

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2370 **STATUS:** B-Engrossed
SUBJECT: Creates Office of Emergency Management in Oregon Military Department
GOVERNMENT UNIT AFFECTED: Department of State Police and Military Department
PREPARED BY: John F. Borden
REVIEWED BY: Doug Wilson
DATE: May 23, 2007

EXPENDITURES:	<u>2007-2009</u>	<u>2009-2011</u>
Oregon Military Department		
General Fund	\$ 1,997,568	\$ --
Other Funds	\$ 28,819,767	\$ --
Other Funds Nonlimited	\$ 4,623,210	\$ --
Federal Funds	\$ 51,267,047	\$ --
Federal Funds Nonlimited	\$ 45,186,647	\$ --
All Funds	\$ 131,894,239	\$ --
Department of State Police		
General Fund	\$ <1,997,568>	\$ --
Other Funds	\$ <28,819,767>	\$ --
Other Funds Nonlimited	\$ <4,623,210>	\$ --
Federal Funds	\$ <51,267,047>	\$ --
Federal Funds Nonlimited	\$ <45,186,647>	\$ --
All Funds	\$ <131,894,239>	\$ --

REVENUES:	<u>2007-2009</u>	<u>2009-2011</u>
See comments		

POSITIONS / FTE:	<u>2007-2009</u>	<u>2009-2011</u>
Oregon Military Department	38/33.78	--
Department of State Police	<38>/<33.78>	--

EFFECTIVE DATE: On passage

GOVERNOR'S BUDGET: This bill is anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: This measure transfers the Office of Emergency Management (OEM) from the Department of State Police (OSP) to the Oregon Military Department (OMD) including all unexpended fund balances of authorized to be expended by OEM. The measure re-assigns responsibility for the State Interoperability Executive Council from OEM to OSP. Lastly, the measure prohibits a unit of government from seizing a firearm from an individual who lawfully possesses the firearm during a declared state of emergency. The measure is effective on passage, but the OEM transfer is operative on July 1, 2007.

On May 16, 2007 the Joint Committee on Ways and Means approved the 2007-09 biennium budget for OSP (SB 5533), which assumed the transfer of OEM to the OMD. The OMD 2007-09 biennium budget (HB 5037) also anticipates enactment of the transfer.

The OMD budget for OEM is \$131.9 million (excluding enhancements and technical adjustment noted below) and represents the amount of funds transferred into the Department from the OSP at the essential budget level. The budget is comprised of \$2.0 million General Fund, \$28.8 million Other Funds, \$4.6 million Other Funds Nonlimited, \$51.3 million Federal Funds, and \$45.2 million Federal Funds Nonlimited. The budget includes 38 positions (33.78 FTE). The Legislative Fiscal Office was informed that the amounts transferred are not complete and that further adjustments in Other and Federal Funds limitations will be required. This adjustment will likely occur as part of a rebalance during the 2007-09 biennium or after the transfer is better understood by the OMD. OEM's revenue sources will remain unchanged and its ending cash balances will transfer to the OMD. The transfer at the essential budget level does not require additional General Fund beyond that funded in the OSP budget.

OEM's six major programs that would be transferred to OMD are:

1. Oregon Emergency Response System (OERS): Maintaining OERS 24 hours/seven days a week and act as a single point for reporting and coordinating emergencies that might require state and/or federal assistance;
2. Statewide 9-1-1 System: Administrating the 9-1-1 system which provides funding to local systems and takes the lead in developing and implementing new technology;
3. Grant Administration: Administer grants used to respond to emergencies, hazard mitigation planning, and project implementation throughout the state;
4. Chemical Stockpile Emergency Preparedness Program (CSEPP): Administer CSEPP in Eastern Oregon. CSEPP is the offsite preparedness program that prepares communities to insure that local and state plans are in place to respond to issues surrounding the demilitarization of chemicals at the Umatilla Army Depot;
5. Search and Rescue Program: Work with sheriffs in relation to the ground, marine, and air search rescue program; and
6. Domestic Preparedness: Provide the central point of planning, training, and exercising for the state's domestic preparedness efforts and offer guidance to local governments that receive grant funds through the Program.

In addition to, but not include in this fiscal impact, are policy package enhancements/technical adjustment related to the OEM and included in the transfer. The technical adjustment eliminated excess Federal Funds limitation from the U.S. Department of Homeland Security. The policy enhancement packages total approximately \$42.3 million, of which \$150,456 is General Fund, \$41.8 million is Other Funds, and \$342,745 is Federal Funds. There are two new position (6.10 FTE) requested for this program. Of note, is that a separate measure reauthorizing the 9-1-1 program (HB 2369) is also being considered by the 2007 Legislature and is basis for one of the policy packages.

OEM offices currently reside in an OMD building, the Anderson Readiness Center located in Salem, Oregon and therefore the transfer does not involve a physical transfer of the OEM assets or personnel.

The OSP budget reflects a transfer out similar to the OMD transfer-in amounts.

Lastly, OSP, at the discretion of the Superintendent of the Department, may reimburse State Interoperability Executive Council members actual and necessary travel expenses related to the performance of their duties on the Council from funds available to OSP.