

Department of Emergency and Military Affairs

	FY 2019 ACTUAL	FY 2020 ESTIMATE	FY 2021 APPROVED
PROGRAM BUDGET			
Administration	1,778,100	1,887,600	1,948,100
Emergency Management	7,694,600	7,732,900	7,850,600
Military Affairs	3,040,600	4,039,800	4,080,400
AGENCY TOTAL	12,513,300	13,660,300	13,879,100
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	69.6	69.6	69.6 ^{1/2/}
Personal Services	1,779,300	1,929,200	2,040,800
Employee Related Expenditures	576,000	609,900	609,900
Professional and Outside Services	37,100	6,000	6,000
Travel - In State	58,200	5,000	5,000
Travel - Out of State	19,100	60,000	60,000
Other Operating Expenditures	1,246,700	1,228,200	1,228,200
Equipment	43,200	30,000	30,000
OPERATING SUBTOTAL	3,759,600	3,868,300	3,979,900
SPECIAL LINE ITEMS			
Emergency Management Matching Funds	1,503,800	1,543,300	1,590,300
Governor's Emergency Fund	4,000,000	4,000,000	4,000,000 ^{3/}
Nuclear Emergency Management Program	1,459,900	1,458,700	1,506,100 ^{4/5/}
Military Airport Planning	90,000	90,000	90,000 ^{6/}
National Guard Matching Funds	1,700,000	1,700,000	1,712,800 ^{7/}
National Guard Tuition Reimbursement	0	1,000,000	1,000,000
AGENCY TOTAL	12,513,300	13,660,300	13,879,100 ^{8/}
FUND SOURCES			
General Fund	11,053,400	12,201,600	12,373,000
<u>Other Appropriated Funds</u>			
Nuclear Emergency Management Fund	1,459,900	1,458,700	1,506,100
SUBTOTAL - Other Appropriated Funds	1,459,900	1,458,700	1,506,100
SUBTOTAL - Appropriated Funds	12,513,300	13,660,300	13,879,100
<u>Other Non-Appropriated Funds</u>			
Other Non-Appropriated Funds	108,400	470,800	2,471,800
Federal Funds	66,106,500	76,465,600	65,562,300
TOTAL - ALL SOURCES	78,728,200	90,596,700	81,913,200

AGENCY DESCRIPTION — The department's Emergency Management Program prepares and coordinates emergency response plans for the state. The Military Affairs Program operates the Arizona National Guard and the Military Installation Fund Program.

FOOTNOTES

- 1/ Includes 5.5 FTE Positions in FY 2020 and FY 2021 appropriated by Laws 2019, Chapter 24 and 1 FTE Position appropriated by A.R.S. § 26-263.
- 2/ Includes 1 GF and 5.5 OF FTE Positions funded from Special Line Items in FY 2021.
- 3/ Includes expenditures authorized by A.R.S. § 35-192, which states that up to \$4,000,000 may be spent on disaster prevention and mitigation. Because this appropriation is in permanent statute, it is not included in the General Appropriation Act.
- 4/ Laws 2019, Chapter 24 appropriated \$1,458,753 and 5.5 FTE Positions in FY 2020 and \$1,506,116 and 5.5 FTE Positions in FY 2021 from the Nuclear Emergency Management Fund to DEMA.

- 5/ Pursuant to A.R.S § 26-306.02, the Nuclear Emergency Management Program appropriation is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriation; any unexpended monies, however, shall be used to reduce the assessment and appropriation in future years.
- 6/ A.R.S. § 26-263 annually appropriates \$90,000 and 1 FTE Position from the General Fund for the administration of the Military Installation Fund. Because this appropriation is in permanent statute, it is not included in the General Appropriation Act.
- 7/ The \$1,712,800 national guard matching funds appropriation is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that all fiscal year 2020-2021 monies remaining unexpended and unencumbered on December 31, 2021 revert to the state general fund. (General Appropriation Act footnote, as adjusted for statewide allocations)
- 8/ General Appropriation Act funds are appropriated as a Lump Sum by Program with Special Line Items by Agency.

Operating Budget

The budget includes \$3,979,900 and 63.1 FTE Positions from the General Fund in FY 2021 for the operating budget. FY 2021 adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$111,600 from the General Fund in FY 2021 for statewide adjustments. *(Please see the Agency Detail and Allocations section.)*

Emergency Management Matching Funds

The budget includes \$1,590,300 from the General Fund in FY 2021 for Emergency Management Matching Funds. FY 2021 adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$47,000 from the General Fund in FY 2021 for statewide adjustments.

The line item provides funding for the required 1:1 match for the Federal Emergency Management Performance Grant (EMPG) not covered with existing DEMA resources. EMPG monies are allocated to DEMA who then either expends them or passes monies on to other state, county, and municipal agencies to help provide planning, training, and other preparation for natural hazards and emergencies. In FY 2019, DEMA was awarded \$7,178,600 by the federal government.

In FY 2019, the state match for these monies was funded by \$780,900 from the General Fund operating budget appropriation, \$1,472,400 from the Emergency Management Matching Funds line item appropriation, \$101,700 in In-Kind Assistance, \$766,500 of the Nuclear Emergency Management Fund appropriation, and a \$4,057,100 match from the local government sub-recipients.

In FY 2020, DEMA expects to receive \$7,795,600 in EMPG funds.

Governor's Emergency Fund

The budget includes \$4,000,000 from the General Fund in FY 2021 for the Governor's Emergency Fund. This amount is unchanged from FY 2020.

Under A.R.S. § 35-192, the Governor may, through emergency declarations, authorize up to \$4,000,000 annually from the General Fund for disaster prevention and mitigation without specific appropriation authority. Monies in this line item, therefore, are not included in the General Appropriation Act.

Nuclear Emergency Management Program

The budget includes \$1,506,100 and 5.5 FTE Positions from the Nuclear Emergency Management Fund (NEMF) in FY 2021 for the Nuclear Emergency Management Program line item. FY 2021 adjustments are as follows:

NEMF Increase

The budget includes an increase of \$47,363 from NEMF in FY 2021 for the NEMF line item.

Laws 2019, Chapter 24 appropriates \$1,458,753 and 5.5 FTE Positions from NEMF in FY 2020 and \$1,506,116 and 5.5 FTE Positions from NEMF in FY 2021. As a result, these monies do not appear in the General Appropriation Act. The Department of Health Services, the Department of Emergency and Military Affairs (DEMA), and the Department of Agriculture received monies from Chapter 24. The NEMF appropriation amounts for FY 2019-2021 are displayed in *Table 1. (Please see the Department of Agriculture and the Department of Health Services for more information.)*

The Legislature is required to biennially assess a fee against each group of public service and municipal

Table 1

Nuclear Emergency Management Fund

Agency	FY 2019		FY 2020		FY 2021	
	FTEs	Approp.	FTEs	Approp.	FTEs	Approp.
Emergency and Military Affairs ^{1/}	5.5	\$1,461,602	5.5	\$1,458,753	5.5	\$1,506,116
Health Services	5.5	789,663	5.5	789,663	5.5	789,663
Agriculture	<u>2.88</u>	<u>275,012</u>	<u>2.88</u>	<u>301,376</u>	<u>2.88</u>	<u>280,512</u>
Total	13.88	\$2,526,277	13.88	\$2,549,792	13.88	\$2,576,291

^{1/} The Emergency and Military Affairs appropriation includes the appropriations for the Maricopa County Department of Emergency Management and the City of Buckeye.

corporations operating the Palo Verde Nuclear Generating Station. The fee is set at a level to offset the NEMF appropriation.

Monies in the NEMF are used for the development and maintenance of a state plan for off-site responses to an emergency caused by an accident at a commercial nuclear generating station. NEMF monies are also used to provide for the equipment, personnel, facilities, training, and testing necessary to comply with federally prescribed criteria.

Military Airport Planning

The budget includes \$90,000 and 1 FTE Position from the General Fund in FY 2021 for Military Airport Planning. These amounts are unchanged from FY 2020.

A.R.S. § 26-263 annually appropriates \$90,000 and 1 FTE Position to the department and \$85,000 to the Attorney General for administration of the Military Installation Fund. Since these monies are appropriated in statute, they do not appear in the General Appropriation Act.

The Military Installation Fund itself currently has no ongoing revenue source. At the end of FY 2019, the fund had an unreserved balance of \$488,800.

Of the monies deposited into the Military Installation Fund, DEMA is required to award 80% to acquire private property, real estate, property rights, and related infrastructure. The remaining 20% is awarded to cities, towns, and counties. The purchasing entity — whether it is the state or a local government — owns the property and state properties are managed by DEMA.

National Guard Matching Funds

The budget includes \$1,712,800 from the General Fund in FY 2021 for the National Guard Matching Funds line item. FY 2021 adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$12,800 from the General Fund in FY 2021 for statewide adjustments.

The line item provides state funding to DEMA that serves as a match to federal grants for the operational and maintenance costs associated with National Guard facilities. These matching funds are for military grants, whereas the Emergency Management Matching Funds line item is for emergency-related grants. These military grants have a matching requirement of 5-50%.

The operations and maintenance for these facilities are paid through service contracts. The budget continues to make this appropriation exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations, except that all FY 2021 monies remaining unexpended and unencumbered on December 31, 2021 revert to the state General Fund.

In FY 2019, DEMA received \$40,857,300 in National Guard Military Operations and Maintenance Projects monies. Of this amount, \$3,130,200 required a 50% match, or \$1,565,100; \$2,742,100 required a 25% match, or \$685,500; and \$2,705,200 required a 5.5% match, or \$148,800, for a total required match of \$2,399,400.

In FY 2019, DEMA utilized \$1,714,600 from the National Guard Matching Funds appropriations (including monies from the FY 2018 appropriation) and \$383,800 from the Military Affairs appropriation. No funds were provided by the Arizona Department of Administration (ADOA) building renewal appropriation in FY 2019.

DEMA estimates their FY 2020 match expenditures will be \$1,700,000.

National Guard Tuition Reimbursement

The budget includes \$1,000,000 from the General Fund in FY 2021 for the National Guard Tuition Reimbursement line item. This amount is unchanged from FY 2020.

DEMA estimates that the \$1,000,000 appropriation will provide tuition reimbursement to 369 National Guardsmen.

Other Issues

Statutory Changes

The Capital Outlay Bill and Criminal Justice Budget Reconciliation Bill make the following statutory changes:

- As session law, extend the lapsing date for the \$3,759,000 FY 2019 appropriation from the General Fund to DEMA for construction of a new Tucson Readiness Center to June 30, 2022.
- As session law, extend the lapsing date for the \$3,875,000 FY 2020 appropriation from the General Fund to DEMA for construction of a new West Valley Readiness Center to June 30, 2023.
- As session law, extend the provision allowing the department to expend up to \$1,250,000 from the Military Installation Fund through June 30, 2022 for the construction of a new Readiness Center. This authority previously was only in effect through FY 2020.