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## Maryland Military Department Testimony

### Fiscal Year 2022 Operating Budget

Presented to  
Senate Budget and Tax, Health and Human Services Subcommittee  
House Appropriations, Public Safety and Administration Subcommittee  
February 19, 2021

#### Introduction

The Maryland Military Department (DMIL) appreciates this opportunity to update the committee on the capital activities of the Department and to respond to the recommendations and requested updates contained in the Operating Budget analysis prepared by the Department of Legislative Services (DLS).

#### **The Department's responses to the recommendations and requested updates of the Department of Legislative Services:**

*DLS Requested: "MEMA should comment on when it expects to reconcile the remaining public assistance awards via budget amendment. MEMA should also update the committees on the anticipated changes to the federal cost sharing guidance." (DLS Analysis page 7)*

#### **Agency Response:**

The initial period of performance ends on March 26, 2024, with a 90 day liquidation period following. Due to the complexity and unknown nature of COVID-19 and that there is no end of the event period, this will likely be extended. Also, the projects funded under this program include costs in the hundreds of millions and will likely take much longer than a typical project to be fully documented, reconciled, and closed. The total disaster cost for Public Assistance will likely exceed \$1.5 billion. MEMA can provide regular updates on real-time costs and payments made to grant sub-recipients through the event period. In addition to these factors, the Federal cost share is being adjusted to 100% from 75%, causing a large increase in funding statewide. These factors make it hard to estimate full reconciliation of all costs, but it can be expected to take several years past the initial period of performance to fully reconcile and close this grant.

*DLS Requested:* “The Military Department should comment on these rule changes and their impact on the State’s ability to respond to COVID-19, as well as other major disasters in the future.” (DLS analysis page 8)

**Agency Response:**

MEMA predicts the proposed rule change by FEMA will have substantial implications regarding the ability of communities to access disaster assistance. While some of Maryland’s jurisdictions may have significant resources, others, such as some of Maryland’s many rural jurisdictions, lack sufficient resources to recover from disasters. These proposed changes are compounded by the severe economic conditions caused by the COVID-19 pandemic.

Based on the proposed changes Maryland will experience an almost 90% increase in minimum threshold, but some states are increasing as high as 112% of their current threshold if these changes are enacted all at once. This increase does not adequately allow state and local communities to prepare for future disasters.

*Operating Budget Recommended Actions:* “Concur with Governor’s allowance.” (DLS Analysis page 9)

**Agency Response:**

The Department concurs with the operating budget recommendation.

**The 2020 Joint Chairmen’s Report requested that the Military Department prepare one report:**

*Budgeted Facility Maintenance Funding:* “Committee narrative requested that the Military Department budget funds for the Army National Guard’s maintenance funding in a dedicated subprogram with the submission of the fiscal 2022 budget.” (DLS Analysis page 11)

**Agency Response:**

With the submission of the FY22 budget, the Army National Guard’s maintenance budget was moved into out of subprogram 3200 and into subprogram 3600.