



**NAVAL
POSTGRADUATE
SCHOOL**

MONTEREY, CALIFORNIA

THESIS

**AN EFFECTIVE FUNDING STRATEGY FOR
WASHINGTON STATE EMERGENCY MANAGEMENT
PROGRAMS**

by

Amy Gillespie

September 2020

Co-Advisors:

Glen L. Woodbury
Lauren S. Fernandez (contractor)

Approved for public release. Distribution is unlimited.

THIS PAGE INTENTIONALLY LEFT BLANK

| | | | | |
|--|---|--|---|--|
| REPORT DOCUMENTATION PAGE | | | <i>Form Approved OMB No. 0704-0188</i> | |
| Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington, DC 20503. | | | | |
| 1. AGENCY USE ONLY (Leave blank) | | 2. REPORT DATE September 2020 | | 3. REPORT TYPE AND DATES COVERED Master's thesis |
| 4. TITLE AND SUBTITLE AN EFFECTIVE FUNDING STRATEGY FOR WASHINGTON STATE EMERGENCY MANAGEMENT PROGRAMS | | | 5. FUNDING NUMBERS | |
| 6. AUTHOR(S) Amy Gillespie | | | | |
| 7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Naval Postgraduate School Monterey, CA 93943-5000 | | | 8. PERFORMING ORGANIZATION REPORT NUMBER | |
| 9. SPONSORING / MONITORING AGENCY NAME(S) AND ADDRESS(ES) N/A | | | 10. SPONSORING / MONITORING AGENCY REPORT NUMBER | |
| 11. SUPPLEMENTARY NOTES The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government. | | | | |
| 12a. DISTRIBUTION / AVAILABILITY STATEMENT Approved for public release. Distribution is unlimited. | | | 12b. DISTRIBUTION CODE A | |
| 13. ABSTRACT (maximum 200 words) The emergency management program in Washington State is vulnerable because it has no sustainable and stable funding source. This thesis identifies potential state and local funding and allocation methods that can possibly stabilize and sustain Washington State's emergency management programs. Three case studies are conducted in which the funding source, allocation method, and policy strategy are analyzed for each case. Various funding methods can be applied to emergency management programs in the state of Washington. Allocation methods have the potential to exacerbate disparities in communities with low income, high unemployment, or restricted access to services. Policy strategy analysis identifies themes for a successful implementation. A recommendation is for Washington State to establish an Emergency Management Partnership. The partnership can identify critical emergency management services, examine funding needs, and provide a recommendation for implementing critical emergency management services across the state of Washington. | | | | |
| 14. SUBJECT TERMS emergency management, funding, allocations, Washington State | | | 15. NUMBER OF PAGES 111 | |
| | | | 16. PRICE CODE | |
| 17. SECURITY CLASSIFICATION OF REPORT Unclassified | 18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified | 19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified | 20. LIMITATION OF ABSTRACT UU | |

THIS PAGE INTENTIONALLY LEFT BLANK

Approved for public release. Distribution is unlimited.

**AN EFFECTIVE FUNDING STRATEGY FOR WASHINGTON STATE
EMERGENCY MANAGEMENT PROGRAMS**

Amy Gillespie
Deputy Director, Pierce County Department of Emergency Management
BA, Central Washington University, 1999

Submitted in partial fulfillment of the
requirements for the degree of

**MASTER OF ARTS IN SECURITY STUDIES
(HOMELAND SECURITY AND DEFENSE)**

from the

**NAVAL POSTGRADUATE SCHOOL
September 2020**

Approved by: Glen L. Woodbury
Co-Advisor

Lauren S. Fernandez
Co-Advisor

Erik J. Dahl
Associate Professor, Department of National Security Affairs

THIS PAGE INTENTIONALLY LEFT BLANK

ABSTRACT

The emergency management program in Washington State is vulnerable because it has no sustainable and stable funding source. This thesis identifies potential state and local funding and allocation methods that can possibly stabilize and sustain Washington State's emergency management programs. Three case studies are conducted in which the funding source, allocation method, and policy strategy are analyzed for each case. Various funding methods can be applied to emergency management programs in the state of Washington. Allocation methods have the potential to exacerbate disparities in communities with low income, high unemployment, or restricted access to services. Policy strategy analysis identifies themes for a successful implementation. A recommendation is for Washington State to establish an Emergency Management Partnership. The partnership can identify critical emergency management services, examine funding needs, and provide a recommendation for implementing critical emergency management services across the state of Washington.

THIS PAGE INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

| | | |
|-------------|--|-----------|
| I. | AN EFFECTIVE FUNDING STRATEGY FOR WASHINGTON STATE EMERGENCY MANAGEMENT PROGRAMS..... | 1 |
| A. | PROBLEM STATEMENT | 1 |
| B. | RESEARCH QUESTION | 2 |
| C. | LITERATURE REVIEW | 3 |
| | 1. Funding Strategies | 3 |
| | 2. Economic Indicators | 5 |
| | 3. Collaborative Planning | 6 |
| | 4. Whole Community Planning | 7 |
| D. | RESEARCH DESIGN..... | 10 |
| | | |
| II. | OVERVIEW OF THE WASHINGTON STATE EMERGENCY PROGRAM AND FUNDING..... | 11 |
| A. | LOCAL AND STATE BUDGET STANDARDS | 11 |
| | 1. Washington State Laws | 14 |
| | 2. Washington Legislative Structure..... | 18 |
| B. | CURRENT FUNDING SOURCES..... | 19 |
| | 1. Emergency Management Performance Grant Funding..... | 20 |
| | 2. State Homeland Security Grant Program Funding | 21 |
| | 3. Urban Area Security Initiative Grant Funding | 23 |
| | 4. Current Allocation Methods..... | 25 |
| C. | WASHINGTON STATE ECONOMIC INDICATORS | 30 |
| | 1. Economic Equity in Washington State | 37 |
| | 2. Current State Funding and What Could Change..... | 38 |
| D. | SUMMARY | 40 |
| | | |
| III. | FUNDING SOURCES | 43 |
| A. | CALIFORNIA PROPOSITION 1B | 43 |
| B. | FLORIDA EMERGENCY MANAGEMENT PREPAREDNESS AND ASSISTANCE TRUST FUND..... | 48 |
| C. | WASHINGTON STATE PUBLIC HEALTH FUNDING | 49 |
| D. | APPLICATION TO WASHINGTON STATE | 51 |
| E. | SUMMARY | 53 |
| | | |
| IV. | ALLOCATION METHODS | 55 |
| A. | CALIFORNIA PROPOSITION 1B | 55 |

| | | |
|-----|---|-----------|
| B. | FLORIDA EMERGENCY MANAGEMENT PREPAREDNESS AND ASSISTANCE TRUST FUND..... | 57 |
| C. | WASHINGTON STATE PUBLIC HEALTH FUNDING..... | 60 |
| D. | APPLICATION TO WASHINGTON STATE | 60 |
| E. | SUMMARY..... | 62 |
| V. | POLICY STRATEGY | 65 |
| A. | CALIFORNIA PROPOSITION 1B | 65 |
| B. | FLORIDA EMERGENCY MANAGEMENT PREPAREDNESS AND ASSISTANCE TRUST FUND..... | 66 |
| C. | WASHINGTON STATE PUBLIC HEALTH..... | 70 |
| D. | APPLICATION TO WASHINGTON STATE | 73 |
| E. | SUMMARY | 74 |
| VI. | FINDINGS AND CONCLUSION..... | 75 |
| A. | SUMMARY OF FINDINGS | 76 |
| B. | RECOMMENDATIONS | 77 |
| C. | SUGGESTIONS FOR ADDITIONAL RESEARCH..... | 78 |
| | APPENDIX. EMERGENCY MANAGEMENT STANDARDS..... | 81 |
| | LIST OF REFERENCES..... | 83 |
| | INITIAL DISTRIBUTION LIST | 89 |

LIST OF FIGURES

| | | |
|------------|--|----|
| Figure 1. | Washington State General Fund Expenditures 2017–2019..... | 13 |
| Figure 2. | Washington Military Department Budget for FY 2018. | 20 |
| Figure 3. | Washington EMPG Grant Awards..... | 21 |
| Figure 4. | Washington SHSP Grant Awards. | 22 |
| Figure 5. | Washington UASI Grant Awards. | 24 |
| Figure 6. | EMPG Local Jurisdiction Allocation Sample..... | 26 |
| Figure 7. | Nine Homeland Security Regions of Washington Emergency Management Development, 2014. | 27 |
| Figure 8. | SHSP Allocations from 2014–2018..... | 28 |
| Figure 9. | Local UASI Allocation..... | 29 |
| Figure 10. | Population Growth and Disparity in Growth..... | 33 |
| Figure 11. | Per Capita Personal Income in 2017. | 35 |
| Figure 12. | Revenue Sources for the State Compared to the Entire United States. | 36 |
| Figure 13. | FY 2018 Washington EMD Budget with Proposed New Funding Model..... | 40 |

THIS PAGE INTENTIONALLY LEFT BLANK

LIST OF TABLES

| | | |
|----------|---|----|
| Table 1. | 2007 Modeled Proposed Additional Funding | 39 |
| Table 2. | California Transit Assistance Fund Allocation | 55 |
| Table 3. | California Intercity Rail/Commuter Rail System..... | 56 |
| Table 4. | Summary Findings Applied to Washington State..... | 76 |

THIS PAGE INTENTIONALLY LEFT BLANK

LIST OF ACRONYMS AND ABBREVIATIONS

| | |
|---------|--|
| Cal OES | California Office of Emergency Services |
| CCTA | Complex Coordinated Terrorist Attacks |
| CHDS | Center for Homeland Defense and Security |
| DOC | documentary stamp tax |
| EM | emergency management |
| EMAP | Emergency Management Accreditation Program |
| EMD | Emergency Management Division |
| EMPA | Emergency Management Preparedness and Assistance |
| EMPG | Emergency Management Performance Grant |
| FEMA | Federal Emergency Management Agency |
| FPHS | Foundational Public Health Service |
| IJ | investment justification |
| NCSL | National Conference of State Legislatures |
| NFPA | National Fire Protection Association |
| NPS | Naval Postgraduate School |
| OFM | Office of Financial Management |
| PAHPA | Pandemic and All Hazards Preparedness Act |
| RCW | Revised Code of Washington |
| SHSP | State Homeland Security Program |
| SR 530 | State Route 530 |
| UASI | Urban Area Security Initiative |
| WAC | Washington Administrative Code |

THIS PAGE INTENTIONALLY LEFT BLANK

EXECUTIVE SUMMARY

Emergency management programs in Washington State are vulnerable because they do not have a sustainable and stable funding source. In 2004, the Washington State Emergency Management Council assessed its emergency management system. The resulting report stated, “Reliance on funding sources that are sometimes insufficient, inaccessible, or restricted is increasing the administrative requirements for grants management and limiting local programs’ ability to effectively maintain adequate disaster preparedness.”¹ As of 2020, programs rely on federal grants and general funds to budget for emergency management programs. However, due to changes in grant requirements, allocation methods, and reduction in grant funds, local programs cannot adequately plan for funding during their annual or biennial budgeting process. Such unreliable funding is compromising the profession’s ability to help the state prevent, respond to, and recover from disasters.

A 2014 landslide in Snohomish County highlighted the need for the state to change the funding structure of emergency management. This disaster destroyed 40 buildings and killed 43 people; 15 more people had to be rescued from mud and debris.² The emergency management community across the entire state of Washington worked for 38 days to support Snohomish County. This one mass fatality disaster located in one county demonstrated the significant need for increased and stable funding to support personnel, resources, and equipment throughout the state to support local programs further. The disaster led to multiple after-action reports from various responding agencies; so many that in July 2014, Governor Jay Inslee and Snohomish County Executive John Lovick, jointly authorized the State Route (SR) 530 Commission to review the response and recovery operations to identify successes and challenges and make recommendations for

¹ Task Force on Local Programs, *A Study of Emergency Management, Task Force on Local Programs* (Olympia, WA: Washington State Emergency Management Council, 2004), xi.

² Kathy Lombardo, *The SR 530 Landslide Commission Final Report* (Olympia, WA: Washington State Governor’s Office, 2014), 1.

improvement.³ The commission made 17 recommendations.⁴ One of its most significant recommendations was, according to the governor’s office, “to build a more robust and innovative system of response and to secure an adequate, sustainably funded emergency management system across the state.”⁵ Although the commission’s final report reached the governor on December 15, 2014, no proposed solutions have been developed, let alone adopted to address how emergency management programs in Washington State should build an emergency response system through and with sustainable funding.

Washington State has a current limitation in funding emergency management programs at all levels of government. The reliance on federal grants creates uncertainty to local program officials that the funding is unstable, based on population, and is decreasing. This uncertainty results in programs not being able to rely on the federal grants as a funding source during budgeting processes due to the timing of the release of funding amount data, regional funding, such as the Washington State homeland security regions, and changes in populations.

Additional challenges include the increasing costs of disasters, increasing size and duration of disasters, and a mindset that a catastrophic or major disaster simply will not happen in this generation.⁶ Thus, programs struggle to find funding to support the requirements of an emergency management program, which creates increased vulnerabilities in the community during a disaster.

This thesis asks the following question: what are the potential state and local funding and allocation methods that can stabilize and sustain current budgets of Washington State’s emergency management programs? To answer this question, funding sources, allocation methods, and policy strategies of programs in the states of Florida, California, and Washington are evaluated. The analysis evaluates how the approaches are

³ Jaime Smith, “Inslee and Lovick Form Joint 530 Landslide Commission,” Washington State Governor’s Office, 1, July 25, 2014, <https://www.governor.wa.gov/news-media/inslee-and-lovick>.

⁴ Lombardo, *The SR 530 Landslide Commission Final Report*, 11.

⁵ Lombardo, v.

⁶ Federal Emergency Management Agency, *2017 Hurricane Season FEMA After-Action Report* (Washington, DC: Department of Homeland Security, 2018), ii.

equitable to the community, if they can be applied to Washington State, and how they attain the goal of providing essential services to support communities. The goal is to identify a funding strategy that will improve and stabilize emergency management funding in the state of Washington.

Fees, taxes, and legislative allocations are the specific funding strategies evaluated in this thesis. After analyzing the components of emergency management funding, allocation methods, and policy strategies, a recommendation was made for how Washington State could identify, develop, and implement a sustainable and stable funding strategy. The analysis found that all three funding methods could be applied to the emergency management profession in Washington State.

The bond and fee allocation method can potentially increase inequities across the state. The direct legislative allocation method may address economic inequities, depending on how the funds are allocated and applied to emergency management programs. Lessons learned can show how to engage the community in an inclusive process to develop emergency management service requirements, funding needs, and an implementation strategy. The key finding from the analysis of the states of Florida and Washington funding strategies is the implementation of the policy strategy. The implementation of the policy strategy focuses on the development of a partnership of key stakeholders, data collection, and research on required services and the funding necessary to provide these services.

This research seeks to recommend a funding source, but the study concludes that determining how to implement a funding strategy is the key to success. An inclusive process developed to address pros and cons from all stakeholders utilizes professional standards to identify critical services, and data to determine funding requirements, is the road map to success.

THIS PAGE INTENTIONALLY LEFT BLANK

ACKNOWLEDGMENTS

I would like to thank my entire family for all their support. I am very grateful for their understanding of the need to balance the schoolwork, thesis writing, and travel with all our family events. I appreciate all of their encouragement and understanding. For my niece and nephew, Alyssa and Grant, I know it did not always make sense to you, but some day, you will understand. Thank you for everything.

I was encouraged to participate in this program from two Naval Postgraduate School (NPS) Center of Homeland Defense and Security CHDS alumni. Jody Ferguson and Jason Biermann, your encouragement, understanding, and guidance were essential to my success. Jody, your kind words, understanding, and pep talks were essential to me in completing this program. Jason, your humor, friendly reminders, and guidance were just what I needed when the program felt overwhelming. Throughout Washington State, NPS CHDS alumni would reach out to me, assist me, and send kind notes. I am a very lucky person to have so many very supportive and inspirational role models. I am very grateful and inspired by everyone; thank you so much.

To my cohort, you are all amazing, dedicated, and kind professionals and now my friends. This wonderful opportunity provided moments in our lives to learn from, support, and challenge each other. Thank you so much for everything you do. To Christine, Daisy, Kimberly, Marie Claire, Mimi, and Monika, your friendship and support were so important to me in completing this program. You demonstrated what it means to have a supportive team encouraging you at every step. You are professional, kind, strong, and dedicated women who inspired me every day.

I want to thank the employees and members of Pierce County Emergency Management and the Tri-County Complex Coordinated Terrorist Attacks (CCTA) program. I know at times this program required me to miss important meetings, events, trainings, and exercises. At times, we needed to work through the challenges that were created. Yet, you understood and continued to support me in completing the program. Your encouragement and kind words meant a lot to me.

Finally, to my advisors, Glen Woodbury and Lauren Fernandez, thank you is simply not enough. You have taught me so much. Your wisdom and guidance pushed me to complete a thesis that I believe will make a difference; again, thank you.

I. AN EFFECTIVE FUNDING STRATEGY FOR WASHINGTON STATE EMERGENCY MANAGEMENT PROGRAMS

A. PROBLEM STATEMENT

Emergency management programs in Washington State are vulnerable because they do not have a sustainable and stable funding source. In 2004, the Washington State Emergency Management Council assessed its emergency management system. The report stated, “Reliance on funding sources that are sometimes insufficient, inaccessible, or restricted is increasing the administrative requirements for grants management and limiting local programs’ ability to effectively maintain adequate disaster preparedness.”¹ As of 2020, programs rely on federal grants and general funds to budget for emergency management programs. However, due to changes in grant requirements, allocation methods, and reduction in grant funds, local programs cannot adequately plan for funding during their annual or biennial budgeting process. Such unreliable funding is compromising the profession’s ability to help the state prevent, respond to, and recover from disasters.

A 2014 landslide in Snohomish County highlighted the need for the state to change the funding structure of emergency management. This disaster destroyed 40 buildings and killed 43 people; 15 more people had to be rescued from mud and debris.² The emergency management community across the entire state of Washington worked for 38 days to support Snohomish County. This one mass fatality disaster located in one county demonstrated the significant need for increased and stable funding to support personnel, resources, and equipment throughout the state to further support local programs. The disaster led to multiple after-action reports from various responding agencies; so many that in July 2014, Governor Jay Inslee and Snohomish County Executive John Lovick, jointly authorized the State Route (SR) 530 Commission to review the response and recovery

¹ Task Force on Local Programs, *A Study of Emergency Management, Task Force on Local Programs* (Olympia, WA: Washington State Emergency Management Council, 2004), xi.

² Kathy Lombardo, *The SR 530 Landslide Commission Final Report* (Olympia, WA: Washington State Governor’s Office, 2014), 1.

operations to identify successes and challenges and make recommendations for improvement.³ The commission made 17 recommendations.⁴ One of its most significant recommendations was, according to the governor’s office, “to build a more robust and innovative system of response and to secure an adequate, sustainably funded emergency management system across the state.”⁵ Although the commission’s final report reached the governor on December 15, 2014, no proposed solutions have been developed, let alone adopted to address how emergency management programs in Washington should build an emergency response system through and with sustainable funding.

Additional reasons can explain why programs continue to struggle to find stable and sustainable funding. Challenges include reliance on federal grants, increasing costs of disasters, increase in the size and duration of disasters, and a mindset that a catastrophic or major disaster simply will not happen in this generation.⁶ Thus, programs struggle to find funding to support the requirements of an emergency management program, which creates increased vulnerabilities in the community during a disaster. To identify funding strategies for local and state emergency management programs, this thesis explores the current state of funding Washington State emergency management programs, three funding methods, allocation methods, economic standards, and economic in equities. By evaluating these funding strategies, a road map for identifying a funding strategy for Washington State emergency management programs will be recommended.

B. RESEARCH QUESTION

What are the potential state and local funding and allocation methods that would stabilize and sustain current budgets of Washington State’s emergency management programs?

³ Jaime Smith, “Inlee and Lovick Form Joint 530 Landslide Commission,” Washington State Governor’s Office, 1, July 25, 2014, <https://www.governor.wa.gov/news-media/inslee-and-lovick>.

⁴ Lombardo, *The SR 530 Landslide Commission Final Report*, 11.

⁵ Lombardo, v.

⁶ Federal Emergency Management Agency, *2017 Hurricane Season FEMA After-Action Report* (Washington, DC: Department of Homeland Security, 2018), ii.

C. LITERATURE REVIEW

Emergency management funding is a challenging topic, as literature and research has been primarily focused on the allocation and misuse of federal emergency management and homeland security grants. Yet, emergency management programs rely on multiple sources to seek funding to provide services, such as public education, mass care and sheltering, mitigation, and recovery activities. The literature review explored published research on funding strategies, economic indicators, and inclusive planning processes. These sources demonstrate the policy impacts of implementing a funding strategy within the emergency management system.

1. Funding Strategies

Funding emergency management programs at a sustainable level is challenging on many levels, in particular with how to work through the legislative approval process. In 2009, Krueger, Jennings, and Kendra examined the struggles of county emergency management funding.⁷ They found that the main challenge was juggling and funding the large number of local, state, and federal requirements.⁸ This challenge is due to potential conflicts in requirements from the local, state, and federal requirements and the amount of time agencies or jurisdictions must dedicate to understand the requirements. Valerie A. Yeager, David Hurst, and Nir Menachemi point out the difficulty in establishing new laws and regulations is a lack of flexibility. The lead agencies and jurisdictions should identify successful funding strategies for emergency management.⁹ Flexibility for emergency management funding is key, as it provides the ability to adjust funding levels across all phases of emergency management to include prevention, preparedness, response, mitigation, and recovery. Due to drastic differences in the size of local jurisdictions, population density, and related hazards, having regulations flexible enough to apply to the

⁷ Skip Krueger, Eliot Jennings, and James M. Kendra, "Local Emergency Management Funding: An Evaluation of County Budgets," *Journal of Homeland Security and Emergency Management* 6, no. 1 (January 10, 2009): 1, <https://doi.org/10.2202/1547-7355.1434>.

⁸ Krueger, Jennings, and Kendra, 4.

⁹ Valerie A. Yeager, David Hurst, and Nir Menachemi, "State Barriers to Appropriating Public Health Emergency Response Funds during the 2009 H1N1 Response," *American Journal of Public Health* 105, no. S2 (April 2015): S275, <https://doi.org/10.2105/AJPH.2014.302378>.

diverse emergency management agencies adequately is critical to finding the effective funding method.¹⁰ A Washington State example is a coastal community may need funding to address a tsunami hazard while an inland community may need funding to address hazardous material dangers.

The public health discipline has demonstrated the ability to change current regulations to establish new processes for funding.¹¹ For example, in 2006, the Pandemic and All Hazards Preparedness Act (PAHPA) developed a mandate to develop a baseline to address the amount of money invested and the lack of measurement to determine the effectiveness of the investment.¹² To address this issue, public health policy makers implemented a multi-disciplinary approach, identified the need for community-based involvement, and established performance measurements.¹³ Using this approach, they have successfully identified specific funding improvements, existing challenges, and specific needs for additional funding. In 2009, federal public health funds were distributed to states for the H1N1 response. The *American Journal of Public Health* published a collection of research articles that provided an analysis to identify barriers that states faced in distributing federal funds. The analysis highlighted six barriers to allocation processes: regulatory, contracting, purchasing, legislative, staffing, and financial procedures. In identifying the effective funding strategies, it found that important barriers were regulatory and legislative.¹⁴ The analysis concluded that numerous policies limit the timing of changing government budgeting processes.¹⁵ A local government budget must consider such timing policies to incorporate these new funding sources in the budget schedule. One legislative barrier may be the need for the legislative body to approve new funding sources

¹⁰ Krueger, Jennings, and Kendra, "Local Emergency Management Funding," 4.

¹¹ Yeager, Hurst, and Menachemi, "State Barriers to Appropriating Public Health Emergency Response Funds During the 2009 H1N1 Response," S276.

¹² Shoukat H. Qari et al., "Preparedness and Emergency Response Research Centers: Early Returns on Investment in Evidence-Based Public Health Systems Research," *Public Health Reports* 129, no. 6, supp. 14 (November 2014): 1, <https://doi.org/10.1177/00333549141296S401>.

¹³ Qari et al., 3.

¹⁴ Yeager, Hurst, and Menachemi, "State Barriers to Appropriating Public Health Emergency Response Funds During the 2009 H1N1 Response," S276.

¹⁵ Yeager, Hurst, and Menachemi, S276.

prior to approving the final budget.¹⁶ Thus, the evidence suggests that implementing new funding strategies requires addressing these regulatory and legislative barriers. Addressing regulatory and legislative barriers includes examining the economic indicators and disparities that impact emergency management funding.

2. Economic Indicators

Current economic conditions and economic disparities impact the funding sources of emergency management programs. Financial standards are established to evaluate the economic resilience of governmental organizations. Standards include the job market, population trends, market value, per-capita income, local revenue, and expenditures.¹⁷

Disasters can cause stress on the five economic standards. In evaluating the job market, employment rates are a key indicator. If employment is increasing in high-paying jobs, the strength of the economy increases as well. On the other hand, if unemployment is on the rise a vulnerability in the economic status of a community is then demonstrated.¹⁸ Another indicator is the population trends in a community. Population growth is a sign of a strong economy; individuals and families want to live there for a reason. A sign of a challenging economy is a reduction in population. The challenge of increasing population in a community is affordable housing.¹⁹ This challenge requires a balance in the market value of homes and commercial properties. Communities and local government desire to achieve a strong and affordable housing market. If the market increases to a level that the majority of housing is now no longer affordable to individuals, they will leave that community. The ability to purchase the home is based on peoples' income levels.²⁰ Per-capita income is a strong indicator of the economic status of a community. The wealthier communities are able to invest in preparedness activities, build resilient homes, and invest in public safety organizations. On the other hand, communities with lower income levels

¹⁶ Yeager, Hurst, and Menachemi, S276.

¹⁷ Amy LePore, ed., *The Future of Disaster Management in the U.S.: Rethinking Legislation, Policy, and Finance*, 1st ed. (New York: Routledge, 2016), 199.

¹⁸ LePore, 199.

¹⁹ LePore, 200.

²⁰ LePore, 200.

cannot afford to invest in disaster preparedness.²¹ These indicators provide an analysis of how new funding strategies can impact a strong economy, or increase the inequities within a struggling community. To address economic indicators and inequities, communities can utilize a collaborative planning process to learn from community members on the impacts of funding sources.

3. Collaborative Planning

Researcher Patsy Healy found that prior to the development of collaborative planning processes, standard planning largely focused on the development of infrastructure, amenities, and environmental conditions. The planning processes focused on the private sector and government entities' input and not necessarily the community as a whole. Healy describes, "This absence of community participation resulted in the development of a collaborative planning model that focused on planning as a government activity that needed to address economic, social and environmental structures within a community but not the individual interaction of community members with services, businesses and community organizations."²² Thus, the standard planning process increased the barriers to community participation in planning processes intending to improve their safety or quality of life. Collaborative planning began as a concept to address inequities in standard planning processes. The process of collaborative planning begins with the assessment of the governance and the impact of economic, social, and environmental components on individuals participating in their community.²³

As researchers examine the theory of collaborative planning, it is essential to recognize that it is a broader topic than a standard land-use policy. Healy's argument is to incorporate collaborative planning; the community must value the importance of open discussion and challenging the status quo and openness to innovation and creativity.²⁴ As

²¹ LePore, 199–201.

²² Patsy Healey, "Collaborative Planning in Perspective," *Planning Theory* 2, no. 2 (July 2003): 104, <https://doi.org/10.1177/14730952030022002>.

²³ Healey, 107.

²⁴ Healey, 116.

collaborative planning was being recognized as a new planning process, FEMA confronted disasters that challenged the disaster response and recovery system, because of planning assumptions that did not consider community input. For example, in Hurricane Katrina, planners assumed that individuals would seek shelter without their animals, medications, or medical equipment.²⁵ Also, evacuations were taken to be an equitable way to keep people safe that relied on daily public transportation. This discovery resulted in a new approach to disaster planning called whole community planning.²⁶

4. Whole Community Planning

In December 2011, the Federal Emergency Management Agency (FEMA) released a document called *A Whole Community Approach to Emergency Management: Principles, Themes and Pathways for Action*.²⁷ This document guides state and local emergency management programs on how to engage all community members in disaster planning efforts. FEMA defines the process as the “Whole Community is a means by which residents, emergency management practitioners, organizational and community leaders, and government officials can collectively understand and assess the needs of their respective communities and determine the best ways to organize and strengthen their assets, capacities, and interests.”²⁸ On March 30, 2011, FEMA Administrator, Craig Fugate, testified before the United States House Transportation and Infrastructure Committee. He stated, “Government can and will continue to serve disaster survivors. However, we fully recognize that a government-centric system approach to disaster management will not be enough to meet the challenges posed by a catastrophic incident.”²⁹ Inclusive planning

²⁵ Animal Welfare Institute, “Katrina’s Lesson Learned: Animals no Longer Excluded from Storm Evacuations,” *Animal Welfare Institute Quarterly*, Winter 2017, 1, <https://awionline.org/awi-quarterly/winter-2017/katrinass-lesson-learned-animals-no-longer-excluded-storm-evacuations>.

²⁶ Federal Emergency Management Agency, *A Whole Community Approach to Emergency Management: Principles, Themes, and Pathways for Action* (Washington, DC: Department of Homeland Security, 2011), 4.

²⁷ Federal Emergency Management Agency, 1.

²⁸ Federal Emergency Management Agency, 3.

²⁹ Federal Emergency Management Agency, 2.

provides opportunities for community members, professional organizations, and government structures to provide equal input into the development of funding strategies.

Whole community planning is now a standard for how emergency management organizations plan for threats and hazards, such as terrorism and earthquakes. The strategic themes in whole community planning are community complexity, capability and needs, leadership, partnerships, local priorities, and social networks.³⁰

Whole community planning begins with an assessment that includes assessing the demographic information in each community. Population, employment, income, ethnicity, and cultural knowledge are important to the process of understanding the community background and complexities challenging the community currently and in the future.³¹ The equity of the economic condition of a community is significant. Communities experiencing job growth across multiple economic sectors demonstrate signs of a strong economy. To determine the strength, the analysis will include determining where employment growth is occurring within communities and economic sectors. Evaluating the equity of income levels across the community or assessing disparate income levels within a community will provide an analysis of how communities will address challenges, such as access to necessary items like food. To understand a community's demographics and economic conditions, data must be analyzed to determine the social networks of a community. Social networks may include influential community organizations, cultural organizations, or faith-based communities. This array can include social patterns of attending community festivals, on-line communities, such as Facebook, or participation in community groups.

Understanding the hazards and geography of a community provides valuable information for emergency management programs. The hazards within a population may vary; for example, hazards could consist of an earthquake fault, a pipeline that crosses the community, or threats of terrorism against critical infrastructure. To conduct this assessment of hazards, examining infrastructure resilience is an important step, which includes evaluating transportation systems, geography, such as mountain passes, and the

³⁰ Federal Emergency Management Agency, 5.

³¹ Federal Emergency Management Agency, 7.

supply chain. Understanding community complexities provide data to assess the needs of a community and identify the emergency management programs needed in a community.³²

Engaging the leadership of the community is an important component of an inclusive planning process. Communities have formal leaders who are typically elected leaders within government systems. Leaders include governors, executives, mayors, and sheriffs. Informal leaders are members of community organizations. Informal leadership may consist of non-profit organizations, community organizers, and faith-based organizations. Working to develop a process to seek input with formal and informal leaders provides insight into a community's concerns, activities, and priorities for neighborhood involvement. This insight is critical in the planning process to established trusted voices. An inclusive planning process that includes formal and informal leaders builds support to address issues or builds support for projects.³³

One of the steps to an inclusive planning process that includes the whole community is having essential conversations with the community. Providing opportunities to bring together organizations and community members to discuss planning topics increases the amount of input and commitment to developing solutions. Developing a coalition of partners is the next step in the planning process. Coalitions may include partners from emergency management organizations, faith-based organizations, non-profits, disability services, schools, higher education, the private sector, government entities, health service organizations, advocacy groups, and critical infrastructure partners. The list is comprehensive and is not all-inclusive. The list is the first step in identifying who should be a member of the team that will conduct the planning to solve the problem the community is addressing.

³² Federal Emergency Management Agency, 6.

³³ Federal Emergency Management Agency, 10.

D. RESEARCH DESIGN

The goal of this thesis is to recommend methods and strategies that can improve and stabilize emergency management funding in the state of Washington. In doing so, this thesis expands current research on emergency management funding methods.

This research examines three current emergency funding programs in the states of Florida, California, and Washington to evaluate current funding sources, allocation methods, and policy strategies. These programs were chosen because they represented three different strategies: bonds, fees, and direct allocations. The voters of the state of California approved California Proposition 1B, a transportation bond. The Florida Emergency Management and Assistance Trust fund has been used by the state to fund local emergency management programs as a model. The Washington State public health partnership has been funded by the legislature, and it may provide significant lessons for Washington State emergency management programs.

For each case, emergency management funding, allocation methods, and policy strategies are examined. Recommendations are made as to how Washington State can identify, develop, and implement more sustainable and inclusive funding strategies. This analysis is completed by evaluating the funding source and allocation method to the current economic conditions in the state of Washington. To address economic indicators and inequities, the analysis examines how collaborative planning processes impacts the implementation of policy strategies.

II. OVERVIEW OF THE WASHINGTON STATE EMERGENCY PROGRAM AND FUNDING

Washington State has 39 recognized counties and 281 incorporated cities and towns, and 29 federally recognized tribes. From 2007 to 2018, the state of Washington has experienced 73 federally declared disasters. In the previous 50 years, the state of Washington experienced 86 disasters. The cost of disasters to Washington State government entities from 2006 to 2018 was \$386,126,369.76. The largest awarded amount for a public assistance disaster declaration was the December 2017 severe winter storm with estimated reimbursable damages of over \$61 million.³⁴ The Snohomish County landslide destroyed 40 buildings and killed 43 people, which led to recommendations to change the emergency management system in Washington.³⁵ This chapter identifies current standard practices in local and state budgeting, laws that create emergency management programs, funding sources, and the current allocation process used by Washington State Emergency Management Division (EMD) and local funding for emergency management. Local jurisdictions, based on budgeting standards, are challenged in predicting stable funding sources to support their emergency management programs. Additionally, federal grants are decreasing or not a guaranteed funding source for local jurisdictions. These challenges are forcing local jurisdictions to make difficult decisions in terms of how to fund emergency management programs. The following analysis leads to a baseline of the current funding structure for local emergency management programs and EMD.

A. LOCAL AND STATE BUDGET STANDARDS

Budgeting can be considered one of the most important processes within a government system. The process provides both the executive and legislative branches the opportunity to share priorities, evaluate programs, and dedicate funding based on priorities

³⁴ Federal Emergency Management Agency, *FEMA Public Assistance Disaster Declarations* (Washington, DC: Department of Homeland Security, 2019), 1, <https://www.fema.gov/disaster-declaration-process>.

³⁵ Lombardo, *The SR 530 Landslide Commission Final Report*, 1.

and needs. However, balancing all the community needs with revenues can be challenging.³⁶ Although the governing body can vary by jurisdiction, usually the executive branch prepares agency or departmental budgets, recommendations, approving or vetoing budget bills, and implementing the budget. On average, the legislative branch evaluates budget requests, prioritizes spending, balances the budget, enacts budget legislation, authorizes spending, and overrides executive vetoes. Budgeting standards usually guide this balance and oversight in the budget processes.³⁷

The National Conference of State Legislatures (NCSL) developed *A Guide for Better State Budgeting Practices*.³⁸ The standards outlined focus on the foundation of revenue to fund services that provide programs for the community. According to the NCSL, to achieve a successful budget, an organization should establish goals to guide decision makers, identify strategies to achieve the financial goals, and the budget should reflect such strategies, and evaluate the performance of the programs to meet the goals.³⁹ The policymakers need to have a detailed level of information to understand jurisdictional responsibilities.

To guide the budget process in the state of Washington, the Office of Financial Management (OFM) has issued a *Guide to the Washington State Budget Process*. The guide outlines the process and goals for establishing the Washington State government budget. OFM uses a biennial budget cycle, that is, for two years. The budget is approved to start on July 1 on every odd year. The governor must submit a budget in December, one month prior to the legislative session to allow the entire length of its session for the budget to be written into legislation. Once both the legislature and the governor approve the budget, the former can make annual changes if needed.⁴⁰

³⁶ State Fiscal Health Workgroup, *A Guide to Better State Budgeting Practices* (Denver, CO: National Conference State Budgeting Practices, 2016), 2.

³⁷ State Fiscal Health Workgroup, 3.

³⁸ State Fiscal Health Workgroup, 1.

³⁹ National Advisory Council on State and Local Budgeting and Government Finance Officers Association, *Recommended Budget Practices: A Framework for Improved State and Local Government Budgeting* (Chicago: Government Finance Officers Association, 1998), 5.

⁴⁰ Office of Financial Management, *A Guide to the Washington State Budget Process* (Olympia, WA: State of Washington, 2019), 1.

The budget includes sources of revenue, operating expenditures, the capital fund operating budget, spending limitations, and the debt limit. Washington State revenues come primarily from taxes, licenses, permits, fees, and federal grants. How the revenues are deposited and accounted for is guided through procedures. Taxes represent the majority of state revenues. Further, expenditures in the state budget fall into seven categories. These categories include human services, public schools, higher education, natural resources, transportation, general government, and other programs, such as debt services and pension programs. The costliest expenditures are human services that include mental health programs, public assistance, healthcare, and correctional facilities. Human services expenditures are estimated to be approximately 41 percent of all expenditures.⁴¹ Figure 1 shows the general fund expenditures from 2007 to 2019.

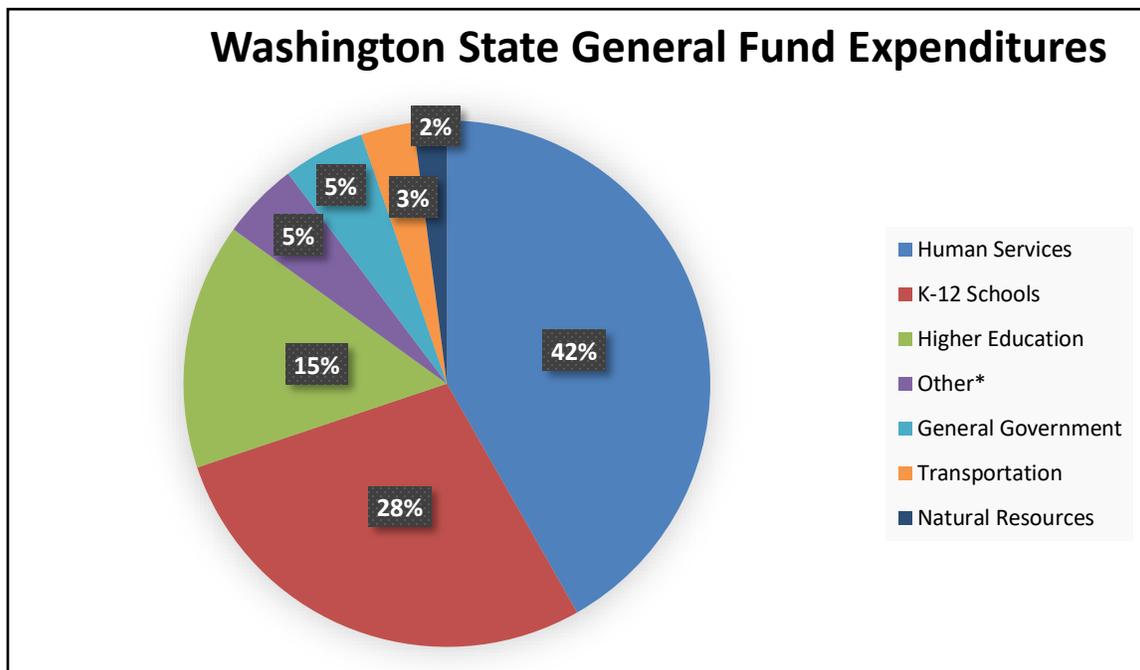


Figure 1. Washington State General Fund Expenditures 2017–2019.⁴²

⁴¹ Office of Financial Management, 6.

⁴² Source: Office of Financial Management, 6.

This budget process begins with the laws and policies of the departments and agencies that support services and programs within the state of Washington. The Military Department includes emergency management. Several laws guide the funding structure for emergency management in local and state programs.

1. Washington State Laws

In Washington State, two categories of administrative laws define emergency management government entities, the Revised Code of Washington (RCW), Washington State law, and the Washington Administrative Code (WAC). These components of Washington State laws provide policy and guidance to the state government and local jurisdictions developing emergency management programs. Two specific laws govern emergency management within state agencies and local jurisdictions. RCW 38.52 defines the roles and responsibilities of state and local emergency management organizations. WAC 118-30 provides the functions of how to carry out the duties outlined in the RCW.

RCW 38.52 guides what an emergency management program is and what it does at the state agency and local jurisdiction level. In Washington State, RCW 38 creates the Washington State Military Department, which includes the National Guard, the State Guard, and Washington State Emergency Management Division. In RCW 38.08, the governor is the commander and chief, and the adjutant general is the department head.⁴³ RCW 38.52 provides that the Military Department within the Washington State government is responsible for the “comprehensive emergency management system” and “authorizes the creations of local organizations for emergency management in political subdivisions of the state.”⁴⁴ Through RCW 38.52, the governor and executive leaders of political subdivisions authorities within emergency management can:

- Provide or accept mutual aid to carry out emergency management functions.

⁴³ Washington State Revised Code of Washington, *RCW 38.08.020 Governor as Commander-In-Chief—Washington Military Department* (Olympia, WA: State of Washington, 1995), 1.

⁴⁴ State of Washington Revised Code of Washington, *RCW 38.52.020 Declaration of Policy and Purpose* (Olympia, WA: State of Washington, 2015), 1.

- Compensate emergency workers due to injury, damaged resources, or associated costs with responding to a disaster or emergency.
- Promote public preparedness regarding the hazards within the jurisdiction.
- Provide continuity of operations planning, training, and exercises.
- Work within the emergency management structure outlined by the federal government and align activities within the programmatic structure.⁴⁵

Political subdivisions as defined are counties, cities, or towns. For example, Pierce County, the City of Tacoma, and the Town of Eatonville are all examples of political subdivisions. WAC 118.30 expands on the role of the agency executives by further defining the responsibilities of the political subdivisions. Per WAC 118.30, local jurisdictions must follow these three requirements:

- Each political subdivision must establish an emergency management organization or join an established organization.
- Must complete a comprehensive emergency management plan.
- Submit an annual emergency management program paper.⁴⁶

The law provides for the allowance of regionalization through political subdivisions creating emergency management organizations of multiple cities or counties. For example, a region can include four cities sharing jurisdictional boundaries within one county or multiple counties that neighbor each other. The regions are then considered emergency management organizations. Regionalization minimizes the impacts of staffing, resources, and financial commitments of local political subdivisions by supporting cities and counties joining together to address the requirements as one entity. If more than one political subdivision agrees to establish an emergency management organization, the organization

⁴⁵ State of Washington Revised Code of Washington, 1.

⁴⁶ State of Washington, *WAC 118-30-040 Responsibilities of Political Subdivisions* (Olympia, WA: State of Washington, 1986), 1.

must have one comprehensive emergency management plan, a director, and an equitable process for funding the organization.⁴⁷

One political subdivision or a regional organization must comply with the programmatic functions as outlined in WAC 118-30-070. The functions focus on emergency management standards that every program must report annually. These functions include the following:

- Comprehensive emergency management plan
- Training and education
- Communication, warning and notification
- Hazardous materials response
- Training and exercise
- Public information
- Hazard analysis
- Response to disaster⁴⁸

As referenced in the Appendix, the Emergency Management Accreditation Program (EMAP) standards are very similar to the established standard in the WAC. EMAP provides a standards-based approach that offers a baseline of what should be accomplished within each function of a program.⁴⁹ By defining the required functions of an emergency management program, Washington State Emergency Management and local emergency management jointly create a set of criteria to determine why these programs

⁴⁷ State of Washington, *WAC 118-30-050 Emergency Management Ordinance* (Olympia, WA: State of Washington, 1986), 1.

⁴⁸ State of Washington, *WAC 118-30-070 Program Papers* (Olympia, WA: State of Washington, 1986), 1.

⁴⁹ Emergency Management Accreditation Program, *2016 Emergency Management Standard* (Falls Church, VA: Emergency Management Accreditation Program, 2016), i, <http://emap.org/>.

should receive funding. Funding should support the programmatic functions that have been outlined in the aforementioned laws and regulations.

To support these programs, RCW 38.52 and WAC 118.30 provide additional regulations on the appropriation of funding for emergency management.⁵⁰ The regulations establish that each entity shall have the authority to make appropriations to fund the emergency management programs. The RCW and WAC provide the authority for Washington State Emergency Management to provide local jurisdictions with funding provided by the federal government in the form of grants, equipment, supplies, and materials. The administrative code provides more direction for the single political subdivision or the regional organization regarding how to structure the process for funding. For example, the local emergency management programs must be established by ordinance or resolution by the governing body. The resolution or ordinance must establish the organization and determine how the costs needed to support the organization will be identified. If a regional organization were to be developed, each political subdivision must adopt the organization by ordinance or resolution. The governing bodies also must agree on how the regional program will be funded and how the costs will be shared across all organizations, and the specifics of the agreement must be included in the resolution.⁵¹

The aforementioned regulations and laws outline the process for funding through governmental sources, which has been the primary source of funding in Washington State for emergency management programs. RCW 38.52.100 also provides the state and local jurisdictions the opportunity to accept services, resources, or funding from non-government sources for the purpose of emergency management, which can be offered in the form of a donation, grant, or a loan.⁵² The provision in the law for non-governmental funding sources provides the opportunity for emergency management programs within Washington State to diversify funding sources. From a local emergency management

⁵⁰ Washington State Revised Code of Washington, *RCW 38.52.005 State Military Department to Administer Emergency Management Program* (Olympia, WA: State of Washington, 1995), 1.

⁵¹ State of Washington, *WAC 118-30-050 Emergency Management Ordinance*, 1.

⁵² State of Washington, *RCW 38.52.100 Appropriations—Acceptance of Funds and Services* (Olympia, WA: State of Washington, 1984), 1.

program perspective, the law must allow local jurisdictions the ability to accept funding directly, outside of the state of Washington. This flexibility is an important provision within the law in regards to this research's exploration of alternative funding methodologies.

2. Washington Legislative Structure

The Washington State legislature and the governor govern the laws guiding state and local emergency management programs. The Washington State Constitution outlines the branches of government: the executive (governor), legislative, and judicial:

The Washington State Constitution models itself after the federal system. The Executive branch includes the Governor and other elected state officials. These individuals are charged with implementing the laws passed by the Legislature. The Governor has the authority to appoint members of the Judicial branch. When bills are passed by the Legislature, they are sent to the Governor to be signed or vetoed. The Legislative branch includes the Senate and the House of Representatives and writes and enacts legislation into laws. The Senate has 49 elected members corresponding to the number of legislative districts in the state. The House has 98 elected members, two for each district. The Judicial branch includes the state court system. The state court system includes: Trial court (Municipal, District and Superior), Court of Appeals, and Supreme Court. State courts make rulings on the constitutionality and legality surrounding the implementation of a law, as passed by the Legislature and signed by the Governor.⁵³

A part of the structure is the committees in the legislative branch. The committee structure is how legislation is developed, heard by elected officials, with input sought by the voters of the state of Washington. The Washington State House of Representative has 20 standing committees; the Senate has 16 standing committees. The House of Representatives lists emergency management preparedness and response as a part of the Housing, Community Development & Veterans committee.⁵⁴ Yet, it is not listed as the priority of the committee, but as other considerations the committee is able to consider. The Washington State Senate lists emergency management under the State Government, Tribal Relations & Elections Committee. The Washington State Senate 2018 work plan

⁵³ State of Washington, *Washington State Constitution* (Olympia, WA: State of Washington, 2016), 5.

⁵⁴ Washington State Senate, *2018 Interim Committee Work Plans and Meeting Schedule* (Olympia, WA: Washington State Senate, 2018), 1.

identified closing the gaps in the 2016, catastrophic earthquake exercise after-action-report, and implementing interoperable communications as its priority. Having emergency management identified as a part of two committees within the legislative branch provides a home within the government system in which Washington State Emergency Management professionals can provide critical information to elected officials to inform legislation. Having emergency management in two separate committee's challenges inclusion in the development of legislation when the committees may be faced with competing priorities.

B. CURRENT FUNDING SOURCES

Washington State law provides the foundational programmatic elements of an emergency management program and a framework for how to fund emergency management programs. As detailed in the background section, funding emergency management programs remains a challenge in Washington State. Washington State EMD receives funding from the Washington State legislature and federal grants that build the overall budget. The federal grants that partially fund EMD and local emergency management programs include the Emergency Management Performance Grant, the State Homeland Security Grant, and the Urban Area Security Initiative. The state appropriation for the Washington military department for fiscal year 2018 includes an allocation to the EMD for \$7,676,000, which includes all military operations. The appropriation for the Washington State EMD was \$1,383,185.00. Figure 2 demonstrates the inequities between state funding and the reliance on federal emergency management and homeland security grants.

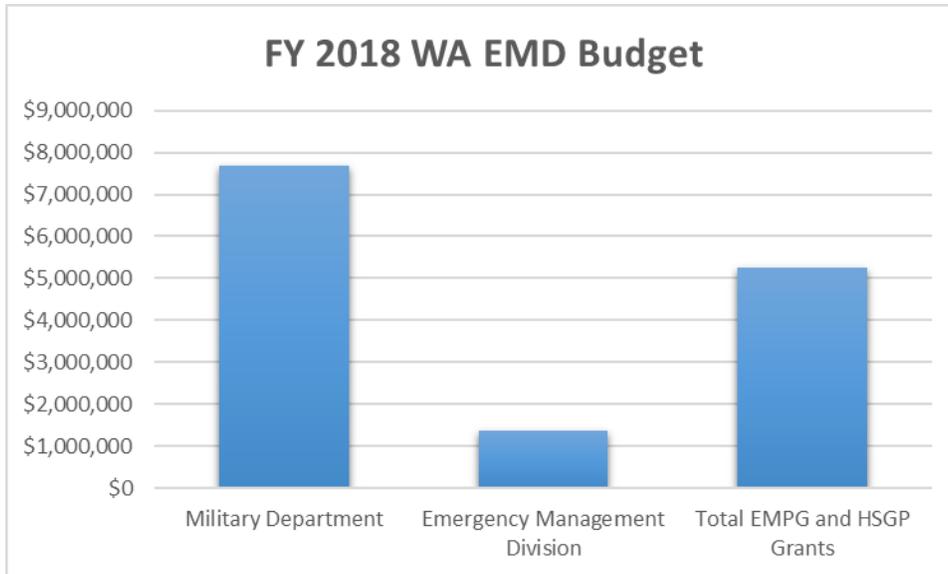


Figure 2. Washington Military Department Budget for FY 2018.⁵⁵

1. Emergency Management Performance Grant Funding

The Emergency Management Performance Grant (EMPG) is an all-hazard grant program that provides funding to states to develop an emergency management system that focuses on hazards and capabilities. FEMA, the grantor, provides guidance, grant requirements, and resources to support the implementation of the National Preparedness Goal.⁵⁶ The state of Washington as the grant recipient must meet the performance metrics by completing a state preparedness report, a threat hazard identification risk assessment, and capability targets set within the grant requirements. The program funding can support personnel, as well as equipment. The current funding for Washington State from 2014 to 2018 is shown in Figure 3.

⁵⁵ Source: Washington State Emergency Management Division, *Washington State EMPG Distribution Spreadsheet* (Camp Murray, WA: Washington Military Department, 2019), 1.

⁵⁶ Federal Emergency Management Agency, *FEMA EMPG Notice of Funding Opportunity* (Washington, DC: Department of Homeland Security, 2018), 3.

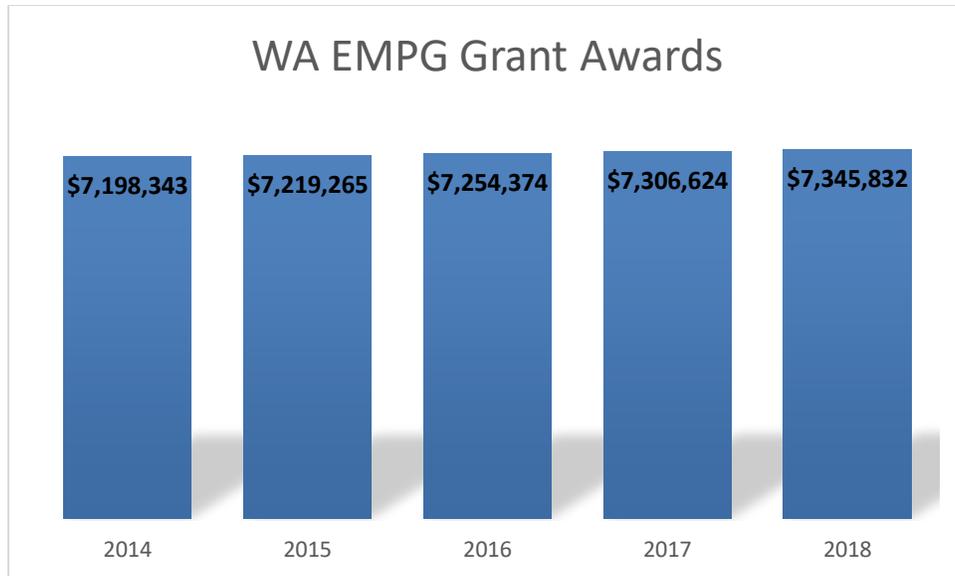


Figure 3. Washington EMPG Grant Awards.⁵⁷

The steady increase in EMPG funding demonstrates a stable funding source from the federal government. EMPG is a direct allocation from FEMA to Washington EMD, which is the only guaranteed funding allocation. In the grant guidance, states do not have to allocate their funding allotment to local jurisdictions. Washington State law does not require EMD to pass through EMPG funds to local jurisdictions; therefore, the lack of a mandate to fund local authorities becomes a financial risk to local jurisdictions in budgeting for EMPG.

2. State Homeland Security Grant Program Funding

Besides EMPG, two additional primary funding sources for Washington State emergency management programs include the State Homeland Security Program (SHSP) and the Urban Area Security Initiative (UASI). FEMA provides both grants to states for homeland security terrorism programs. According to the SHSP Notice of Funding Opportunity, “SHSP supports state, tribal, territorial, and local preparedness activities that address high priority preparedness gaps across all core capabilities that support terrorism

⁵⁷ Source: Federal Emergency Management Agency, 20.

preparedness.”⁵⁸ The funding priorities of this grant are terrorism preparedness, closing capability gaps, and a provision of 25 percent to law enforcement activities. The state can have up to 10 investments that support planning, personnel, equipment, training, and exercises.⁵⁹ Figure 4 illustrates SHSP funding for Washington State from 2014 to 2018.

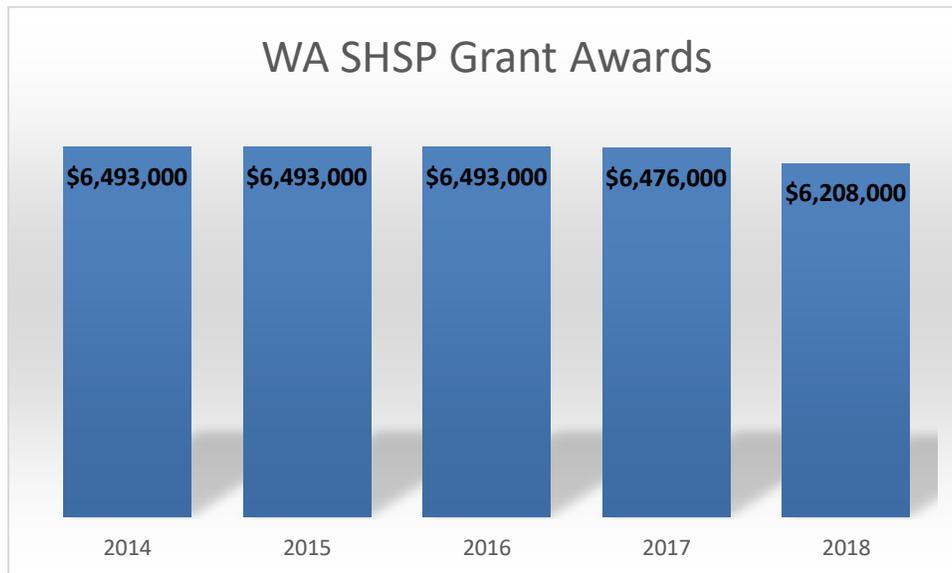


Figure 4. Washington SHSP Grant Awards.⁶⁰

The recent decrease in SHSP funding creates an unstable funding source for Washington State emergency management programs. The reduction of four percent creates a downstream impact to the nine homeland security regions in Washington State. The reduction in funding to the homeland security regions that serve more than one county is greater to the emergency management programs. SHSP flows directly to EMD based on an allocation method approved in the *Homeland Security Act of 2002*.⁶¹ The Notice of Funding Opportunity released by FEMA every year mandates that states must “pass

⁵⁸ Federal Emergency Management Agency, *FEMA HSGP Notice of Funding Opportunity* (Washington, DC: Department of Homeland Security, 2018), 1.

⁵⁹ Federal Emergency Management Agency, 3.

⁶⁰ Source: Federal Emergency Management Agency, 20.

⁶¹ Federal Emergency Management Agency, 21.

through 80% of funding to local and tribal governments within 45 days of receipt of funds.”⁶² The requirement to pass funds through to local and tribal governments provides a predictable funding source. Local jurisdictions are able to identify the amount that they may receive to include into their budget cycle. However, the reduction of funds creates instability for local governments. Also, the state of Washington has 39 recognized counties and 281 incorporated cities and towns, and 29 federally recognized tribes eligible for these funds.⁶³ This proliferation of entities creates uncertainty and potentially minimal funding levels to support the emergency management programs in Washington State.

3. Urban Area Security Initiative Grant Funding

The UASI grant program covers the urban area of King, Pierce, and Snohomish counties in addition to the cities of Bellevue and Seattle. The UASI Notice of Funding Opportunity states, “The UASI program assists high-threat, high-density Urban Areas in efforts to build, sustain, and deliver the capabilities necessary to prevent, protect against, mitigate, respond to, and recover from acts of terrorism.”⁶⁴ The allocation funds the entire UASI region and the state. Priorities for UASI funding mirror that of SHSP funds. Funds should be focused on terrorism preparedness, closing capability gaps, and law enforcement activities. Specifically, funds should be allocated for the fusion center, cybersecurity, and critical infrastructure protection. Figure 5 shows the current funding for the UASI region from 2014 to 2018:

⁶² Federal Emergency Management Agency, 25.

⁶³ Federal Emergency Management Agency, 1.

⁶⁴ Federal Emergency Management Agency, 10.

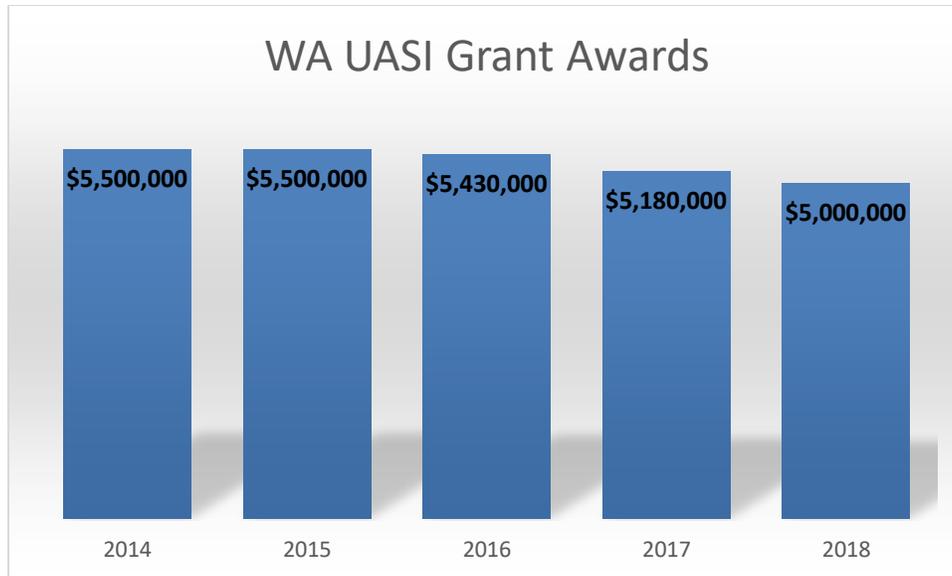


Figure 5. Washington UASI Grant Awards.⁶⁵

The UASI grant passes through directly to EMD and must be distributed to eligible jurisdictions; EMD works with the UASI Core Group to determine the allocations to local jurisdictions. The President’s proposed FY 2020 budget included a one-third reduction to the SHSP and UASI funding levels.⁶⁶ In addition, the proposed presidential FY 2021 budget proposed a \$535 million reduction to training and grants that support state and local jurisdictions. Along with the reduction, the proposed budget included a 25 percent cost match that currently does not exist with the SHSP and UASI grant programs.⁶⁷ The budget document clearly states, “The Federal Government should not continue to spend billions of dollars on non-competitive grant programs where FEMA is unable to measure outcomes.”⁶⁸ The decrease in UASI funding from 2014 to 2018, plus the recommendations from 2020 and 2021, has made it an unpredictable funding source for local jurisdictions.

⁶⁵ Source: Federal Emergency Management Agency, 28.

⁶⁶ “Homeland Security Archives,” *Congressional Fire Services Institute* (blog), 1, accessed April 18, 2020, <https://www.cfsi.org/tag/homeland-security/>.

⁶⁷ Office of Financial Management and Budget, *A Budget for America’s Future, Budget of the U.S. Government* (Washington, DC: The White House, 2019), 41, <http://www.OMB.gov>.

⁶⁸ Office of Financial Management and Budget, 41.

The unpredictability and reductions increase the risk to local jurisdictions to budget for these grant sources.

4. Current Allocation Methods

Allocation methodologies are a critical component in evaluating the effectiveness of funding local emergency management programs. Currently, the state of Washington emergency management community has three ways to allocate its funding sources. First, the baseline for this allocation methodology is by population: a city, county, or tribe. The emergency management community addressed potential inequity between small and large cities and counties by providing a baseline amount for jurisdictions below a certain threshold. Only three sources of funding in Washington State are currently passed through to local authorities for allocation; methods of allocation differ slightly by funding source.

The EMPG funds are allocated by a strict method. The method provides that Washington EMD will receive five percent in management and administration from the direct award amount from FEMA. Then, Washington EMD divides the remaining allocation, retaining 38 percent in operational funding. Local jurisdictions receive 62 percent in pass-through. A calculation of the award amount and the least populated counties served by EMD provide a baseline award amount. Then, counties and cities divide the balance by population at a per capita amount. Figure 3 demonstrates the amounts received from 2014 to 2018.⁶⁹

Figure 6 illustrates changes to allocation methods and population. Under the current allocation methodology, the funding is stable and predictable, as long as the overall award is not reduced and changes have not been made to jurisdiction populations. However, since the allocation methodology is not written into law, and Washington EMD can change the method or retain additional funds at any time without notice, this stability is not guaranteed. For example, in the 2018 National Emergency Management Agency Biennial Report, the

⁶⁹ Washington State Emergency Management Division, *Washington State EMPG Distribution Spreadsheet*, 1.

state of Arizona kept 100 percent of EMPG funds.⁷⁰ The report does demonstrate that a majority of the states does pass through funds to local jurisdictions, but does not clarify whether a state law requires the pass-through to occur. The lack of written guidance on the pass-through to local jurisdictions in the state of Washington causes this writer to declare the EMPG funding source as unstable.

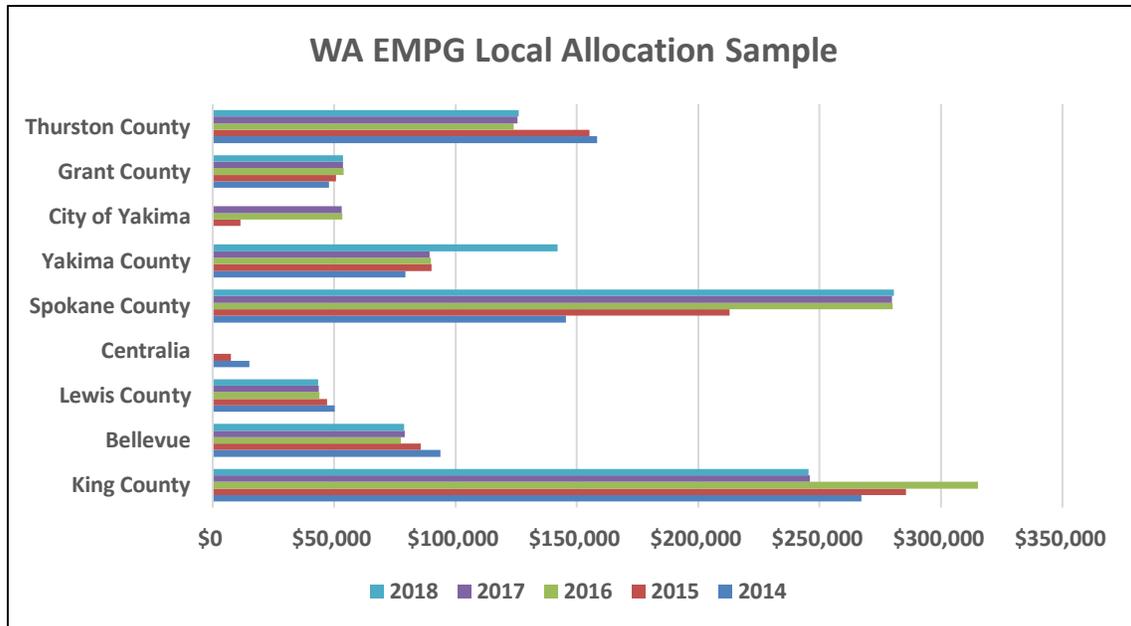


Figure 6. EMPG Local Jurisdiction Allocation Sample.⁷¹

For the SHSP grant funds, Washington EMD must pass through 80 percent of the award amount to local jurisdictions. This amount allows the state to allocate funds directly to local jurisdictions. Washington EMD allocates the available SHSP funds to nine homeland security regions. Figure 7 depicts these regions.

⁷⁰ National Electrical Manufacturers Association, *2018 Biennial Report* (Arlington, VA: National Electrical Manufacturers Association, 2018), 27.

⁷¹ Source: Washington State Emergency Management Division, *Washington State EMPG Distribution Spreadsheet*, 1.

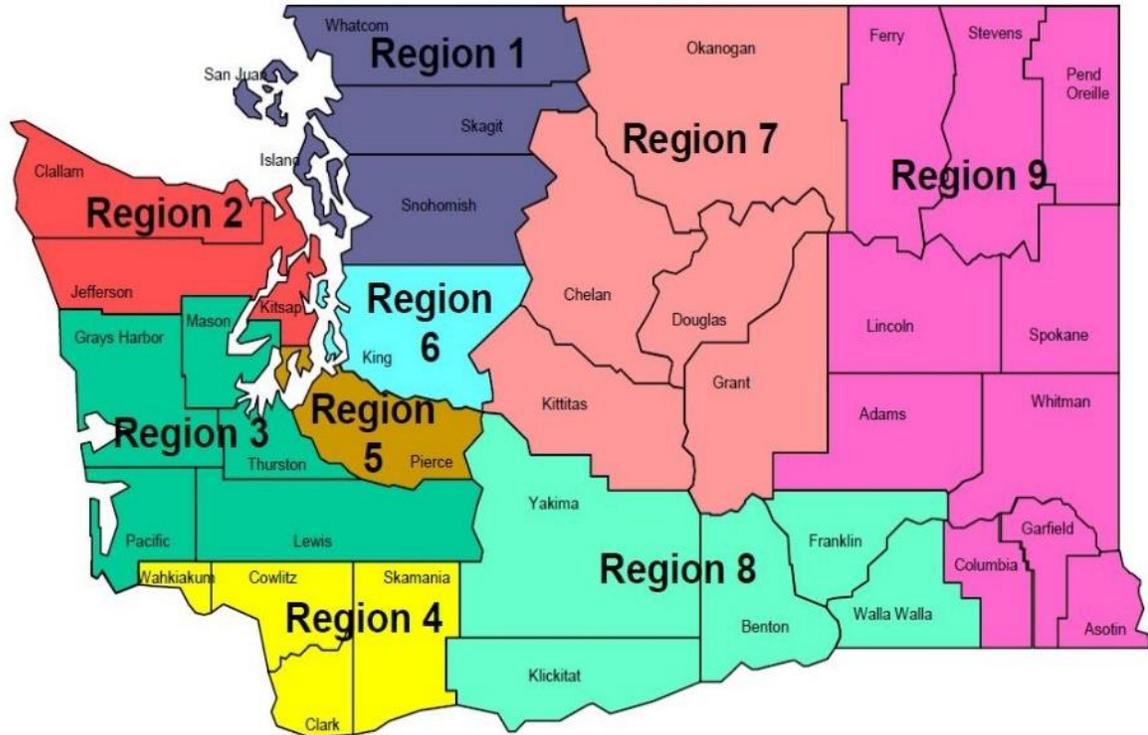


Figure 7. Nine Homeland Security Regions of Washington Emergency Management Development, 2014.⁷²

Two counties form their own region, Pierce and King counties. King County alone has 39 cities, and over 200 special purpose districts. Region 9 is the largest region and has 10 counties within it and spans from the farthest northeast to the farthest southeast portions of the state.⁷³ SHSP allocates based on population. Each region receives a base amount, then a calculation for the total population in the region, and the population density of the region. Figure 8 illustrates the steady decrease in funds to the local jurisdictions from 2014 to 2018.⁷⁴

⁷² Source: Washington State Homeland Security Regions, *Washington State Training and Exercise Plan* (Lakewood, WA: Washington State Emergency Management Division, 2019), B-1.

⁷³ Washington Emergency Management Division, *WA EMD HLS Regions* (Lakewood, WA: Washington Emergency Management Division, 2014), 1.

⁷⁴ Washington State Emergency Management Division, *Washington State SHSP Distribution Spreadsheet* (Camp Murray, WA: Washington Military Department, 2019), 1.

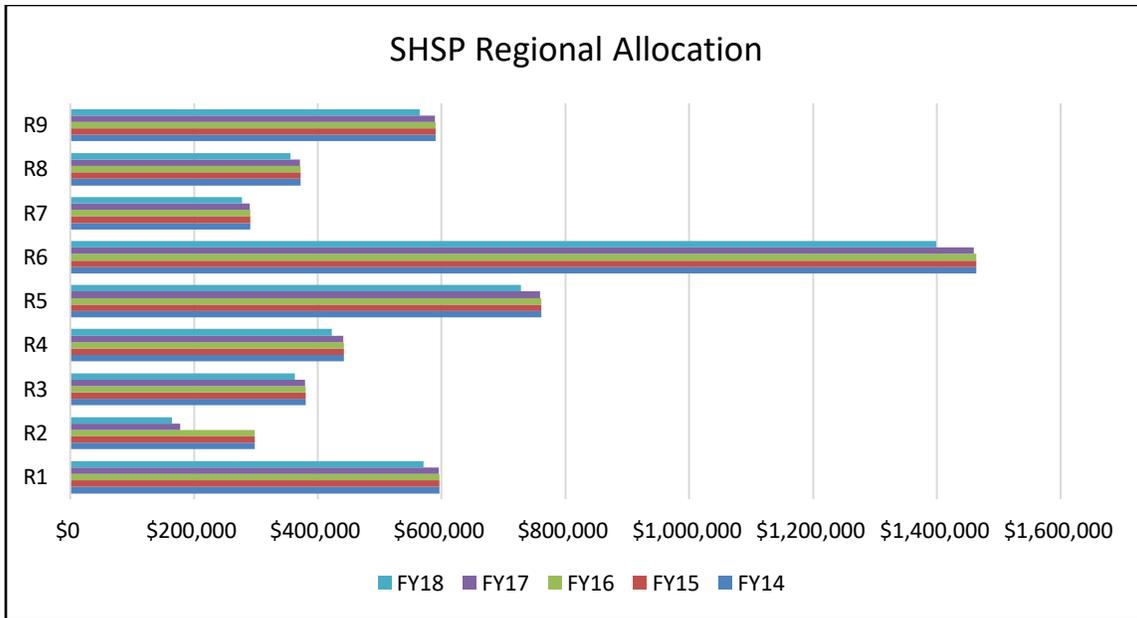


Figure 8. SHSP Allocations from 2014–2018.⁷⁵

The overall reduction in the past four years of SHSP funds to the state strongly correlates to a decrease in funding to the nine homeland security regions due to an allocation methodology that is strictly population-based. Like the EMPG methodology, SHSP is not written into law, so even though the Washington EMD is required to pass through 80 percent, EMD could change the allocation method at any time. As a result, the overall reduction in funding, and the lack of codified allocation methodology, SHSP funding for local jurisdictions is unstable and unpredictable, due to the uncertainty in funding amount, allocation methodology, and reduction in funding since 2017, which thus creates significant budgeting concerns for local jurisdictions.

The UASI grant program only provides funding to the state of Washington, King, Pierce, and Snohomish counties, and the cities of Bellevue and Seattle.⁷⁶ Such coverage meets the primary intent of the grant to serve the most populous areas of the state. The UASI funding creates conflicts between urban and rural jurisdictions regarding the equitable distribution of grant funds in total. The UASI program has essentially created

⁷⁵ Source: Washington State Emergency Management Division, 1.

⁷⁶ Federal Emergency Management Agency, *FEMA HSGP Notice of Funding Opportunity*, 10.

another homeland security region. The methodology is not population-based; it is capability- and project-based. The state of Washington retains funds to administer the grant. Then, the remaining amount is provided to the five jurisdictions for distribution. The distribution occurs through a series of working groups and finally approved by the core group made up of each jurisdiction. The workgroups propose projects through subject matter experts who meet the goals and objectives of the core group. Figure 9 shows the amount received by each jurisdiction based on approved projects.⁷⁷

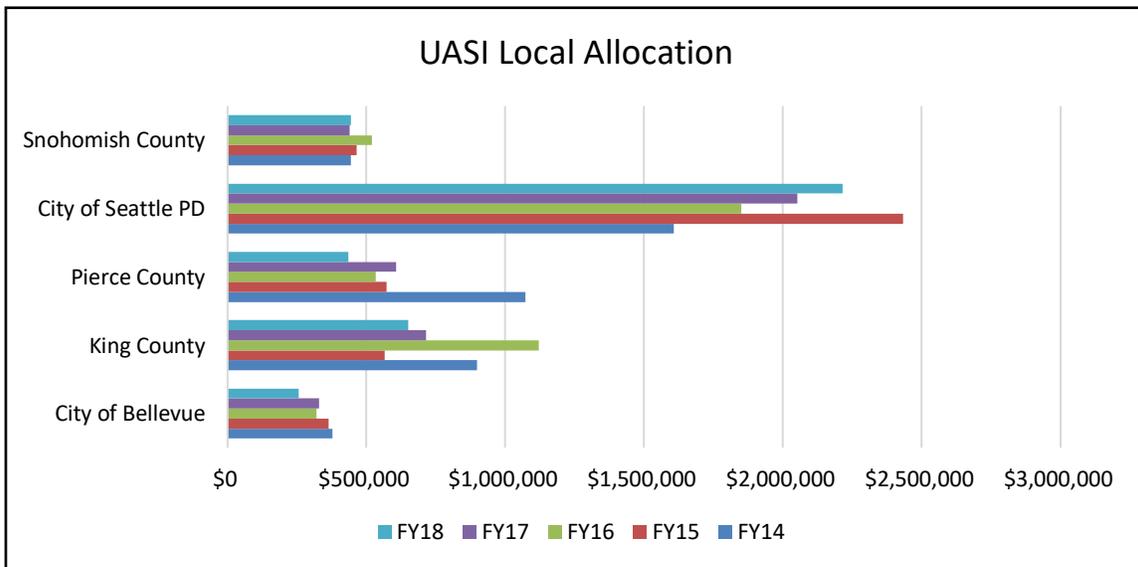


Figure 9. Local UASI Allocation.⁷⁸

Figure 9 shows that the amount a jurisdiction receives can vary from year-to-year because of the project-based approach. As with EMPG and SHSP, UASI methodology is unpredictable in the amounts provided to each jurisdiction. No jurisdiction can develop stable budgeting practices based on uncertainty. The project-based approach makes it

⁷⁷ Washington State Emergency Management Division, *Washington State UASI Distribution Sheet* (Camp Murray, WA: Washington Military Department, 2019), 1.

⁷⁸ Source: Washington State Emergency Management Division, 1.

uniquely tailored to the needs of the organization of that year, but does not necessarily support the funding of personnel on a regular basis.

C. WASHINGTON STATE ECONOMIC INDICATORS

The current job market is based on the availability of jobs, unemployment, and high wage available jobs, as high-wage jobs increase individuals' purchasing power. Washington State is a sales tax state. The majority of local and state government revenue is thus based on sales tax collection.⁷⁹ The availability of high-wage jobs increases the population in the state by recruiting skilled individuals to work, live, and pay taxes in the state. Low unemployment is vital to the stable job market, but communities want to recruit companies that can provide high-wage jobs.⁸⁰ In 2010, the statewide unemployment rate was just below 10 percent. It has steadily decreased since 2010, and the statewide unemployment level in 2018 was 4.5 percent. This number is, however, still above the 2018 national average of just below four percent.⁸¹ This figure is due to industries, such as technology and increased seasonal work, according to the Washington OFM. The statewide unemployment rate though should also be evaluated by counties to provide an accurate assessment for any counties that may be experiencing higher unemployment rates. The Washington State Security Department, which oversees unemployment, identified 20 of 39 counties as being distressed. Distressed is defined as having an unemployment rate within that time frame at 6.2 percent or higher.⁸² The majority of the 20 counties were located on the eastside or coastal sections of the state of Washington. To have 51 percent of the state in distressed unemployment status raises a question about the equity of employment opportunities in the state of Washington. The urban environments of Thurston, Pierce, King, and Snohomish counties do serve the majority of the population and have the lowest unemployment rates. The risk to disasters is equally applied to all community members in

⁷⁹ Employment Security Department, *2018 Labor Market and Economic Report* (Olympia, WA: Washington State, 2019), 10.

⁸⁰ LePore, *The Future of Disaster Management in the U.S.*, 200.

⁸¹ "Unemployment Rates," Office of Financial Management, 1, accessed July 13, 2019, <https://www.ofm.wa.gov/washington-data-research/statewide-data/washington-trends/economic-trends/unemployment-rates>.

⁸² Employment Security Department, *2018 Labor Market and Economic Report*, 5.

the state. Overall, the unemployment rate in the state has steadily declined since January 2019.⁸³ This decrease has improved the wages and economic stability, but it is risky with the number of counties in distress.

The state of Washington has experienced economic growth in the past four years, as demonstrated by a decrease in statewide unemployment and increases in wages. The average wage growth in 2018 was five percent. The wage gains were from the retail and information sectors. The industry that paid the highest wages was the information sector. Since 2016, wages in this sector have increased by eight percent. Within the same period, the lowest wage-earning sector in Washington was leisure and hospitality. The industry still increased wages from 2016 by five percent.⁸⁴ The steady increases in salaries translated to increase spending. The spending provided an increase in revenue for the state of Washington, due to sales taxes. The increase in taxable sales has steadily increased from 2013 to 2017. According to the 2018 Labor Market and Economic Report, “In 2017, taxable retail sales increased by \$9.5 million from 2016.”⁸⁵ Based on the decrease in unemployment and an increase in wages and spending, the state of Washington is in good condition economically and provides stable sources of funding from sales taxes. The job market factor offers an excellent start to Washington State’s economic growth, but the next element of population growth is a basic standard of the sustainable sources of employment and wage growth.

Population trends impact the financial resiliency and options for funding emergency management programs. The vulnerability of populations throughout Washington State’s communities can be reviewed by job availability, access to transportation, and commodities. If a community’s population level has decreased, then the impacts of such things as fees on insurance or an increase in taxes can negatively impact the community.⁸⁶ In 2018, the

⁸³ Office of Financial Management, “Unemployment Rates,” 1.

⁸⁴ Employment Security Department, *2018 Labor Market and Economic Report*, 27.

⁸⁵ Employment Security Department, 28.

⁸⁶ LePore, *The Future of Disaster Management in the U.S.*, 201.

Washington State population was 7,427,270.⁸⁷ That number was just below a two percent increase from 2017. During the height of the recession, 2009 to 2013, the state of Washington experienced below a one percent increase a year.⁸⁸ This percentage demonstrates the importance of good wages, and opportunities for employment influence population growth. Just as unemployment is a key factor for assessing the overall strength of a state's economy, so is exploring the population trend by county. Again, the most populous and urban counties of Thurston, Pierce, King, and Snohomish counties saw the most significant population growth by percentage. Douglas and Kittitas counties on the eastside to the state also saw significant population growth as well. The identified distressed counties, such as Ferry and Wahkiakum counties, only saw under a one percent increase in the population.⁸⁹ The overall growth of the Washington States' population is a positive sign of continued economic growth. However, as per the unemployment rate, growth has not been evenly spread across all counties within the state, as shown in Figure 10.

⁸⁷ "Population Growth in Washington Remains Strong," Office of Financial Management, 1, June 30, 2017, <https://ofm.wa.gov/about/news/2017/06/population-growth-washington-remains-strong>.

⁸⁸ Office of Financial Management, 1.

⁸⁹ "Total Population and Percent Change," Office of Financial Management, 1, accessed July 12, 2019, <https://www.ofm.wa.gov/washington-data-research/statewide-data/washington-trends/population-changes/total-population-and-percent-change>.

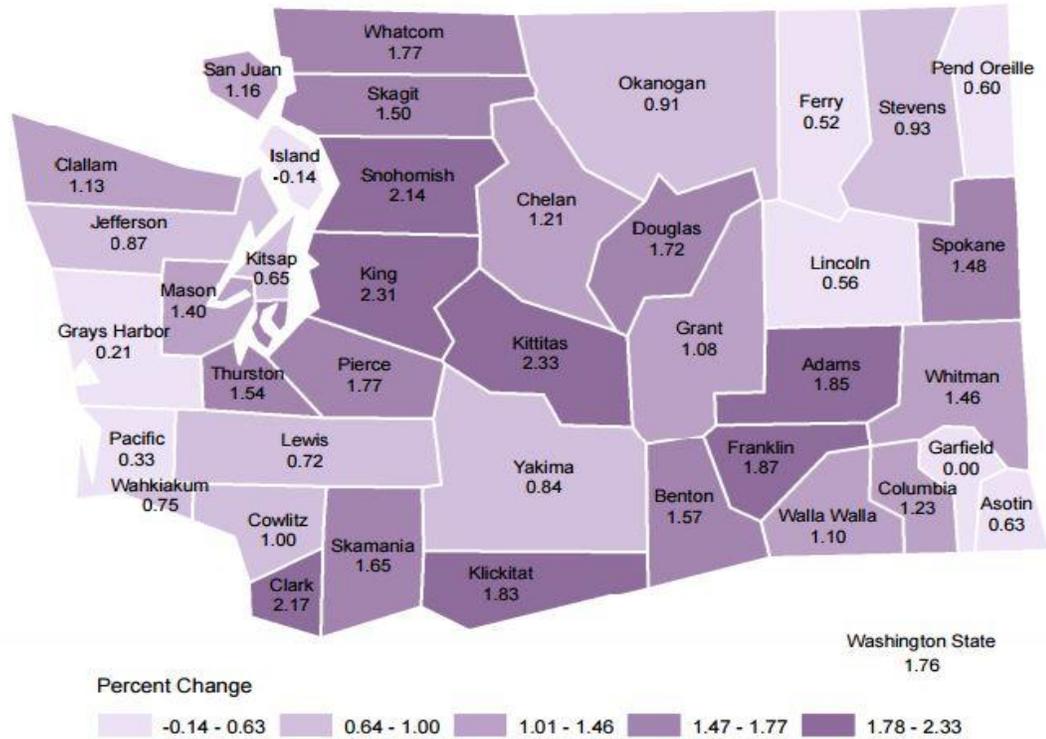


Figure 10. Population Growth and Disparity in Growth.⁹⁰

The current market value of property is an indicator of the economic condition of communities.⁹¹ If sales and growth in a community increase, the value of property increases, which then provides revenue to the state and local governments. Washington State’s increase in population has made the state the 13th most populous.⁹² This increase is due to a jump in employment opportunities, which has led to a rapid rise in housing need that has resulted in a challenging housing market, as home prices in desired communities have risen drastically. The cost to build has increased as well, so developers are seeking to build in areas that cost less, such as Central Washington.⁹³ For this reason, the population in Kittitas County has increased. The increase in local home prices has been primarily

⁹⁰ Source: Office of Financial Management, “Population Growth in Washington Remains Strong,” 2.

⁹¹ LePore, *The Future of Disaster Management in the U.S.*, 200.

⁹² Office of Financial Management, “Total Population and Percent Change,” 1.

⁹³ Employment Security Department, *2018 Labor Market and Economic Report*, 30.

focused in King County. This increase in the cost to own a home, rent, or build has resulted in a significant equity issue for the state. The lower wage earners are now not able to afford housing where they work, which forces individuals either to commute or make other housing choices. Where people live directly correlates to the threats and hazards to which they are also vulnerable. This disparity in the housing market creates revenue issues when looking to increase taxes or fees on individuals who cannot afford to buy a home.

Per-capita income provides insight into the strength of communities, and the impacts of fees and taxes on vulnerable communities.⁹⁴ The wealthier the community, the more investments can be made by community members, such as supporting infrastructure improvements leading to more job opportunities, and increasing the desire to live in the community. The lower per-capita rate in communities increases the potential for social vulnerabilities when assessing a new tax or fee. Vulnerable populations may not be able to afford the increase and the potential for individuals and family to relocate from that community. Increased per-capita incomes have demonstrated Washington State's economic prosperity at this time. From the second quarter 2017 to second quarter 2018, personal income grew by six percent, which is significantly higher than the national average of just over four and a half percent.⁹⁵ Overall, the state has increased personal incomes consistently over the past four years. Again, recognizing that the overall state's success does not translate to success for community members of the state, examining by county is an essential step in this analysis.

Eastern Washington and the state's coastal communities continue to be impacted by these economic indicators. The lowest personal income is in counties, such as Ferry, Douglas, and Grant in eastern Washington, and on the Washington coast, personal income is low in Grays Harbor and Pacific counties.⁹⁶ In turn, communities with low personal income are adversely affected by any natural disaster, as community members do not have the financial means to recover as quickly as wealthier communities. The government agencies and support agencies in the communities do not have the revenue from sales taxes

⁹⁴ LePore, *The Future of Disaster Management in the U.S.*, 201.

⁹⁵ Employment Security Department, *2018 Labor Market and Economic Report*, 25.

⁹⁶ Office of Financial Management, "Per Capita Personal Income by County," 1.

to support the communities adequately. In return, it is thus difficult to increase revenue sources in the communities, as it will adversely impact the community members. Personal income, wages, employment, and housing all translate to the ability for local jurisdictions to collect revenue and expend those funds on government services. Figure 11 shows the per capita personal income in 2017 by county.

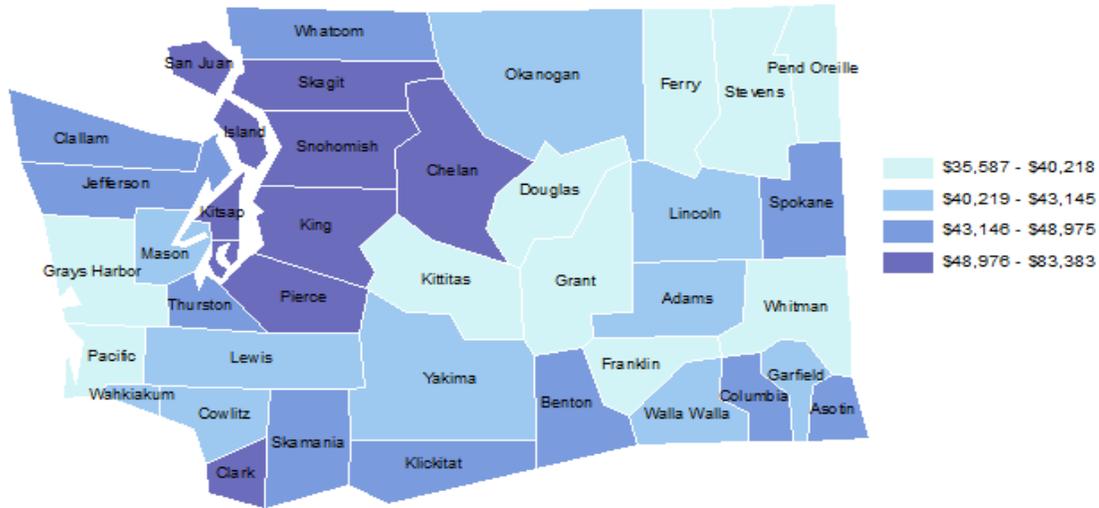


Figure 11. Per Capita Personal Income in 2017.⁹⁷

Local revenues are how local governments can provide services, such as emergency management. The state of Washington, according to the OFM, is “more dependent on charges for services than the U.S. average.”⁹⁸ Washington State does not have personal or corporate income taxes and relies on excise taxes, which includes general sales taxes. However, Washington is the only state with a business and occupation tax.⁹⁹ Figure 12 shows the percentages of different types of revenue sources for the state compared to the entire United States.

⁹⁷ Source: “Per Capita Personal Income by County,” Office of Financial Management, 1, accessed July 28, 2019, <https://www.ofm.wa.gov/washington-data-research/statewide-data/washington-trends/economic-trends/washington-and-us-capita-personal-income/capita-personal-income-county>.

⁹⁸ “State & Local Government Revenue Sources,” Office of Financial Management, 1, last updated February 3, 2020, <https://www.ofm.wa.gov/washington-data-research/statewide-data/washington-trends/revenue-expenditures-trends/state-local-government-revenue-sources>.

⁹⁹ Source: Office of Financial Management, 1.

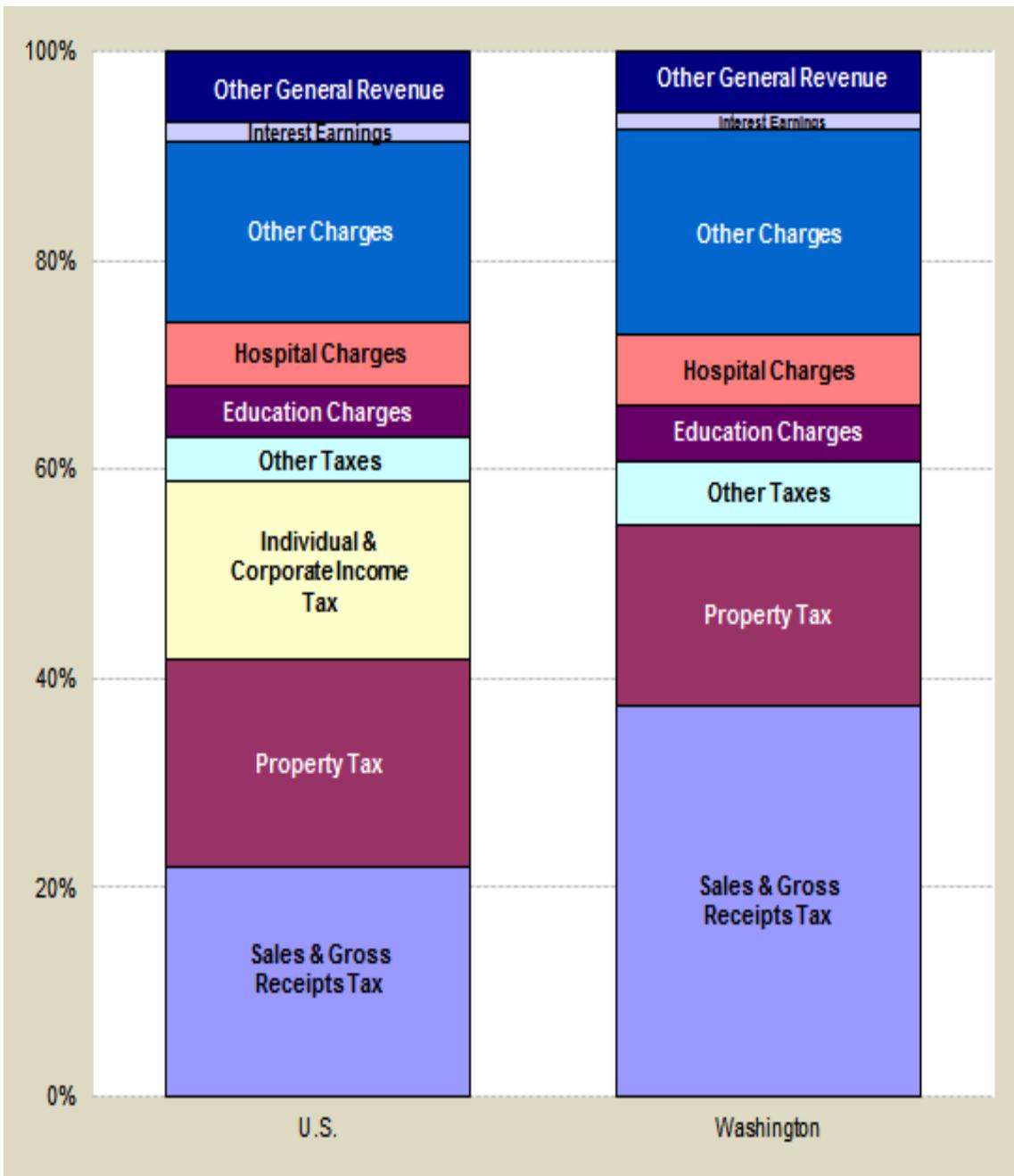


Figure 12. Revenue Sources for the State Compared to the Entire United States.¹⁰⁰

¹⁰⁰ Source: Office of Financial Management, 1.

Since all counties in the state rely on the same sources of income, it is challenging to find new sources of income to provide new or expanding services. If a county has lower-wage jobs, less population, and challenges in the housing market, the revenues to the county or city will be lower that then leads to decreased services. This decrease makes it challenging to identify new revenue sources as well. Inequity by county, as demonstrated throughout the indicators, also make providing life safety services difficult.

1. Economic Equity in Washington State

Washington State contains a very diverse population, and this diversity provides a wealth of opportunity to understand the current economy better. Urban areas across the state include Spokane, Olympia and Vancouver, and Seattle. Many rural areas line the coast and the eastern portion of the state. By the financial standards as identified previously, Washington State’s economy is growing and thriving. However, the statewide financial numbers do not fully depict the financial health of Washington State because the differences in the urban and rural areas create economic inequity. The inequity can impact how changes to emergency management funding sources and allocation methods disproportionately affect these communities in negative ways. The Washington State Budget and Policy Center wrote a report on December 2017, entitled *Building an Inclusive Economy*. The report stated, “Progress is meaningful only if everyone feels it, and all Washingtonians share prosperity. To create real progress, our State must have an inclusive economy in which everyone, especially people with low incomes and people of color, can participate in the growth and benefit from it.”¹⁰¹

The report identifies the challenges with wages and personal income, stating, “Over the past 15 years, incomes for low and middle-wage workers have stagnated or declined while wages have risen for higher-wage workers.”¹⁰² This inequity between wage earner significantly impacts the state’s ability to grow the underrepresented communities. If the workers are not provided opportunities to learn new skills or advance their skills, they will

¹⁰¹ Washington State Budget and Policy Center, *Building an Inclusive Economy* (Seattle, WA: Washington State Budget and Policy Center, 2017), 2.

¹⁰² Washington State Budget and Policy Center, 1.

not be able to advance within their profession or trade, which then limits the opportunity to increase their wages. Without increases in wages, the community member's ability to purchase basic items is negatively impacted.

The purchase power of individuals is essential to the state, as it relies on the business and occupation tax as a primary source of revenue. This reliance causes inequity because sales tax on materials significantly impacts the number of individuals who can afford to make purchases. If communities are not able to attain revenue, items, such as schools, roads, and other governmental services, are severely affected, which then disproportionately impacts the most vulnerable. The report states, "Approximately 6 percent of all Washingtonians live in deep poverty, but the rate is twice as high for American Indians and Blacks (13 and 12 percent, respectively)."¹⁰³ This percentage represents a great divide in communities that results in the ability to support community members through services funded by taxes and fees.

While daily life is impacted by poverty, disasters significantly impact low-income communities. Those living in poverty are unable to purchase or build homes with storm shelters, are built to flood standards, or retrofitted for earthquakes, let alone rebuild in the face of disaster, and are often unable to afford insurance deductibles for hazards, such as flooding or earthquakes. Unfortunately, these areas also contain the most affordable land and housing markets, so communities develop in risk-prone areas. It is imperative to have an emergency management system that can equally support all community members. Economically, if local governments are not able to fund emergency management fully based on sales taxes, other solutions are needed.

2. Current State Funding and What Could Change

The primary funding source of the Washington State emergency management system is federal grants. Washington's EMD and local emergency management programs also receive general fund allocations from their legislative entities. By reviewing the anticipated \$5 million revenue from the 2007 legislation modeled after Florida, the

¹⁰³ Washington State Budget and Policy Center, 6.

following funding allocation method was developed. If EMD received 20 percent, that percentage would equal one million dollars and provide the remaining \$4 million to local jurisdictions. By applying the allocation model for the state homeland security grants, each homeland security region would receive the amounts shown in Table 1.

Table 1. 2007 Modeled Proposed Additional Funding

| ALLOCATION SUMMARY | | | | |
|---------------------------|---------------------|-------------------|---------------------|-------------------------|
| REGION | BASE | POPULATION | POP. DENSITY | Proposed Funding |
| 1 | \$179,487 | \$100,437 | \$179,619 | \$ 459,542 |
| 2 | \$107,692 | \$31,444 | \$90,097 | \$ 229,233 |
| 3 | \$179,487 | \$43,019 | \$70,137 | \$ 292,643 |
| 4 | \$143,590 | \$48,433 | \$148,135 | \$ 340,158 |
| 5 | \$35,897 | \$70,954 | \$479,455 | \$ 586,307 |
| 6 | \$35,897 | \$172,317 | \$918,804 | \$ 1,127,018 |
| 7 | \$179,487 | \$25,165 | \$18,944 | \$ 223,596 |
| 8 | \$179,487 | \$51,364 | \$55,823 | \$ 286,675 |
| 9 | \$358,974 | \$56,867 | \$38,985 | \$ 454,827 |
| TOTAL | \$ 1,400,000 | \$ 600,000 | \$ 2,000,000 | \$ 3,999,999 |

To demonstrate the balance between support from grants to a new funding model, Figure 13 shows what it was in FY 2018 and what it could be moving forward.

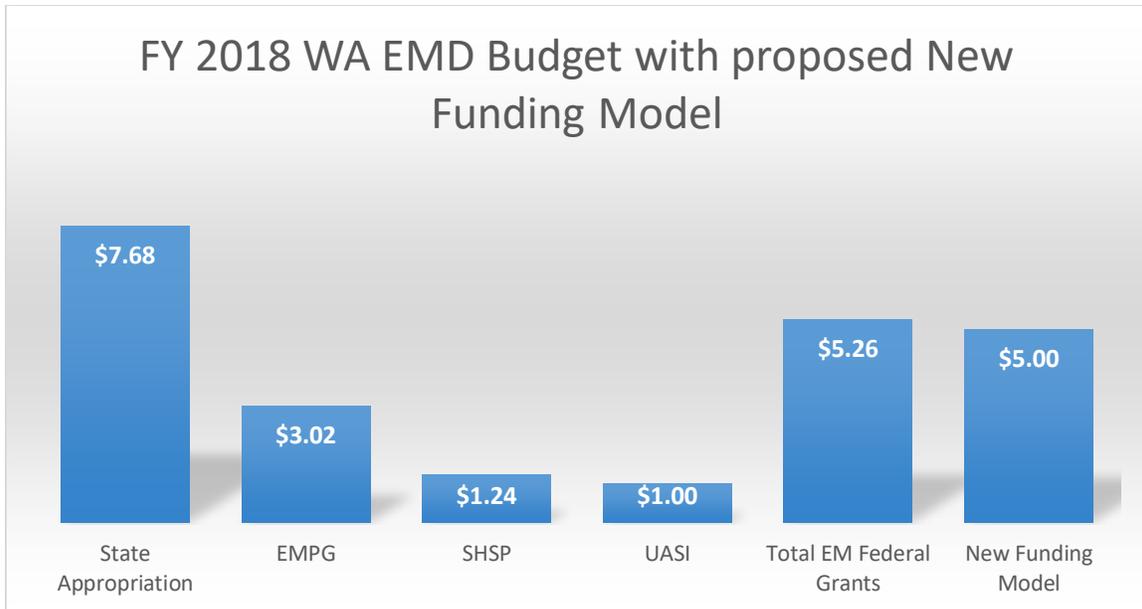


Figure 13. FY 2018 Washington EMD Budget with Proposed New Funding Model

This funding significantly increases what services can be provided at the state and local levels of emergency management. As identified in the research, the funding source is a critical step in the process, but the system must identify the essential services that need funding first. Without having that policy strategy in place by critical stakeholders, then that funding source will never gain momentum and finally be supported, which is the ultimate goal. In Washington State, an emergency management professional must identify the foundational emergency management services as the first step in the process.

D. SUMMARY

In 2008, the Southern Legislative Conference published a report called *Innovative Programs in Funding State Homeland Security Needs*.¹⁰⁴ The report analyzed the impacts of reduced federal grant funding and the downturn in the economy on state homeland security programs. The report stated in conclusion:

¹⁰⁴ Sujit M. CanagaRetna and Jeremy L. Williams, *Innovative Programs in Funding State Homeland Security Needs* (Atlanta, GA: Innovative Programs in Funding State Homeland Security Needs, 2008), 1.

While the federal HSGP fund allocations to states have been declining in recent years, the increase of expenditures for healthcare, education, corrections, and infrastructure will continue to restrict states in their abilities to ensure and maintain proper homeland security and emergency management programs. This is particularly distressful since, now more than ever, states play a pivotal role in preparing for and responding to disasters, natural or otherwise.¹⁰⁵

Washington State and local jurisdictions use a budget process that demonstrates revenues and expenditures. Washington State has three primary funding sources passed through to the local governments. FEMA provides all federal grants. The EMPG funding source has increased over the past four years while the SHSP and the UASI have decreased in this same time frame. The lack of consistent, stable funding creates uncertainty for local jurisdictions developing budgets based on the grant funds. Two funding sources, EMPG and SHSP, are allocated using a population-based methodology. UASI is awarded based on projects that improve the capabilities of the jurisdictions and UASI region. Since the allocation methodologies in all three funding sources are not codified, the risk to the local authority is significantly increased. The lack of consistency and a reduction in funding creates challenges to local jurisdictions during the budget process. Emergency management programs are unable to inform finance departments properly of funding amounts, sources of funding, and funding requirements. This cycle leads to difficult decisions by policy makers that have negative impacts on the emergency management programs. Local jurisdiction emergency management programs are at risk by not having a stable statewide funding source codified by law.

¹⁰⁵ CanagaRetna and Williams, 53.

THIS PAGE INTENTIONALLY LEFT BLANK

III. FUNDING SOURCES

At present, federal emergency management and homeland security grants are the primary sources of funding for Washington State emergency management organizations. As federal funding is reduced, identifying a stable funding source is critical for the sustainability of local emergency management programs in Washington State. This chapter identifies funding sources used by other states and within Washington State that provide funding for state and local public safety programs. Three different funding sources are examined: bonds, fees, and direct legislative allocation. It also examines three programs that employ these strategies: The California transportation proposition approved by voters in 2006, the State of Florida's fee assessed on insurance premiums, and Washington State's and local health department's legislative funding. All these models explore various ways of funding state services required at the state and local levels, and this research is most interested in analyzing the process in which a funding source is identified as a key indicator in sustaining long-term funding.

A. CALIFORNIA PROPOSITION 1B

Proposition 1B was put to the voters in the state of California in 2006. It established the Highway Safety, Traffic Reduction, Air Quality, and Port Security Act. The proposition passed by 61.4 percent. California law identified the agencies responsible for numerous funding accounts to improve the safety of the California transportation system. The California Transportation Commission is responsible for nine different accounts. The Office of Homeland Security and the Office of Emergency Services are in charge of two accounts. The Department of Transportation is the primary agency for one account. These agencies are eligible to receive three percent in administrative costs of the award for each account.¹⁰⁶ The strategic growth plan and California Transportation continuously monitor the bond. To be instituted in the state of California, the voters had to approve the proposition by a majority vote. According to the California Voter Guide, in 2006,

¹⁰⁶ Robert Nelson, *California Codes Government SB 88* (Mather, CA: Cal OES, n.d.), 1.

California ranked third in the most deteriorating transportation system in the country. The potential for a transportation failure posed a threat to the state's economy, environment, and quality of life.¹⁰⁷ The University of the Pacific, McGeorge School of Law provided an overview of the proposition and outlined what the proposition would accomplish:

- Improve safety and repair state highways
- Upgrade freeways to reduce congestion
- Repair local streets and roads
- Upgrade highways along major transportation corridors
- Improve seismic safety of bridges
- Expand public transit
- Help complete the state's network of carpool lanes
- Reduce air pollution
- Improve anti-terrorism security at shipping ports¹⁰⁸

The proposition was presented as a down payment on an improved transportation system; one to meet the growth in population and economy. The proposition addresses the concerns of accountability by establishing a reporting and audit system for the funds. The majority of the funding is to be governed by existing state regulations and be based on a competitive grant process encouraging cost-effective budgets and projects. The voter guide described the cons, as it does not fund all transportation needs and does not address how transportation will work in the future. The proposition did not address the need for the state to incorporate smart transportation planning into the regulations of funding. The proposition subsidizes private partners and the ports versus seeking funding from this

¹⁰⁷ Voter Guide, *Proposition 1B—State Transportation and Infrastructure Bonds* (San Francisco, CA: San Francisco Bay Area Planning and Urban Research Association, 2006), 1.

¹⁰⁸ Gail Maiorana, *Proposition 1B: Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006*, 1.

sector of transportation. The California legislature valued the long-term public bond payments over additional taxes.¹⁰⁹ The bond will be repaid over 30 years at a total cost of about \$38.9 billion. This amount includes the principal and interest on the bonds. At the time of the voting, this proposition was considered the largest bond measure ever.¹¹⁰ The state of California at the time of the proposition was spending about \$20 billion a year on the transportation system. The funds that supported those expenditures were from the state, federal, and local funds. The emergency management focused outcomes outlined in the McGeorge School of Law summary included:

- Improve security and facilitate disaster response of transit systems
- Provide grants to improve railroad crossing safety
- Provide grants to retrofit local bridges and overpasses seismically
- Provide a grant to improve security and disaster planning at publicly owned ports, harbors, and ferry terminals¹¹¹

The authors of the proposition inclusion of emergency management and security issues provided funding to the California Office of Emergency Services (Cal OES). In return, it provided direct funding to local transportation programs. Creating sustainable and predictable funding for the length of the bonds is a creative model that can be used for emergency management programs.

In total, Cal OES received \$4.1 billion from the Port and Maritime and Transit Safety, Security, and Disaster response account to administer for local agencies. After receiving three percent in administrative costs, Cal OES' responsibility for these accounts includes program eligibility, program monitoring, and program closeout. This structure resembles that of the homeland security grants that Washington State is currently using for funding.

¹⁰⁹ Voter Guide, *Proposition 1B—State Transportation and Infrastructure Bonds*, 2.

¹¹⁰ Maiorana, Proposition 1B: Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, 2.

¹¹¹ Maiorana, 4.

Eligible agencies for the grant funds are broken down by the funding account. For the transit account, the eligible entities are agencies and transit operators outlined in the California Public Utilities Code.¹¹² The utilities code states that transportation planning agencies, county transportation commissions, boards, and authorities are eligible for funding.¹¹³ Agencies performing waterborne activities, such as regional water transit systems that incorporate transit vessels, terminals, and support buses, are eligible to receive the waterborne account funds. These agencies, though, must commit that they will not be applying for the transit funds.¹¹⁴ Heavy rail operators are also eligible per the definitions in the public utilities code. Local rail authorities providing the transport of individuals to destinations are eligible for the grant funds.

The eligible activities that the funds can support are for capital projects. The capital projects for the transit and heavy rail projects, as outlined by the State Code, focus on the following categories:

- Explosive device mitigation and remediation equipment
- Chemical, biological, radiological, and nuclear explosives search, rescue, or response equipment
- Interoperable communication equipment
- Physical security enhancement equipment
- Installation of fencing and barriers designed to improve physical security
- Construct or renovate existing facilities to improve security at transit stations, tunnels, guideways, and elevated structures¹¹⁵

¹¹² Nelson, “California Codes Government SB 88,” 5.

¹¹³ State of California, “Public Utilities Code 99313 and 99314” (State of California, 1989), 1.

¹¹⁴ Nelson, “California Codes Government SB 88,” 9.

¹¹⁵ Nelson, 5, 11.

These eligible activities must be approved before any work can be completed. The waterborne account has unique, approved capital expenditures. The approved expenses focus on new vessels, improving or constructing docks, terminals and transit facilities, and fueling stations.¹¹⁶ Just like the transit and rail projects, Cal OES must approve waterborne projects.

To propose a project, the eligible agencies must submit an investment justification (IJ). Similar to Washington State's current funding model, the IJ must include information describing the project. IJ information consists of project deliverables, timeline or schedule, vulnerability reduction, cost or budget, and the useful life of the project. Cal OES will then review the IJ for compliance with the eligibility of the applicant, capital expenditures, funding sources, and ability to meet the performance period of three years. Once approved by Cal OES, the requesting agencies will receive funds from the California Department of Finance.¹¹⁷

Cal OES is responsible for monitoring each of the awarded agencies. Each agency must report on a semiannual timeline the work performed and a timeline to completion. In the Program Guidelines and Application Kit for all three funds, Cal OES outlines the monitoring activities. The monitoring performed will focus on three components: administrative, programmatic, and fiscal management. The latter category includes reviewing expenditures, activities compared to the IJ, and compliance with performance reports. Cal OES must determine whether the work performed matches the work approved; expenditures are allowable under the regulations and the project must be completed on time.

The final monitoring activity is the final report that must be submitted six months after completion of the project and detail the closing costs of the project. It must also document the duration from start to finish and any delays and their causes, as well as the performance outcomes. Cal OES, after reviewing the report, will submit it to the Department of Finance. This report leads to the steps of the closeout process.

¹¹⁶ Nelson, 9.

¹¹⁷ Nelson, 6.

Once Cal OES receives the final report, the closeout process begins. First, Cal OES must work with the grants office to determine that everything in the final report is accurate to include comparing the duration to the billing schedule. Administration must review the actual costs submitted to ensure that contractors and expenses are eligible for the type of work. If the review raises questions, Cal OES will work with the awardee agency to address any questions or concerns. After the actual costs are approved, if additional funds are due to the awarding agency, the state will issue final payment. If the actual costs determine that the awarding agency received more funds than the actual costs, the state will then work with the awarding agency to recover those funds. Since these funds are bond funds, the record retention requirements for both agencies are significant. Agencies must retain their records regarding these projects for 35 years.

B. FLORIDA EMERGENCY MANAGEMENT PREPAREDNESS AND ASSISTANCE TRUST FUND

Florida state law established the Florida Division of Emergency Management, stating, “the division is responsible for maintaining a comprehensive statewide program of emergency management.”¹¹⁸ This program includes emergency management coordination with the federal government, state agencies and departments, counties, and municipalities, school boards, and private entities. This law also provides a prescriptive requirement of what is included in the program and what the division must provide. The programmatic elements are required to be coordinated with all levels of government. The first item of the program is a comprehensive emergency management plan that must include intergovernmental coordination evacuation planning, shelter planning that includes coordination with public, private, and non-profit entities, post-disaster recovery based on the impacts of a minor, major, or catastrophic incident, state resources including the national guard, communications and warning, exercises, and the roles and responsibilities for state agencies.¹¹⁹ Florida’s comprehensive emergency management plan is the guiding document that establishes how state government works with local and tribal emergency

¹¹⁸ The Florida Senate, *Chapter 252 Section 35—2017 Florida Statutes* (State of Florida: The Florida Senate, 2017), 1.

¹¹⁹ The Florida Senate, 2–3.

management programs, the private sector, and non-profit agencies. It outlines the level of service, coordination, and regulations required for the emergency management system to work in the state of Florida.

Chapter 252, Section 372 of Florida law provides for the implementation of the Emergency Management Preparedness and Assistance Trust Fund (EMPA), paid for by surcharges on insurance policies. The law established a \$2 surcharge on homeowners, mobile home, tenant homeowners, and condominium unit owners' insurance policies, with a \$4 surcharge assessed to commercial fire, commercial peril, and business property insurance policies. This surcharge applies to all policies created or renewed after May 1, 1993. The charges are paid to the insurer by the policyholder. The law specifically states that the surcharge is not considered a premium, but failure of the policyholder to pay the surcharge is grounds for the insurer to cancel the policy.¹²⁰

C. WASHINGTON STATE PUBLIC HEALTH FUNDING

Despite the fact that protecting the public health of Washington State is an essential public safety responsibility as outlined in Washington State law, in 2013, the public health programs and professionals across the state recognized that the capabilities for public health were diminishing. To address this decline, the Washington State legislature passed a bill requiring the state health department to work with other public health partners to develop a public health services improvement plan. The plan was to be developed and updated at the beginning of each new biennium budget cycle. In the Public Health Improvement Partnership's, *An Overview*, the document included the following items:

- Definition of minimum standards for public health protection
- Recommended strategies and a schedule for improving public health programs

¹²⁰ The Florida Senate, *Chapter 252 Section 372—2017 Florida Statutes* (State of Florida: The Florida Senate, 2017), 1.

- Identification of key population health outcomes and capacity needed to improve these
- Distribution of state funds intended to improve the capacity of the public health system
- Criteria to assess the degree to which capacity is being achieved and ensure compliance by public health agencies¹²¹

To achieve this mandate, a coalition of partners released, *A Plan to Rebuild and Modernize Washington Public Health System*.¹²² The report identified three major challenges facing the public health system: changing prevention programs, increasing demand for services, and reducing funding of core public health services. Specifically, regarding the decrease in funding, the report focused on the limitations on the use of grants and fees requiring general funds to support the core services. The goal of the report was to modernize the system. Also, in requesting additional funding, the report wanted to accomplish defining the core services, restructuring funding policies, developing new service delivery models, and improving the use of technology.

Overall, the demand on the public health system is increasing at the same time funding required to meet this demand is decreasing. This challenge is resulting in a potential crisis to the citizens of the state of Washington. To demonstrate the gap between service and funding, the report recommends defining the core services that need be available in all communities, assessing the current capacity in all local health jurisdictions, and describing the desired full system and the cost to provide it.¹²³

In 2018, the focus was on current spending on Foundational Public Health Services (FPHS), estimating the amount needed to implement FPHS fully, the shared service costs,

¹²¹ Public Health Improvement Partnership, *An Overview* (Olympia, WA: Washington State Department of Health, 2013), 2.

¹²² Washington State Department of Health, *Public Health Modernization: A Plan to Rebuild and Modernize Washington Public Health System* (Olympia, WA: Washington State Department of Health, 2016), 12.

¹²³ Washington State Department of Health, 9.

and spending on resources to provide FPHS, as stated in the *Washington State Public Health Transformation Assessment Report*.¹²⁴ The report concluded that no local or state health agency had fully implemented FPHS services. All services are required in all areas of the state but they must be reasonably accessible. Sharing responsibilities with other health agencies is necessary to provide service to community members. Current funds can only support two-thirds of the cost to implement fully, which then requires an additional \$225 million in funding to achieve the desired FPHS across the state entirely.¹²⁵ Based on the report, the legislature allocated \$12 million in the 2017–2019 biennium budget. The amount of \$10 million was explicitly directed to local health jurisdictions to implement FPHS services. This process was critical to begin to demonstrate the need for funding the gap between current services and the required level of service.¹²⁶

D. APPLICATION TO WASHINGTON STATE

Not unlike California, Washington State has had initiative and referendum processes in place since 1912.¹²⁷ In Washington, the initiative process is legislation based; in other words, voters can directly put legislation onto the ballot or it can be submitted directly to the legislature for approval. A referendum is a process that uses a petition process to allow the electorate to approve laws prior to them becoming law. A voter must gather enough signatures, but the legislature can also use this process to refer legislation for voter approval. This process is similar to what the California legislature used for the proposition.¹²⁸ In 2002, the Washington State Legislature used the referendum process for transportation funding. The measure would have increased funds for transportation improvements utilizing fees and taxes. If approved, it would have increased fuel excise

¹²⁴ BERK Consulting, *Washington State Public Health Transformation Assessment 2018* (Seattle, WA: BERK Consulting, 2018), 1.

¹²⁵ BERK Consulting, viii.

¹²⁶ BERK Consulting, *The Unmet Demand for New Service Delivery Models* (Seattle, WA: BERK Consulting, 2019), 6.

¹²⁷ Washington State Secretary of State, *Initiatives & Referenda in Washington State* (Olympia, WA: Washington State Secretary of State, 2017), 1.

¹²⁸ Washington State Secretary of State, 4.

taxes, sales taxes on vehicles, and weight fees on trucks and large vehicles.¹²⁹ Just under 62 percent of voters rejected this referendum. Also, Washington State has a history of initiatives and referenda being overturned in later years by voters. In 2019, voting results as reported by the Washington State Secretary of State office reported that the voters overturned a previous car tab initiative that jeopardized the current funding sources. Using the electorate to support funding emergency management in the state of Washington is feasible under current law and regulations. However, since voters can overturn approved initiatives and referenda, the stability of this funding source is limited.

An effort in Washington State, directly modeled after the state of Florida's EMPA funding structure, was introduced in February 2007.¹³⁰ At that time, six senators for the Washington State Senate proposed legislation to establish the emergency management, preparedness, and assistance accounts. Senate Bill 5296 proposed an annual two-dollar surcharge on homeowner's insurance policies to include mobile and condominiums, with a four-dollar surcharge on commercial structures, to include commercial fire insurance plans. The bill report anticipated that the surcharges would provide \$1.6 billion for competitive grants. This program's funding would have been allocated by providing the Washington State Emergency Management Division with 20 percent and fund local jurisdictions, regional organizations, tribal governments, and regional incident management teams with the remaining 80 percent.¹³¹ The bill report referenced significant disasters that occurred prior to the legislative session and the need for rapid and effective response and recovery operations during disasters. It also referenced how successfully the funding model was in the state of Florida. The report also identifies several cons for the bill that included impacts to insurance companies and that they would be adversely impacted by what the insurance lobby viewed as taxes. It addressed that the legislation did not limit the amount the surcharges could be increased. During testimony on the bill, representatives from state and national insurance associations, and Washington realtors

¹²⁹ Washington State Secretary of State, *State of Washington Voters Pamphlet, General Election* (Olympia, WA: Washington State Secretary of State, 2002), 22.

¹³⁰ State of Washington, *Substitute Senate Bill 5296, 60th Legislature, 2007 Regular Session* (Olympia, WA: State of Washington, 2007), 1.

¹³¹ State of Washington, 2.

opposed the bill. The Washington State Emergency Management Association, and counties and cities, supported the legislation. The bill passed the Senate but did not pass the House of Representatives.¹³² The bill was re-introduced in 2008 but also did not pass. The process for implementing an insurance surcharge is possible in the state of Washington through the legislature, although the failure of the bill in 2008 demonstrated the need to be inclusive of the insurance associations prior to re-introducing the legislation. Several attempts to pass the legislation followed after 2008, but were not successful.

Overall, the Washington State public health partnership has been a success, despite taking many years to achieve legislative funding for local health jurisdictions. Although the amount of funding did not match the established need, it did provide awareness to the Washington Legislature of the gap in funding, and the risks created to the citizens of the state of Washington. The application for Washington State emergency management rests in the process and steps taken by the public health partners. The establishment of the partnership and the level of input provided by all stakeholders provide Washington State emergency management with a first step. The partnership was successful because when the data was collected and analyzed, it provided all public health jurisdictions with a common voice. Emergency management will need to collect the data, and have experts analyze the data to create that common voice. Competing for funding is a norm for agencies; the partnership established that competition would not be successful. Collaborative, inclusive, and a data-driven analysis will achieve opportunities for emergency management to establish the funding need, communicate the need, and make requests to funding agencies.

E. SUMMARY

In exploring the three different funding methods, each state has found a technique that funds and identifies gaps, specific to state and local requirements. Funding methods included direct competitive grants in California, base allocation plus grants in Florida support both state and local emergency management programs, and the direct legislative appropriation supports assessments and data collection in the state of Washington.

¹³² Committee on Government Operations and Elections, *Senate Bill Report SB 5296* (Olympia, WA: Washington State Senate, 2007), 1–3.

A road map for successfully implementing a funding strategy has been identified, which includes conducting an assessment of what services are required to maintain public safety, identifying current funding levels, and then using data to demonstrate the funding gap. As shown by Florida and Washington, the inclusion of elected officials, professional organizations, community partners, and the public is essential in the process. To explore this topic further, the next chapter examines how inclusive planning can inform a process for developing a framework for requesting new funding models to support emergency management agencies.

IV. ALLOCATION METHODS

Currently, Washington State’s EMD allocates funding to local jurisdictions using two models. One model is developed to include base funding plus funding determined by population or population density. The other model is through project proposals. A key factor in identifying a stable and sustainable funding strategy is to determine how the funds are allocated to all jurisdictions. This chapter analyzes the allocation methods in the three models from California, Florida, and Washington to determine whether those methods can be applied to Washington State emergency management programs. The allocation methods are a critical component to the sustainability of the programs. It is critical that the allocation method have regulations, policies, and procedures to demonstrate transparency and equity in the distribution methods.

A. CALIFORNIA PROPOSITION 1B

Proposition 1B indicates that eligible transportation agencies are able to apply for the grant funds. For the California Transit Assistance Funds, Table 2 shows the number of agencies that applied available funds, total paid, and the balance.

Table 2. California Transit Assistance Fund Allocation.¹³³

| California Transit Assistance Fund | | | |
|---|---------------------------------|-------------------------|--------------------|
| Fiscal Year | Total Number of Agencies | Amount Available | Amount Paid |
| 2007–2008 | 118 | \$58,287,590 | \$58,278,589 |
| 2008–2009 | 111 | \$58,295,536 | \$58,295,536 |
| 2009–2010 | 101 | \$58,610,663 | \$58,610,663 |
| 2010–2011 | 155 | \$60,000,000 | \$59,017,135 |
| 2011–2012 | 154 | \$60,000,000 | \$58,662,610 |
| 2012–2013 | 136 | \$60,000,000 | \$59,187,699 |
| 2013–2014 | 132 | \$60,000,000 | \$57,805,039 |
| 2014–2015 | 136 | \$60,000,000 | \$58,127,868 |

¹³³ Source: Tracey Frazier, *Prop 1B Accomplishment and Timeline Report* (Sacramento, CA: Governor’s Office of Emergency Services, n.d.), 5–8.

| California Transit Assistance Fund | | | |
|---|---------------------------------|-------------------------|--------------------|
| Fiscal Year | Total Number of Agencies | Amount Available | Amount Paid |
| 2015–2016 | 130 | \$60,000,000 | \$59,099,208 |
| 2016–2017 | 123 | \$48,000,000 | \$46,099,984 |

As of the June 2018 Cal OES, *Proposition 1B Accomplishment and Timeline Report*, only fiscal year 2007–2008 projects are completed and funds expended. The remaining fiscal year projects are still in progress and funding is being expended.¹³⁴

The Public Regional Waterborne Transit program allocated \$25 million each from fiscal years 2007 to 2017 that ranged from one to two agencies each year. The number of projects that agency submitted for completion varied from year to year. Most of the construction worked focused on safety measures at ferries and terminals. The *2018 Accomplishment and Timeline Report*, by Cal OES, showed that all funding had been obligated and no existing balance of funds was available.¹³⁵

The Intercity Passenger Rail/Commuter Rail System program is eligible for entities recognized under the California Public Utilities codes, which limited the number of eligible agencies but increased the number of projects by agencies. Projects ranged from seven to 19, from the eligible agencies every fiscal year. Table 3 demonstrates the allocation by number of agencies, total amount, and amount expended.¹³⁶

Table 3. California Intercity Rail/Commuter Rail System.¹³⁷

| Intercity Passenger Rail/Commuter Rail System | | | |
|--|---------------------------------|-------------------------|--------------------|
| Fiscal Year | Total Number of Agencies | Amount Available | Amount Paid |
| 2007–2008 | 3 | \$15,000,000 | \$15,000,000 |
| 2008–2009 | 4 | \$15,000,000 | \$15,000,000 |
| 2009–2010 | 4 | \$15,000,000 | \$15,000,000 |

¹³⁴ Frazier, 5–8.

¹³⁵ Frazier, 9–14.

¹³⁶ Frazier, 15–20.

¹³⁷ Source: Frazier, 15–20.

| Intercity Passenger Rail/Commuter Rail System | | | |
|--|---------------------------------|-------------------------|--------------------|
| Fiscal Year | Total Number of Agencies | Amount Available | Amount Paid |
| 2010–2011 | 4 | \$15,000,000 | \$10,970,640 |
| 2011–2012 | 4 | \$15,000,000 | \$10,013,770 |
| 2012–2013 | 4 | \$15,000,000 | \$10,013,743 |
| 2013–2014 | 4 | \$15,000,000 | \$9,725,701 |
| 2014–2015 | 5 | \$15,000,000 | \$14,996,515 |
| 2015–2016 | 5 | \$15,000,000 | \$14,999,925 |
| 2016–2017 | 5 | \$12,000,000 | \$10,452,480 |

In California, the law and regulations supporting the allocations of the programs provided by Cal OES were prescribed and not competitive. Projects still had to be reviewed for eligibility. The funding was known to the eligible agencies that then created a stable source. The amounts based on the projects did vary from year to year. However, that variation was determined by the requesting agency. This allocation method is very similar to process identified in Chapter II for the federal emergency management and homeland security grants.

B. FLORIDA EMERGENCY MANAGEMENT PREPAREDNESS AND ASSISTANCE TRUST FUND

In the first step under the Florida Emergency Management Preparedness and Assistance Trust Fund protocol, the insurer collects the funds and provides payment to the state of Florida’s Department of Revenue. As Chapter 252, Section 372 of Florida law specifically outlines, “The Department of Revenue is responsible for collecting, administer, audit, and enforce the surcharge law.”¹³⁸ Then, the funds are to be deposited into the EMPA trust at least monthly to build the trust. The trust is designed to support state and local emergency management programs. Chapter 52, Section 372, outlines what the funding can be used for:

- Projects that will promote public education on disaster preparedness and recovery issues

¹³⁸ The Florida Senate, *Chapter 252 Section 372—2017 Florida Statutes*, 1.

- Enhanced coordination of relief efforts of statewide private sector organizations
- Improvement of the training and operations capabilities of agencies assigned lead or support responsibilities in the state comprehensive emergency management plan
- State Fire Marshal’s Office for coordinating the Florida fire services
- No more than five percent of any award can be used for administrative expenses¹³⁹

Additionally, “the Florida Emergency Management Division allocates funds from the Emergency Management, Preparedness, and Assistance Trust Fund to local emergency management agencies and programs according to criteria specified in the law.”¹⁴⁰

Chapter 252.373, of the law requires:

A local emergency management program have a program director who works at minimum of 40 hours a week. If a county has fewer than 75,000 population or is a part of an inter-jurisdictional emergency management agreement, the jurisdictions will have an emergency management coordinator who works 20 hours a week. In addition, the Division of Emergency Management establishes a grant allocation process to include, match requirements, incentives for participation in mutual aid, and based on available funding funds may be provided to support a full-time emergency preparedness staffing.¹⁴¹

In 2007, the Florida Division of Emergency Management conducted a survey with local emergency management programs.¹⁴² Six issues were identified with this survey and discussions. The issues ranged from input into program requirement, staffing, and budgets. One specifically addressed the EMPA trust fund. The issue was specific to increasing the

¹³⁹ The Florida Senate, 1.

¹⁴⁰ The Florida Senate, 1.

¹⁴¹ The Florida Senate, *Chapter 252 Section 373—2017 Florida Statutes* (State of Florida: The Florida Senate, 2017), 1.

¹⁴² Florida Legislative Committee on Intergovernmental Relations, *Review of the Emergency Management, Preparedness, and Assistance Fund* (Tallahassee, FL: State of Florida, 2007), 4.

funding from EMPA to counties and increasing the surcharge to policyholders. This issue was deferred to a report that the Florida Legislature was conducting to review the EMPA trust fund. Specifically, the review of the EMPA trust fund outlined that a report was to be conducted to address the following:

- Examine if surcharges through insurance policies are the best method of funding
- Review the allocation process of EMPA funds
- Work with local emergency managers to gain input into what should be examined within the trust
- Determine if an increase in the surcharge is warranted
- Review if more funding can be directly allocated to local programs
- Review the capital improvement exemption and whether the exemption should be revised¹⁴³

The report found that the fund was not commensurate with the population growth. While survey results from local emergency managers indicated support for some changes to EMPA, overwhelming support was not forthcoming for major changes; recommendations focused instead on program eligibility, allocation process, and increasing the amount collected.¹⁴⁴ For example, local emergency managers wanted state agencies to be ineligible for funding, and thereby increase the amount available to local jurisdictions. While the majority of those surveyed wanted to increase the amount assessed to the policy, including an evaluation of what insurance premiums would be assessed the surcharge. However, when the law was updated in 2017, the fee amount was not increased. Therefore, the collection amounts remain stable, but they are not increasing to meet current capability needs.

¹⁴³ Florida Legislative Committee on Intergovernmental Relations, 1.

¹⁴⁴ Florida Legislative Committee on Intergovernmental Relations, 6.

C. WASHINGTON STATE PUBLIC HEALTH FUNDING

The research conducted from 2013 to 2017 was extensive in determining the required funding to provide the FPHS services. In the 2017 to 2019 Washington State operating budget, \$12 million was allocated.¹⁴⁵ The amount of \$2 million was dedicated to the Washington State Department of Health and the remaining \$10 million was directed to local health jurisdictions. Of that money, \$1 million was dedicated to a competitive grant process to look for innovative and transformative projects that would improve the public health system. The emphasis was partnering local health jurisdictions together to see if services could be developed in partnership and shared with other local health organizations. To date, this process is still under evaluation, but programs are being developed to be shared.¹⁴⁶ The true benefit of the analysis conducted by the partnerships was the establishment of what local health jurisdictions must provide to their communities and the costs associated with the level of services.

D. APPLICATION TO WASHINGTON STATE

The California bonds approved in 2007 created a competitive grant process that determined the allocation amounts administered by Cal OES, while focusing on safety improvement offers opportunities to add employment opportunities, purchase of materials, and an increase in property value. It is unknown if a bond that supports competitive grants increase population or per-capita income. Since the majority of the projects approved for the bond were construction projects, not programmatic projects, the evaluation of the direct benefit to emergency management organizations is skewed. In 2013, \$44 million was invested from the bond into the bay area of California. At the time, the Caltrans Director stated, “These projects will allow millions of dollars to flow into construction and produce

¹⁴⁵ Washington State Association of Local Health Officials and Washington State Department of Health, *Service Delivery Demonstration Projects Year 1 Evaluation, Case Studies and Lesson Learned*, BERK Consulting (Seattle, WA: Washington State Association of Local Health Officials and Washington State Department of Health, 2019), 6.

¹⁴⁶ Washington State Association of Local Health Officials and Washington State Department of Health, 6.

enormous economic benefits for California.”¹⁴⁷ Not all revenue from state taxes will go directly to providing services to the taxpayers. The bonds still must be paid, and the additional revenue will go directly to paying off the obligations. This payment demonstrates that a bond for providing service may not be the best way to fund an entire emergency management program in the state of Washington.

In contrast, the state of Florida Emergency Management Preparedness and Assistance fund is a fee assessed on insurance premiums; thus, an increase is based on the population of the state and purchase of home and business insurance policies. The fee does not provide an incentive for individuals to purchase homes in specific communities or cities, as it is assessed on all home and business policies. If the population or the purchase of properties does not increase, then the fund stays level and does not increase. In 2018, the Washington State population was 7,427,270, a two percent increase from 2017.¹⁴⁸ From 2009 to 2013, the state of Washington experienced below a one percent increase a year.¹⁴⁹ Without an increase in the funds, the fund is not adaptable to increase costs in conducting and emergency management programs, such as inflation and salary and benefit increases. If the fee is not growing due to population, then it requires an assessment to determine if the fee needs to be increased. This assessment requires the local government organization to work with local elected officials to assess the need for a fee increase. In the case of the EMPA, it is written into state law and requires a change in the law. Changing a law at the state and local agencies allows for discussion if the fee is needed at all, increasing the risk to future funding. Florida utilized the damages from a hurricane to reinforce the need for the EMPA fee on insurance.

While hurricanes are not a major concern for Washington, its significant hazard is earthquakes. In January 2018, the Washington State Office of Insurance Commissioner

¹⁴⁷ “California: \$359 Million in New Funding Will Upgrade State’s Transportation System and Pave Way for Economic Growth 10—Stockton,” State of California Press Release, Plus Media Solutions, October 12, 2013, 1.

¹⁴⁸ Office of Financial Management, “Population Growth in Washington Remains Strong,” 1.

¹⁴⁹ Office of Financial Management, 1.

released the *2017 Earthquake Data Call Report*.¹⁵⁰ The report identified that only 21 percent of all insured structures in the state had an earthquake policy. On the west side of the state, which is more populous and has a higher risk of earthquakes, only 13.8 percent had earthquake insurance when compared to the east side of the state, which was only at 1.7 percent. Commercial properties did have a higher rate of insurance for earthquakes at 43 percent. This gap in coverage demonstrates a clear equity issue in who can afford earthquake insurance. If the emergency management community explored a fee on insurance policies, the equity issue, especially around earthquakes, may become an obstacle to funding.¹⁵¹

The benefit of the direct legislative allocation, as developed by the Washington State public health partnership, is based on performance and existing regulations. The public health partnership was able to leverage that public health services were a public safety issue and affected all citizens in the state. This viewpoint provides an equitable approach to the allocation of existing tax revenue and does not require finding a new revenue source. The implication of the overall economic condition of the state is minimal. The challenge with this approach is that during an economic downturn, the evaluation of service becomes a tactic in finding cost savings.

E. SUMMARY

While each funding allocation method is valid and effective, an assessment was not made as to whether it would create inequities for lower income communities. Increasing taxes and fees is challenging for those with limited incomes, and in the state of Washington, doing so would adversely affect populations throughout the entire state. In the state's most populous communities, Washington State is in good economic standing, population growth is continuing, home buying is strong, and the job market is very good. Less populous areas are not experiencing this same kind of prosperity. Therefore, a funding strategy that lessens the financial impact on Washington State's vulnerable communities, while providing

¹⁵⁰ Mike Kreidler, *2017 Earthquake Data Call Report* (Olympia, WA: Office of the Insurance Commissioner, 2017), 1.

¹⁵¹ Kreidler, 3.

critical emergency services, such as preparedness, mitigation, and response activities to the state's vulnerable populations, must be achieved before a catastrophic incident occurs. The balance between the need to increase funding for emergency management programs in Washington State to serve the less fortunate during a disaster is an essential public safety service. In the next chapter, a review of policy strategies identifies a framework for what steps may be added to identify programmatic gaps, funding needs, inclusive partnerships, and economic impacts.

THIS PAGE INTENTIONALLY LEFT BLANK

V. POLICY STRATEGY

Evaluating the funding sources from the states of Florida and Washington uncovered a common theme: the process of gaining public and legislative support for funding assisted organizations in achieving a successful policy strategy. The process included the identification of crucial government programs or services, current funding levels, gaps in funding, and innovative strategies in closing the funding gap. Florida Emergency Management and Washington Public Health employed similar legislative approaches, with an inclusive level of participation by elected officials, professional organizations, community organizations, and government officials. Essentially, to solve the lack of a stable funding source for emergency management, a team of dedicated individuals across jurisdictional and discipline existing boundaries may be instrumental to address what is truly required to keep the citizens of the state of Washington safe during disasters, and ensure that all citizens have equitable access to all emergency management services. To achieve this level of community engagement, this chapter explores the policy strategies implemented by California, Florida, and Washington State. This analysis provides the first step to identifying an inclusive roadmap for the development of a policy strategy to achieve a stable and sustainable funding source for emergency management in the state of Washington.

A. CALIFORNIA PROPOSITION 1B

Prop 1B was focused on transportation across California; the voter guide posed the measure as a question: “Should the state sell \$19.9 billion in general obligation bonds to fund state and local transportation project aimed at relieving congestion, improving movement of goods, improving air quality, and enhancing safety and security of the transportation?”¹⁵² Prior the vote in 2006, the California legislature approved the measure to be on the ballot as a part of California Senate Bill 1266. The Senate bill established that the November 2006 ballot would include an opportunity for voters to approve or reject the

¹⁵² California Secretary of State, *California Voter Guide 2006* (Sacramento, CA: State of California, 2006), 6.

Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. The bill also included the rules and regulations and the state agencies responsible for administering the funds. Senate Bill 1266 was approved overwhelming in both the California Assembly and Senate.¹⁵³

Since it was a legislative process, it required legislators to work together to agree on the need and proposed funding strategy to pass the bill. For the public, the opportunity for community involvement was at the ballot box. Voter approval equates to a stable funding source for the length of the funding; the downside, of course, is that voters can also repeal and reject these measures as well. This process did not include extensive stakeholder involvement to develop the legislation, as that participation came when it was time to administer the grants developed by the California legislature.

B. FLORIDA EMERGENCY MANAGEMENT PREPAREDNESS AND ASSISTANCE TRUST FUND

In 1993, the Florida Legislature approved the EMPA, a comprehensive emergency management plan that outlines the services and requirements for the state; funding for these programmatic elements has been essential to the success of the program. Work began in 1989 to create this trust fund, when the state legislature and the speaker of the house, created a task force on emergency preparedness. A local emergency manager chaired the task force. The task force reported to the Florida House Committee on Emergency Preparedness, Military, and Veterans Affairs. The goals were to have a full report submitted before the 1990 legislative session so a comprehensive bill could be presented to the Florida legislature. The task force established five goals to be incorporated into the report. The goals were to:

- Address the need to revise the state's current system of emergency management.

¹⁵³ California Legislative Information, State of California, *Senate Bill 1266 Highway Safety, Traffic Reduction, Air Quality, Port Security Bond Act of 2006* (Sacramento, CA: California Legislative Information, 2005–2006), 2.

- Identify barriers that impact the current system’s ability to respond to emergencies.
- Evaluate the current organizational structure of emergency management at the state and local levels.
- Review existing funding mechanisms related to the emergency management system.
- Identify strategies for increasing the involvement of the private sector and enhancing coordination between agencies relevant to this sector.¹⁵⁴

To work on these goals, the task force developed four sub-committees. The sub-committees had to develop a series of recommendations that would be included in the final report. The committees reported increased participation following two national disasters, Hurricane Hugo and the Loma Prieta earthquake. These incidents provided context for discussions around capabilities within the state of Florida. The sub-committees formed on emergency management elements were:

- Evacuation and sheltering
- Communications, operations and coordination
- Funding
- Public awareness and education¹⁵⁵

The analysis of the sub-committees resulted in 10 key findings. The critical finding focused on resources, plans, and communications. The state of Florida’s ability to provide adequate mass care services was deemed insufficient. Shelter locations, equipment, and services were not prepared to serve the population of the state, to include the most

¹⁵⁴ Elliot Mittler, *A Case Study of Florida's Emergency Management since Hurricane Andrew* (Green Bay, WI: National Science Foundation, University of Wisconsin—Green Bay National Science Foundation, University of Wisconsin, n.d.), 1.

¹⁵⁵ Mittler, 1.

vulnerable populations. Communication systems lacked the resources and plans to communicate across agency and jurisdictional boundaries, which created a gap in informational sharing and critical decision making in time-sensitive responses to disasters.¹⁵⁶ Three key findings about local and state programs were:

- Many cities and counties had not established or maintained an emergency management agency.
- State funding for emergency management was inadequate; only \$2.1 million of the Department of Emergency Management's budget for the fiscal year 1989–1990 of a total of \$11.4 million came from general revenue; the remainder was provided from federal sources. Therefore, the state needed a dedicated source of funds to guarantee any enhancement of state and local services since it could not rely on general revenues that were budgeted at \$1.9 million in the next fiscal year.
- The public was ill-informed concerning disasters, how to prepare for disasters, how to respond to disasters, and how to mitigate disasters; a state educational effort was needed.¹⁵⁷

To address these key findings, the task force provided recommendations focused on developing hurricane evacuation plans for vulnerable populations, evacuation transportation plans, a comprehensive sheltering system, revision of building codes, and developing statewide communication systems.¹⁵⁸ Key recommendations included:

- Requiring each county establish and maintain an emergency management agency and create a county emergency management plan.

¹⁵⁶ Mittler, 1.

¹⁵⁷ Mittler, 1.

¹⁵⁸ Mittler, 1.

- Strengthening coordination of federal, state, and local emergency management operations through enhanced planning required by state statute and funds provided by the state to assist local efforts.
- Establishing a state Disaster Preparedness Trust Fund administered by the Department of Community Affairs to supplement federal funds to provide a grant program for the development of state services and local emergency preparedness, response, and relief.
- Funding the trust fund by either fees for transactions or activities in high-risk or vulnerable areas, an increase in the documentary stamp tax (DOC) stamp tax, an increase in the gasoline tax, a surcharge on 18-wheelers, an assessment on mobile homes, or a surcharge on homeowners' property insurance policies.
- Creating and funding of a comprehensive public awareness and education program statutorily.¹⁵⁹

In this form, the bill introduced failed in the Senate. Reasons cited for the failure included uncertainty about the creation of a new trust fund, opposition of the insurance industry, and a notion that the rest of the state should not pay for hazards only faced by south Florida residents. The bill was re-introduced in 1991 and 1992, but again, the efforts failed due to similar reasons. Then, on August 24, 1992, Hurricane Andrew hit the state of Florida. Andrew made landfall near Homestead, Florida. The challenges in the response and recovery of Hurricane Andrew spotlighted on state legislators and their support of their local communities. So again, a committee was formed at the Governor's Office called the Governor's Disaster Planning and Response Committee. A retired state legislator chaired it. In January 1993, the committee released a report containing 94 recommendations. Among them, the establishment of the trust fund was again recommended. To support the proposal of a funding source for emergency management further, the legislation was split

¹⁵⁹ Mittler, 1.

between two bills, one focused on the programmatic items that needed to be done to improve the system and one on the funding source of emergency management. The bill containing the establishment of the trust fund took additional special legislative sessions to pass the law to improve the system.¹⁶⁰

C. WASHINGTON STATE PUBLIC HEALTH

To achieve the development of the Washington State Public Health Plan, stakeholders used the public health partnership. The partnership began in 1994 and was a small group of stakeholders. It had representative organizations from the University of Washington, American Indian Health organizations, public health officials, the Washington State Department of Health, and health associations. The partnership had a series of committees that worked on a variety of topics that ranged from health indicators, performance measures, and workforce development. In 2009, the partnership was re-organized to align with the changes to available resources. The primary change was to focus on governmental policies and the new members included the Board of Health, Washington State Department of Health, Washington State Association of Local Public Health Officials, local public health agencies, local boards of health, tribal nations, Washington State American Indian Health Commission, the U.S. Public Health Service, and the FEMA Region Ten.¹⁶¹ The partnership focused on making changes to public health by reviewing standards, developing service inventories, and creating an action plan. In 2013, leveraging the work already started, the partnership focused on the requirements of the new legislation and developing the Public Health Improvement Plan.

In September 2013, the partnership submitted the Public Health Improvement Plan. The plan was phase one and focused on the following components:

- Define the set of foundational public health services.

¹⁶⁰ Florida Legislative Committee on Intergovernmental Relations, *Review of the Emergency Management, Preparedness, and Assistance Fund*, 3.

¹⁶¹ Public Health Improvement Partnership, *An Overview*, 3.

- Estimate the cost of providing foundational public health services statewide and the level of funding needed to support those services.
- Identify and secure a sustainable funding source for the foundational services.¹⁶²

This effort included the stakeholders within the partnership and forming subgroups to work on the aforementioned elements. The subgroup began with defining the public health services. To do so, a framework for discussion was provided to all workgroup members. For a public health capability to be defined as a FPHS, “as those that must be present everywhere to work anywhere. The foundational definition includes services that no community should be without, regardless of how they are provided.”¹⁶³ This definition was then vetted by multiple associations and shared within various forums. The results of the input led to the development of the specific FPHS.¹⁶⁴ Three categories of FPHS were created and defined as foundational capabilities, foundational programs, and additional important services.¹⁶⁵

Capabilities are defined as “skills or capacities that an organization must possess in order to support its provision of the foundational programs.”¹⁶⁶ Programs focus on how to keep the communities safe and support health programs to build their level of service. Additional important services recognize carrying out the programs at a required level of service. The partnership and plan developed a comprehensive list of these services that correspond to the programs.¹⁶⁷ The result of these categories identified FPHS.

As a result of the first phase of the plan, a work plan was developed for years 2013 through 2015. The plan outlined that the partnership would focus on collecting data on

¹⁶² Torney Smith, *Foundational Public Health Services Preliminary Cost Estimation Model Report 2013* (Tumwater, WA: Agenda for Change’s Foundational Public Health Services Subgroup, 2013), ii.

¹⁶³ Smith, 3.

¹⁶⁴ Smith, iii.

¹⁶⁵ Smith, ii.

¹⁶⁶ Smith, ii.

¹⁶⁷ Smith, 4.

funding history, the current public health funding status, and feasible funding options. The partnership developed three papers that focused on the financial proposals for the legislature. The papers identified the cost estimates for providing the FPHS. The data collected resulted in an evaluation that it costs the public health agencies throughout the state \$380 million per year to provide to the FPHS. This data included a breakdown of the costs from state and local agencies.

The second paper focused on the funding gap, and the authors identified that the methodology is not just the difference from the estimated cost to provide the FPHS and the current budget amounts; it needed to consider spending at the state and local levels for the same services, fee collection, and grants. After examining the methodology, the research showed that a total gap in funding of just over \$99 million. The breakdown is a gap at the state level of just over \$21 million, and for the local health jurisdictions of \$78 million. Limitations to the data should be considered when evaluating these results. Some cost estimates were based on personnel staff and not budget reports since the budgets from 2012 to 2014 were not aligned with the FPHS structure. A sampling of local health jurisdictions was used to develop the gap amount, so it does not account for variances from large or small local health jurisdictions. Similar to the state funding, local health budgets also did not align with the FPHS categories, so estimates were provided by staff and were not actual budget amounts.

Developing a funding option required the partnership to examine three components defining the challenges of funding, understanding the problems, and addressing the challenges. The challenges to finding a new funding methodology were categorized as the amount of funding needed and structure to align the costs of business with the FPHS. In short, the costs of providing the FPHS has outgrown the past revenue streams.

In 2016, the public health community outlined a series of concerns regarding the challenges that the public health system was faced with and the health and safety of Washington State. The challenges included an increasing change in preventable diseases, an increasing demand on services, and a reduction in funding. Without apparent answers, the Washington State legislature included a provision to develop a plan to address the

identified challenges. The exact wording included in the 2016 supplemental state budget was:

Recognizing the financial challenges faced by the public health system, which comprises state and local entities, and the impact that those financial challenges have had on the system's ability to deliver essential public health services throughout the state, the legislature directs the department and local public health jurisdictions, within amounts appropriated in this section, to provide a proposal outlining a plan for implementing Foundational Public Health Services statewide to modernize, streamline, and fund a twenty-first-century public health system in Washington State. Current fees that support the work of public health should be reviewed, and the proposal should identify those fees that are not currently supplying adequate revenue to maintain compliance or enforcement. The first report regarding the proposal is due to the appropriate committees of the legislature no later than December 1, 2016, and subsequent reports shall be submitted biennially, after that.¹⁶⁸

D. APPLICATION TO WASHINGTON STATE

The Washington State Public Health and Florida Emergency Management invested time in exploring what primary levels of services should be provided to all community members. The public health partnership identified the foundational health services, and Florida focused on mass care and planning services on hurricane preparedness. Next, both states created a partnership of key stakeholders who would work together to utilize verified data to write a policy strategy that focused on the key services, current funding, and required funding to sustain programs. The Washington State public health partnership did have to implement a phased approach to the policy strategy to achieve legislative funding, but did receive legislative allocations in a consistent manner. Then, using a unified team of representatives, the message was crafted based on the needs and not the wants of individual organizations, which resulted in key successes for all organizations. With all 39 counties in the state of Washington having an emergency management program, plus city programs, applying the unified team approach may be challenging. Creating a partnership inclusive of emergency management programs is the first step in applying this approach to Washington State. Thus, using the WAC and EMAP standards as a baseline for

¹⁶⁸ Washington State Department of Health, *Public Health Modernization*, 3.

conversations around key services may reduce conflicts, as it is recognized as the professional standard for programs. A phased approach will provide opportunities for research, analysis, and planning for local emergency management programs to be included in the development process. By implementing successful components of these policy strategies, emergency management programs may be able to influence the state legislature successfully for an increase in funding.

E. SUMMARY

A collaborative policy strategy is an effective tool when multiple stakeholders transcend discipline and jurisdictional boundaries, as it provides an opportunity for multiple voices and perspectives to address complex problems. Identifying a stable and sustainable funding source for emergency management in Washington State is exactly this type of complex problem, which requires an inclusive process. In looking at FEMA's whole community planning process, a combination of the Florida and Washington State policy strategy models could provide a structure for Washington State in developing a team or partnership, beginning a planning process, and identifying a solution to the current funding challenges. Additionally, EMAP provides a standard to establish what level of emergency management services are needed to support every resident in Washington State. The challenge that has been identified is that efforts, such as Resilient Washington, are not truly collaborative or inclusive within the Washington State emergency management system, as current efforts have remained within the walls or structures of government; state programs only influence state agency work, and local programs only influence those within their jurisdictional boundaries. To secure a stable funding source, Washington State emergency management must engage in an inclusive planning process that will identify a set of standard emergency management services to which all citizens of the state have equitable access. To resolve this challenge, the Washington State emergency management community should develop a partnership that reflects the whole community, conduct an official analysis of emergency management services, and make a series of recommendations on how to fund the essential services and capabilities.

VI. FINDINGS AND CONCLUSION

Since 2004, Washington State has identified that stable and sustainable funding of emergency management is a need, yet due to mitigating circumstances, it has not been achieved. An innovative approach needs to be developed that focuses on inclusiveness, equity, and emergency management standards. The value of emergency management will need to be demonstrated to policymakers through the development of strong partnerships, essential research that identifies the services that require funding, what funding is required, and a regional approach to service delivery. All these issues can be accomplished by gathering dedicated, caring, passionate, and innovated community members together to develop this road map, face challenges head-on, and ensure these communities' safety remains the priority.

As this research demonstrates, funding of emergency management programs within Washington State is limited at all levels of government. The reliance on federal grants creates uncertainty for local program officials, because the funding is unstable, based on population, and on the decline. This uncertainty results in programs not being able to rely on the federal grants as a funding source during budgeting processes, and results in an inequitable equal access to emergency management services across many of Washington State's communities. This unreliability is due to the timing of the release of funding amount data, regional funding, such as the Washington State homeland security regions, and changes in populations. In essence, the current funding system does not meet the goal of providing responses and recovery from disasters.

To address these funding source limitations, this research found that:

- The three alternative funding methods identified could be applied to the emergency management profession in Washington State.
- The danger of bond and fee funding strategies is they may increase inequities across the state.

- The direct legislative allocation method could address economic inequities, depending on how the funds were allocated and applied to emergency management programs.
- Across these programs are lessons learned for how to engage the community in an inclusive process to develop emergency management service requirements, funding needs, and an implementation strategy.

A. SUMMARY OF FINDINGS

Table 4 summarizes the funding sources, allocation methodologies, and policy strategies from the states of Florida and Washington, California Proposition 1B, and how they were applied to Washington State.

Table 4. Summary Findings Applied to Washington State

| | California Proposition 1B | Florida | Washington | Applied to Washington State |
|-------------------------------|---|---|---|--|
| Funding Source | <ul style="list-style-type: none"> • Voter approved bond • \$19 billion allocated • Taxpayers will repay \$38 billion • One time invested unless reauthorized | <ul style="list-style-type: none"> • \$2.00 fee assessed on homeowner policy • \$4.00 fee assess on business owner policy • Fund has not increased as anticipated | <ul style="list-style-type: none"> • Direct legislative allocation • Phased approach requiring phased funding | <ul style="list-style-type: none"> • All funding sources are able to be applied to Washington State emergency management programs |
| Allocation Methodology | <ul style="list-style-type: none"> • Direct or competitive grant process to public safety transportation agencies • Eligible applicants determined by current laws | <ul style="list-style-type: none"> • Local EM programs are eligible for base funding. • State agencies are eligible for base funding. • Additional competitive grants are available. | <ul style="list-style-type: none"> • State public health receives baseline • Local health districts receive funding based on regional services. | <ul style="list-style-type: none"> • Allocation methods could be implemented and local and state levels. Allocation methods may create inequities in the system. Causing challenges for |

| | California Proposition 1B | Florida | Washington | Applied to Washington State |
|------------------------|--|--|---|--|
| | <ul style="list-style-type: none"> Agencies required to follow specific grant guidance and annual reporting | | | the most vulnerable populations. |
| Policy Strategy | <ul style="list-style-type: none"> Limited due to voters approving the bond. | <ul style="list-style-type: none"> Stakeholders identified the funding need. Established committees and workgroups Applied to all emergency management (EM) programs Key services funded | <ul style="list-style-type: none"> Conducted funding analysis Identified key services Developed partnership and key messages | <ul style="list-style-type: none"> Implementing a policy strategy similar to Florida and Washington State provides the most direct route to finding an effective funding strategy |

The key finding from the analysis of the states of Florida and Washington funding strategies was the implementation strategy. The implementation strategy focused on the development of a partnership of key stakeholders, data collection, and research on required services and the funding necessary to provide these services. This research sought to recommend a funding source, but the study led to the conclusion that the funding source is not as critical. Determining how to implement a funding strategy is the key to success. An inclusive process developed to address pros and cons from all stakeholders utilizes professional standards to identify critical services, and data to determine funding requirements is the road map to success.

B. RECOMMENDATIONS

Based on the results of this research, the author recommends a four-step process for Washington State emergency management organizations committed to working together to provide Washington State citizens with emergency management services across prevention, preparedness, response, mitigation, and recovery. The road map includes:

- Developing a partnership organization
- Identifying key emergency management services
- Collecting funding data and conducting a funding gap analysis
- Recommending innovative and regional funding strategies

For example, the Washington State emergency management community could develop an emergency management partnership. This partnership should have one mission, to create and sustain the emergency management system in the state of Washington to ensure that all community members have equitable services that will assist them prior to, during, and after a disaster. Members may include local emergency management programs, state agencies, private sector, non-profits, and professional emergency management organizations.

The members should develop a work plan that focuses on identifying essential emergency management services that should be provided by all programs, services that can be delivered regionally, and then services that should be offered statewide. Next, determine what funding is required to provide these services. A professional research agency should conduct this research and take into consideration emergency management standards, equity, and accessibility. The report should provide a road map to phase funding over several years and address how to incorporate federal funding into consideration.

Based on the report, a recommendation should be made on how to create an inclusive and innovative emergency management system within Washington State. This recommendation should be inclusive of local and state governments and identify the funding source, allocation method, and policy strategy. This process will take several years and require core members of the partnership to commit to this work and overcome challenges.

C. SUGGESTIONS FOR ADDITIONAL RESEARCH

Despite the critical need for emergency management as a professional department in each of Washington State's jurisdictions or communities, qualitative academic literature

is lacking on how programs are funded. This research is critical to improving the profession and reducing the risk of sustaining programs. Current research exists that highlights the challenges of sustaining federal emergency management and homeland security grants, and is focused on the lack of policies or jurisdiction, not following grant procedures. Research is needed to examine how programs fund building and sustaining capabilities that will reduce the risk, enhance the performance of responders, and adequately assist communities in recovering from disasters through current budget practices of the tax base. This issue is especially important as emergency management is a new profession as compared to other first responder agencies, and funding programs are a critical component to sustaining the profession.

THIS PAGE INTENTIONALLY LEFT BLANK

APPENDIX. EMERGENCY MANAGEMENT STANDARDS

Standards for emergency management programs are essential, as they assist in determining what programs and services should be provided to community members. Standards provide a baseline to governing bodies on how to allocate funds based on programmatic needs. The National Fire Protection Association (NFPA) and the EMAP have worked with their professional members to establish standards for emergency management programs. The programmatic standards outline how emergency management performs its daily responsibilities.

The following section outlines the historical changes that Lucien Canton describes in emergency management, notably the evolution from a single emergency manager to an emergency management program.¹⁶⁹ Canton notes that the fire service developed the first professional standard—the National Fire Protection Association 1600—and now focuses on nine primary standards with multiple sub-elements. NFPA standards feature nine primary elements: “(1) administration, (2) referenced publications, (3) definitions, (4) program management, (5) planning, (6) implementation, (7) training and education, (8) exercises, and (9) program Maintenance.”¹⁷⁰ The program administration standard includes sub-standards defining a financial strategy as “the ability to identify, track, and document funding sources prior to, during, and after a disaster.”¹⁷¹ Notably, the financial sub-standard has become one of the benchmarks for determining how to start and evaluate an emergency management program because it provides a road map for evaluating the progress or difficulties facing a program.¹⁷² Ultimately, the standards become the performance measures that provide the assessment tool for each organization. Unsurprisingly,

¹⁶⁹ Lucien G. Canton, *Emergency Management: Concepts and Strategies for Effective Programs* (Hoboken, NJ: Wiley-Interscience, 2006), 57.

¹⁷⁰ National Fire Protection Association, *NFPA 1600, Standard on Disaster/Emergency Management and Business Continuity Programs* (Quincy, MA: National Fire Protection Association, 2013), 3.

¹⁷¹ National Fire Protection Association, 10.

¹⁷² National Fire Protection Association, 3.

emergency management professionals have identified the drawback with the NFPA 1600 as being more applicable to fire service personnel than emergency managers.

To address these concerns, emergency management professionals developed the Emergency Management Accreditation Program administered by a non-profit organization that evaluates existing emergency management programs. This evaluation uses 13 primary standards and multiple sub-standards, which are significantly more than the fire standards and tailored to emergency management.¹⁷³ EMAP standards address the following: “(1) hazard identification, (2) mitigation, (3) prevention, (4) operational, (5) planning, (6) incident management, (7) resources, (8) communications, (9) facilities, (10) training, (11) exercises, (12) public information and (13) program administration.”¹⁷⁴ These standards establish the baseline for what a funding strategy will finance and what should be included. Much like the NFPA standards, EMAP program administration standards define a financing strategy as a procedure that allows the emergency management program to track and document funding sources prior to, during, and after a disaster.¹⁷⁵ The emergency management standards provide guidance to emergency managers on how to account for funding to support the programs serving local communities. NFPA 1600 has nine program standards compared to EMAP’s and both have nearly identical standards for financial strategies covering pre-disaster through the disaster process. These financial strategies assist emergency management programs in evaluating their processes for financial management. The challenge is that currently; emergency management organizations can choose either EMAP or NFPA 1600; no consistency exists in applying the EMAP professional standard.

¹⁷³ “Emergency Management Accreditation Program,” Emergency Management Accreditation Program, 4, 2019, <http://emap.org/>.

¹⁷⁴ Emergency Management Accreditation Program, 3.

¹⁷⁵ National Fire Protection Association, *NFPA 1600, Standard on Disaster/Emergency Management and Business Continuity Programs*, 10.

LIST OF REFERENCES

- Animal Welfare Institute. "Katrina's Lesson Learned: Animals no Longer Excluded from Storm Evacuations." *Animal Welfare Institute Quarterly*, Winter 2017. <https://awionline.org/awi-quarterly/winter-2017/katrin-as-lesson-learned-animals-no-longer-excluded-storm-evacuations>.
- BERK Consulting. *The Unmet Demand for New Service Delivery Models*. Seattle, WA: BERK Consulting, 2019.
- . *Washington State Public Health Transformation Assessment 2018*. Seattle, WA: BERK Consulting, 2018.
- California Legislative Information, State of California. *Senate Bill 1266 Highway Safety, Traffic Reduction, Air Quality, Port Security Bond Act of 2006*. Sacramento, CA: California Legislative Information, 2005–2006.
- California Secretary of State. *California Voter Guide 2006*. Sacramento, CA: State of California, 2006.
- Caltrans. "Bond Information, Transportation, Proposition 1B." Accessed September 7, 2019. <https://bondaccountability.dot.ca.gov/>.
- CanagaRetna, Sujit M., and Jeremy L. Williams. *Innovative Programs in Funding State Homeland Security Needs*. Atlanta, GA: Innovative Programs in Funding State Homeland Security Needs, 2008.
- Canton, Lucien G. *Emergency Management: Concepts and Strategies for Effective Programs*. Hoboken, NJ: Wiley-Interscience, 2006.
- Committee on Government Operations and Elections. *Senate Bill Report SB 5296*. Olympia, WA: Washington State Senate, 2007.
- Emergency Management Accreditation Program. *2016 Emergency Management Standard*. Falls Church, VA: Emergency Management Accreditation Program, 2016. <http://emap.org/>.
- . "Emergency Management Accreditation Program." 2019. <http://emap.org/>.
- Employment Security Department. *2018 Labor Market and Economic Report*. Olympia, WA: Washington State, 2019.
- Federal Emergency Management Agency. *2017 Hurricane Season FEMA After-Action Report*. Washington, DC: Department of Homeland Security, 2018.

- . *A Whole Community Approach to Emergency Management: Principles, Themes, and Pathways for Action*. Washington, DC: Department of Homeland Security, 2011.
- . *FEMA EMPG Notice of Funding Opportunity*. Washington, DC: Department of Homeland Security, 2018.
- . *FEMA HSGP Notice of Funding Opportunity*. Washington, DC: Department of Homeland Security, 2018.
- . *FEMA Public Assistance Disaster Declarations*. Washington, DC: Department of Homeland Security, 2019. <https://www.fema.gov/disaster-declaration-process>.
- Florida Legislative Committee on Intergovernmental Relations. *Review of the Emergency Management, Preparedness, and Assistance Fund*. Tallahassee, FL: State of Florida, 2007.
- Florida Senate, The. *Chapter 252 Section 35—2017 Florida Statutes*. State of Florida: The Florida Senate, 2017.
- . *Chapter 252 Section 372—2017 Florida Statutes*. State of Florida: The Florida Senate, 2017.
- . *Chapter 252 Section 373—2017 Florida Statutes*. State of Florida: The Florida Senate, 2017.
- Frazier, Tracey. *Prop 1B Accomplishment and Timeline Report*. Sacramento, CA: Governor's Office of Emergency Services, n.d.
- Healey, Patsy. "Collaborative Planning in Perspective." *Planning Theory* 2, no. 2 (July 2003): 101–123. <https://doi.org/10.1177/14730952030022002>.
- "Homeland Security Archives." *Congressional Fire Services Institute* (blog). Accessed April 18, 2020. <https://www.cfsi.org/tag/homeland-security/>.
- Kreidler, Mike. *2017 Earthquake Data Call Report*. Olympia, WA: Office of the Insurance Commissioner, 2017.
- Krueger, Skip, Eliot Jennings, and James M. Kendra. "Local Emergency Management Funding: An Evaluation of County Budgets." *Journal of Homeland Security and Emergency Management* 6, no. 1 (January 10, 2009): 1–21. <https://doi.org/10.2202/1547-7355.1434>.
- LePore, Amy, ed. *The Future of Disaster Management in the U.S.: Rethinking Legislation, Policy, and Finance*. 1st ed. New York: Routledge, 2016.

- Lombardo, Kathy. *The SR 530 Landslide Commission Final Report*. Olympia, WA: Washington State Governor’s Office, 2014.
- Mittler, Elliot. *A Case Study of Florida's Emergency Management since Hurricane Andrew*. Green Bay, WI: National Science Foundation, University of Wisconsin—Green Bay National Science Foundation, University of Wisconsin, n.d.
- National Advisory Council on State and Local Budgeting and Government Finance Officers Association. *Recommended Budget Practices: A Framework for Improved State and Local Government Budgeting*. Chicago: Government Finance Officers Association, 1998.
- National Electrical Manufacturers Association. *2018 Biennial Report*. Arlington, VA: National Electrical Manufacturers Association, 2018.
- National Fire Protection Association. *NFPA 1600, Standard on Disaster/Emergency Management and Business Continuity Programs*. Quincy, MA: National Fire Protection Association, 2013.
- Nelson, Robert. *California Codes Government SB 88*. Mather, CA: Cal OES, n.d.
- Office of Financial Management. *A Guide to the Washington State Budget Process*. Olympia, WA: State of Washington, 2019.
- . “Per Capita Personal Income by County.” Accessed July 28, 2019.
<https://www.ofm.wa.gov/washington-data-research/statewide-data/washington-trends/economic-trends/washington-and-us-capita-personal-income/capita-personal-income-county>.
- . “Population Growth in Washington Remains Strong.” June 30, 2017.
<https://ofm.wa.gov/about/news/2017/06/population-growth-washington-remains-strong>.
- . “State & Local Government Revenue Sources.” Last updated February 3, 2020.
<https://www.ofm.wa.gov/washington-data-research/statewide-data/washington-trends/revenue-expenditures-trends/state-local-government-revenue-sources>.
- . “Total Population and Percent Change.” Accessed July 12, 2019.
<https://www.ofm.wa.gov/washington-data-research/statewide-data/washington-trends/population-changes/total-population-and-percent-change>.
- . “Unemployment Rates.” Accessed July 13, 2019.
<https://www.ofm.wa.gov/washington-data-research/statewide-data/washington-trends/economic-trends/unemployment-rates>.

- Office of Financial Management and Budget. *A Budget for America's Future, Budget of the U.S. Government*. Washington, DC: The White House, 2019.
<http://www.OMB.gov>.
- Public Health Improvement Partnership. *An Overview*. Olympia, WA: Washington State Department of Health, 2013.
- Qari, Shoukat H., David M. Abramson, Jane A. Kushma, and Paul K. Halverson. "Preparedness and Emergency Response Research Centers: Early Returns on Investment in Evidence-Based Public Health Systems Research." *Public Health Reports* 129, no. 6, supp. 14 (November 2014): 1–4.
<https://doi.org/10.1177/00333549141296S401>.
- Smith, Jaime. "Inslee and Lovick Form Joint 530 Landslide Commission." Washington State Governor's Office, July 25, 2014. <https://www.governor.wa.gov/news-media/inslee-and-lovick>.
- Smith, Torney. *Foundational Public Health Services Preliminary Cost Estimation Model Report 2013*. Tumwater, WA: Agenda for Change's Foundational Public Health Services Subgroup, 2013.
- State Fiscal Health Workgroup. *A Guide to Better State Budgeting Practices*. Denver, CO: National Conference State Budgeting Practices, 2016.
- State of California Press Release, Plus Media Solutions. "California: \$359 Million in New Funding Will Upgrade State's Transportation System and Pave Way for Economic Growth 10—Stockton." October 12, 2013.
- State of Washington. *RCW 38.52.100 Appropriations—Acceptance of Funds and Services*. Olympia, WA: State of Washington, 1984.
- . *Substitute Senate Bill 5296, 60th Legislature, 2007 Regular Session*. Olympia, WA: State of Washington, 2007.
- . *WAC 118-30-040 Responsibilities of Political Subdivisions*. Olympia, WA: State of Washington, 1986.
- . *WAC 118-30-050 Emergency Management Ordinance*. Olympia, WA: State of Washington, 1986.
- . *WAC 118-30-070 Program Papers*. Olympia, WA: State of Washington, 1986.
- . *Washington State Constitution*. Olympia, WA: State of Washington, 2016.
- State of Washington Revised Code of Washington. *RCW 38.52.020 Declaration of Policy and Purpose*. Olympia, WA: State of Washington, 2015.

- Task Force on Local Programs. *A Study of Emergency Management, Task Force on Local Programs*. Olympia, WA: Washington State Emergency Management Council, 2004.
- Voter Guide. *Proposition 1B—State Transportation and Infrastructure Bonds*. San Francisco, CA: San Francisco Bay Area Planning and Urban Research Association, 2006.
- Washington Emergency Management Division. *WA EMD HLS Regions*. Lakewood, WA: Washington Emergency Management Division, 2014.
- Washington State Association of Local Health Officials and Washington State Department of Health. *Service Delivery Demonstration Projects Year 1 Evaluation, Case Studies and Lesson Learned, BERK Consulting*. Seattle, WA: Washington State Association of Local Health Officials and Washington State Department of Health, 2019.
- Washington State Budget and Policy Center. *Building an Inclusive Economy*. Seattle, WA: Washington State Budget and Policy Center, 2017.
- Washington State Department of Health. *Public Health Modernization: A Plan to Rebuild and Modernize Washington Public Health System*. Olympia, WA: Washington State Department of Health, 2016.
- Washington State Emergency Management Division. *Washington State EMPG Distribution Spreadsheet*. Camp Murray, WA: Washington Military Department, 2019.
- . *Washington State SHSP Distribution Spreadsheet*. Camp Murray, WA: Washington Military Department, 2019.
- . *Washington State UASI Distribution Sheet*. Camp Murray, WA: Washington Military Department, 2019.
- Washington State Homeland Security Regions. *Washington State Training and Exercise Plan*. Lakewood, WA: Washington State Emergency Management Division, 2019.
- Washington State Revised Code of Washington. *RCW 38.08.020 Governor as Commander-In-Chief—Washington Military Department*. Olympia, WA: State of Washington, 1995.
- . *RCW 38.52.005 State Military Department to Administer Emergency Management Program*. Olympia, WA: State of Washington, 1995.
- Washington State Secretary of State. *Initiatives & Referenda in Washington State*. Olympia, WA: Washington State Secretary of State, 2017.

———. *State of Washington Voters Pamphlet, General Election*. Olympia, WA: Washington State Secretary of State, 2002.

Washington State Senate. *2018 Interim Committee Work Plans and Meeting Schedule*. Olympia, WA: Washington State Senate, 2018.

Yeager, Valerie A., David Hurst, and Nir Menachemi. “State Barriers to Appropriating Public Health Emergency Response Funds during the 2009 H1N1 Response.” *American Journal of Public Health* 105, no. S2 (April 2015): S274–S279. <https://doi.org/10.2105/AJPH.2014.302378>.

INITIAL DISTRIBUTION LIST

1. Defense Technical Information Center
Ft. Belvoir, Virginia
2. Dudley Knox Library
Naval Postgraduate School
Monterey, California