

## 2025-27 Budget Review

### Department of Emergency Management

	2021-23 Actual	2023-25 Legislatively Approved *	2025-27 Current Service Level	2025-27 Governor's Budget
General Fund	39,256,625	32,727,184	33,213,038	36,112,413
Other Funds	76,096,971	186,264,049	182,910,269	185,666,438
Federal Funds	521,354,454	1,569,105,200	1,096,885,190	1,098,413,627
<b>Total Funds</b>	<b>636,708,050</b>	<b>1,788,096,433</b>	<b>1,313,008,497</b>	<b>1,320,192,478</b>
Positions	104	140	117	134
FTE	53.65	132.29	117.00	131.25

\* Includes legislative and administrative actions through December 2024.

#### 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 some one-time General Funds related to the Governor's Executive Order on homelessness.

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

General Fund totals \$32.7 million, including \$4.5 million of debt service, and makes up only 2.5% of the total legislatively approved budget. Other Funds make up 14.6% of the budget and primarily come from the 9-1-1 Emergency Program and SPIRE program. Finally, Federal Funds comprises 82.8% of the agency budget and is largely a result of disaster declarations from prior years that remain open pending federal payments.

## BUDGET ENVIRONMENT

Legislative investments in the 2023 session provided the Department with 41 new positions, including critical IT positions, additional regional coordinators, dedicated staff for the new Emergency Coordination Center, positions for financial processing of federal disaster payments, a compliance division established through HB 3059, and for the Oregon Emergency Response System (OERS), which is statutorily transferred from the Oregon State Police to ODEM on July 1, 2025. In the 2024, session a human resources unit was established as part of the agency's administrative function.

Cash flow 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, requiring the Department to request emergency funding from the Legislature. 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. 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 has been working with its federal partners on an indirect cost rate percentage and once that is finalized, the funding of some positions within the Department will likely need to be adjusted to account for that rate as a percentage of the overall position costs.

## CURRENT SERVICE LEVEL

The current service level (CSL) budget is \$1.3 billion total funds (\$33.2 million General Fund, \$182.9 million Other Funds, and \$1.1 billion Federal Funds) and 117 positions (117.00 FTE), a 26.6% decrease from the 2023-25 legislatively approved budget (LAB). General Fund has increased by 1.5%, Other Funds decreased by 1.8%, and Federal Funds decreased by 30.1%. The significant drop in Federal Funds limitation between 2025-27 CSL and 2023-25 LAB is primarily due to a one-time \$512.3 million Federal

Funds limitation increase approved by the Emergency Board in December 2024 to close out payment distributions of FEMA drawdowns for COVID-19 in the 2023-25 biennium.

## GOVERNOR'S BUDGET SUMMARY

ODEM's Governor's budget for 2025-27 totals \$1.3 billion with \$36.1 General Fund, \$185.7 million Other Funds, \$1.1 billion Federal Funds, and 134 positions (131.25 FTE). The General Fund is 8.7% above CSL, Other Funds increased by 1.5%, and Federal Funds increased by less than 1%.

Beyond minor reductions to the agency for statewide Attorney General adjustments and DAS charges, increases within the Governor's budget include:

- \$2 million General Fund on a one-time basis for a total replacement of the current crisis management system, to include equipment upgrades and training assistance.
- \$1.4 million total funds (\$1.2 million General Fund and \$231,956 Federal Funds), two positions and a reduction in 0.75 FTE across a variety of actions, including a services and supplies reduction in Administration, a fund shift between General Fund and Federal Funds for positions in the Preparedness and Response and Mitigation and Recovery divisions, the creation of other positions in Preparedness and Response, reducing existing funding for the Oregon Emergency Response System (OERS) based on an assumed delay in implementation date, additional funding for the OERS system implementation, and reclassing an OERS position to a different classification.
- \$741,320 total funds (\$408,354 General Fund, \$332,966 Federal Funds, and five positions (5.00 FTE)) to shift finance staffing in-house and end the DAS Shared Financial Services model for ODEM.
- \$51,985 total funds (\$196,456 General Fund increase and \$144,471 Federal Funds decrease) to reclass and fund shift two positions for hazard mitigation.
- \$12,850 General Fund to contract with translators to provide emergency preparedness and response alert messages accessible across Oregon's major languages and to the hearing and sight impaired.
- \$3.9 million Other Funds and three positions (3.00 FTE) to transfer the State Interoperability Executive Council (SIEC) and the Statewide Interoperability Coordination Program from the DAS State Chief Information Officer to ODEM.
- Net-zero-dollar fund shift (\$242,768 General Fund reduction, \$865,435 Other Funds reduction, \$1.1 million Federal Funds increase, and seven positions (7.00 FTE)) to rebalance positions across the agency and funding types.

## OTHER SIGNIFICANT ISSUES

The Statewide Interoperability Coordination (SWIC) program, currently operating within the Department of Administrative Services (DAS), is designed to enhance the state's emergency management and response capability and improve public safety coordination and emergency response. DAS and ODEM's requested budgets propose transferring the SWIC program from DAS to ODEM, which includes three positions and \$3.9 million Other Funds. Currently the SWIC is funded through an assessment of all state

agencies, with a similar assessment proposed to continue that funding. As the SWIC is a statutory program, any budgetary changes will require accompanying legislation to transfer the program.

One component of the creation of ODEM in HB 2927 (2021) includes the transfer of the Oregon Emergency Response System (OERS) from the Oregon State Police (OSP) to ODEM as codified in ORS 401.094, with the operative date for the transfer set as July 1, 2025. As such, the 2023-25 legislatively approved budget included \$548,030 General Fund for ODEM to operationalize the OERS, including six operator positions (2.52 FTE) with a 10-month lead time for onboarding and training to match the resources that were provided to OSP for this purpose. In addition, the four positions included in Package 105 for the Emergency Coordination Center were to provide additional coverage for OERS, as-needed. No reductions were made to OSP, because their positions covering OERS were doing so as only a portion of their duties, and that work remains despite the transfer of OERS. ODEM's assessment of the existing technology being used for OERS is that it lacks reliability, redundancy, and features related to logging, recording, instant playback, data analytics, trainer assistance features, integration with a graphical information system (GIS), Telephony Denial of Service (TDoS) capabilities to accommodate communication network overloads in times of high use, and other system characteristics. As a result, the Governor's budget recommends a delay in the effective date of the transfer from July 1, 2025, to July 1, 2026, requests \$1.7 million General Fund to acquire and stand up a new system for OERS (as noted above), and subsequently reduces the ODEM budget by \$410,760 General Fund in acknowledgement that the six positions provided in 2023-25 have not been filled as the system needs are addressed. ODEM is working on a legislative concept to amend the transfer date in order to meet the Governor's budget request.

As a relatively new independent agency, and with almost entirely new leadership in place since 2022, the Department is still trying to determine its path forward and what areas of the agency may need restructuring or potentially additional resources.

## KEY PERFORMANCE MEASURES

A copy of the Department of Emergency Management's Annual Performance Progress Report can be found on the LFO website: [https://www.oregonlegislature.gov/lfo/APPR/APPRProposed\\_ODEM\\_2024-10-15.pdf](https://www.oregonlegislature.gov/lfo/APPR/APPRProposed_ODEM_2024-10-15.pdf)

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