

INDIANA DEPARTMENT OF HOMELAND SECURITY



IDHS recently issued guidance about a change in funding structure to support the salaries of local county emergency managers through the federal EMPG program. The information included in this memo provides clarity and transparency about the foundation for this change and how it will impact emergency management funding moving forward.

The EMA Personnel Project

Since 2009, the EMA Personnel Project has supported 50 percent of the annual salary and fringe benefits for up to three (3) full-time positions per county, or any combination of these three positions (i.e. one full time director, two part-time deputy directors, and one full-time administrative assistant). This program reimburses salary costs for the full, previous calendar year and requires a 1:1 match in funding by the county.

Indiana has increased the Personnel Project allotment in the state's application, based on estimations for EMA salaries. The counties set the salary level for each county emergency manager, and Indiana EMA salaries vary widely. As a result, it has become increasingly difficult for IDHS to accurately predict in its application to FEMA for EMPG funds to support salaries and local resiliency projects that align with the THIRA and SPR guidelines. FEMA requires a comprehensive plan for the dollars, and Indiana strives to spend those grant dollars effectively. This amounts to more than \$3 million annually for salary reimbursements alone.

The chart below shows these allocations for the past six years. The total EMPG award stayed steady while this 50-percent reimbursement model for Indiana saw regular increases in the amount requested. It has become clear this method is not sustainable, especially given the expectation of future federal funding being constricted due to the COVID-19 response.

Year	Total Federal Award	Amount Awarded to Counties for Salaries	Percentage of Total Federal Award Dedicated to Salaries	Amount Reimbursed to Counties for Salaries
2020	\$6,984,140.00	\$3,000,000.00	43%	n/a
2019	\$6,873,938.00	\$3,167,732.12	46%	n/a
2018	\$6,874,800.00	\$3,204,846.27	47%	\$3,044,936.79
2017	\$6,885,903.00	\$2,850,114.64	41%	\$2,846,490.42
2016	\$6,898,846.00	\$2,743,221.25	40%	\$2,743,221.25
2015	\$6,916,945.00	\$2,631,651.87	38%	\$2,631,651.87

What is changing for FY2020?

To provide better equity in how these funds are distributed and more opportunities for high-need counties to benefit from this grant, IDHS has implemented a tier-based system for funding, using a formula primarily based on county population. EMAs will be able to request, based on their funding tier, dollars toward a maximum of 50 percent of the annual salary expenditures for up to three (3) full-time positions, as in previous years.

2010 Census Population	Number of Counties	Funding Tier
Less than 25,000	30	may request up to \$18,000
25,000 to 75,000	42	may request up to \$30,000
75,000 to 200,000	15	may request up to \$55,000
Greater than 200,000	5	may request up to \$75,000

*2020 Census data will be used once available.

Developing a funding formula

In FEMA Region 5, all states use a formula of some type to determine how funding will be distributed. Only one other Region 5 state specifically funds salaries, and four of the five other states use a model including population as a focus. Dollars set aside by states in the region fall between 27 and 67 percent of states' federal award, with the average near 52 percent. Indiana is the only Region 5 state with no general fund support of the state-level emergency management function— as a result, EMPG funding is critical to supporting the IDHS coordination and capabilities related to emergency response activities. EMPG allows the state to prepare, train, and exercise first responders, as well as to equip Indiana to respond to all hazards, including the current COVID-19 pandemic.

In revising Indiana's funding formula, the Grants Management team averaged four years of county salary reimbursement data (2015-2018). When taking county matching dollars into consideration, the tiers ensure each county could support a full-time emergency management professional with a minimum salary of \$36,000. The agency explored a more direct per capita formula; however, this would have resulted in 54 of the Indiana counties receiving less than \$18,000 per year

IDHS determined the 2020 budget request for the EMA Personnel Project based on actual reimbursements for 2018—what the state actually paid out to counties for 2018. With a finite award amount to work with, developing a plan based on actual expenditures was vital. Similarly, while this year's allocation presented a small reduction in overall spending, the percentage allocated continues to be in line with allocations from previous years. Also, this formula negatively impacts the fewest counties possible.

Next Steps

This necessary change in funding structure will impact counties differently, clearly. Counties observe a variety of different fiscal cycles, and there is no good time to implement these changes. However, the anticipated funding climate and increasing difficulties of supporting the emergency management function in this fashion make this adjustment necessary at this time.

IDHS is committed to increasing the preparedness and resiliency of counties in as many ways as possible. These EMPG dollars will only stretch so far, and funding solutions (for both IDHS and each county) will continue to be a challenge moving forward. The Grants team remains available for all emergency managers and local leaders to help explore future funding possibilities, at the state and federal level.

IDHS Grants Management

For more information, submit a [Grants Support Ticket](#).

