

# BE READY RURAL OREGON

**HB 2687**—*provides a direct, practical solution for alleviating and bridging emergency preparedness gaps that exist at the local and regional level across the State of Oregon.*

## WHAT THE MEASURE DOES

- Creates a resiliency grant program funded by Article XI-Q bonds (utilizing existing capacity separate and distinct from the General Fund) to enable distribution of state emergency preparedness equipment and/or funds at the local level.
- Requires the Homeland Security Council to develop a prioritized equipment list by December 31, 2017, that is needed to address deficiencies in the ability of the state to respond to local and regional emergencies throughout the state.
- Further directs the Homeland Security Council to consult with county officials who are responsible for emergency management and the Office of Emergency Management in preparing the equipment list.
- Directs Office of Emergency Management to develop and administer the grant program to distribute emergency preparedness equipment to local governments and non-profit recipients.
- Continuously appropriates moneys deposited in the resiliency grant fund to Office of Emergency Management.
- Makes the Public Contracting Code inapplicable in the acquisition of preparedness equipment.
- Clarifies what is permissible with regard to use of tax-exempt bonds.
  - Permits the recipient to use the preparedness equipment for any purpose, governmental or otherwise, permissible for assets financed with tax-exempt bonds including nonemergency.
  - Requires approval for uses of equipment that are outside the scope of the recipient's business formation documents or bylaws.
  - Requires recipient to indemnify state against loss of any federal tax benefit caused by recipient.
- Requires recipient to maintain the preparedness equipment.
- Directs Oregon Emergency Management to conduct periodic inspections of the preparedness equipment.
- Specifies that the preparedness equipment remains the property of the state until fully depreciated at which time it can be offered for sale to the recipient at fair market value.
- Oregon Emergency Management may transfer between recipient's preparedness equipment as needed to meet emergency preparedness needs of the State of Oregon.

- Requires Oregon Emergency Management to (on or before December 31 of each year) submit a report to the Legislative Assembly and to the Oregon Homeland Security Council that describes the administration and effectiveness of the grant program and the current prioritized list of preparedness equipment types.
- Declares emergency, effective on passage.

## **NEED**

Emergency preparedness gaps exist at the local and regional level across the State of Oregon.

Funding the investment in preparedness equipment is expensive and presents budget concerns for local governments.

Placing preparedness equipment now for use by local emergency preparedness organizations ensures that existing gaps can be bridged affording the citizens of Oregon more secure and resilient communities.

HB 2687 provides a direct, practical solution for alleviating emergency preparedness gaps that exist at the local and regional level across the State of Oregon.

## **FISCAL IMPACT OVERVIEW**

Oregon State Treasury (OST) has stated that there is no fiscal impact to their agency. Further discussion with the Oregon Department of Justice (DOJ) representative supporting OST has provided the following explanation regarding the administration of the grant program established by HB 2687.

They recommend that Oregon Emergency Management (OEM) request DOJ to develop at least two grant templates. One for governmental, and another for non-profit private, grant recipients. The bonding/grant mechanism within HB 2687 is straight forward, especially compared to federal grant programs now administered by OEM. DOJ rationale is that by using a template this action should ensure that the needed information is obtained, compiled, and submitted for their review expeditiously. This affords an additional benefit of streamlining preparation and processing for subsequent grants.

### **The fiscal impact breaks down as follows:**

\$525 to \$875 to set up the initial grant templates (3-5 hrs attorney time)

\$50 to \$175 to process each grant application after the templates are in place (generally 15 minutes per grant application is what is expected if the templates are used).

\$175 can be considered to cover a special case, should it arise (1 hr attorney time).

Therefore, approximately \$1,050 (6 hrs x \$175/hr) for the first grant and \$175 (1 hr) thereafter.

## **GRANT ADMINISTRATION**

**One Full Time Equivalent (FTE) employee** is expected as the initial resource needed to develop and administer the emergency preparedness equipment grant program set forth within HB 2687.

OEM is tasked with developing and administering the grant program set forth in HB 2687. The administrative rules to administer the provisions of HB 2687 must be in place before any grants can be issued. Furthermore, the prioritized list of emergency preparedness equipment must be developed by December 31, 2017. With the prioritized preparedness equipment list developed by December 31, 2017, the first time a grant could be expected to be issued would not be until sometime in the second quarter of 2018. This affords time for OEM to work with DOJ to develop grant templates (see above). Thus, one FTE is the expected personnel resource for starting and maintaining the emergency preparedness equipment grant program established by HB 2687. Discussion with OEM describe this position as a Program Analyst 3. Later, as the program grows, an Account 3 may be needed.

## **REPLICATING FOR RURAL COMMUNITIES WHAT IS AVAILABLE TO URBAN AREAS**

Federal preparedness grants flow into the state via the Homeland Security Grant Program through OEM. They are destined for urban areas. For example, Urban Area Security Initiative (UASI) provided \$587 million (fiscal year 2015) to enhance regional preparedness and capabilities to the nation's 28 highest-risk, highest-threat, highest-density urban areas. Additionally, USAI funds must support terrorism preparedness. NOTE: Urban area focus.

HB 2687 is designed to support the local and regional needs of Oregon communities; areas with many needs with few discretionary financial resources. Administratively, it is simpler than the federal grant programs. While UASI was a conceptual starting point, HB 2687 was crafted with local Oregon communities in mind; deliver the needed preparedness equipment with few administrative entanglements while preserving prudent fiduciary responsibility.

- It is directed at identifying and prioritizing the type of preparedness equipment that is needed to alleviate preparedness gaps for local communities in Oregon.
- It requires local input for the preparedness equipment identification process.
- It utilizes existing bonding capacity (separate and distinct from the General Fund) that is not currently used.
- It allows preparedness equipment to be moved, if needed, to reinforce other communities during an emergency.
- It is a practical solution for Oregon to build, sustain, and deliver core emergency preparedness capabilities for its local communities.

Respectfully submitted.

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