations result in higher insurance claims, lost jobs, millions of cubic yards in debris clean-up, increased housing costs and, most importantly, fatalities. All these losses can be greatly reduced if government and business leaders can focus on the long-term good rather than short-term financial gains.

### Sticking with What Works

#### *Mitigation*

Investment in mitigation—those activities that reduce or eliminate the degree of risk to human life and property—has proven time after time that it pays off. A 2005 report published by the Multihazard Mitigation Council found that every \$1 of federal funds spent on mitigation grants from the Federal Emergency Management Agency leads to an average of \$3.65 in avoided post-disaster relief costs and increased federal tax revenues.<sup>4</sup>

Despite these findings, state mitigation spending has seen a decline for a decade. The initial drop could have been attributed to a 2003 fiscal year reduction in the funding formula when Congress cut state hazard mitigation funds from 15 percent to 7.5 percent of disaster costs. Reform legislation a few years later eliminated the 7.5 percent restriction, but the cap had already done its damage. It forced states to reduce the amount they spent on critically needed mitigation programs, suspend buy-out assistance programs for flooded communities, eliminate projects altogether and redistribute money that previously had been targeted to mitigation.

Beyond the savings of nearly \$4 in post-disaster spending for every \$1 in mitigation, this money

**Table B: Homeland Security Structures**

State or other jurisdiction	State homeland security advisor		Homeland security organizations	
	Designated homeland security advisor	Operates under authority of	Day-to-day operations under	Full-time employee positions
Alabama .....	Homeland Security Advisor/Director	SS	Homeland Security Department	14
Alaska .....	Homeland Security Advisor/Director	SS	Adjutant General/Military Affairs	62 (c)
Arizona .....	Homeland Security Advisor/Director	SS	Homeland Security Department	15
Arkansas.....	Emergency Management Director	GA	Emergency Management	6
California .....	Homeland Security Advisor/Director	EAO	Governor's Office	82
Colorado.....	Homeland Security Advisor/Director	EAO	Governor's Office	12
Connecticut .....	Commissioner of HS/EM	SS	Governor's Office	85 (c)
Delaware.....	(a)			
Florida .....	Florida Dept. of Law Enforcement	SS	Florida Dept. of Law Enforcement	73
Georgia.....	Emergency Management Director	EAO	Emergency Management	13
Hawaii.....	Adj. General/Director of Civil Defense	GA	Emergency Management	8
Idaho.....	Adjutant General	EAO	Adjutant General/Military Affairs	10
Illinois.....	Emergency Management Director	GA	Emergency Management	4.5
Indiana.....	Homeland Security Advisor/Director	SS	Homeland Security Department	275 (b)
Iowa .....	Lieutenant Governor	GA	Adjutant General/Military Affairs	13
Kansas .....	Adjutant General	SS	Adjutant General/Military Affairs	2
Kentucky .....	Homeland Security Advisor/Director	GA	Governor's Office	22
Louisiana.....	Homeland Security/ Emergency Management Director	SS	Governor's Office	10
Maine.....	Adjutant General	GA	Emergency Management	4
Maryland.....	Special Assistant to Governor	EAO	Governor's Office	2
Massachusetts.....	Public Safety Secretary/Commissioner	EAO	Public Safety	12
Michigan.....	Special Assistant to Governor	EAO	State Police	15
Minnesota.....	Public Safety Secretary/Commissioner	EAO	Emergency Management/Homeland Security	62.25 (c)
Mississippi.....	Homeland Security Advisor/Director	EAO	Public Safety	18
Missouri.....	Public Safety Secretary/Commissioner	EAO	Public Safety	25
Montana .....	Adjutant General	GA	Emergency Management	3
Nebraska.....	Lieutenant Governor	SS	Emergency Management	8
Nevada.....	Homeland Security Advisor/Director	GA	Governor's Office	3
New Hampshire.....	Homeland Security/ Emergency Management Director	SS	Public Safety	1
New Jersey.....	Special Assistant to Governor	EAO	Attorney General	135
New Mexico.....	Homeland Security/ Emergency Management Director	SS	Emergency Management/Homeland Security	90
New York.....	Public Safety Secretary/Commissioner	GA	Homeland Security Department	184
North Carolina.....	Public Safety Secretary/Commissioner	GA	Emergency Management	11
North Dakota.....	Homeland Security Advisor/Director	EAO	Adjutant General/Military Affairs	6
Ohio.....	Public Safety Secretary/Commissioner	GA	Public Safety	23
Oklahoma.....	Homeland Security Advisor/Director	SS	Public Safety	19
Oregon.....	Adjutant General	GA	Emergency Management	n/a
Pennsylvania.....	Emergency Management Director	EAO	Emergency Management	6
Rhode Island.....	Adjutant General	GA	Emergency Management	3
South Carolina.....	State Police Superintendent/Director/ Commander	SS	State Police	10
South Dakota.....	Homeland Security Advisor/Director	GA	Public Safety	3
Tennessee.....	Homeland Security Advisor/Director	EAO	Public Safety	28
Texas.....	Homeland Security Advisor/Director	EAO	Governor's Office	6
Utah.....	Homeland Security Advisor/Director	SS	Public Safety	110
Vermont.....	Public Safety Secretary/Commissioner	EAO	Public Safety	8
Virginia.....	Special Assistant to Governor	SS	Governor's Office	8
Washington.....	Adjutant General	EAO	Adjutant General/Military Affairs	26
West Virginia.....	Public Safety Secretary/Commissioner	GA	Public Safety	11
Wisconsin.....	Adjutant General	EAO	Adjutant General/Military Affairs	0
Wyoming.....	(a)			
Dist. of Columbia.....	Homeland Security/ Emergency Management Director	SS	Emergency Management	47
Guam.....	Homeland Security Advisor/Director	EAO	Governor's Office	23

Source: The National Emergency Management Association, January 2009.

Key:

GA — Governor's Verbal Authority  
EAO — Executive/Administrative Order  
SS — State Statute

(a) Not a member of NEMA, and therefore is not represented in the survey data.

(b) Includes homeland security, emergency management and other positions.

(c) Includes homeland security and emergency management positions.

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could be redirected to other projects. At a time when financial resources are being stretched to their limits, mitigation investment is a proven approach in making dollars work harder and smarter.

### *Mutual Aid*

Mutual aid agreements, which allow support across lines of jurisdictions when a disaster occurs, continue to show why they're so important. The Emergency Management Assistance Compact played a crucial role in the aftermath of hurricanes Katrina and Rita. The state-to-state agreement deployed nearly 66,000 people from 48 states, at a cost of more than \$830 million. This represented the largest deployment of mutual aid assistance in United States History.

Now, states are moving to the next level of mutual aid, developing intrastate agreements, which are geared toward a local jurisdiction, such as a city or county, rather than a state. Forty-five states now either have intrastate agreements in place or have proposed compacts. This is a 67 percent increase from 2003 when there were only 27 such states. In tough economic times and diminishing budgets, it's impossible for a city to purchase everything that might be required for a disaster or emergency. Shared equipment and personnel available through mutual aid can bridge the gap between demand and supply.

In addition, there is growing interest in international mutual aid. Twelve states have agreements with bordering countries. Since disasters don't respect political boundaries, these agreements are essential for prompt response and recovery efforts.

### **Persistent Worries**

In a recent survey<sup>5</sup> of states on natural and human-related emergencies, several common concerns were cited. These included interoperability, effective large-scale evacuations, mass sheltering in the event of a major disaster, the public's responsibility for preparedness and sustaining current programs and personnel.

Achieving interoperability—the ability of various emergency responders to talk to each other through both voice and data systems—is not easily solved. The proliferation of systems, the cost, the difficulty in defining common communication standards—all these factors contribute to the slow progress toward true interoperability.

Personal preparedness responsibility lags as citizens rely too heavily on government to rescue them when a disaster strikes. States believe that adequate public resources must be in place to manage a disaster, but individuals have to take a larger, more proactive role in protecting themselves, their families

and their property. The challenges of evacuations, sheltering and adequate, sustained funding continue to confront all states. The financial burden takes the shape of not only greater restrictions on federal grants, but also shifting more of the grant management and administration costs back to the states.

Beyond these problems are other related issues, such as the proper role of the military in disaster response. States are adamant about governors retaining control of their National Guard troops, yet there are increasing discussions about armed forces assuming more authority in a disaster. Another question involves the next generation of qualified emergency managers and the loss of institutional knowledge as current state directors retire or move into the private sector.

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### **Notes**

<sup>1</sup> Center on Budget and Policy Priorities, December 2008.

<sup>2</sup> This data is based on an annual NEMA survey of state emergency management directors. There were a total of 50 responses which included 48 states, the District of Columbia and Guam. The term "state" throughout the text refers to all respondents.

<sup>3</sup> *Declared Disasters by Year or State*; Federal Emergency Management Agency.

<sup>4</sup> *Natural Hazard Mitigation Saves: An Independent Study to Assess the Future Savings from Mitigation Activities*, Multihazard Mitigation Council, 2005.

<sup>5</sup> *Innovative Programs in Funding State Homeland Security Needs*, Southern Legislative Conference, November 2008.

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