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FISCAL IMPACT REPORT

ORIGINAL DATE 01/27/10

SPONSOR Park LAST UPDATED _____ HB 95

Merge Homeland Security & Public Safety

SHORT TITLE Committee SB _____

ANALYST Weber

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		-\$640.0		-\$640.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

State Personnel Office (SPO)

Department of Homeland Security and Emergency Management (DHSEM)

Department of Public Safety (DPS)

No Responses From

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

House Bill 95 reintegrates the Department of Homeland Security and Emergency Management back into the Department of Public Safety. DHSEM, currently a cabinet level agency is incorporated into DPS as a division or program. This action undoes Laws 2007 Chapter 291 that did just the opposite; create DHSEM from a program at DPS. The bill delineates the following purpose and duties of the program when back at DPS.

The homeland security and emergency management division shall consist of functions formerly exercised by the homeland security and emergency management department, including:

(1) coordinating the homeland security and emergency management efforts of all state and local government agencies, as well as enlisting cooperation from private entities such as health care providers;

(2) applying for and accepting federal funds for homeland security, administering the funds and developing criteria to allocate grants to local governments, tribes, state agencies and other qualified entities;

(3) acting as a liaison between federal, state and local agencies to effect the improved sharing of counterterrorism intelligence;

(4) providing information to the general public and to private businesses that is essential to ensuring their safety and security and providing the governor with timely information relating to emergencies, disasters and acts of terrorism or terrorist threats;

(5) establishing security standards for state facilities and for protection of their occupants and developing plans for the continuity of state government operations in the event of a threat or act of terrorism or other natural or man-made disaster;

(6) identifying the state's critical infrastructures and assisting public and private entities with developing plans and procedures designed to implement the protective actions necessary to continue operations;

(7) coordinating state agency and local government plans for prevention, preparedness and response with a focus on an all-hazards approach;

(8) coordinating law enforcement counterterrorism prevention, preparedness and response training on a statewide basis, including training for emergency responders, government officials, health care providers and others as appropriate;

(9) working with emergency response and emergency management programs and providing assistance in developing and conducting terrorism response exercises for emergency responders, government officials, health care providers and others;

(10) coordinating law enforcement's and emergency responders' response to an act of terrorism or a terrorist threat;

(11) developing and maintaining a statewide plan and strategy to manage and allocate federal grant funds required to provide the state's emergency response community with the equipment necessary to respond to an act of terrorism involving a weapon of mass destruction; and

(12) performing such other duties relating to homeland security as may be assigned by the governor or the secretary."

These 12 items represent an expansion of duties compared to what is currently noted in Section 9-28-1 through 9-28-1 NMSA 1978.

In addition HB 95 changes other statutory references to DHSEM as an independent agency to a DPS program.

FISCAL IMPLICATIONS

The following table tracks the appropriations from the general fund from FY07 through FY10 for DHSEM. In FY07 and FY08 DHSEM was a program at DPS and for the other two years operated as independent agency 795 with a separate budget.

YEAR	Total General Fund	General Fund in Personal Services	General Fund in Other	FTE
FY07 DPS Program	\$1,321.5	\$1,071.0	\$215.1	16 PERM- 31 TERM
FY08 DPS Program	\$2,880.7	\$1,570.5	\$1,229.8	20 PERM 40 PERM
FY09 Agency 795	\$3,698.2	\$2,253.4	\$1,332.6	23 PERM 41 TERM
FY10 * Agency 795	\$3,332.5	\$1,811.1	\$1,423.3	22 PERM 56 TERM

These are the appropriated amounts in the respective GAA which could vary from the actual after budget adjustments.

* For FY10 Executive Order 2009-044 reduced the appropriation from the general fund by an addition \$166.6 thousand for a final net total of \$3,161.9.

For FY08 \$250 thousand from the general fund is included in the personal services category to help support the transition from a program to an agency. Also, \$1 million is included in the other category for pass through to local law enforcement agencies to help with border enforcement issues. This \$1 million has essentially survived the budget reductions of the past two years.

If the consolidation allows return to the FY07 appropriation from the general fund level the anticipated saving is the difference from the adjusted FY10 level of \$3,161.9 and the FY07 DPS program level of \$1,321.5, or \$1,840.4 savings. However, \$1 million of border pass-thru funds are included in this making the net difference no more than \$840.4 thousand unless the border funds are eliminated. Allowing for an estimated 12 percent pay increase over these years the net saving is approximately \$640 thousand.

SIGNIFICANT ISSUES

SPO offers the following assistance to DPS to analyze human resource needs..

A thorough Human Capital study by the State Personnel Office entailing further in-depth analysis is required to identify specific savings from this merger, including a detailed review of position functions to pinpoint where and why duplications exist; how bureaus and sections can be combined to provide the utmost efficiency; organizational alignment and job measurement. The State Personnel Office would be able to assist the DPS to analyze and establish appropriate staffing and an effective organizational structure prior to the merger.

DHSEM notes what may be a conflict of mission in the event the agencies are re-combined.

The mission of DHSEM, as the central primary coordinating agency for the state and its political subdivisions, is to consolidate and coordinate emergency management functions to provide comprehensive and coordinated preparedness, mitigation, prevention, protection, response and recovery for emergencies and disasters, regardless of cause. The agency is also the conduit for federal assistance and cooperation in response to emergencies, disasters and acts or threats of terrorism. The agency not only deals with sister state agencies and local jurisdictions, but is the State Coordinator with FEMA during a National emergency or a Presidentially declared disaster under the Stafford act.

Additionally, the New Mexico All Source Intelligence Center is housed within the DHSEM. Participation in this program by law enforcement agencies including federal agencies has been successful due to DHSEM being unaffiliated with a specific law enforcement entity and not being a party to active criminal investigations.

The Department of Public Safety's (DPS) mission is to be the State's law enforcement agency. The DPS role in a disaster or emergency is to enforce laws and protect the public as needed.

The National Emergency Management Association (NEMA) has recognized that to be an effective coordinator of emergency resources, an agency must be able to pull from all the available assets including for example; the New Mexico National Guard, the New Mexico State Police, New Mexico Department of Health, Energy Minerals Natural Resource Department or the New Mexico Department of Transportation.

Because these DHSEM and DPS have different missions during disasters or emergencies, it is unclear if the merger would benefit or hinder the effectiveness a disaster or emergency response.

DPS offers an identical sentiment.

MW/svb