

<p style="text-align: center;">Federal Funds Department of Emergency and Military Affairs Program Summary</p>
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Program Overview

As the state agency responsible for the Arizona National Guard and coordinating the state emergency response, the Department of Emergency and Military Affairs (DEMA) receives and expends a significant amount of Federal Funds. These grants cover costs associated with salary, facility maintenance, planning, preparedness, and mitigation.

Background

DEMA receives Federal Funds to help offset the costs of the Arizona National Guard and to prepare for emergencies.

The Arizona National Guard, which is divided into an Army and Air Force branch, is a reserve fighting force that can be called to active duty by either the President or the Governor. When not called to active duty, the Arizona National Guard is controlled by the Governor through the Adjutant General, a gubernatorial appointee. Though largely controlled by the state, the Arizona National Guard is predominately federally funded with only 3.4% of total FY 2016 expenditures derived from state funds. As of May 2016, there were approximately 7,800 members of the Arizona National Guard with 5,300 of them belonging to the Army and 2,500 to the Air Force.

DEMA also oversees the State Emergency Response and Recovery Plan which provides a framework for state, local, and federal governmental entities to coordinate efforts to prepare for and handle emergencies or disasters. As a result, a large portion of federal monies for emergency mitigation and preparedness flow through or to DEMA.

Program Funding

The federal money that DEMA receives can be divided into 2 categories: Military and Emergency funding. In FY 2016, DEMA received a total of \$52,653,000 in federal funding, including \$41,136,900 for military purposes and \$11,516,100 for emergencies.

Military

DEMA received a total of \$41,136,900 in Federal Funds in FY 2016 for military purposes. DEMA receives military funds from awards and fees paid for services. The vast majority of Federal Funds received by DEMA are National Guard Military Operations and Maintenance Projects grants which provide funding for salaries, supplies and materials, maintenance of equipment, certain equipment items, real property maintenance, rental of equipment and facilities, food, clothing, and fuel. The grants can be non-matching or require a 25% or 50% match depending on the purpose, but DEMA does not always pay the full amount. DEMA only pays a 5% match for grants that are utilized by the 162nd Wing of the Air National Guard, for example, as other foreign air forces share utilization of the unit's Tucson facilities and pay the remaining 20% match.

In FY 2016, DEMA was awarded \$28,891,000 in National Guard Military Operations and Maintenance Projects monies. Of this amount, \$1,492,400 required a 50% match, or \$746,200; \$3,204,000 required a 25% match, or \$801,000; and \$3,456,000 required a 5% match, or \$172,800, for a total required match of \$1,720,000.

In FY 2016, DEMA utilized \$528,300 from their FY 2015 state match appropriation in addition to the \$215,000 FY 2016 state match appropriation and \$230,000 in one-time vacancy savings from the Military Affairs appropriation for total available resources of \$973,300. In order to provide an adequate match, the FY 2017 budget provided an FY 2016 supplemental of \$746,700 in General Fund monies to meet the full FY 2016 state match need.

DEMA also receives federal grants for the Military Construction program, which provide one-time monies for the acquisition of facilities that are necessary for the training and administration of the National Guard. These facilities can include armories for offices, storage, assembly areas, rifle ranges, and classrooms and for non-armory facilities

that facilitate supply, training, and administration. The Arizona National Guard was awarded \$40,500 in FY 2016 and \$11,800 in FY 2015 as part of a multi-year award for the construction of 5 readiness centers across the state.

Apart from grants, DEMA receives federal monies for the storage of various materials belonging to the Air Force, Navy, Royal Air Force (United Kingdom), Singapore Peace Vanguard, and other Department of Defense sponsored entities at Camp Navajo in Bellemont, Arizona. Camp Navajo is a storage and training facility that was transferred from the Department of Defense to the Arizona National Guard in 1993 as part of the Base Realignment and Closure program. Camp Navajo is currently the only National Guard facility in the country to store equipment that is subject to the terms of the New START nuclear arms treaty between Russia and the United States. Examples of the kind of materials stored at Camp Navajo include missile engines, grain, munitions, and other supplies for training. The storage facilities at the Camp include cement bunkers and large open area warehouses.

DEMA charges users of the facility a monthly fee based on the amount and type of space that is utilized. In FY 2016, revenue from storage totaled \$12,245,900 and is estimated to total \$16,867,500 in FY 2017. These monies are then utilized for the operational costs of the Camp. Laws 2015, Chapters 12 and 208, however, allow DEMA to utilize Camp Navajo Fund monies for the operation and maintenance of National Guard facilities after all budgeted costs of Camp Navajo are met.

Emergency

DEMA received a total of \$11,516,100 in federal monies in FY 2016 for emergency purposes. The largest emergency grant received by DEMA is the Emergency Management Performance Grant. This grant provides monies that DEMA either expends or passes on to local governments for planning, training, and other preparation for natural disasters and other emergencies. In FY 2016, DEMA received \$7,033,400 for the Emergency Management Performance Grant which included an estimated \$4,045,300 distribution to local governments. In FY 2016, the match was funded by \$729,500 from the General Fund operating budget appropriation, \$1,540,900 from the Emergency Management Matching Funds line item appropriation, \$717,700 of the Nuclear Emergency Management Fund appropriation, and \$4,045,300 from the local government sub-recipients.

Another grant category which DEMA receives monies from is the State Homeland Security Grant Program. The Arizona Department of Homeland Security receives these funds from the federal government and then distributes them to counties, who in turn contract with DEMA for first responder training. In FY 2016, DEMA received \$649,400 in State Homeland Security Grants monies for their first responder training classes.

To help prevent disasters, DEMA also receives Federal Funds from the Hazard Mitigation Grant Program, Pre-Disaster Mitigation Grant, and Flood Mitigation Assistance. In FY 2016, these grants are estimated to total \$2,744,700 including \$1,448,300 for Flood Mitigation Assistance, \$154,600 for Hazard Mitigation, and \$1,141,800 for Pre-Disaster Mitigation. Although the monies for these programs are federal, DEMA administers the programs for the state and passes monies to eligible local governments while retaining less than 3% for administrative costs. Each of these grants has a matching requirement of not more than 25% which must be funded by the local government recipient. The specific purpose of each grant is outlined below:

- Flood Mitigation Assistance – Provides funding to state and local governments for projects that will reduce or eliminate the long-term risk of flood damage to structures insured under the National Flood Insurance Program.
- Hazard Mitigation Grant – Monies for the mitigation of hazards to communities following a Presidential major disaster declaration.
- Pre-Disaster Mitigation – Funding for projects that reduce the overall risk to the population and structures from future hazard events while also reducing reliance on federal funding in future disasters.

Some examples of mitigation projects that would be eligible for funding under all of these grants would include structure elevation, property acquisition and demolition or relocation, soil stabilization, and retrofitting of existing structures.

A final category of federal grant that DEMA receives is the Disaster Grant. These monies are restricted to Presidentially-declared disasters or emergencies and can be used for the removal of wreckage or debris, emergency protective measures, emergency transportation, emergency communications, and the permanent restoration of public facilities or infrastructure. In FY 2016, DEMA is estimated to receive \$2,225,600 from this grant program with all but approximately 3% for administrative costs being distributed to local governments. The matching requirement for this grant is 25% of the grant amount which is 60% funded by local governments and 40% funded from the Governor's Emergency Fund.