



ROBERT BENTLEY  
GOVERNOR

STATE OF ALABAMA  
**EMERGENCY MANAGEMENT AGENCY**

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ART FAULKNER  
DIRECTOR

March 31, 2015

The Honorable Arthur Orr, Chairman  
Finance and Taxation General Fund Committee  
Alabama State Senate  
Alabama State House  
11 South Union Street, Suite 730  
Montgomery, Alabama 36130-4600

Dear Senator Orr:

Thank you for the opportunity to provide information on a potential budget reduction to the Alabama Emergency Management Agency (AEMA) General Fund Budget for Fiscal Year 2016. The plan addresses potential reductions that least impact (1) our citizens, (2) municipal and county governments, and (3) state agency partners. As background, previous and ongoing cost cutting measures for the agency from January 2011 to present have resulted in an approximate reduction of \$4,274,000 (34.8%) from our ordinary operating expenses. If the Agency had continued on the same spending model as prior to FY2011, the increase to the State General Fund would have been approximately \$4,455,000 or 122.5%. It should also be noted, there was reduction of \$4.45 million in Federal Funds to the Agency and an additional reduction of approximately \$750,500 in FY2016. Even if level funding of the General Fund is possible in FY2016, this Agency will have a total reduction of \$5,024,500 (40.88%).

Attachment A is a spreadsheet that outlines the requested impact to the Agency's budget for a 15% and a 30% reduction. A 15% reduction of our FY2015 appropriation would be \$487,587.90 and a 30% reduction would be \$975,175.80. The attachment also breaks down the proposed by object code. While reduction of areas other than salaries and benefits would be optimal, it is not practical. Therefore a reduction in funding of salaries and benefits of approximately 47% would be required. In January of 2011, AEMA employed 106 full time employees. At the beginning of February 2015, this number had been reduced to 82 full time employees. This represented a reduction of salaries and benefits of approximately \$704,000 or 16.5%. The further reduction could result in an additional loss of 27 staff. Also, attachment B is a spreadsheet of FY210 and FY2014 funding for the Agency of expenses excluding disaster response. When reviewing historical appropriations for AEMA consideration should be given that the 2014 increase to the AEMA appropriation was a result of the AEMA and FEMA Match appropriation realignment.

A reduction of the Alabama Emergency Management Agency's budget will result in a direct impact to performance of our statutory duties. It will lead to consequences that place the lives of Alabamians and Alabama's first responders at great risk. The primary mission of the Alabama Emergency Management Agency is to coordinate emergency preparedness, response, and recovery

among state agencies, private, and private non-profit entities. The coordination among these entities have a direct coalition to helping save lives and protecting property during disasters. To adequately perform our duties the agency must continue to develop plans and exercise those plans with our federal, state and local partners. State public safety and first responder agencies carry out their respective statutory responsibilities daily, however, during times of crisis and disaster each agency has responsibilities under the Alabama Emergency Operations Plan (EOP). The role of the AEMA is to coordinate all aspects of the Emergency Operations Plan during a disaster. Also, part of the EOP is the activation of the State Emergency Operations Center, by the Governor. This activation requires adequately trained personnel that can coordinate the State's response. The agency has three responsibilities as defined in the Emergency Management Act of 1955. The agency is the only entity that has the ability to (1) provide timely and accurate multidiscipline disaster information to the leadership of the state, (2) provide a unity of response among all of the state response and recovery agencies (i.e. Alabama Law Enforcement Agency, Alabama National Guard, Alabama Department of Transportation, etc.), and (3) coordinate resources to the local area(s) as needed. Another responsibility is to coordinate with FEMA and other federal entities for resources and personnel needed from outside the state.

Since 2004, Alabama has been devastated by historic natural disasters. In 2004, Hurricane Ivan caused death and destruction statewide resulting in over \$500 million dollars in damage to public infrastructure and individual homes. In 2005, Alabama was struck by historic Hurricane Katrina creating the highest recorded flood levels in Mobile Bay and devastating the way of life for residents along the Gulf Coast of Alabama. In April of 2011, Alabama was again struck by a historic natural disaster. Over 60 tornados ravaged over 23,500 square miles state-wide killing 250 Alabamians and destroyed both public and private infrastructure in over forty-three counties.

Alabama has received millions of federal dollars as a result of these devastating events. These funds are used to repair, restore, and rebuild eligible infrastructure, remove and dispose of debris generated by storms. They have also been used to assist individual households and families. AEMA is responsible for coordinating all projects during the recovery of disasters and ensures every dollar of available disaster funding makes it to the state and local entities. Local and State entities must adhere to strict federal regulations and grant requirements which require extensive management and oversight by the Alabama Emergency Management Agency. AEMA serves as the vital link to manage recovery dollars in a very dynamic environment and assist entities in meeting requirements to receive eligible reimbursement for projects. Failure to assist with these projects has resulted in funds being repaid to the Federal government. State recovery staff are currently managing over \$216 million dollars to repair local government infrastructure. That money represents recovery projects from seven open disasters.

One final impact from a budget reduction is the impact to the State Hazard Mitigation program. This program utilizes federal funds to reduce or eliminate the risks and affects from natural disasters. This is a primary goal of the Federal Emergency Management Agency (FEMA). Through the Hazard Mitigation Grant Program (HMGP), FEMA makes dollars eligible to states prior to and following presidentially declared disasters. The HMGP grant program is administered by the Alabama Emergency Management Agency. The state has and continues to manage over \$175 million in mitigation funds (2004-present). Projects include buyout of properties within an identified flood plain, hardening of eligible structures, and providing public alert and notification systems. However, one of the most successful initiatives under this program has been the State

Safe Room Initiative. Following the 2011 tornado outbreak, the State was awarded over \$70 million dollars for the purpose of eligible mitigation measures. Governor Bentley prioritized over \$59 Million to install both community and individual safe rooms. To date, we have installed 4248 individual safe rooms and 131 community safe rooms throughout the state. These safe rooms have provided direct protection for tens of thousands of our citizens from the deadly effects of tornadoes. We currently have approved funding and plan to install 201 more community safe rooms providing protection for tens of thousands more citizens. A reduction in our budget as with infrastructure projects will threaten the loss of over \$41 million dollars in recovery grants. This loss will be due to lack of staff to manage the grants in accordance with Federal guidelines.

A federal requirement to be eligible to receive HMGP funds is to maintain a FEMA approved mitigation plan. A reduction in funds will reduce the staff required to participate in this program. Currently the state and all counties are participating in the HMG Program. Currently, 22 local (County) mitigation plans are under review. There are an additional 33 local plans that will expire within the year. If the state is not able to manage the grant program this will result in all 67 counties being excluded from being able to participate. Approximately all funding for this program is spent at the local level.

In conclusion, the leadership of this agency will continue to seek non-General Fund dollars to offset any reductions of funds. AEMA has no ability to generate new revenue. Any Budget Reduction Plan will adversely impact our ability to save lives and will risk financial impacts by the loss, or reduction of currently obligated federal recovery grants. The loss of funds and resulting loss of staff will impede our grant management responsibilities. The potential loss of \$290 million in current recovery dollars and the needed projects those dollars represent will have a negative impact to all of the citizens of Alabama. If additional staff reductions occur, the agency will not be able to adequately manage disaster recovery funds in future disasters, further the state will jeopardize our ability to apply for mitigation funds. Finally, this reduction will also be offset by a direct loss of administrative dollars to all 67 counties for their local Emergency Management Program.

Thank you for this opportunity. I stand ready to answer any questions or provide any additional information needed.

Sincerely,

A handwritten signature in black ink, appearing to read 'Art Faulkner', with a long horizontal flourish extending to the right.

Art Faulkner

Director

Cc: Seth Hammett  
Bill Newton  
Norris Green

		2015	15% reduction	Appropriation	30% reduction	Appropriation	Proposed % of Cut
Total 0311 Appropriation	2015 Level funding	3,250,586.00		2,762,998.10		2,275,410.20	
			<b>487,587.90</b>		<b>975,175.80</b>		
0100	Salaries	1,460,505.28	350,521.27	1,109,984.01	686,437.48	774,067.80	47%
0200	Fringe	593,469.38	136,497.96	456,971.42	278,930.61	314,538.77	47%
0300	IS Travel	6,191.00	-	6,191.00	1,238.20	4,952.80	20%
0400	OS Travel	6,000.00	570.00	5,430.00	1,200.00	4,800.00	20%
0500	Repairs	20,000.00		20,000.00		20,000.00	0%
0600	Rentals	15,000.00		15,000.00		15,000.00	0%
0700	Utilities	190,000.00		190,000.00		190,000.00	0%
0800	Services	300,000.00		300,000.00		300,000.00	0%
0900	Supplies	150,000.00		150,000.00	7,500.00	142,500.00	5%
1000	Auto Main	35,000.00		35,000.00		35,000.00	0%
1100	Grants	474,420.89		474,420.89		474,420.89	0%
1200	Capital Outlay	-		-		-	
1300	Auto Purc	-		-		-	
1400	Assets	-		-		-	
1500	Debt Mang	-		-		-	
1600	Misc.	-		-		-	

This represents a plan to implement the reduction by reduction in staff and elimination of raises.

<b>General Fund</b>	2010	2014	2010 SAV	2010 % of Savings
personnel	1,617,854.35	1,982,065.31	(364,210.96)	-22.51%
benefits	607,579.70	756,607.18	(149,027.48)	-24.53%
travel is	45,878.20	40,000.00	5,878.20	12.81%
travel os	17,064.11	14,000.00	3,064.11	17.96%
repairs	28,362.42	30,000.00	(1,637.58)	-5.77%
rentals	140,082.05	45,000.00	95,082.05	67.88%
utilities	217,205.80	238,000.00	(20,794.20)	-9.57%
services	107,354.11	339,000.00	(231,645.89)	-215.78%
supplies	423,159.25	255,495.51	167,663.74	39.62%
transportation	39,899.42	85,600.00	(45,700.58)	-114.54%
capital out	-	5,000.00	(5,000.00)	0.00%
trans purch	142,830.00	28,000.00	114,830.00	80.40%
other equip	250,248.61	-	250,248.61	100.00%
<b>total GF</b>	<b>3,637,518.02</b>	<b>3,818,768.00</b>	<b>- (181,249.98)</b>	<b>-4.98%</b>

**Non General Fund**

personnel	3,058,695.36	2,128,421.62	930,273.74	30.41%
benefits	1,128,754.61	841,382.60	287,372.01	25.46%
travel is	203,744.58	49,078.25	154,666.33	75.91%
travel os	50,337.00	45,409.27	4,927.73	9.79%
repairs	363,580.02	39,181.61	324,398.41	89.22%
rentals	246,754.05	107,999.01	138,755.04	56.23%
utilities	717,716.26	378,438.87	339,277.39	47.27%
services	1,436,590.51	171,775.83	1,264,814.68	88.04%
supplies	730,978.15	263,996.42	466,981.73	63.88%
transportation	72,452.54	106,578.14	(34,125.60)	-47.10%
capital out	125,000.00	11,119.56	113,880.44	91.10%
trans purch	151,301.00	-	151,301.00	100.00%
other equip	366,644.78	53,417.94	313,226.84	85.43%
<b>total fed fund</b>	<b>8,652,548.86</b>	<b>4,196,799.12</b>	<b>- 4,455,749.74</b>	<b>51.50%</b>

**TOTAL Funding**

	2010	2014	2010 SAV		
personnel	4,676,549.71	4,110,486.93	-	566,062.78	12.10%
benefits	1,736,334.31	1,597,989.78	-	138,344.53	7.97%
travel is	249,622.78	89,078.25	-	160,544.53	64.31%
travel os	67,401.11	59,409.27	-	7,991.84	11.86%
repairs	391,942.44	69,181.61	-	322,760.83	82.35%
rentals	386,836.10	152,999.01	-	233,837.09	60.45%
utilities	934,922.06	616,438.87	-	318,483.19	34.07%
services	1,543,944.62	510,775.83	-	1,033,168.79	66.92%
supplies	1,154,137.40	519,491.93	-	634,645.47	54.99%
transportation	112,351.96	192,178.14	-	(79,826.18)	-71.05%
capital out	125,000.00	16,119.56	-	108,880.44	87.10%
trans purch	294,131.00	28,000.00	-	266,131.00	90.48%
other equip	616,893.39	53,417.94	-	563,475.45	91.34%
<b>total fed fund</b>	<b>12,290,066.88</b>	<b>8,015,567.12</b>	<b>-</b>	<b>4,274,499.76</b>	<b>34.78%</b>