

# An Impossible Choice: Reconciling State Budget Cuts and Disasters That Demand Adequate Management

By Beverly Bell

*Faced with severe budget deficits across the nation, state governments are making difficult, if not impossible, choices when it comes to cutting services for their residents. Like most functions within state government, emergency management is feeling the brunt of this brutal environment. On one side are the economic constraints. On the other is the reality of disasters, which don't care about budgets and whether resources are available or not. Only one constant remains—if a disaster occurs, citizens expect an adequate level of public resources to manage the disaster. Every well-managed disaster teaches the benefits of a comprehensive capability. Effective and exercised evacuation plans remove people from harm's way. A fully functioning tsunami warning system saves lives. Rigorous building codes mean fewer deaths and lower costs for expensive reconstruction and debris removal after a devastating event. For the foreseeable future, the challenge for emergency management is balancing these conflicting realities while meeting the responsibility of saving lives and protecting property.*

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## Impacts of the Past Year

2010 was a devastating year in the annals of disasters. It began with a 7.0 magnitude earthquake in Haiti that claimed more than 200,000 lives. Although this didn't occur on American soil, several federal agencies—including the Federal Emergency Management Agency—provided significant assistance and expertise in terms of logistics, communications, and urban search and rescue. Only a few months later, the BP Deepwater Horizon oil drilling rig exploded, killing 11 people and resulting in a massive, three-month-long oil spill of more than 200 million gallons into the Gulf Coast. This presented unique challenges because of the involvement of the private sector, multiple federal agencies and several states. That same month, an explosion at a West Virginia coal mine resulted in the deaths of 29 miners. In addition to these events, there were record-breaking snowstorms along the East Coast, flooding in the South and Great Plains, and tornadoes in the Midwest. For the year, there were 81 presidentially declared disasters, the most since FEMA started keeping records in 1953.

As all of this was taking place, the country continued to face the worst economic conditions since the Great Depression. State revenues plummeted while demand for government assistance was higher than ever. After the 2008 financial meltdown, the federal government provided monetary assistance to state and local government through the American Recovery and Reinvestment Act. Many states used these funds over the past two

years to plug holes in their budgets. Now, however, the money is no longer available, so states must find other fixes to address their serious budget dilemmas. These include tax increases and drastic cuts. The latter is particularly worrisome to state emergency management, where eliminated positions can endanger a population.

## New Faces, Old Problems

In 2010, 37 states and two U.S. territories held gubernatorial races. While 12 incumbent governors were re-elected, 27 were new to the office. Since a disaster can be the first true test of an administration, not only did many of them need to learn quickly how the emergency management system works, but they also were at the same time appointing new state emergency management directors.

Budget struggles continue to plague the far majority of these governors and their directors. State budgets usually take longer to rebound from economic downturns because sales, income and property taxes—which are used to fund vital state functions such as emergency management and homeland security—don't increase until the economic picture has improved. As a result, agencies are dealing with budget cuts and hiring moratoriums.

Because of all-time-high deficits, Congress and the Washington administration are scrutinizing federal grants. These include two that are critical to state emergency management and homeland security, the Homeland Security Grant Program

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(HSGP) and the Emergency Management Performance Grant (EMPG). HSGP consists of five grants and its central element provides funds to build capabilities at the state and local levels. Money also can be used to implement the goals and objectives included in state homeland security strategies and initiatives in each State Preparedness Report. EMPG is a core state emergency management funding mechanism and the only source of federal money directed to state and local governments for planning, training, exercises and personnel for all-hazards emergency preparedness. The role it plays cannot be overstated because it serves as the lifeblood to emergency management throughout the United States.

Any kind of reduction to these grants will impact not only the grant amount itself, but the match as well. Since its inception, EMPG has required a 50 percent federal and at least a 50 percent non-federal match. Even as the economic picture has worsened and some have suggested requesting a higher match from the federal government, state government has stood fast, believing that every level of government has a responsibility in building emergency management capacity nationwide. In many cases, state and local governments continue to demonstrate a commitment to building that capacity by contributing more than the required 50 percent contribution.

However, if states aren't able to provide the match, they lose out on irreplaceable dollars. Investments made thus far in terrorism-preparedness programs, response equipment, planning efforts and training are jeopardized without adequate money to sustain them. States are already seeing the ramifications at the local emergency management level. Because local emergency management programs can't provide their EMPG cost share, they're turning down grant funding, which puts local agencies across the country at risk and seriously compromises that vital first rung of response capability.

The importance of EMPG and a strong local component is obvious in the fact that there were more than 44,637 actual local and tribal emergency response incidents in the 2010 fiscal year, including 19,571 state response incidents, which were supported utilizing EMPG funds.<sup>1</sup> In addition, in 2009, 59 disasters occurred requiring a presidential declaration and federal assistance. At the state level, however, 180 disasters required a gubernatorial declaration but no federal assistance, and another 122 events required state resources, but no decla-

ration. Without solid capabilities at the state and local level afforded through EMPG, events normally not requiring federal action could end up at the federal government's footsteps, requiring more costly expenditures.

As part of its budget examination process, the Obama administration is also actively pursuing a performance metrics approach—asking that both federal agencies and federal grants substantiate specific outcomes based on the investment and programmatic goals. State and local emergency management have already taken a significant step in this area with a report to Congress on EMPG that quantifies the full reach of the program, from enhanced interoperable communications and public education campaigns to emergency response plans and personnel training.

Another concern for emergency management is emergency operation centers (EOCs) funding. During emergencies and disasters, these facilities serve as the nerve center for state and local coordination, and are necessary to ensure continuity of operations and government in major disasters caused by any hazard. Federal agencies also use these EOCs as a central point for communication during response and recovery phases. Congress did appropriate some funding to states to update their centers after September 2001. However, it only allowed for limited planning and a needs assessment.

It's estimated that \$398 million would be needed to build, retrofit and upgrade state primary and alternate EOCs. In addition, when considering the needs to build, retrofit and upgrade local primary and alternate EOCs as well, the overall requirement is approximately \$1.3 billion.<sup>2</sup> The current Emergency Operation Centers Grant Program is intended to improve emergency management and preparedness capabilities by supporting flexible, sustainable, secure and interoperable EOCs with a focus on addressing identified deficiencies. This program has become markedly less effective, however, because of Congressional earmarks that prevent funds from reaching the most pressing projects as determined by state officials. It's hoped that Congress will recommit to tackling the EOC problem and acknowledge its critical role by allotting funds based on true need.

Finally, there's the issue of communications. After the 2001 terrorist attacks, communication challenges and failures were examined and debated. A current example of these is referred to as the D-Block. The Federal Communications Commission has licensed 10 MHz of radio spectrum in the 700 MHz band to

**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 2011	Full-time employee positions
Alabama.....	★	G	Stand-Alone Agency	\$5,170,000	96
Alaska.....	★	G	Adjutant General/Military Affairs	\$2,389,000	58 (c)
Arizona.....	★	ADJ	Adjutant General/Military Affairs	\$1,337,205	60
Arkansas.....	★	G	Governor's Office	\$2,394,335	100 (c)
California.....	★	G	Governor's Office	\$48,229,000	598 (c)
Colorado.....	...	ED	Department of Local Affairs	\$637,624	29
Connecticut.....	...	HSEMC	Governor's Office	\$5,400,000	34 (c)
Delaware.....			..... (a)		
Florida.....	★	G	Governor's Office	\$43,163,922	136
Georgia.....	★	G	Governor's Office	\$3,115,577	107 (c)
Hawaii.....	★	ADJ/DCD	Adjutant General/Military Affairs	\$1,500,000	92 (c)
Idaho.....	★	ADJ	Adjutant General/Military Affairs	\$1,500,000	66 (c)
Illinois.....	★	G	Governor's Office	\$33,481,400	228 (c)
Indiana.....	★	G	Combined Homeland Security/Emerg. Mgt.	\$12,150,000	248 (b)
Iowa.....	★	G	Adjutant General/Military Affairs	\$2,987,819	120 (c)
Kansas.....	★	G	Adjutant General/Military Affairs	\$1,025,147	37.5
Kentucky.....	★	G	Adjutant General/Military Affairs	\$1,741,100	97
Louisiana.....	★	G	Governor's Office	\$19,068,341	164 (c)
Maine.....	★	G	Adjutant General/Military Affairs	\$970,000	21
Maryland.....	★	G	Governor's Office	\$2,500,000	65
Massachusetts.....	★	G	Public Safety	\$4,324,135	71
Michigan.....	★	G	State Police	\$4,638,700	221 (c)
Minnesota.....	★	PSS	Public Safety	\$5,433,000	73 (c)
Mississippi.....	★	G	Stand-Alone Agency	\$6,822,493	116
Missouri.....	★	PSS	Public Safety	\$3,378,000	65
Montana.....	...	ADJ	Adjutant General/Military Affairs	\$775,000	23 (c)
Nebraska.....	★	ADJ	Adjutant General/Military Affairs	\$1,410,112	36
Nevada.....	★	PSS	Public Safety	\$593,043	35 (c)
New Hampshire.....	★	G	Public Safety	\$3,703,064	43 (c)
New Jersey.....	★	G	State Police	\$6,243,118	353 (d)
New Mexico.....	★	G	Stand-Alone Agency	\$3,100,000	68 (c)
New York.....	★	G	Governor's Office	\$6,600,000	386 (c)
North Carolina.....	★	G	Public Safety	\$8,800,246	178
North Dakota.....	★	ADJ	Adjutant General/Military Affairs	\$6,200,000	12
Ohio.....	★	PSS	Public Safety	\$5,168,480	94
Oklahoma.....	★	G	Governor's Office	\$700,000	32
Oregon.....	★	ADJ	Adjutant General/Military Affairs	\$1,700,000	45
Pennsylvania.....	★	G	Governor's Office	\$11,882,000	150
Rhode Island.....	★	G	Adjutant General/Military Affairs	\$1,335,731	28 (c)
South Carolina.....	★	ADJ	Adjutant General/Military Affairs	\$2,224,987	64
South Dakota.....	★	PSS	Public Safety	\$615,466	19
Tennessee.....	★	G	Adjutant General/Military Affairs	\$2,500,000	100
Texas.....	...	G	Public Safety	\$5,403,000	185
Utah.....	★	G	Public Safety	\$951,100	52
Vermont.....	★	PSS	Public Safety	\$2,380,000	18.5
Virginia.....	★	G	Public Safety	\$7,500,000	141
Washington.....	★	ADJ	Adjutant General/Military Affairs	\$4,066,276	89 (c)
West Virginia.....	★	G	Adjutant General/Public Safety	\$5,296,187	53
Wisconsin.....	★	G	Adjutant General/Military Affairs	\$9,207,600	52
Wyoming.....			..... (a)		
Dist. of Columbia.....	★	M	Combined Homeland Security/Emerg. Mgt.	\$1,994,000	56 (c)
American Samoa.....	★	G	Combined Homeland Security/Emerg. Mgt.	\$111,500	6 (c)
Guam.....	★	G	Governor's Office	\$0	10 (c)
Puerto Rico.....	★	G	Combined Homeland Security/Emerg. Mgt.	\$6,401,000	200 (c)
U.S. Virgin Islands.....	★	G	Governor's Office	\$5,441,382	93 (c)

Source: The National Emergency Management Association, February 2011

Key:

★ — Yes

... — No

G — Governor

ADJ — Adjutant General

ADJ/DCD — Adjutant General/Director of Civil Defense

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 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.

(d) Includes telecommunications personnel.

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public safety for broadband services. Many national organizations agree this 10 MHz is insufficient to meet public safety's bandwidth needs and public safety must have more spectrum.

Such spectrum exists and is available through the D-Block, which is located directly adjacent to the spectrum currently licensed to public safety for broadband services. The D-Block is also the only substantial contiguous spectrum remaining in the 700 MHz band yet to be licensed. However, under current statute, the FCC is required to auction the D-Block spectrum for commercial services. Once auctioned, the D-Block would be encumbered and public safety could be forced to build an interoperable network in two separate bands. This would mean additional expense to bridge the disparate systems. Congress is being asked to support legislation allocating the D-Block to public safety and to provide a funding mechanism to build-out the network so that essential communications systems are available during an emergency situation.

### State Emergency Management and Homeland Security Structures

When a disaster strikes, emergency management becomes one of the most crucial 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 citizens recover once a disaster has occurred. Typically, emergency management comes to the forefront once an event has taken place. In reality, much of the work 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; and
- 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-Homeland Security Organizations/Budgets

In 12 states, the emergency management agency is currently 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 13 states, it is in the governor's office.<sup>3</sup> In five of the six states with the most disaster declarations since 1953, the emergency management director reports directly to the governor.<sup>4</sup>

Regardless of agencies' organizational structure for daily operations, emergency management ranks high among governors' priorities. In 35 states, the governor appoints the emergency management director, an increase from 32 in the 2010 fiscal year. In eight other states, the adjutant general appoints the position, while the secretary of public safety appoints the position in six states.

For the homeland security function, only three states house the day-to-day operations in a stand-alone homeland security agency or office. In 17 states, either emergency management or a combined emergency management/homeland security office oversees daily operations. Eight states run it out of the governor's office while another eight have it in the adjutant general/military affairs department. Fourteen states keep the homeland security function in their public safety department.

Every state has a designated homeland security point of contact. Who takes on this responsibility varies from state to state. Currently, 14 states assign the homeland security advisor role to their homeland security director. In another 19 states, either the emergency management director or a combined emergency management/homeland security director is the primary point of contact. Seven states have the adjutant general serving in this capacity. Six public safety secretaries/commissioners are in this role. The remaining states have other options in place.

Emergency management agency operating budgets for the 2011 fiscal year range up to about \$48 million. Twenty-six states saw their emergency management funds shrink. This trend is expected to continue until the economic recovery is realized

**Table B: Homeland Security Structures**

State or other jurisdiction	State homeland security advisor	Homeland security organizations	
	Designated homeland security advisor	Day-to-day operations under	Full-time employee positions
Alabama	Homeland Security Director	Homeland Security (stand-alone office)	7
Alaska	Combined Emerg. Mgt./Homeland Security Director	Adjutant General/Military Affairs	58 (c)
Arizona	Homeland Security Director	Homeland Security (stand-alone office)	17
Arkansas	Emergency Management Director	Emergency Management	100 (c)
California	Combined Emerg. Mgt./Homeland Security Director	Combined Emerg. Mgt./Homeland Security Office	598 (c)
Colorado	Homeland Security Director	Governor's Office	14
Connecticut	Commissioner of Emerg. Mgt./Homeland Security	Governor's Office	34 (c)
Delaware		(a)	
Florida	Florida Dept. of Law Enforcement	Governor's Office	58
Georgia	Combined Emerg. Mgt./Homeland Security Director	Emergency Management	107 (c)
Hawaii	Adj. General/Director of Civil Defense	Adjutant General/Military Affairs	92 (c)
Idaho	Adjutant General	Adjutant General/Military Affairs	66 (c)
Illinois	Combined Emerg. Mgt./Homeland Security Director	Combined Emerg. Mgt./Homeland Security Office	228 (c)
Indiana	Combined Emerg. Mgt./Homeland Security Director	Combined Emerg. Mgt./Homeland Security Office	248 (b)
Iowa	Emergency Management Director	Combined Emerg. Mgt./Homeland Security Office	120 (c)
Kansas	Adjutant General	Adjutant General/Military Affairs	5
Kentucky	Homeland Security Director	Governor's Office	16
Louisiana	Combined Emerg. Mgt./Homeland Security Director	Governor's Office	164 (c)
Maine	Adjutant General	Emergency Management	3
Maryland	Homeland Security Advisor	Governor's Office	3
Massachusetts	Public Safety Secretary/Commissioner	Public Safety	8
Michigan	State Police Lieutenant	State Police	221 (c)
Minnesota	Emergency Management Director	Public Safety	73 (c)
Mississippi	Homeland Security Director	Public Safety	15
Missouri	Public Safety Secretary/Commissioner	Public Safety	19
Montana	Combined Emerg. Mgt./Homeland Security Director	Emergency Management	23 (c)
Nebraska	Lieutenant Governor	Emergency Management	10 (d)
Nevada	Combined Emerg. Mgt./Homeland Security Director	Emergency Management	35 (c)
New Hampshire	Combined Emerg. Mgt./Homeland Security Director	Public Safety	43 (c)
New Jersey	Homeland Security Director	Homeland Security (stand-alone office)	105
New Mexico	Combined Emerg. Mgt./Homeland Security Director	Stand Alone Cabinet Agency	68 (c)
New York	Public Safety Secretary/Commissioner	Combined Emerg. Mgt./Homeland Security Office	386 (c)
North Carolina	Public Safety Secretary/Commissioner	Emergency Management	11 (d)
North Dakota	Homeland Security Director	Adjutant General/Military Affairs	6
Ohio	Homeland Security Director	Public Safety	35
Oklahoma	Homeland Security Director	Public Safety	19
Oregon	Adjutant General	Adjutant General/Military Affairs	2
Pennsylvania	Emergency Management Director	Emergency Management	2
Rhode Island	Adjutant General	Emergency Management	28 (c)
South Carolina	State Police Superintendent/Director/Commissioner	State Police	26
South Dakota	Homeland Security Director	Public Safety	3
Tennessee	Public Safety Commissioner	Public Safety	28
Texas	Public Safety Secretary/Commissioner	Public Safety	36
Utah	Combined Emerg. Mgt./Homeland Security Director	Public Safety	65
Vermont	Homeland Security Director	Public Safety	8
Virginia	Special Assistant to Governor	Governor's Office	9
Washington	Adjutant General	Adjutant General/Military Affairs	89 (c)
West Virginia	Public Safety Secretary/Commissioner	Public Safety	8
Wisconsin	Adjutant General	Adjutant General/Military Affairs	0
Wyoming		(a)	
Dist. of Columbia	Combined Emerg. Mgt./Homeland Security Director	Combined Emerg. Mgt./Homeland Security Office	56 (c)
American Samoa	Homeland Security Director	Combined Emerg. Mgt./Homeland Security Office	6 (c)
Guam	Homeland Security Director	Governor's Office	10 (c)
Puerto Rico	Combined Emerg. Mgt./Homeland Security Director	Public Safety	200 (c)
U.S. Virgin Islands	Combined Emerg. Mgt./Homeland Security Advisor	Combined Emerg. Mgt./Homeland Security Office	93 (c)

Source: The National Emergency Management Association, February 2011.

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

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

(c) Includes homeland security and emergency management positions.

(d) Part of emergency management personnel.

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in state coffers. The median for the 2011 fiscal year state emergency management budgets is \$3,115,577, down for the second year in a row. Last year, it was \$3,300,000 and in the 2009 fiscal year, it stood at \$3,406,500.

### What's Ahead

In the current disaster assistance system, Congress appropriates money every year to the Disaster Relief Fund, which is designed to assist individuals and communities that have been struck by disasters. Despite regular funding, the amount in the DRF is rarely sufficient, particularly if there's a devastating event such as the 2008 Iowa floods or a catastrophic disaster such as Hurricane Katrina. In these situations, Congress adds money to the DRF fund in the form of emergency supplemental appropriations. Between 1990 and 2010, Congress provided additional DRF funding in 16 years. In fact, over the 21-year span, the total funding averaged nearly six times the original appropriated amount.<sup>5</sup>

This means Congress must intervene almost 75 percent of the time. Sometimes, these additional appropriations are delayed, which hurts jurisdictions that have experienced a disaster and need help. It also wreaks havoc on the federal budgeting process as well as federal budget deficits. As a result, states have begun discussing alternative ways to provide federal financial assistance. They're exploring options that save money while delivering financial aid in a faster, more efficient manner. These proposals are expected to be presented in 2011.

From the federal perspective, FEMA has initiated a comprehensive review of its Public Assistance Program. After a presidentially declared disaster or emergency, this program gives grants to state, tribal and local governments for certain work that protects life and property, and for damaged infrastructure. FEMA has indicated that it's open to a total revamping of the Public Assistance Program, with the express goal of improving the effectiveness and efficiency of the program.

States are also waiting to see how this project will complement another federal initiative, the development of the National Disaster Recovery Framework. Mandated by Congress, this document will culminate in a review of the entire disaster recovery process, with a focus on long-term recovery. Every aspect of disaster recovery assistance—roles, programs and responsibilities—is being studied, and FEMA indicates this will result

in modifications, though the degree is unknown. The release of the framework was delayed from 2010 until sometime in 2011.

Even before the 2011 Japan earthquake and the ensuing nuclear events, state emergency management had worked closely for years with its respective nuclear facilities on radiological emergency procedures, notifications and evacuations. Last year, state emergency management across the country weighed in on key documents involving radiological emergency preparedness programs, and will follow it up in 2011 with comments on NUREG 0654, which provides guidance for response to nuclear power facility emergencies. The tragic occurrences in Japan illustrate that so much of effective emergency management must take place in the preparation phase with plans that are tried and tested, and procedures that cover all facets of an incident.

Finally, the National Level Exercise takes place in 2011 and will simulate a major catastrophic earthquake of the New Madrid Seismic Zone, which cuts across the central United States. 2011 is the bicentennial anniversary of the 1811 New Madrid earthquake. Congress mandates these national exercises, which include all appropriate federal agencies and state counterparts. Participating states are Alabama, Arkansas, Illinois, Indiana, Kentucky, Mississippi, Missouri and Tennessee. The overall goal of the exercise is to push response and recovery mechanisms to the breaking point, so that officials can determine the gaps in the systems and address those before an earthquake, or any catastrophic event, actually occurs.

The exercise and related activities also will reveal more about the concept of interdependencies, how one disaster can cause a series of cascading failures, thereby multiplying the consequences of the original event. The National Level Exercise could assist in determining how these relationships can be integrated into the planning process, including building in resilient approaches. An instance of interdependencies occurred after the BP oil spill when fish/seafood markets throughout the United States that relied on the Gulf Coast experienced price increases and reduced inventory. The country has also witnessed larger examples of this with the political upheaval in the Middle East, which elevated oil prices. A New Madrid earthquake that takes out major transportation corridors could not only affect the heating oil supply to the Northeast, but also disrupt commerce across the nation.

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## Notes

<sup>1</sup>*Emergency Management Performance Grants Providing Returns on a Nation's Investment*, National Emergency Management Association and International Association of Emergency Managers, March 2011.

<sup>2</sup>*NEMA 2010 Biennial Report*, National Emergency Management Association, July 2010.

<sup>3</sup>This data is based on an annual NEMA survey of state emergency management directors. NEMA received 53 responses, which included 48 states, the District of Columbia, American Samoa, Guam, Puerto Rico and the U.S. Virgin Islands. The term "state" throughout the text refers to all respondents.

<sup>4</sup>*Declared Disasters by Year or State*, Federal Emergency Management Agency.

<sup>5</sup>*Disaster Relief Funding and Emergency Supplemental Appropriations*, Congressional Research Service, July 2009.

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