



Larry Hogan | Governor
Boyd K. Rutherford | Lt. Governor
Russell J. Strickland | Acting Secretary

Maryland Department of Emergency Management
Fiscal Year 2023 Capital Budget
Response to the Department of Legislative Services Analysis

Budget and Tax Committee
Capital Budget Subcommittee
Senator Craig Zucker, Chair
Senator Cory McCray, Vice Chair
Tuesday, March 1, 2022

Appropriations Committee
Capital Budget Subcommittee
Delegate Ben Barnes, Chair
Delegate Mark Chang, Vice Chair
Wednesday, March 2, 2022

Introduction

The Maryland Department of Emergency Management (MDEM) appreciates this opportunity to update the Committees on the activities of the Department and to respond to the recommendations and requested updates contained in the Capital Budget analysis prepared by the Department of Legislative Services (DLS).

Department Response to the DLS Analysis

Capital Budget Summary

PAYGO Recommended Actions

There were no recommended actions for MDEM in the DLS analysis.

GO Bond Recommended Actions

MDEM concurs with DLS recommended actions 1 through 4.

Budget Overview of Grant and Loan Programs

Resilient Maryland Loan Fund

MDEM should update the budget committees on the program's activities to date and its planned activities in fiscal 2022 and 2023. (DLS analysis page 5)

MDEM has consulted with subject matter experts in finance and loan programs, including the Treasurer's Office and the Maryland Department of the Environment, in order to establish the Resilient Maryland Revolving Loan Fund leveraging best



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practices. We continue to work to develop our internal processes and procedures for issuing state loans, and we are actively recruiting for a program specialist.

The Resilient Maryland Loan Fund was designed in part to take advantage of the federal Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act, which was signed into law January 1, 2021. The STORM Act allows FEMA to provide capitalization grants to States to establish revolving funds to provide hazard mitigation assistance to reduce risks from disasters and natural hazards, and other related environmental harm. FEMA has not released guidance or requirements for eligibility for this fund. We are awaiting the federal guidance to finalize program structures to ensure loans provided through the Maryland Revolving Loan Fund do not inadvertently make Marylanders ineligible for STORM Act funding. MDEM is also closely tracking a Maryland General Assembly bill this session which will amend the current Revolving Loan Fund statute and may alter some existing requirements.