

Proposal to Merge the Department of Homeland Security and the Department of Public
Safety
10-7-2010

Please address the following:

- 1) What was the total amount of the agency's appropriation reduction from fiscal 2010 for fiscal year 2011? How is the reduction budgeted in each program of the agency, by expenditure category? How will the reduction affect program delivery and services?

Answer: The total amount of the agency's appropriation reduction from fiscal 2010 per Executive Order 2009-044 is (\$16.6) in Contractual Services and (\$150.0) in Grants to Organizations for a total reduction of (\$166.6). The DHSEM budget for FY10 was further reduced by (\$28.6) per Executive Order 2009-044 Furloughs. The adjusted general fund operating budget in FY10 was \$3,165.4.

In FY11 the General Fund Appropriation per HB2 is \$2,802.0. Per HB2 Section 14, the general fund reduction is 3.2% or (\$47.3) in personal services and employee benefits and (\$43.6) in other costs for a total reduction of (\$90.9). The adjusted general fund operating budget in FY11 is \$2,711.1.

DHSEM is funded only in part by the State general fund. The funding through appropriations covers salaries and some operating costs such as utilities. The only program that is fully funded by the state is Operation Safe border. The reduction will affect the program delivery and services by reducing safe border efforts.

- 2) What options have been explored or are under consideration by your agency to become more efficient and cost-effective in the face of a continuing decline in revenue? Please report all possible options, including programmatic, fiscal and contractual modifications. For example: (a) what technological changes could be instituted to make the agency more effective and efficient? (b) Can changes be made to the agency's procurement/contracting services to save money? (c) Is a program outdated and can a major, or minor, overhaul of that program create a more efficient and effective state government? (d) Is the program better suited to another governmental level (e.g., municipalities, counties, school districts) or is it a program that should not be provided by the public sector? (e) Could the services be provided more effectively by another state agency? (f) Can some of the programs be consolidated with others to save on administrative costs? (g) Is there a new revenue source that should be examined for a program?

Answer: As stated In question (1) DHSEM has a small state appropriated budget. The agency has exercised the usual options to reduce costs such as minimizing travel, supplies, etc that require state funding. In addition employee schedules have been reviewed to eliminate any unnecessary overhead.

- (a) The agency IT program has been diligent in identifying cost saving measures such as reducing wireless services and computer replacement/maintenance costs. Additionally IT provides internet usage reports to management personnel to ensure maximized efficiency for the staff.
- (b) None identified
- (c) The programs managed by DHSEM mirror the federal programs under the Federal Emergency Management Agency (FEMA). These programs are continually reviewed nationally and are modified to meet the ever changing landscape of protecting life and property.
- (d) No, the support programs aid all 33 counties and their municipalities. An effective emergency management program has to be unattached from the disaster. Funding from the federal government is administered by DHSEM therefore can only be fairly distributed by a separate unbiased entity.
- (e) Nationally more than 65% of the states have adopted a stand alone Emergency Management Department. (Data courtesy of the National Emergency Management Association (NEMA)). This model mirrors the philosophy the federal Department of Homeland Security (DHS) has demonstrated as an effective structure. FEMA is a peer/sister department to the law enforcement programs such as the FBI, ICE and CBP.
- (f) The programs under the agency were carefully structured to have all the ties and linkages to be robust and efficient. An alternative merger that solidifies the model of Emergency Management and Preparedness would be to move the following programs to DHSEM. This would make for an overall improved response capability for New Mexico. These are:
 - *The Bureau of Emergency Health Management of the Department of Health
 - *The State Fire Marshal's Office of the PRC
 - *The Radio Communications Bureau of DOIT
 - *The Fire suppression unit of the Department of Energy and Minerals
 - *The Search and Rescue program of the Department of Public Safety.
 - *The E-911 program from the DFA
- (g) Unknown

3) When listing options, please include a brief discussion of the following.

- (a) Does the option require legislative action to enact, amend or repeal a statute?
- (b) Does the option result in an increase or decrease in FTE's?
- (c) What are the fiscal implications, including both costs and potential savings? Are the costs or savings reoccurring?
- (d) How would the option be implemented? What are the obstacles to implementing this option?
- (e) Has this option been tried before? If so what was the result?

- Answer:** (a) Yes, all recommended programs are currently attached by statute.
(b) More research would be required.
(c) In theory the resources available to DHSEM could be used to offset costs to these programs. Additionally any current cost to house these programs could be saved by physically moving them to the DHSEM owned facility located on Nation Guard property.
(d) Currently DHSEM works closely with all the identified programs and has a high degree of familiarity with the operations. Obstacles are unknown.
(e) This has not been tried in New Mexico but is the current structure in many states. From peer feedback in other states, the structure makes for quicker and a more coordinated response capability.

Background Information:

Two fundamental problems with merging DHSEM:

- 1) DHSEM focus is response and preparation to an emergency regardless of the cause. The agency also is the States coordinating entity during a disaster. DHSEM coordinates resources, local, State and Federal, to effectively respond to the incident. These resources are Fire, EMS, National Guard, Law enforcement and national assets. DPS is one of the many assets utilized. An inherent problem with coordination of a multi jurisdiction response by a law enforcement agency is that territorial battles ensue and unlike agencies (fire, EMS, National Guard, etc) sometime so not blend well because of the difference in missions.
- 2) DPS has a mission that is clearly law enforcement. Response to non law enforcement incidents is not within their scope.
- 3) Financial management (federal funding, grant and disaster) is more timely and effective out of a smaller more nimble organization. DHSEM is current with regard to Federal grant close out and reporting for all grants programs beginning with the creation of the agency (DHSEM) the grant programs managed under the Department of Public Safety (prior to 2007) have yet to be completely reconciled. This speaks to the efficiencies gained after the separation. This is a direct impact to funding for New Mexico as well as a negative impact to the local programs the agency supports. The New Mexico State Police is one of many law enforcement programs funded by Federal Homeland Security Grants. Today this is a competitive process that places local jurisdictions and State Police as equal applicants. If this merger was enacted, DPS becomes the funding agency. Therefore placing local law enforcement programs at a disadvantage.

- 4) DHSEM hasn't grown significantly since its creation. In July 2007 the agency headcount was 56. Today it stands at 62 and can grow by up to 200 more during a deployment of New Mexico Task Force One. The additional headcount were vacant during the July 07 timeframe. The agency operates with a leadership of a Cabinet Secretary and a Deputy Secretary. DHSEM has elected to not hire Division Directors or a tribal Liaison. All programs are managed by classified Bureau Chiefs. We currently have 12 vacant positions.

SUMMARY:

If the goals for a merger are cost savings and efficiency gains then this merger will take the state backwards. The cost saving at best would be less than 5 FTE's. From an efficiency perspective as mentioned earlier the disaster and intelligence programs will become less efficient.

Attached are many letters from local law enforcement, fire departments, Emergency management programs and municipalities. We are continuing to receive these daily. All the letters have a similar theme and that is strong opposition to a merger. Additionally our Federal partners have expressed serious concerns. Unfortunately they cannot get involved in state politics. The FBI, Customs and Border Protection and the US Military are very concerned that the strong working relationship they have with this agency will disconnect if a merger takes place. Their relationship with other Law Enforcement agencies such as DPS is very different than what they have with DHSEM as an equal partner as a support agency.

The letters of opposition breakdown is as follows:

Law Enforcement – 3 letters

Fire Departments – 5

Associations (NM Firefighters and NM Emergency Managers) – 2

County Programs – 10

Misc. Jurisdictions – 5

There is a common theme with most of the letters that refers to other options. Below are other available options that create better efficiency.

If New Mexico is serious about efficiency gains we need to steer away from merging agencies that have different functions and missions. DHSEM and DPS have an extremely good working relationship however; the missions are so different that a “marriage” of the agencies would severally impact local programs.

Recommendations for true efficiency gains would be;

An alternative merger that solidifies the model of Emergency Management and Preparedness as well as reducing redundancy would be to join and place under DHSEM the following:

E-911 program from DFA

State Radio Bureau from DOIT

The Bureau of Emergency Health Management from DOH

The fire suppression component of NMENRD

The State Fire Marshal Division of the PRC

The Search and Rescue program from DPS

