



New York City Council

Christine C. Quinn, Speaker

Finance Division

Preston Niblack, Director

Jeffrey Rodus, First Deputy Director

Hearing on the Mayor's Fiscal Year 2011 Executive Budget

Department of Emergency Management

June 3, 2010

Committee on Finance

Hon. Domenic M. Recchia, Jr., Chair

Committee on Public Safety

Hon. Peter F. Vallone Jr., Chair

Andy Grossman, Deputy Director, Finance Division

Lionel Francois, Legislative Financial Analyst

Summary and Highlights

Department of Emergency Management (OEM)

Dollars in Thousands

	2008 Actual	2009 Actual	2010 Adopted	2010 Executive	2011 Executive	Difference 2010 – 2011*
Personal Service	\$7,518	\$8,881	\$4,060	\$27,285	\$4,114	\$54
Other Than Personal Service	10,280	11,112	15,736	55,950	5,721	(10,015)
Total	\$17,797	\$19,993	\$19,796	\$83,235	\$9,835	(\$9,961)

**Change to appropriation between the 2010 Adopted Budget and the 2011 Executive Plan.*

The Department of Emergency Management (OEM) will propose a Fiscal 2011 Executive Budget totaling \$9.8 million, which is \$10 million below its \$19.8 million Adopted Budget for Fiscal 2010. The Fiscal 2011 Executive Budget is also \$73.4 million below the Department's Executive Plan appropriation for Fiscal 2010 of \$83 million, a reduction of approximately 88%. This is accounted for by the fact that the federal grants in the Department's Fiscal 2010 Executive Budget, which total \$66.1 million and therefore account for approximately 79% of the Department's total appropriation, drop out of OEM's Fiscal 2011 Adopted Budget. Federal funds are not generally baselined but, instead, are modified into the Department's budget on a year-by-year basis. The exact amount of federal grant funding in the Department's Fiscal 2011 budget will not be known until sometime after the budget has been adopted. However, a large portion of these funds pay for personnel. Therefore, a significant portion of the Department's headcount is grant-funded as well, which is also reflected in corresponding fluctuations to its headcount levels.

The Fiscal 2011 Executive Budget is approximately \$10 million less than the Fiscal 2010 Adopted appropriation -- a reduction of 50.3 percent. There is, however, a slight increase to the PS budget (\$54,000) due to a small \$88,000 increase in civilian full-time salaries offset by a reduction of \$35,000 in the Department's overtime appropriation. The reduction is centered in the Department's OTPS budget: specifically, reductions in its "Other Service and Charges" (\$8.7 million) and "Fixed and Miscellaneous Charges" (\$1.4 million) for a total reduction of \$10.1 million.

Highlights of OEM's Fiscal 2011 Executive Budget:

- **Reductions to OEM's Budget.** OEM's Fiscal 2011 Executive Budget contains Programs to Eliminate the Gap (PEGs) totaling \$807,000. These PEGs, which are achieved through funding swaps, consist of two components: the first shifts \$364,000 in funding for maintenance on the Department's telecommunications system from City funds to Grant funds; the second shifts four positions to grant funds to save an additional \$443,000 in City funds.
- **Council Funding for Emergency Preparedness Initiative.** The Council has designated \$1 million in funding to OEM to implement an emergency preparedness program. This initiative consists of two separate contracts: one to offer direct aid to disaster victims in New York City and the other to establish emergency shelters. Each contract was approved for \$500,000. The American Red Cross in Greater New York was chosen as the provider for this initiative.

Department of Emergency Management

The Office of Emergency Management (OEM) coordinates and supports multiagency responses to, and regularly monitors, emergency conditions and other potential incidents that affect public health and safety in the City, including severe weather, natural hazards and disasters, power outages, transportation incidents, labor disruptions, aviation disasters and acts of terrorism. OEM develops and continually revises many of the City’s emergency response plans, including those for coastal storms, extreme winter weather, heat emergencies, power disruptions, and debris management. OEM educates residents and businesses on the need for preparedness and supports the efforts of City and other government agencies and private and non-profit entities in emergency planning, interagency training and exercises and business continuity planning. OEM operates the City’s Emergency Operations Center and makes recommendations about the City’s emergency response capabilities. As the City’s primary liaison with the U.S. Department of Homeland Security for consequence management, OEM oversees the City’s compliance with federal preparedness and emergency response requirements.

Key Public Service Areas

- Coordinate and support multi-agency response to complex or large-scale emergency conditions.
- Ensure City government’s preparedness in the event of an emergency or other incident affecting citizens’ health and safety.
- Prepare New York City residents and private sector entities for emergency situations through outreach and education.

Critical Objectives

- Initiate multi-agency responses to emergency conditions.
- Ensure that the Citywide Incident Management System protocol is followed by all City agencies.
- Conduct citywide drills.
- Support City agency emergency preparedness.
- Increase volunteerism and citizen emergency preparedness.
- Promote private sector emergency preparedness and business continuity efforts.

SOURCE: Mayor’s Management Report

Department of Emergency Management Financial Summary

Dollars in Thousands

	2008 Actual	2009 Actual	2010 Adopted	2010 Executive	2011 Executive	Difference 2010 – 2011
Spending						
Personal Services	7,518	8,881	4,060	27,285	4,114	54
Other Than Personal Services	10,280	11,112	15,736	55,950	5,721	(10,015)
TOTAL	\$17,797	\$19,993	\$19,796	\$83,235	\$9,835	(\$9,961)
Funding						
City Funds			\$18,008	\$15,005	\$7,935	(\$10,073)
<i>Memo: Council Funds</i>			1,000	1,000	0	(1,000)
Other Categorical			0	186	0	0
State			0	1,641	0	0
Federal - Other			1,636	66,117	1,900	264
Intra City			153	285	0	(153)
TOTAL	\$17,797	\$19,993	\$19,796	\$83,235	\$9,835	(\$9,961)
Positions						
Fulltime Positions	98	106	34	133	32	(2)
TOTAL	98	106	34	133	32	(2)

Personal Services (PS) & Other Than Personal Services (OTPS)

<i>Dollars in Thousands</i>	2008 Actual	2009 Actual	2010 Adopted	2010 Executive	2011 Executive	Difference 2010 - 2011
Spending						
Personal Services						
Full-Time Salaried - Uniformed	\$30	\$3	\$0	\$0	\$0	\$0
Full-Time Salaried - Civilian	6,261	7,468	4,229	18,371	4,317	88
Other Salaried and Unsalariad	262	149	124	124	125	1
Additional Gross Pay	31	28	5	5	5	0
Overtime - Civilian	933	1,233	99	6,135	64	(35)
Fringe Benefits	0	0	0	2,637	0	0
Amounts to be Scheduled	0	0	(397)	12	(397)	0
P.S. - Other	0	0	0	0	0	0
Subtotal, PS	\$7,518	\$8,881	\$4,060	\$27,285	\$4,114	\$54
Other Than Personal Services						
Supplies and Materials	\$4,255	\$4,102	\$263	\$35,482	\$263	\$0
Property and Equipment	30	7	0	2	0	0
Other Services and Charges	4,644	5,242	13,916	5,977	5,265	(8,651)
Contractual Services	717	881	251	5,557	251	0
Fixed and Misc Charges	634	879	1,306	8,931	(58)	(1,364)
Subtotal, OTPS	\$10,280	\$11,112	\$15,736	\$55,950	\$5,721	(\$10,015)
TOTAL	\$17,797	\$19,993	\$19,796	\$83,235	\$9,835	(\$9,961)
Funding						
City Funds			\$18,008	\$15,005	\$7,935	(\$10,073)
<i>Memo: Council Funds</i>			1000	1000	0	(1000)
Federal – Other			0	186	0	0
Intra-City			0	1,641	0	0
Other Categorical			1,636	66,117	1,900	264
State			153	285	0	(153)
TOTAL	\$17,797	\$19,993	\$19,796	\$83,235	\$9,835	(\$9,961)
Positions						
Full-Time Positions	98	106	34	133	32	(2)
TOTAL	98	106	34	133	32	(2)

The largest single variance within the Department's budget involves the increase in full-time salaries between the Fiscal 2010 Adopted Budget and the current Executive Plan for Fiscal 2010 -- in this case, a four-fold increase in funding (421%). This is because each year, like many other agencies receiving significant grant funding as part of their appropriation, OEM modifies its Adopted Budget midyear to reflect the receipt of these funds; they are never included as part of the Department's Adopted Budget appropriation or its baseline budget. This causes a mid-year spike in its appropriations which is also reflected in its current modified appropriations. The bulk of these funds are used for grant-funded personnel of various kinds.

Council Initiatives and Funding

The Council provided funding for the following initiative for FY 2010:

FY 2010 Council Funding	
<i>Dollars in Thousands</i>	
Emergency Preparedness	
American Red Cross in Greater New York	\$1,000
TOTAL	\$1,000

This item restores \$1 million to fund emergency preparedness services. This initiative consists of two contracts: One provides direct assistance to disaster victims in New York City and the other helps to establish 50 congregate care shelters in New York City. Each contract totals \$500,000. The Council has designated the American Red Cross (ARC) in Greater New York as the provider for this initiative. According to ARC, in the first three quarters of Fiscal 2010, it responded to 1,659 emergency incidents throughout the five boroughs and opened 3,128 cases as part of their response to these incidents. In addition, in support of their objective to maintain capacity to open and operate emergency shelters, 43 classes and 41 workshops were held, accommodating a total of 1,311 attendees.

Relevant Budget Actions

- PS Funding Shift.** The Department plans to shift costs from City funds for two additional positions to federal funds and use the savings to meet its PEG target beginning in Fiscal 2011, with additional baseline savings of \$236,000 in each year of the financial plan. This is on top of two positions shifted to federal grant funds during the January Plan which saved \$207,000 in City funds beginning in Fiscal 2011, growing to \$209,000 in Fiscal 2012, \$210,000 in Fiscal 2013 and \$212,000 in Fiscal 2014. City funds savings for the four positions total \$443,000 in Fiscal 2011, \$445,000 in Fiscal 2012, \$446,000 in Fiscal 2013 and \$448,000 in Fiscal 2014. These savings include credit for fringe benefits costs. The federal funds are associated with the Local Emergency Management Performance Grant (LEMPG), which is flexible in its requirements.
- Telecom Funding Shift.** The Department proposes to utilize various anticipated grant funds to pay for basic telecommunications needs. Funds totaling \$364,000 in Fiscal 2011, \$362,000 in 2012, \$361,000 in 2013 and \$359,000 in 2014 would generate equivalent City funds savings in these fiscal years.
- Coastal Storm Plan Reduction.** In the January Plan, the Department proposed to reduce funds for coastal storm planning activities by \$766,000 in Fiscal 2010. In the Executive Plan, OEM proposes to roll an additional \$2.4 million in Coastal Storm Planning funds from Fiscal 2010 to Fiscal 2011.
- Collective Bargaining for Managers and Original Jurisdiction (OJ) Employees.** The Department's Executive Budget includes an annual baseline increase in City funds of approximately \$217,000 beginning in Fiscal 2010 for collective bargaining adjustments for managerial and OJ titles throughout the Department. These funds would be transferred from the Labor Reserve in the Miscellaneous Budget to the Department's budget to cover the costs associated with recent collective bargaining settlements.

- **Federal Funds for Evacuation Planning.** The Department expects to receive \$12.9 million for Fiscal 2010 in federal funds to support activities and purchase goods and supplies related to evacuation planning.
- **Urban Area Security Initiative (UASI) Grant Funds.** The Department would receive \$5 million in federal grant funding in Fiscal 2010 from the Department of Homeland Security (DHS) under the UASI program for various emergency preparedness and planning initiatives including “Notify NYC” and the “Ready NY Campaign.”
- **Urban Search and Rescue (USAR) Team - Haiti Reimbursement Funds.** The Urban Search and Rescue Team responds to emergency situations throughout the continental United States and is reimbursed with federal funds for its activities. Similarly, OEM expects to be reimbursed in the amount of \$3.7 million in Fiscal 2010 for its “search and rescue” efforts in Haiti in the wake of the recent earthquake in that country.
- **Transfer of Federal Grant Funds to FDNY.** The Department receives funding under UASI for various emergency response projects including those in which it collaborates with other city agencies. OEM would receive \$584,815 from the Department of Homeland Security as part of the UASI for the purchase of “Mass Evacuation Ambulance Vehicles” which are used to evacuate large numbers of injured people from the scene of a disaster or some other emergency situation. These funds are then funneled to the Emergency Medical Services (EMS) division of the FDNY which will ultimately make the purchase and operate the vehicles. This action transfers these funds to FDNY via a budget modification for use in Fiscal 2010.
- **Heat, Light and Power.** The Executive Budget removes \$71,437 from OEM’s budget in Fiscal 2010 and \$72,520 annually beginning in Fiscal 2011 to properly reflect the costs associated with heat, light and power.
- **Lease Adjustment.** The Executive Plan adds \$3,066 to OEM’s baseline budget beginning in Fiscal 2011 to properly reflect the costs associated with the Department’s lease needs.

Appendix A: Budget Actions since Fiscal Year 2010 Adoption

<i>Dollars in Thousands</i>	FY 2010			FY 2011		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the June 2009 Plan	\$18,008	\$1,788	\$19,796	\$6,051	\$1,639	\$7,690
Program to Eliminate the Gap (PEGs)						
Coastal Storm Plan Reduction	(\$766)	\$0	(\$766)	\$0	\$0	\$0
PS Funding Shift	0	0	0	(207)	0	(207)
Shift to Federal Grants	0	0	0	(236)	0	(236)
Telecom Funding Shift	0	0	0	(364)	0	(364)
Total, PEGs	(\$766)	\$0	(\$766)	(\$807)	\$0	(\$807)
Other Adjustments						
Coastal Storm Plan Adjustment	(\$2,382)	\$0	(\$2,382)	\$2,382	\$0	\$2,382
Heat, Light and Power	(71)	0	(71)	(73)	0	(73)
Lease Adjustment	0	0	0	3	0	3
Personnel Transfers	0	0	0	86	0	86
Fringe Offset	0	0	0	76	0	76
CB for Managers & OJ's	217	260	477	217	260	477
Federal Grants	0	64,222	64,222	0	0	0
State Grants	0	1,641	1,641	0	0	0
IntraCity Funds	0	133	133	0	0	0
Other Categorical Grants	0	186	186	0	0	0
Total, Other Adjustments	(\$2,237)	\$66,442	\$64,205	\$2,691	\$260	\$2,951
Agency Budget as per the Fiscal 2011 Executive Plan	\$15,005	\$68,230	\$83,235	\$7,935	\$1,899	\$9,834